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Contents

COMMODITY DERIVATIVE MARKETS IN INDIA - THE MAJOR TRENDS, ISSUES AND CHALLENGES

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ABSTRACT

The commodity derivative markets in India have been in existence in one form or the other for more than a century. Commodity derivative markets have conventionally been a controversial issue at various policy discussions across the globe, particularly with the embarrassing situation created by allegations from various corners that they promote extreme speculation and are therefore responsible for the recent commodity price acceleration. In recent years these restrictions have been removed for the smooth functioning of commodity trading. The commodities include in Indian Commodity Derivatives market are bullion (gold, silver), energy (natural gas, crude oil), non-ferrous (base) metals (copper, zinc, nickel, lead, aluminium, tin), and agricultural commodities such as soya oil, palm oil, coffee, pepper and cashew. Vibrant, active, liquid, and transparent commodity markets characterize developed economies. India is well placed to acquire such a commodity market.

The present paper is an attempt to study the evolution of Indian derivative market, trading methods and mechanism in its various products and the future scenario and challenges of the Indian Commodity Derivative market. The issue of expanding the scope of commodity derivative trading is apparently normative and value judgmental.

INTRODUCTION

India, a commodity based economy where two-third of the 1.2 billion population depends on agricultural commodities, astonishingly has an underdeveloped commodity market. Contrast to the physical market, futures markets trades in commodity are largely used as risk management (hedging) mechanism on either physical commodity itself or open positions in commodity stock. A commodity is any physical substance, such as food, grains, and metals, which is interchangeable with another product of the same type, and which investors buy or sell, usually through futures contracts. The term is sometimes used more generally to include any product which trades on a commodity exchange; this would also include foreign currencies and financial instruments and indexes. The price of the commodity is subject to supply and demand factors. Risk is actually the reason exchange trading of the basic agricultural products began. For example, a farmer risks the cost of producing a product ready for market at some time in the future because he doesn't know what the selling price will be. A speculator can pay the farmer or anyone else producing commodities because the speculator wants to make a profit. This is called trading in futures.

Commodity derivatives have achieved one of the fastest growth rates, probably the highest among any other developmental initiatives undertaken either in agricultural sector or in financial sector of a developing economy like India. But certainly this achievement is not just erecting a castle in air. Reasons are deep-rooted. Indian traders have century old experiences in trading commodity derivatives. Permitting commodity exchanges to set up an anonymous electronic trading platform accessible across the nation has given all the required mileage for commodity trading to scale new heights.

Evolution and Outlines of Commodity Derivatives market

The origin of commodity derivatives markets dates as far as back to the 17th century, when they were informally established in Amsterdam and centered on the trade in Tulips. The modern form, however, came into existence in the 19th century, inter alia, in London, Chicago and New York. Notwithstanding the fact that India is considered a pioneer in some forms of derivatives in commodities, commodity derivatives market in India has had a turbulent history. The first ever organized derivatives market evolved with the setting up of Bombay Cotton Trade Association Ltd., in 1875. With the enactment of Defense of India Act- 1935, however, the market was subjected to restriction/ prohibition from time to time, owing to the apprehensions of speculation in times of scarcity. After independence, the market received a fillip with the enactment of Forward Contracts Regulation Act (FCRA) in December 1952. The derivatives markets, which were once vibrant and attracted huge trading volumes in commodities, particularly, cotton, oilseeds, bullion and jute were either suspended or prohibited during 1960s and 1970s. Concomitantly, the revival of this industry in India had a slow and shaky start. It began with the setting up of the Dantwala Committee (1966) and subsequently, the Khusro Committee (June 1980). In the post reforms era, accepting partially the recommendations of Kabra Committee (1993), the Government of India permitted derivatives trading in large number of commodities. A number of initiatives were also undertaken subsequently to decontrol and develop the forward markets in commodities. There are presently 21 regional exchanges in the country.

OBJECTIVES OF THE STUDY

1. To study the performance of commodity markets in India.

2. To study the issues and concerns of commodity derivative markets in India.
3. To trace the challenges of commodity derivatives markets in India.
4. To understand the derivatives and derivative markets in India and the world.

REVIEW OF LITERATURE

In the literature, researches attempted to compare the impact of derivatives markets in comparison to buffer stock schemes that had been favoured since 1930s and highlighted that derivatives markets offered a more effective and welfare raising method of dealing with price volatility. Cox (1976) finds that in many markets, forward trading is stabilizing whereas Figlewski (1981) and Simpson and Ireland (1985) conclude that opposite is true. By taking a position in the derivatives market, the producer can potentially offset losses in the spot market. However, with regard to the stabilization effect of futures trading on the spot prices, the evidence is mixed. . According to Turnovsky and Campbell (1985), since forward markets reduce the price risk of holding inventories, larger inventories are held and prices tend to stabilize as a consequence. Kawai (1983) shown that when the storage is subject to shocks, increased storage can destabilize prices. It is also revealed that risk reduction encourages producers to undertake more risky investment projects, and risky investment destabilizes spot prices.

Newbery (1990) observes that since forward markets reduce risk, they encourage fringe firms to supply more output and thus, reduce the spot price. Furthermore, forward markets concentrate trading in one location and reduce information and other transaction costs, which can also lower prices. Netz (1995) and Morgan (1999) concluded that the level of inventories held in the spot market will be determined by the basis3 and will ensure a more efficient process of private storage, which in turn, ensures a smoother pattern of prices in the spot market.

RESEARCH METHODOLOGY

The main research method was a qualitative research by analyzing the data of stock exchanges and annual reports. The access to the data and the information for analysis is obtained in documented form and the data is predominantly secondary in nature. The main sources of information are: (i) Records of Companies (ii) Records of Income Tax Act, 1961 [Section 2(1A)]; (iii) Records of Industry iv) Books, journals, e-journals, periodicals and other published data and information.

Data Analysis

Despite a long history of commodity markets, the Indian commodity markets remained underdeveloped, partially due to intermediate ban on commodity trading and more due to the policy interventions by the government. Being agriculture-based economy, commodity markets play a vital role in the economic development of the country. While the agricultural liberalization has paved way for commodity trading, India has to still go a long way in achieving the benefits of commodity markets. Towards the development of the commodity markets, it is important to understand the growth constraints and address these issues in the right perspective.

Commodity markets play an important role in the development of an economy, especially those economies that are dependent to a large extent on the agriculture sector. Owing to its dependence on agriculture sector, Indian economy to a large extent would benefit from commodity markets. Despite the fact, that Indian economy has witnessed robust growth in the last decade on account of services sector; agricultural sector still remains the backbone of Indian economy. Roughly around 60% of the Indian population is dependent on agriculture. Vibrant commodity markets in India will not only benefit the farmers but also the manufacturing sector that is dependent on it to gain significant price gains. The following are the challenges faced by Indian Commodity Markets currently. These are explained and also the conclusion is provided at the end of it.

Legal Challenges

A commodity market has several bottlenecks regarding the products being in the essential commodities list because of which they often get banned. Also there were times when because of hoarding and black marketing there were famines for a very long time, so the market needed an efficient regulator which lead to the formation of FMC. Moreover, many efficient institutions like banks and mutual funds are not allowed to participate in commodity markets. Also weather and rainfall indexes are also banned from trading on the commodity exchanges because of the clauses of the Banking regulations act, which defines that anything that could be obtained in physical form only can be traded at the exchanges. These inefficiencies must be eradicated by amending these cats. Several amendments have been introduced in these acts and also accepted by the government but only some of them have been passed.

The FMC needs to operate under a regulatory framework that enables it to Protect market integrity, preserve the economic functions of the commodity markets to shift commercial price risk and aid in price discovery. It also Ensure market fairness and financial safety and soundness by guarding against systemic risk. The key component required for the development of commodities market in India is the infrastructure. Though there are number of exchanges in India, they lack in infrastructure exception to a few large exchanges like National Commodity

Derivatives Exchange (NCDEX) and Multi Commodity Exchange (MCX). Infrastructure requirements like warehousing facilities, clearing house and modern trading ring are absent in majority of the exchanges. As a result, majority of the exchanges have to depend on a few commodities and consequently, the turnover is low.

Even though the commodity derivatives market has made good progress in the last few years, the real issues facing the future of the market have not been resolved. Agreed, the number of commodities allowed for derivative trading have increased, the volume and the value of business has zoomed, but the objectives of setting up commodity derivative exchanges may not be achieved and the growth rates witnessed may not be sustainable unless these real issues are sorted out as soon as possible.

Regulatory Challenges

As the market activity pick-up and the volumes rise, the market will definitely need a strong and independent regular; similar to the Securities and Exchange Board of India (SEBI) that regulates the securities markets. Unlike SEBI which is an independent body, the Forwards Markets Commission (FMC) is under the Department of Consumer Affairs (Ministry of Consumer Affairs, Food and Public Distribution) and depends on it for funds. It is imperative that the Government should grant more powers to the FMC to ensure an orderly development of the commodity markets. The SEBI and FMC also need to work closely with each other due to the inter-relationship between the two markets.

Infrastructural Challenges

For commodity derivatives market to work efficiently, it is necessary to have a sophisticated, cost-effective, reliable and convenient warehousing system in the country. The Habibullah (2003) task force admitted, “A sophisticated warehousing industry has yet to come about”. Further, independent labs or quality testing centers should be set up in each region to certify the quality, grade and quantity of commodities so that they are appropriately standardized and there are no shocks waiting for the ultimate buyer who takes the physical delivery. Warehouses also need to be conveniently located.

It is probably due to the inefficiencies in the present warehousing system that only about 1% to 5% of the total commodity derivatives trade in the country is settled in physical delivery. Therefore the warehousing problem obviously has to be handled on a war footing, as a good delivery system is the backbone of any commodity trade. A particularly difficult problem in cash settlement of commodity derivative contracts is that at present, under the Forward Contracts (Regulation) Act 1952, cash settlement of outstanding contracts at maturity is not allowed. In other words, all outstanding contracts at maturity should be settled in physical delivery. To avoid this, participants square off their positions before maturity. So, in practice, most contracts are settled in cash but before maturity. There is a need to modify the law to bring it closer to the widespread practice and save the participants from unnecessary hassles.

There are too many (3 national level and 21regional) commodity exchanges. Though over 80 commodities are allowed for derivatives trading, in practice derivatives are popular for only a few commodities. Again, most of the trade takes place only on a few exchanges. All this splits volumes and makes some exchanges unviable. This problem can possibly be addressed by consolidating some exchanges. Also, the question of convergence of securities and commodities derivatives markets has been debated for a long time now. The Government of India has announced its intention to integrate the two markets. It is felt that convergence of these derivative markets would bring in economies of scale and scope without having to duplicate the efforts, thereby giving a boost to the growth of commodity derivatives market. It would also help in resolving some of the issues concerning regulation of the derivative markets. However, this would necessitate complete coordination among various regulating authorities such as Reserve Bank of India, Forward Markets commission, the Securities and Exchange Board of India, and the Department of Company affairs etc.

There are at present restrictions on the movement of certain goods from one state to another. These need to be removed so that a truly national market could develop for commodities and derivatives. Also, regulatory changes are required to bring about uniformity in octroi and sales taxes etc. VAT has been introduced in the country in 2005, but has not yet been uniformly implemented by all states. With the gradual withdrawal of the Govt. from various sectors in the post liberalization era, the need has been left that various operators in the commodities market be provided with a mechanism to hedge and transfer their risk. India’s obligation under WTO to open agriculture sector to world trade require future trade in a wide variety of primary commodities and their product to enable divers market functionaries to cope with the price volatility prevailing in the world markets. Following are some of applications, which can utilize the power of the commodity market and create a win-win situation for all the involved parties.

Awareness among investors and producers

Creation of awareness amongst the farmers, related bodies and organizations including the ones which could be potential hedgers / aggregators and other market constituents has been one of the major activities of the

Commission. The programmes were conducted at different locations all over the country. These awareness programmes were attended by different category of market participants ranging from farmers, traders and members of Commodity exchanges to bankers, cooperative personnel staff and students of Universities, Government functionaries, warehouse professionals, agricultural extension workers, makers etc. These awareness programmes have resulted in creating awareness among the various constituents about commodity futures trading and the benefits thereof. The programmes were organized in association with various organizations/universities having connectivity with the farmers, viz. agricultural universities, NABCONS , farmer cooperatives and federations, GSKs, National & Regional Base Commodity Exchanges, etc.

Other challenges regarding trading in Commodity Markets

Towards the growth of any market, the trading conditions or the terms and conditions of contracts play a crucial role. The contracts should be market friendly in terms of attracting both the big and small traders alike. In majority of the contract specifications, it was found that the size is too big for small traders and producers to trade. Unless such finer aspects are dealt with proper attention at the regulatory level and the exchange level, attracting small traders and farmers into commodity futures trading becomes impossible. Especially in a country like India, where corporate farming is absent and predominant section of the farmers own small agricultural lands, meeting the specifications of the contract becomes difficult. Such farmers prefer spot markets rather than commodity markets for trading. Even the small traders refrain from trading owing to the capital constraints.

Indian commodity market players are seeking entry of banks, funds and foreign brokers in the futures market in the forthcoming budget, but analysts fear spiraling food prices may hinder policy moves. Banks and fund’s entry will push volumes up exponentially giving them increased opportunity as an asset class. India which opened commodity futures trade seven years ago has not allowed foreigners, banks and funds to trade. It also doesn’t allow options and indices trading which are volume generators across the world’s bourses.

CONCLUSION

India is one of the top producers of a large number of commodities, and also has a long history of trading in commodities and related derivatives. The commodities derivatives market has seen ups and downs, but seems to have finally arrived now. The market has made enormous progress in terms of technology, transparency and the trading activity. Interestingly, this has happened only after the Government protection was removed from a number of commodities, and market forces were allowed to play their role. This should act as a major lesson for the policy makers in developing countries, that pricing and price risk management should be left to the market forces rather than trying to achieve these through administered price mechanisms. The management of price risk is going to assume even greater importance in future with the promotion of free trade and removal of trade barriers in the world. All this predicts well for the commodities.

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PROCESS RE-ENGINEERING - A CASE STUDY OF HYDERABAD TRAFFIC

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ABSTRACT

The vehicular traffic is increasing day-by-day and road compatibility is decreasing, as a result. Streamlining the traffic in a systematic way may reduce traffic hazards and accidents. Business Process Reengineering is usually adopted in manufacturing and service sectors to improve efficiency by redesigning the existing business processes. This paper studies the general bottlenecks of Hyderabad Traffic and how Re-engineering helps in solving Traffic problems as well as reducing occurrence of road accidents. The application of Process Re-Engineering focusses on the whole process and provides the opportunity to re-engineer the process with cross-functional support viz. various Government Authorities, public participation etc.

INTRODUCTION:

The poor roadway condition, non-uniform roadway features in terms of carriageway and shoulder width, encroachment of road, abutting land use and resulting pedestrian activities, poor lane discipline, improper bus stop location and design, vehicles of wide ranging characteristics of technology and operating condition, heterogeneity of traffic, uncontrolled on-street parking, etc. indicate that the nature and cause of congestion might be substantially different from that in the developed countries1.

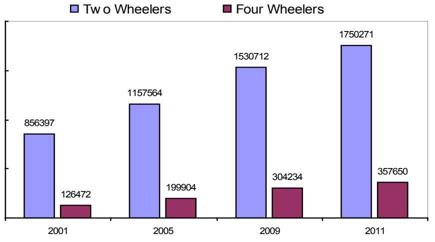
SURVEY

Traffic in Hyderabad (including Secunderabad and Cyberabad) has grown up by leaps and bounds in the recent years for various reasons. The first reason is insufficient public transportation. Increased vehicle purchase capacity of general public is the second reason, thanks to attractive loan offers. The following chart shows the increase of vehicles in Hyderabad City during last 10 years.

Growth of Vehicles in Twin Cities

	2001	2005	2009	2011
Two wheelers	8,56,397	11,57,564	15,30,712	17,50,271
Four wheelers	1,26,472	1,99,904	3,04,234	3,57,650

Vehicles in Hyderabad



Source: Regional Transport Authority, Hyderabad

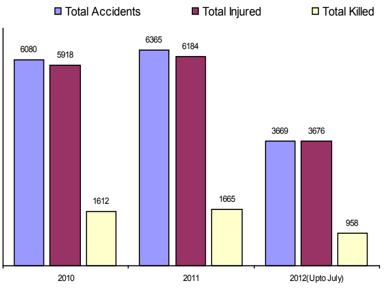
From the above statistics, it is clear that the vehicular traffic of two-wheelers has doubled and four-wheelers have become almost three-fold in last 10 years. The future rate of growth may face a decline trend depending upon the improvement of Public Transport System as well as implementation of Process Re-engineering suggested in this study paper.

As the vehicles coming on the roads grow, usually traffic hazards and accidents increase. The Hyderabad roads are improved at a very less rate compared to the growth of vehicles in last ten years. The statistics below show that there is an increase in number of accidents year by year.

Accidents in Twin Cities

	2010	2011	2012
Total Accidents	6080	6365	3669
Total Injured	5918	6184	3676
Total Killed	1612	1665	958

Accidents in Hyderabad



Source: <http://www.htp.gov.in/>; <http://cyberabadpolice.gov.in/Traffic/Default.htm>

Process Re-engineering And Hyderabad Traffic

Business Process Re-engineering is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvement2. It is a business management strategy, focusing on the analysis and design of workflows and processes within an organization to achieve higher efficiency. It is aimed at helping organizations fundamentally rethink how they do their work in order to dramatically improve customer service.

The Hyderabad Traffic needs process re-engineering to improve efficiency in terms of:

1. Smooth traffic movement
2. Reduce road accidents.

The proposed Process Re-engineering is on the lines of Business Process

Reengineering. Here, we discuss the key enablers of Process Reengineering:

1. Attitude
2. Awareness
3. Infrastructure
4. Culture change
5. Long-term Vision

ATTITUDE:

During the Process Re-engineering, attitude of both the commuter as well as traffic police plays crucial role. First, the citizen attitude needs to be radically changed towards the traffic. The 'me-first', 'law-not-for-me', 'what-if-I-violate' type of erratic attitudes result in rash driving and signal jumping, posing threat to fellow commuters. Secondly, commuters shall strictly follow lane system. For this, Traffic Police should distinctly draw lines for Pedestrians/ Non-Motorized Vehicles (Bicycles, Tri-cycles etc.); Two-wheelers, Autos, Four wheelers and Buses/heavy vehicles. Once the lines are made and the traffic moves on earmarked lane by following lane discipline, traffic hindrances will come down. For achieving this, we need change of attitude of the commuters. Resistance to change is the biggest bottleneck of Process Re-engineering. As such, efforts should be taken to counsel the erring drivers continuously.

Secondly, the attitude of the Traffic Police Men also needs to be changed towards the commuters. The 'Public-Friendly' attitude of the Traffic Police shall be displayed in reality.

And, the most important aspect is Top Management Attitude, i.e. Government, to change from the traditional thinking to fundamental re-thinking and re-design of traffic system. Usually Process Re-engineering provides results on a prolonged time basis and needs separate budget. Government's commitment towards Process Re-engineering shall be firm to achieve dramatic changes in performance and improvement of efficiency in Traffic Process, without which the Re-engineering process will invariably fail.

AWARENESS & EDUCATION:

Awareness of traffic rules and repercussions of violation shall be paramount importance to the commuters. Unawareness of repercussions like road safety, wearing helmet, seat-belt using high-beam light, etc. are the major causes for road accidents. The Hyderabad Traffic Police should increase its efforts to promote awareness about various aspects of road safety and the social and economic implications of road accidents. This would enable and empower the different stakeholders to play a meaningful role in promoting road safety.

Further, road safety knowledge and awareness shall be created amongst the population through education, training and publicity campaigns. Road safety education should focus on school children and college going students, while road safety publicity campaigns shall be used to propagate good road safety practices among the community. The Government shall encourage all professionals associated with road design, road construction, and traffic management to design awareness programs on road safety issues and civic sense. Awareness programs in the form of short-films, documentaries, Information brochures, pamphlets etc. shall be made available to the public in the following manner:

- At the time of issuing Driving license (Mandatory)
- Every five years after issue of License for updating the road safety/ driving guidelines (mandatory)
- During special drives of awareness
- Theatres
- Television

Further, the Motor Vehicle Riders/ operators shall be properly educated for using Low-Beam in Hyderabad City. Secondly the black sticker covering half of the Head Lamp shall be made mandatory and violators shall be counseled first, then with lesser fine and then higher amount fine, with wide publicity in media, as done in the case of Black Films on Cars and drunken driving.

The Government shall make a subject on Traffic Rules and Safety in the curriculum of High School and Intermediate Education, so that a person before attaining the eligible age for a license to drive will be aware of the rules and regulations, as well as road safety.

The Government shall make it mandate for each and every Police Man (starting from Home Guard) on traffic duty to attend Traffic Control related training programs once in a year. The lower-rank officials shall be rightly educated for being friendly with the public.

INFRASTRUCTURE:

Providing safe infrastructure for the road safety is the onus of the Government. Towards this direction, Hyderabad Traffic Police should make proposals to the Government to take measures to review standards pertaining to safety in the design of roads and bring them in consonance with international best practices keeping in view the Hyderabad traffic conditions.

As per the studies, the average speed of a Vehicle in Hyderabad is 18 Kms/ hr. Under such conditions the following measures are required to be taken for the process re-engineering.

- Convert the existing roads into safer roads.
- Develop alternate roads by considering the best practices obtained from town planners, architects and traffic engineers.

- The design and construction of road facilities shall take into account the needs of non-motorized transport like bicycles, pedestrians and physically challenged in an appropriate manner.
- Develop alternate roads for Ambulance, so that the traffic impediments would not hamper movement of ambulance vehicle.
- Request the Government to impose ban on high-speed vehicles (eg. above 125 cc bikes).
- Erect a relatively small bump/ speed breaker with marking at the Stop Line at Traffic Signals, which does not allow the vehicles to cross the signal in a hurry when the signal light is in orange.
- Widening of roads, keeping in view the future needs/traffic.
- Provide Parking Bays for Autos and Bus Stops in strategic points.
- One of the major obstacles to traffic movement is occupation of foot-paths and parking on main roads. Take appropriate steps for construction of parking lots in Private-Public Partnerships for two-wheelers and four-wheelers, to avoid parking on main roads and foot-paths. Government shall see that the foot-paths shall be used for the same purpose for which they are constructed and remove encroachments by road-side dwellers and businesses.
- Provide Barricades on both sides of the roads to prevent pedestrians from crossing the roads in the middle of the traffic. These barricades will allow pedestrians to cross the road at signals on the zebra line only and avoid hindrances to the motor traffic. Foot-over bridges and sub-ways are to be constructed at strategic places.
- Process the entire traffic system as a whole. As such, coordination and liaison between various Government Departments like Hyderabad Metropolitan Water Supply & Sewerage Boar, Roads & Buildings, National Highways Authority of India, Pollution Control Board, Hyderabad Traffic Police, Telecom Operators etc. is of utmost importance while repairing or improving or creating road facilities.
- Sufficient infrastructure for Traffic Police viz. Traffic Beat Umbrellas at Signals, Pollution Filter Mask, Sunglasses with Polarized glasses, Helmet that suits all climatic conditions are required for performing traffic duties shall be provided every year.
- Infrastructure for efficient policing viz CCTV Cameras, Speed Laser Guns, Breath Analyzers, Speed Laser Guns etc. shall be procured on long-term basis.
- The traffic duty for Police Men

should be in shifts of three hours, which will rejuvenate the men for regulating the traffic.

- Government should enact the MV Act for suspension/cancellation of Driving License for frequent violators, so that the fear of cancellation of Driving License will hinder the public from violating traffic laws.

CULTURE CHANGE:

Culture change is yet another bottleneck in implementation of process re-engineering. To overcome this, the first step to be taken is perspective of common man towards the Traffic Police Men. The Hyderabad Traffic Police should imbibe the confidence in the minds of commuters that the Traffic Police Men are for the assistance of smooth traffic, but not for the sake of anything else. Such a scenario should come that when a Police Man shows hand, the commuter can stop the vehicle without any fear or coercion. The Citizen shall get the impression that Traffic Police is our friend and helps us for smooth traffic.

Secondly, citizen should very well understand that if he breaks law, it is going to affect him only, whether it is signal jumping or wrong-side driving or parking in no-parking zone.

LONG TERM VISION:

In general, traffic functions on "EEE" principle, i.e. Education, Engineering and Enforcement. Educating about Traffic Rules and Regulations; Engineering of roads and safety norms and Enforcement of Motor Vehicle Laws. During the Process of Re-engineering, the First Two EEs should be focused for long-term results. Enforcement of fines/penalties etc. should be made for quite often offenders only during the re-engineering process, on the basis of data-bases.

- Government shall increase number of Police and R&B engineers proportionate to traffic volume, keeping in view the future requirements.
- Government shall set-up Traffic Re-Engineering Units in various zones of Hyderabad Traffic Police.
- Government shall allocate separate budget for Process Re-engineering of Hyderabad Traffic for providing wider and safer roads, infrastructure etc.
- Traffic Flow Data Base shall be created and maintained at Control Room with the help of CCTVs and dedicated staff shall update the area Police Stations as well as Control Room about the traffic movement.

The Hyderabad Traffic Police, while implementing the EEE Principle, should keep in mind the long-term goals. Government should provide proper dividers, road safety symbols, signals, parking spaces, Pedestrian ways etc.

IMPLEMENTATION:

Implementation of Process Re-engineering shall be adopted as pilot project in few divisions like a simulated process and the results shall be evaluated.

During the 1st Phase of implementation, separate task groups shall be formed specifically for implementation and evaluation. The task groups shall comprise of town planners, architects and traffic engineers. These groups will study the simulated (Pilot) project before implementation and select the zones to be implemented. During the simulation stage, the Task Groups will look at the fundamental processes from a cross-functional perspective and ask 'Why?' and 'what if?', for example, if the two-wheeler traffic is allowed on a separate/alternate road, instead of main road etc. like the 'PV Narasimha Rao Express-Way'. Similarly, the groups will identify specific routes/lanes for Ambulance, so that the Ambulance will get a clear way to save the lives.

During the second phase, proposal shall be moved to the Government for implementation of Process Re-engineering with required budget (separately for pilot project as well as the entire city). The budget should cover the expenditure towards infrastructure proposed above, recruitment/transfer of manpower etc.

During the post-approval phase, the Task Groups shall implement the Pilot Project in those selected zones, study the results and submit report to the Hyderabad Traffic Police and Government about the simulated project.

Based on the results, modifications may be made, if any required and procure infrastructure and man power for implementing the Process Re-engineering all over the Hyderabad (including Secunderabad and Cyberabad). This phase is crucial in implementation process, since all the areas are not similar due to their cultural, regional and geographical characteristics. As such, a persistent perspective is required during this phase and shall consistently pursue the re-engineering process for achieving desired results.

CONCLUSION:

Process Re-engineering needs patience for improved results. Secondly, it is cross-functional nature, thereby involving various functional authorities like Roads &Building, Water & Sewerage Boards, Electricity, Telecom, Pollution Board and Police. Effective coordination between the authorities would lead to effective re-engineering. Third important aspect is finance. Various schemes for implementing the re-engineering need allocation of sufficient funds from the Government.

And finally, counseling of Citizens as well as Traffic Police Men is the vital process in re-engineering. The less-educated auto-drivers and bus-drivers as well as Home Guards on Traffic Regulating Duties shall be educated sufficiently about the traffic functions, civic sense, road safety etc.

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A STUDY ON MOTIVATION – KEY TO JOB SATISFACTION

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ABSTRACT:
The present paper aims to draw upon the significance of increasing the motivation of employees working in the organization to improve the job satisfaction levels. The study has taken sample of 100 employees at an IT Software company by the method of simple random sampling. With the help of well developed questionnaire which consists of fifteen items data collection has been done the data and has been analyzed with the help of statistical tools and identified the variables like job security and recognition that are having more positive impact on the employee's job satisfaction working towards an organization.

INTRODUCTION:
Management's basic job is the effective utilization of human resources for achievements of organizational objectives. The job of the manger in the work place is to get things done through employees. To do this the manger should be able to motivate employees but that's easier said than done. Motivation practice and theory are difficult subjects, touching on several disciplines. Motivation implies that the strong needs in a direction that is satisfying to the latent needs in employees and harnesses them in a manner that would be functional for the organization. Motivated employees are a great asset to any organization. It is because motivation and job satisfaction is clearly linked. Hence this study is focusing on the employee motivation in the organization. There are critical factors that can influence a person's level of motivation. Such as the level of pay and benefits, the perceived fairness of promotion system within a company, quality of the working conditions, leadership and social relationships, recognition of employee, job security and career development opportunities.

Motivation has variety of effects. These effects may be seen in the context of an individual's physical and mental health, productivity, absenteeism and turnover. Employee delight has to be managed in more than one way. This helps in retaining and nurturing the true believers. Who can deliver value to the organization proliferate and nurturing the number of "true believers" is the challenge for future and present HR managers. The faster the organizations nurture their employees, the more successful they will be. The challenge before HR managers today is to delight their employees and nurture their creativity to keep them a bloom.

Motivation is a hypothetical construct that is used to explain behavior, it should not be equated with behavior, in fact while recognizing the "central role of motivation many of today's organization behavior theorists think it is important for the field to reemphasize behavior". Motivation is the basic psychological process that account for an individual's intensity, direction, persistence of effort attaining a goal. While general motivation is concerned with effort towards any goals in order to reflect individual's singular interest in work related behavior. In order to motivate workers to work for the organizational goals, the managers must determine the motives or needs of the workers and provide an environment in which appropriate incentives are available for their satisfaction .If the management is successful in doing so; it will also be successful in increasing the willingness of the workers to work. This will increase efficiency and effectiveness of the organization .There will be better utilization of resources and workers abilities and capacities.

OBJECTIVES OF THE STUDY:

The following are the objectives of the study.

1. To study the important factors which are needed to motivate the employees.
2. To study the effect of monetary and non-monetary benefits provided by the organization on the employee's performance.
3. To learn the employee's satisfaction on the interpersonal relationship exists in the organization

NEED OF THE STUDY:

Employee motivation is one of the major issues faced by every organization. It is the major task of every manager to motivate his subordinates or to create the 'will to work' among the subordinates. It should also be remembered that a worker may be immensely capable of doing some work; nothing can be achieved if he is not willing to work. A manager has to make appropriate use of motivation to enthuse the employees to follow them.

SIGNIFICANCE OF THE STUDY:

The study is intended to evaluate motivation of employees in the organization. A good motivational program procedure is essential to achieve goal of the organization. If efficient motivational programmes of employees are made not only in this particular organization but also any other organization, the organizations can achieve the efficiency also to develop a good organizational culture. The study helps to realize the importance of effective employee

motivation. The present research study examines types and levels of employee motivational programmes and also discusses management ideas that can be utilized to innovate employee motivation.
Limitations of the study: It is limited to the sample size of hundred and very limited time span.

REVIEW OF LITERATURE:

The term motivation can be traced to the Latin word moreover which means to move. The meaning is evident in the not attempt to describe how motivational decisions are actually made or to solve actual motivational problems facing by a manager. Rensis Likert has called motivation as the core of management. Motivation is the core of management. Motivation is an effective instrument in the hands of the management in inspiring the work force. According to Edwin B Flippo, “Motivation is the process of attempting to influence others to do their work through the possibility of gain or reward”.

Understanding what motivated employees and how they were motivated was the focus of many researchers following the publication of the Hawthorne study results (Terpstra, 1979). Six major approaches that have led to understanding of motivation are:

1. McClelland’s achievement need theory, need for achievement (n Ach); need for power (n POW); need for affiliation (n Aff)

2. Behavior modification theory, Skinner conducted his researches among rats and school children. He found that stimulus for desirable behavior could be strengthened by rewarding it at the earliest.

3. Abraham H Maslow need hierarchy or deficient theory of motivation, the crux of Maslow’s theory is that human needs are arranged in hierarchy composed of five categories. The lowest level needs are physiological and the highest levels are the self actualization needs.

4. J.S. Adam’s equity theory, Employee compares job inputs outcome ratio with that of reference. If the employee perceives inequity, she/he will act to correct the inequity: lower productivity, reduced quality, increased absenteeism, voluntary resignation.

5. Vroom’s expectation theory is based on the belief that employee effort will lead to performance and performance will lead to rewards (Vroom, 1964). Reward may be either positive or negative. The more positive the reward the more likely the employee will be highly motivated.

6. Two factors theory Douglas McGregor introduced the theory with the help of two views; X assumptions are conservative in style, assumptions are modern in style.

Motivation is the key to performance

improvement, performance is considered to be a function of ability and motivation, thus: Job performance =f (ability) (motivation). Ability in turn depends on education, experience and training and its improvement is a slow and long process. On the other hand motivation can be improved quickly. There are many options and an uninitiated manager may not even know where to start. As a guideline, there are broadly seven strategies for motivation. Positive reinforcement or high expectations, effective discipline and punishment, treating people fairly, satisfying employees needs, setting work related goals, restructuring jobs, base rewards on job performance. Essentially, there is a gap between an individual's actual state and some desired state and the manager tries to reduce this gap. Motivation is, in effect, a means to reduce and manipulate this gap.

RESEARCH METHODOLOGY:

According to Clifford woody, "research comprises of defining and redefining problem, formulating hypothesis or suggested solutions, collecting, organizing and evaluating data, reaching conclusions, testing conclusions to determine whether they fit the formulated hypothesis"

The data needed for the study has been collected from the employees through questionnaires and through direct interviews. Analysis and interpretation has been done by using the statistical tools and data's are presented through tables and charts. A sample design is a finite plan for obtaining a sample from a given population. The sampling method used is simple random sampling. Number of the sampling units selected from the population is called the size of the sample. Sample of hundred respondents were obtained. Primary data is in the form of "raw material" to which statistical methods are applied for the purpose of analysis and interpretations. The primary sources are discussion with employees, data's collected through questionnaire. The secondary data mainly consists of data and information collected from records, websites and also discussion with the management of the organization. Secondary data was also collected from journals, magazines and books.

A well defined questionnaire that is used effectively can gather information on both overall performance of the test system as well as information on specific components of the system. The questionnaire consists of ranking questions. The questions were arranged in proper order, in accordance with the relevance. A pre-testing of questionnaire was conducted with fifteen questions, which were distributed and all of them were collected back as completed questionnaire.

Hypothesis of the study:

H1: The mean scores of job security are more as compared to the promotional opportunities.

H2: The mean scores of performance appraisal activities is less as compared to recognition and acknowledgement.

Data Analyses:

The questionnaire consists of the following fifteen variables such as support to employees, motivating the employees, incentive, recognizing and acknowledging, salary hike, job security, good relations, promotional opportunities, performance appraisal, support from the co-worker, career development. The mean calculation of the variables as shown in the descriptive statistics Table1.1.

Table 1.1 Descriptive Statistics

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Employer support	100	1.00	4.00	1.5600	.85658
Salary hike	100	1.00	3.00	1.6000	.80403
Support from coworkers	100	1.00	3.00	1.4400	.70094
Recognition	100	1.00	5.00	2.3200	1.44166
Job security	100	1.00	3.00	1.8800	.81995
Promotional opportunities	100	1.00	4.00	1.8400	1.12564
Career Development	100	1.00	4.00	1.6400	.89352
Good relations	100	1.00	4.00	1.5600	.90252
Performance appraisal	100	1.00	4.00	1.5200	.85847
Incentives	100	1.00	4.00	1.6800	.93073
Valid N (listwise)	100				

The mean and standard deviation of all the variables as shown above in the table 1.1. The mean value of job security is 1.88 with a standard deviation of .81995; whereas the mean score of promotional opportunities is 1.84 with a standard deviation of 1.12564. Further the standard deviation of the variable job security is low as compared to the promotional opportunities, but the mean value is higher 1.88. Hence the first hypothesis can be accepted. The mean value and standard deviation of performance appraisal is 1.52 with standard deviation of .85847 while that of recognition the mean value is 2.32 with standard deviation of 1.1254. Refers as the mean value of performance appraisal is less than the recognition variable, null hypothesis can be accepted.

FINDINGS OF THE STUDY:

The employees are really motivated by the management policies and are satisfied with the present incentive plan of the company. Most of the employees agreed that the company is eager in recognizing and acknowledging their work. The study reveals that there is a good relationship existing among employees and majority of the employees agreed that there is job security in their present job.

CONCLUSIONS:

The study on employee motivation highlighted so many factors which will help to motivate the employees. The study helped to find out the employee motivational programs which are provided in the organization.

The performance appraisal activities really play a major role in motivating the employees of the organization. It is a major factor that makes an employee feels good in his work and results in his satisfaction too. The organization can still concentrate on specific areas which are evolved from this study in order to make the motivational programs more effective. Only if the employees are properly motivated- they work well and only if they work well the organization is going to benefit out it.

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THE RISE IN MERGERS AND ACQUISITIONS IN INDIAN CORPORATE SECTOR – A SELECT STUDY

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ABSTRACT

Today, the corporate sector is restructuring its activities through different types of strategies likes Mergers and Acquisitions in order to compete and face the challenges because of globalization, privatization and liberalization that led to a greater integration of national and international markets. Mergers and Acquisitions (M&A's) have reached exceptional levels as companies use corporate financing strategies to maximize shareholder value and create a competitive advantage. A merger involves two virtual equals joining forces together and creating a new company. Acquisitions occur when a larger company takes over a smaller company. Most mergers and acquisitions are friendly, but an antagonistic takeover occurs when the acquirer bypasses the board of the targeted company and purchases a majority of the company's stock on the open market. A merger is considered as a successful one, when it increases shareholder value to the maximum extent than if the companies had remained separate. Mergers and Acquisitions reduce the competition and increase the share holder's value. Corporate takeovers and mergers are heavily regulated, often requires government approval. To increase chances of the deal's success, acquiring company has to perform accurate valuation of the targeted company's financial statement and past performance history before the purchase. This makes to understand and know the company's standalone value and unmask problems that could jeopardize the outcome.

Key words: Mergers, Acquisitions, Takeovers, Amalgamation, Corporate restructuring, Financial Performance

INTRODUCTION

An entrepreneur makes business to grow either by internal expansion or by external expansion. In case of internal expansion, a company grows progressively over time in the usual course of the business, through buying new assets, replacement of the old technologically with new technology and equipment's and the establishing new lines of products.(Aditya et al., 2013). But in external expansion, an organization acquires a running business and grows immediately through corporate collaborations and combinations. These collaborations and combinations may be in the forms of amalgamations, takeovers, mergers and acquisitions. Today, it has become very important feature of corporate restructuring (Mishra, 2011). This mergers and Acquisitions have been playing crucial role in the external growth of a many leading companies in the world. They have become popular because of the boosted competition, breaking of trade barriers, free flow of capital across countries and globalization of businesses. In the wake of economic reforms, Indian industries have also started restructuring their operations around their core business activities through acquisition and takeovers because of their increasing exposure to competition both domestically and internationally (Tamragundi & Devarajappa, 2015).

Mergers and acquisitions are strategic decisions taken for maximization of a company's growth by enhancing its production and marketing operations. They are being used in a wide array of fields such as information technology, telecommunications, and business process outsourcing as well as in traditional businesses in order to gain strength, expand the customer base, cut competition or enter into a new market or product segment (Madhu & Swathi, 2012).

The corporate sector is restructuring its activities through different types of strategies likes Mergers and Acquisitions in order to compete and face the challenges because of globalization, privatization and liberalization that led to a greater integration of national and international markets (Gupta, 2013). Mergers and Acquisitions (M&A's) have reached exceptional levels as companies use corporate financing strategies to maximize shareholder value and create a competitive advantage. A merger involves two virtual equals joining forces together and creating a new company. Acquisitions occur when a larger company takes over a smaller company (Bain & company, 2011). Most mergers and acquisitions are friendly, but a hostile takeover occurs when the acquirer bypasses the board of the targeted company and purchases a majority of the company's stock on the open market. A merger is considered a success if it increases shareholder value faster than if the companies had remained separate. Because corporate takeovers and mergers can reduce competition, they are heavily regulated, often requiring government approval. To increase chances of the deal's success, acquirers need to perform rigorous due diligence—a review of the targeted company's assets and performance history—before the purchase to verify the company's standalone value and unmask problems that could jeopardize the outcome (Bain & company, 2015).

REVIEW LITERATURE

A merger is a combination of two or more businesses into one business. Laws in India use the term ‘amalgamation’ for merger.(Pandey, 2009). The Income Tax Act, 1961 [Section 2(1A)] defines amalgamation as the merger of one or more companies with another or the merger of two or more companies to form a new company, in such a way that all assets and liabilities of the amalgamating companies become assets and liabilities of the amalgamated company and shareholders not less than nine-tenths in value of the shares in the amalgamating company or companies become shareholders of the amalgamated company. (Aditya et al, 2013).

Thus, mergers or amalgamations may take two forms:-

1. Merger through Absorption:- Absorption is a combination of two or more companies into an ‘existing company’. All companies except one lose their identity in such a merger (Periasamy, 2009). For example, absorption of Tata Fertilizers Ltd (TFL) by Tata Chemicals Ltd. (TCL). TCL, an acquiring company (a buyer), survived after merger while TFL, an acquired company (a seller), ceased to exist. TFL transferred its assets, liabilities and shares to TCL.

2. Merger through Consolidation:- A consolidation is a mixture of two or more companies into a ‘new company’. In this form of merger, all companies are legally dissolved and a new entity is created. Here, the acquired company transfers its assets, liabilities and shares to the acquiring company for cash or exchange of shares (Pandey, 2009). For example, merger of Hindustan Computers Ltd, Hindustan Instruments Ltd, Indian Software Company Ltd and Indian Reprographics Ltd into an entirely new company called HCL Ltd.

A fundamental characteristic of merger (either through absorption or consolidation) is that the acquiring company (existing or new) takes over the ownership of other companies and combines their operations with its own operations.(Bawa et al, 2008). Besides, there are three major types of mergers:-

a. **Horizontal merger:-** is a combination or joining of two or more firms in the same area of business (Goel, 2006). For example, combining of two book coffee making companies or two manufacturing companies to gain dominant market share.

b. **Vertical merger: -** is a combination of two or more firms involved in different stages of production or distribution of the same product (Aditya, 2013). For example, joining of a TV manufacturing (assembling) company and a TV marketing company or joining of a spinning company and a weaving company. Vertical merger may take the form of forward or backward merger.

When a company combines with the supplier of material, it is called backward merger and when it combines with the customer, it is known as forward merger.

c. **Conglomerate merger:-** is a combination of firms engaged in unrelated lines of business activity (Goel, 2006). For example, merging of different businesses like manufacturing of cement products, fertilizer products, electronic products, insurance investment and advertising agencies. L&T and Voltas Ltd are examples of such mergers.

Acquisitions and Takeovers

An acquisition may be defined as an act of acquiring effective control by one company over assets or management of another company without any combination of companies (Dash, 2010). Thus, in an acquisition two or more companies may remain independent, separate legal entities, but there may be a change in control of the companies. When an acquisition is 'forced' or 'unwilling', it is called a takeover. In an unwilling acquisition, the management of 'target' company would oppose a move of being taken over (Aditya et al, 2013). But, when managements of acquiring and target companies mutually and willingly agree for the takeover, it is called acquisition or friendly takeover.

Under the Monopolies and Restrictive Practices Act, takeover meant acquisition of not less than 25 percent of the voting power in a company. (Bawa et al, 2008). While in the Companies Act (Section 372), a company's investment in the shares of another company in excess of 10 percent of the subscribed capital can result in takeovers. An acquisition or takeover does not necessarily entail full legal control. A company can also have effective control over another company by holding a minority ownership (Das, 2004).

OBJECTIVES OF THE STUDY

- To analyze the trends, concerns, and issues involved in mergers & acquisitions.
- To analyze the impact of mergers & acquisitions as well as causes of failure of mergers & acquisitions.

DATA SOURCES AND METHODOLOGY

The study is based on the secondary data taken from the various journals, magazines and annual reports of select units which have merged with other units. And all the data relating history, growth and development of industries have been mainly collected from the magazines and books relating to the industry and published paper, article and report published by the companies and industries.

DATA ANALYSIS

Top ten Mergers and Acquisition of

Indian Companies

1. Tata Steel's mega takeover of European steel major Corus for $12.2 billion. The biggest ever for an Indian company. This is the first big thing which marked the arrival of India Inc on the global stage. The next big thing everyone is talking about is Tata Nano.

2. Vodafone's purchase of 52% stake in Hutch Essar for about $10 billion. Essar group still holds 32% in the Joint venture.

3. Hindalco of Aditya Birla group's acquisition of Novellis for $6 billion.

4. Ranbaxy's sale to Japan's Daiichi for $4.5 billion. Sing brothers sold the company to Daiichi and since then there is no real good news coming out of Ranbaxy.

5. ONGC acquisition of Russia based Imperial Energy for $2.8 billion. This marked the turnaround of India's hunt for natural reserves to compete with China.

6. NTT DoCoMo-Tata Tele services deal for $2.7 billion. The second biggest telecom deal after the Vodafone. Reliance MTN deal if went through would have been a good addition to the list.

7. HDFC Bank acquisition of Centurion Bank of Punjab for $2.4 billion.

8. Tata Motors acquisition of luxury car maker Jaguar Land Rover for $2.3 billion. This could probably the most ambitious deal after the Ranbaxy one. It certainly landed Tata Motors into lot of trouble.

9. Wind Energy premier Suzlon Energy's acquisition of RePower for $1.7 billion.

10. Reliance Industries taking over Reliance Petroleum Limited (RPL) for 8500 crores or$1.6 billion.

The procedure for evaluating the decision for mergers and acquisitions .The three important steps involved in the analysis of mergers and acquisitions are:-

a. **Planning:-** of acquisition will require the analysis of industry-specific and firm-specific information. The acquiring firm should review its objective of acquisition in the context of its strengths and weaknesses and corporate goals (Dash, 2010). It needs industry data on market growth, nature of competition, ease of entry, capital and labour intensity, degree of regulation, etc. This helps in representing the product-market strategies that are appropriate for the company. It will also help the companies in identifying the business units that should be dropped or added. On the other hand, the target company needs information about quality of management, market share and size, capital structure, profitability, production and marketing capabilities, etc. (Aditya et al., 2013)

b. **Search and Screening:-** Search focuses on how and where to look for suitable candidates for acquisition. Screening process short-lists a few candidates from many available and obtains detailed information about each of them. (Sinha, 2007).

c. **Financial Evaluation:-** of a merger is needed to determine the earnings and cash flows, areas of risk, the maximum price payable to the target company and the best way to finance the merger. In a competitive market situation, the current market value is the correct and fair value of the share of the target firm. The target firm will not accept any offer below the current market value of its share. The target firm may, in fact, expect the offer price to be more than the current market value of its share since it may expect that merger benefits will accrue to the acquiring firm.(Dash, 2010)

A merger is said to be at a premium when the offer price is higher than the target firm's pre-merger market value. The acquiring firm may have to pay premium as an incentive to target firm's shareholders to induce them to sell their shares so that it (acquiring firm) is able to obtain the control of the target firm. (Pandey, 2009)

Regulations for Mergers & Acquisitions

Mergers and acquisitions are regulated under various laws in India. The objective of the laws is to make these deals transparent and protect the interest of all shareholders. They are regulated through the provisions of:-

a. The Companies Act, 1956 & The Companies Act, 2013

The Act lays down the legal procedures for mergers or acquisitions:-

Permission for merger:- Two or more companies can amalgamate only when the amalgamation is permitted under their memorandum of association. Also, the acquiring company should have the permission in its object clause to carry on the business of the acquired company. In the absence of these provisions in the memorandum of association, it is necessary to seek the permission of the shareholders, board of directors and the Company Law Board before affecting the merger.

Information to the stock exchange:- The acquiring and the acquired companies should inform the stock exchanges (where they are listed) about the merger.

Approval of board of directors:- The board of directors of the individual companies should approve the draft proposal for amalgamation and authorize the managements of the companies to further pursue the proposal.

Application in the High Court:- An application for approving the draft amalgamation proposal duly approved by the board of directors of the individual companies should be made to the High Court.

Shareholders' and creators' meetings:- The individual companies should hold separate meetings of their shareholders and creditors for approving the amalgamation scheme. At least, 75 percent of shareholders and creditors in separate meeting, voting in person or by proxy, must accord their approval to the scheme.

Sanction by the High Court:- After the approval of the shareholders and creditors, on the petitions of the companies, the High Court will pass an order, sanctioning the amalgamation scheme after it is satisfied that the scheme is fair and reasonable. The date of the court's hearing will be published in two newspapers, and also, the regional director of the Company Law Board will be intimated.

Filing of the Court order: - After the Court order, its certified true copies will be filed with the Registrar of Companies.

Transfer of assets and liabilities:- The assets and liabilities of the acquired company will be transferred to the acquiring company in accordance with the approved scheme, with effect from the specified date.

Payment by cash or securities:- As per the proposal, the acquiring company will exchange shares and debentures and/or cash for the shares and debentures of the acquired company. These securities will be listed on the stock exchange (Chandra, 2013).

b. The Competition Act, 2002

The Act regulates the various forms of business combinations through Competition Commission of India. Under the Act, no person or enterprise shall enter into a combination, in the form of an acquisition, merger or amalgamation, which causes or is likely to cause an appreciable adverse effect on competition in the relevant market and such a combination shall be void. Enterprises intending to enter into a combination may give notice to the Commission, but this notification is voluntary. But, all combinations do not call for scrutiny unless the resulting combination exceeds the threshold limits in terms of assets or turnover as specified by the Competition Commission of India. The Commission while regulating a 'combination' shall consider the following factors:-

- Actual and potential competition through imports;
- Extent of entry barriers into the market;
- Level of combination in the market;

- Degree of countervailing power in the market;
- Possibility of the combination to significantly and substantially increase prices or profits;
- Extent of effective competition likely to sustain in a market;
- Availability of substitutes before and after the combination;
- Market share of the parties to the combination individually and as a combination;
- Possibility of the combination to remove the vigorous and effective competitor or competition in the market;
- Nature and extent of vertical integration in the market;
- Nature and extent of innovation;
- Whether the benefits of the combinations outweigh the adverse impact of the combination.

Thus, the Competition Act does not seek to eliminate combinations and only aims to eliminate their harmful effects. The other regulations are provided in the: - The Foreign Exchange Management Act, 1999 and the Income Tax Act, 1961. Besides, the Securities and Exchange Board of India (SEBI) has issued guidelines to regulate mergers and acquisitions. The SEBI (Substantial Acquisition of Shares and Take-over's) Regulations,1997 and its subsequent amendments aim at making the take-over process transparent, and also protect the interests of minority shareholders.

CONCLUSION

The most common motives and advantages of mergers and acquisitions are accelerating a company's growth, particularly when its internal growth is constrained due to scarcity of resources. Internal growth requires that a company should develop its operating facilities- manufacturing, research, marketing, etc. But, lack or inadequacy of resources and time needed for internal development may constrain a company's pace of growth. Hence, a company can acquire production facilities as well as other resources from outside through mergers and acquisitions. Specially, for entering in new products/markets, the company may lack technical skills and may require special marketing skills and a wide distribution network to access different segments of markets. The company can acquire existing company or companies with requisite infrastructure and skills and grow quickly. A combination of two or more companies may result in more than average profitability due to cost reduction and efficient utilization of resources. This may happen because of Economies of scale that arise when increase in the volume of production leads to a reduction in the cost of production per unit. Operating economies arise because; a combination of two or more firms may result in cost reduction due to operating economies.

Diversification implies growth through the combination of firms in unrelated businesses. It results in reduction of total risks through substantial reduction of cyclicality of operations. The combination of management and other systems strengthen the capacity of the combined firm to withstand the severity of the unforeseen economic factors which could otherwise endanger the survival of the individual companies. A merger may result in financial synergy and benefits for the firm in many ways by eliminating financial constraints, enhancing debt capacity. This is because a merger of two companies can bring stability of cash flows which in turn reduces the risk of insolvency and enhances the capacity of the new entity to service a larger amount of debt.

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A STUDY ON BRAND AWARENESS AND BUYER BEHAVIOUR IN URBAN AND RURAL AREAS WITH SPECIAL REFERENCE TO SHAMPOO

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INTRODUCTION

Branding is a major issue in product strategy. On the one hand, developing a branded product requires a great deal of long term investment spending, especially for advertising, promotion and packaging. It would be easier for manufacturers to make the product for others to brand. That was the course taken by Taiwanese manufacturers, who make a great amount of the world's clothing, consumer electronics and computers but not under Taiwanese brand names. In developing a marketing strategy for individual products, the seller has to confront the branding decision.

"Buildings age, Machines wear out, people die. But what live on are the Brands."

Stephen Cook

On the other hand, these manufacturers eventually learn that the power lies manufacturing sources with cheaper in Malaysia and elsewhere. Meanwhile, Japanese and South Korean companies did not make this mistake. They spent liberally to build up brand names for their products, brand names such as Sony, Toyota, Gold star, Samsung, and so on. Even when these companies can no longer afford to manufacture their homeland, the brand names continues to command consumer loyalty. A powerful brand name is said to have consumer franchise. This is evidenced when a sufficient number of consumers demand that brand and refuse a substitute, even if the price is somewhat lower, Mercedes has it; Chevy does not Maytag has it; General Electric does not IBM has it; Radio Shack does not companies that develop a brand with a strong consumer franchise are somewhat insulated from competitor's promotional strategies.

Companies such as Procter and Gamble, Caterpillar, IBM, and Sony have achieved impressive company brand strength. This is measured by the proportion of product/marketers where the company is the brand leader or co-order. Thus P&G's impressive marketing reputation resets on the fact that it is the leader in such a high proportion of its served product/ marketers. The word shampoo entered English language from India during the colonial era. It dates to 1762, and is derived from Hindi chāmpo (itself derived from the Sanskrit root capayati (which means to press, knead, soothe). In India, a variety of herbs and their extracts were used as shampoos since ancient times. A very effective early shampoo was made by boiling Sapindus with dried Indian gooseberry (aamla) and a few other herbs, using the strained extract. Sapindus, also known as soapberries or soapnuts, is called Ksuna (Sanskrit in ancient Indian texts and its fruit pulp contain saponins which are a natural surfactant. The extract of soapberries, a tropical tree widespread in India, creates a lather which Indian texts called phenaka (Sanskrit It leaves the hair soft, shiny and manageable. Other products used for hair cleansing were shikakai (Acacia concinna), soapnuts (Sapindus), hibiscus flowers, ritha (Sapindus mukorossi) and arappu (Albizzia amara). Guru Nanak, a Sikh guru, made references to soapberry tree and soap in 16th century.

Cleansing with hair and body massage (champu) during daily strip wash was an indulgence of early colonial traders in India. When they returned to Europe, they introduced the newly learnt habits, including hair treatment they called shampoo.

During the early stages of shampoo in Europe, English hair stylists boiled shaved soap in water and added herbs to give the hair shine and fragrance. Commercially made shampoo was available from the turn of the 20th century. A 1914 ad for Canthrox Shampoo in American Magazine showed young women at camp washing their hair with Canthrox in a lake; magazine ads in 1914 by Rexall featured Harmony Hair Beautifier and Shampoo. In 1927, liquid shampoo was invented by German inventor Hans Schwarzkopf in Berlin, whose name created a shampoo brand sold in Europe. Originally, soap and shampoo were very similar products; both containing the same naturally derived surfactants, a type of detergent. Modern shampoo as it is known today was first introduced in the 1930s with Drene, the first shampoo using synthetic surfactants instead of soap.

OBJECTIVES OF THE STUDY

1. To study profiles of consumers in urban and rural areas.
2. To study the Brand preference of shampoo with reference to Hyderabad and Nalgonda Districts.
3. To analyze the behavioral factors and promotional tools influencing the brand preference in urban and rural areas.

SCOPE OF THE STUDY

The study is focused on Brand Preference in select consumer products. The consumer's perception is studied from consumer's perspective. Multistage sampling is used to collect the opinions of consumers towards select products; this study is conducted in urban area of Hyderabad region and rural area of Nalgonda district. It is believed the residents of these cities who have settle down from various parts of Andhra Pradesh. The study is emphasized on product promotional activities and their effect on Brand awareness, Brand Perception and Brand choice.

METHODOLOGY

The methodology adopted for conducting the study in select areas of Hyderabad and Nalgonda, while taking the select consumer product users as participants in the study. As it forms the central basis of the study, various issues in a systematic order have been dealt with aspects like Research Design, study area, sampling method and tools of data collection, data processing and analysis, statistical test, significance and presentation of the thesis have been elaborated in order to ensure the research rigor that was followed while conducting the study.

RESEARCH DESIGN

A descriptive research design is adopted in order to conduct the study. The design was found the most suitable for understanding the consumer's perception, views expectations and experiences with shampoo. There is a general feeling that description studies are factual and simple.

Sample Design

The present research work is taken up to understand and analyze consumers' perception regarding Brand Preference of shampoo.

A descriptive research design is adopted to meet the said objectives. The opinions, perceptions and attitudes of consumers towards selected products are collected. The study represents consumers' point of view pertaining to the aspects of perception, branding and strategies such as advertisements, sales promotion etc.

The data has been collected using multistage random sampling in the following way:

The sample

Sample of 804 consumers chosen from the Hyderabad urban area and Nalgonda rural area.Multistage random sampling method used to collect the primary data.

The sample is collected from Hyderabad rural area and Nalgonda rural area

Sl.No.	Type	Size of Respondents
1	Consumers of Urban Area (Hyderabad)	404
2	Consumers of Rural Area (Nalgonda)	400
	Total Sample Size	804

The data is collected from one respondent from each household. The data is collected from 804 consumers. The data is collected mostly in the evening hours. It is felt that the evening hours are convenient and comfortable to the respondents.

SOURCE OF DATA

Period of the Study : from April 2015 to September 2015

Primary Data Primary data is the specific data which the researchers collect or observe by themselves such as conducting a questionnaire and interview. This specific data can be seen as an important data because the data is unique and it is collected and observed according to the specific purpose draw by researchers (Brymen and Bell. 2007).

Tools of Data Collection

The structured questionnaire and interview methods were utilized as necessary tools. The questionnaire contained 30 questions mainly close-ended and 5 point Likert's scale was incorporate.

Data processing and Analysis

The data collected from the respondents were separated according to their category and were screened for any possible errors or incompleteness. Later, these data, which were in qualitative form, were converted into codes and those codes were entered into the computer in the spreadsheet form, later these spreadsheet data were processed with the help of SPSS statistical package. All the percentage tables were prepared first in order to know the trends. Later descriptive statistics were prepared for all variables.

Profile of the Consumers

Table 1 Gender of Consumers – Location wise

Sl. No	Gender	Urban Respondents		Rural Respondents		Total Respondents	
		Total no of Respondents	%	Total no of Respondents	%	Total no of Respondents	%
1	Male	249	31	263	32.8	512	63.8
2	Female	155	19.2	137	17	292	36.2
	Total	404	50.2	400	49.8	804	100

Gender of the consumers' location wise is given in the following table. From the table, it is clear that male consumers are 31% from urban area and 32.8% are from rural area. Similarly female consumers are 19.2% from urban area and 17% of them are from rural area. Location wise male consumers are more in number than their counter parts.

Table 2 Age group of Consumers (in Years) – Location wise

Sl. No	Age	Urban Respondents		Rural Respondents		Total Respondents	
		Total no of Respondents	%	Total no of Respondents	%	Total no of Respondents	%
1	<15	3	0.4	3	0.4	6	0.8
2	16-25	136	16.9	66	8.2	202	25.1
3	26-35	133	16.5	98	12.2	231	28.7
4	36-45	88	10.9	142	17.7	230	28.6
5	46-55	35	4.4	58	7.2	93	11.6
6	>=56	9	1.1	33	4.1	42	5.2
	Total	404	50.2	400	49.8	804	100

More consumers are in the age group of 36-45 years 17.7% from rural area followed by age group of 26-35 years 16.5% from urban area.

Table 3. Income Group of Consumers (In Rupees) – Location wise

Sl. No	Income	Urban Respondents		Rural Respondents		Total Respondents	
		Total no of Respondents	%	Total no of Respondents	%	Total no of Respondents	%
1	<5000	7	0.9	14	1.7	21	2.6
2	5001 -10000	94	11.6	50	6.2	144	17.8
3	10001 - 20000	144	17.9	133	16.5	277	34.4
4	20001 - 30000	105	13.1	116	14.4	221	27.5
5	30001 - 50000	47	5.8	70	8.9	117	14.7
6	50001 - above	7	0.9	17	2.1	24	3
	Total	404	50.2	400	49.8	804	100

From the above table, it is quite evident that in urban location, majority of them 17.9% are of them are in the Income group of 10001 to 20000 Rupees, 13.1% of them are in the income group of 20001 to 30000 Rupees, 11.6% of them are in the Income group of 5001 to 10000 Rupees, 5.8% of them are in the Income group of 30001 to 50000 Rupees, 0.9 % of them are in the Income group of Rupees 5000 or less and 50001 and above.

Similarly in rural location, majority of them 16.5% are of them are in the Income group of 10001 to 20000 Rupees, 14.4% of them are in the income group of 20001 to 30000 Rupees, 8.9% of them are in the Income group of 30001 to 50000 Rupees, 6.2% of them are in the Income group of 5001 to 10000 Rupees, 2.1 % of them are in the Income group of Rupees 50001 and above and the reaming 1.7% are in the Income group of Rupees 5000 or less.

EDUCATIONAL QUALIFICATIONS OF CONSUMERS

Education has due influence on the expectations of consumers, so the data pertaining to the educational qualifications are important for the quality of the research study.

Similarly, location wise educational qualifications of consumers' are given in the following table. From the table it is clear that, majority of the consumers are Post graduates and are from rural area 17.8% followed by urban area 17.5%. This followed by Degree holders from rural area 14.8% and from urban area 13.9%.

Table 4. Educational Qualifications of Consumers – Location wise

Sl. No	Educational Qualification	Urban Respondents		Rural Respondents		Total Respondents	
		Total no of Respondents	%	Total no of Respondents	%	Total no of Respondents	%
1	Illiterate	1	0.1	6	0.7	7	0.8
2	SSC	65	8.1	42	5.4	107	13.5
3	Intermediate	84	10.5	88	10.9	172	21.4
4	Degree	112	13.9	119	14.8	231	28.7
5	P.G. Degree / Professional Degree/ Diploma	141	17.5	143	17.8	284	35.3
6	Others	1	0.1	2	0.2	3	0.3
	Total	404	50.2	400	49.8	804	100

Occupation of the of Consumers

Occupation of the consumers is another important variable. It helps us in understanding the consumers' requirements with the select products.

A similar analysis location wise yields the following table.

Table 5. Occupation of consumers – Location wise

Sl. No	Occupation	Urban Respondents		Rural Respondents		Total Respondents	
		Total no of Respondents	%	Total no of Respondents	%	Total no of Respondents	%
1	Govt. Employee	47	5.8	75	9.3	122	15.1
2	Private Employee	159	19.8	91	11.3	250	31.1
3	Self Employed	101	12.6	142	17.7	243	30.3
4	House Wife	44	5.5	59	7.3	103	12.8
5	Retired	16	2.0	25	3.2	41	5.2
6	Unemployed	37	4.5	8	1.0	45	5.5
	Total	404	50.2	400	49.8	804	100

From the table above, it is clear that the majority of the respondents are private employees from urban area 19.8% followed by self employed from rural area 17.7% followed by self employed from urban area 12.6%. This is followed by other professions.

Brand preferences of consumers

In this section, an attempt has been made to study the proportion of consumers who really have preferences towards the brands of products.

Location wise analysis of the consumers brand preferences yields the following table.

Table 6. Brand preferences of consumers – Location wise

Sl. No	Brand Preference	Urban Respondents		Rural Respondents		Total Respondents	
		Total no of Respondents	%	Total no of Respondents	%	Total no of Respondents	%
1	Yes	336	41.7	297	37	633	78.7
2	No	59	7.4	95	11.9	154	19.3
3	Do not know	9	1.1	8	0.9	17	2
	Total	404	50.2	400	49.8	804	100

It is clear from the table 6 that, at urban location, majority of consumers 41.7% are having their own brand preferences and stick to their brands only and 7.4% of consumers are not having any particular brand preferences and they keep switching the brands. However 1.1% of consumers do not have any idea about the brands.

Similarly, in rural location, majority of consumers 37% are having their own brand preferences and stick to their brands only and 11.9% of consumers are not having any particular brand preferences and they keep switching the brands. However 0.9% of consumers do not have any idea about the brands.

Existing brand preferences of consumers – Shampoos

The existing Brand Preferences of the consumers towards Shampoos is summarized in the following table.

The location wise responses of consumers regarding their existing brand preferences towards the Shampoos are analyzed and is presented in the following table

Table 7. Existing Brand Preferences of consumers Location wise – Shampoos

Sl. No	Existing Brand preference	Urban Respondents		Rural Respondents		Total Respondents	
		Total no of Respondents	%	Total no of Respondents	%	Total no of Respondents	%
1	All Clear	50	6.2	48	6.0	98	12.2
2	Chik	128	15.8	36	4.6	164	20.4
3	Clinic Plus	55	6.8	65	8.1	120	14.9
4	Dove	28	3.4	32	4.1	60	7.5
5	Head & Shoulders	51	6.4	48	5.9	99	12.3
6	Himalaya	6	0.7	16	2	22	2.7
7	Karthika	11	1.3	24	3.1	35	4.4
8	Meera	46	5.9	64	7.8	110	13.7
9	Pantene	19	2.5	45	5.5	64	8.0
10	Sunsilk	9	1.1	18	2.2	27	3.3
11	Vivel	1	0.1	4	0.5	5	0.6
	Total	404	50.2	400	49.8	804	100

It is evident from the table 7 above that at urban location, majority of consumers are preferring Chik 15.8%, followed by Clinic Plus 6.8%, followed by Head and Shoulders 6.4% followed by All Clear 6.2%, followed by Meera 5.9%, followed by Dove 3.4%, followed by Pantene 2.5%, followed by Karthika 1.3%, followed by Sunsilk 1.1%. Shampoos Himalaya and Vivel scored a proportion of 0.7% and 0.1% each.

Similarly at rural location, a majority of consumers are preferring Clinic Plus 8.1%, followed by Meera 7.8%, followed by All clear and Head and Shoulders 6% and 5.9%, followed by Pantene 5.5%, followed by Chik 4.6%, followed by Dove 4.1%, followed by Karthika 3.1%, followed by Sun Silk 2.2%, followed by Himalaya 2%, followed by Vivel 0.5%.

Purchasing decisions of consumers – Shampoos

The factors which influence the consumers buying behavior towards the product Shampoos is summarized in the following table.

Table 8. Purchasing decision of consumers Location wise – Shampoos

Sl. No	Purchasing decision	Urban Respondents		Rural Respondents		Total Respondents	
		Total no of Respondents	%	Total no of Respondents	%	Total no of Respondents	%
1	Self	127	15.9	153	18.9	280	34.8
2	Family members advice	153	18.9	132	16.5	285	35.4
3	Friends/ Relatives advice	56	6.9	74	9.3	130	16.2
4	Retailers advice	45	5.7	18	2.1	63	7.8
5	Advertisement	17	2.1	15	1.9	32	4.0
6	Sales promotion	1	0.1	2	0.3	3	0.4
7	Others	5	0.6	6	0.8	11	1.4
	Total	404	50.2	400	49.8	804	100

It is clear from the table 8 that at urban location, majority of consumers 18.9% are purchasing the Shampoos by Family Members Advice, followed by 15.9% of consumers are purchasing of their own decision, followed by 6.9% of consumers are taking decision by Friends/Relatives Advice, followed by 5.7% of consumers are purchasing by Retailers Advice, followed by 2.1% of consumers are taking decision by Advertisement, followed by 0.6% consumers are buying the products with the influence of other factors and finally 0.1% of consumers are taking decision by influence of Sales Promotion.

Similarly in rural location, majority of consumers 18.9% are purchasing the Shampoos by their own decision, followed by 16.5% of consumers are purchasing by family members advice, followed by 9.3% of consumers are taking decision by Friends/ Relatives Advice, followed by 2.1% of consumers are purchasing by Retailers Advice, followed by 1.9% of consumers are taking decision by Advertisement, followed by 0.8% consumers are buying the products with the influence of other factors and finally 0.3% of consumers are taking decision by influence of Sales Promotion.

Period of Association with present Shampoos

The Association of consumers buying behavior towards the product Shampoos is summarized in the following table.

Table 9. Period of association of consumers Location wise – Shampoos

Sl. No	Period of Association	Urban Respondents		Rural Respondents		Total Respondents	
		Total no of Respondents	%	Total no of Respondents	%	Total no of Respondents	%
1	Below 6 months	41	5.0	37	4.7	78	9.7
2	6 months to 1 year	96	11.9	61	7.6	157	19.5
3	1 year to 2 years	79	9.8	156	19.4	235	29.2
4	2 years to 3 years	105	13.1	89	11.1	194	24.2
5	3 years and above	83	10.4	57	7.0	140	17.4
	Total	404	50.2	400	49.8	804	100

It is clear from the table 9 that at urban location, majority of consumers 13.1% are associated with the Shampoos brand for a period of 2 years to 3 years, followed by 11.9% of consumers are associated with a period of 6 Months to 1 year, followed by 10.4%of consumers are associated with a period of 3 years and above, followed by 9.8% of consumers are associated with a period of 1 year to 2 years, and finally followed by 5% of consumers are associated with a period of below 6 months.

Similarly in rural location, majority of consumers 19.4% are associated with the Shampoos brand for a period of 1 year to 2 years, followed by 11.1% of consumers are associated with a period of 2 years to 3 years, followed by 7.6%of consumers are associated with a period of 6 months to 1 year, followed by 7% of consumers are associated with a period of 3 years and above, and finally followed by 7.6% of consumers are associated with a period of below 6 months.

10. Expected period of consumers switching the brand – Shampoos

The expected time duration of consumers switching over to another brand of Shampoos is summarized in the following table.

Table 10. Expected Period of consumers switching the brand Location wise – Shampoos

Sl. No	Expected Period of Consumers switching the brand	Urban Respondents		Rural Respondents		Total Respondents	
		Total no of Respondents	%	Total no of Respondents	%	Total no of Respondents	%
1	Below 3 months	14	1.7	29	3.6	43	5.3
2	3 months to 6 months	27	3.3	47	5.9	74	9.2
3	6 months to 1 year	29	3.6	81	10.1	110	13.7
4	1 year to 2 years	14	1.7	26	3.3	40	5.0
5	2 years and above	15	1.9	18	2.2	33	4.1
6	Do not want to change the brand	305	38	199	24.7	504	62.7
	Total	404	50.2	400	49.8	804	100

It is clear from the table 10 that at urban location, majority of consumers 38% of Shampoos are not interested to switch over the another brand, followed by 3.6%

of consumers are showing interest to change the brand with a period of below 6 months to 1 year, followed by 3.3% of consumers are changing with a period of 3 months to 6 months, followed by 1.9% of consumers are changing with a period of 2 years and above, and finally followed by 1.7% of consumers are changing with a period of below 3 months and 1 year to 2 years.

Similarly in rural location, majority of consumers 24.7% of Shampoos are not interested to switch over the another brand, followed by 10.1% of consumers are showing interest to change the brand with a period of 6 months to 1 year, followed by 5.9% of consumers are changing with a period of 3 months to 6 months, followed by 3.6% of consumers are changing with a period of below 3 months, followed by 3.3% of consumers are changing with a period of 1 year to 2 years, and finally 2.2% of consumers are changing with a period of 2 years and above.

Sources of information about the brand – Shampoos

The Sources of information about the brand of Shampoos is summarized in the following table.

Table 11. Sources of information about the brand Location wise – Shampoos

Sl. No	Sources of information about the brands	Urban Respondents		Rural Respondents		Total Respondents	
		Total no of Respondents	%	Total no of Respondents	%	Total no of Respondents	%
1	TV	148	18.3	197	24.6	345	42.9
2	News paper	126	15.6	66	8.3	192	23.9
3	Radio	64	7.9	68	8.5	132	16.4
4	Posters	46	5.7	36	4.5	82	10.2
5	Retailer	18	2.4	31	3.7	49	6.1
6	Others	2	0.3	2	0.2	4	0.5
	Total	404	50.2	400	49.8	804	100

It is clear from the table 11 that at urban location, majority of consumers 18.3% of Shampoos brand prime source of information is TV, whereas, 15.6% of consumers by News Paper, followed by 7.9%of consumers by Radio, followed by 5.7% of consumers by Posters, followed by 2.4% of consumers by Retailers and finally 0.3% of consumers by other factors.

Similarly in rural location, majority of consumers 24.6% prime source of information is TV, whereas, 8.5% of consumers by Radio, followed by 8.3%of consumers by News

Paper, followed by 4.5% of consumers by Posters, followed by 3.7% of consumers by Retailers and finally 0.2% of consumers by other factors.

Parameters attracting the consumers to brands – Shampoos

The Parameters attracting the consumers to the brand of Shampoos is summarized in the following table.

It is evident from the table above that, majority of consumers 32.7% of Shampoos are getting attracted by Company's Reputation, followed by 31.3% of consumers by its Quality, followed by 21.9% of consumers by Brand Image, followed by 12.8% of consumers by Price of the product and finally 1.2% of consumers by Credit/ Installment facility.

Location wise analysis of Parameters attracting the consumers towards brand Shampoos is summarized in the following table

Table 12. Parameters attracting the consumers to brands Location wise – Shampoos

Sl. No	Parameters attracting the Consumers to brands	Urban Respondents		Rural Respondents		Total Respondents	
		Total no of Respondents	%	Total no of Respondents	%	Total no of Respondents	%
1	Brand Image	73	9.1	103	12.8	176	21.9
2	Company Reputation	146	18.1	117	14.6	263	32.7
3	Quality	120	14.9	132	16.4	252	31.3
4	Price	60	7.5	43	5.3	103	12.8
5	Credit/Inst. facility	5	0.6	5	0.7	10	1.3
	Total	404	50.2	400	49.8	804	100

It is clear from the table 12 that at urban location, majority of consumers 18.1% of Shampoos are getting attracted by Company's Reputation, followed by 14.9% of consumers by its Quality, followed by 9.1% of consumers by Brand Image, followed by 7.5% of consumers by Price of the product and finally 0.6% of consumers by Credit/Installment facility.

Similarly in rural location, majority of consumers 16.4% of Shampoos are getting attracted by its Quality, followed by 14.6% of consumers by Company's Reputation, followed by 12.8% of consumers by Brand Image, followed by 5.3% of consumers by Price of the product and finally 0.7% of consumers by Credit/Installment facility.

Promotional schemes for brand preference of Shampoos

The promotional schemes attracting the consumers to the brand of Shampoos is summarized in the following table.

Table 13. Promotional schemes for brand preference Location wise– Shampoos

Sl. No	Promotional Schemes for brand preference	Urban Respondents		Rural Respondents		Total Respondents	
		Total no of Respondents	%	Total no of Respondents	%	Total no of Respondents	%
1	Price off	91	11.3	151	18.8	242	30.1
2	Free gift	135	16.7	122	15.3	257	32.0
3	Discount Coupons	91	11.3	105	13.1	196	24.4
4	Bonus Pack	75	9.3	15	1.9	90	11.2
5	Contests	12	1.6	7	0.7	19	2.3
	Total	404	50.2	400	49.8	804	100

It is clear from the table 13 that at urban location, majority of consumers 16.7% of Shampoos are promoting with the free gift scheme, followed by Price off and Discount Coupons (11.3% each) scheme, followed by 9.3% of consumers with Bonus pack, and finally 1.6% of consumers with Contests.

Similarly in rural location, majority of consumers 18.8% of Shampoos are promoting with the Price off scheme, followed by 15.3% of consumers with free gift scheme, followed by 13.1% of consumers with Discount coupons, followed by 1.9% of consumers by Bonus pack and finally 0.7% of consumers with Contests.

The survey helped in understanding the consumer perception on brand preferences of shampoos.. It was observed that consumer's main expectations were, Quality, price, availability and variety of the products. Existing brand preferences at urban region and rural region for various products were observed. The results of this study confirmed the assumption that there is no significant difference among the consumers of urban area and rural area in terms of their brand preferences and nearly all the consumers appeared almost equally satisfied with their products. When the consumers of urban area were compared on, it was found that they differed significantly according to their independent variable variety of the product. Consumers of both the areas differed significantly according to independent variable availability of the product. Based on the results obtained, integrated marketing strategies and improving brand awareness through quality attributes have been recommended.

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A STUDY ON COMMITMENT, JOB SATISFACTION AND WORK EXHAUSTION AMONG EMPLOYEES IN SMALL SCALE INDUSTRIES

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ABSTRACT

Organizations want to maximize productivity by maximizing commitment, as increased levels of stress and work exhaustion may have significant implications for organizational performance such as reduced job satisfaction and lowered organizational commitment and sometimes its affects the human values of the employees also. The present exploratory study undertakes the examination of work exhaustion by employees in small scale industries. Research has shown that The individuals who are most vulnerable to occupational burnout are ones who are strongly motivated, dedicated, and involved in the work in which they partake and commitment is based on a mindset of affective attachment has the strongest positive relations with desired outcomes, while commitment based on mindsets of social or economic costs has much weaker and sometimes even negative relations with these same outcomes Organizational commitment is essential for retaining and attracting well qualified employees only satisfied and committed employees will be willing to continue their association with the organization and make considerable effort towards achieving its goals.

INTRODUCTION

Commitment

Employee commitments have been connected to a multitude of organizationally relevant variables, including turnover, absenteeism, job performance, and organizational citizenship behaviors.Far less research exists on the connection between workplace commitments and their implications for employees themselves, although research is beginning to accumulate Some meta-analyses of the links between commitment and individual well-being variables exist, but these, and the bulk of primary research in this area, focused almost exclusively on affectively-based commitment.

Career satisfaction

At certain key career junctures such as reassignment, promotion, selection for an assignment with a service obligation and leads to a decision regarding career satisfaction and commitment. Assuming a rational model, the individual decision process can be understood and analyzed by identifying and evaluating the factors that influence this decision.

Human values

When we think of our values, we think of what is important to us in our lives (e.g., security, independence, wisdom, success, kindness, pleasure). Each of us holds numerous values with varying degrees of importance. A particular value may be very important to one person, but unimportant to another. People's values form an ordered system of value priorities that characterize them as individuals. This hierarchical feature of values also distinguishes them from norms and attitudes. The Values Theory defines values as desirable, trans-situational goals, varying in importance that serves as guiding principles in people's lives. The five features above are common to all values. The crucial content aspect that distinguishes among values is the type of motivational goal they express.

Work Exhaustion

Work exhaustion is characterized by exhaustion, lack of enthusiasm and, motivation feeling 'drained', and also may have the dimension of frustration and/or negative emotions and, cynical behavior and as a result reduced professional efficacy within the workplace. More accurately defined, " Work exhaustion is a state of emotional, mental, and physical exhaustion caused by excessive and prolonged stress", thus in the emotional plan exhaustion refers to the depletion or draining of emotional resources, from which cynicism stem and cynicism refers to the indifference or distant attitude of work, and reduced professional efficacy refers to the lack of satisfaction with past/present expectations.Work exhaustion affects also social relationships and attitudes making interactions at home and at work difficult either because of the social withdrawal of the exhausted person or of making him more prone to conflict.

NEED FOR THE STUDY

There is substantial research indicating that employers can favorably influence how their employees feel by taking positive steps to create a work environment that indicates, by action, that the employee is valued. Although important, pay is only one part and employers must also address fairness, quality of supervision and support for employees to successfully achieve a work/life balance. The importance of these factors and policies are the basis behind Insightlink's 4Cs model of employee satisfaction, with the four key drivers being Commitment, Culture, Communications and Compensation.

OBJECTIVES OF THE STUDY

- To find out relationship between the variables such as career satisfaction, work exhaustion, affective commitment scale, empowerment practices, and willingness to help human beings.
- To find the gender impact on the affective commitment in the organization.

- To find out the effect of independent variables, i.e. empowerment practices, willingness to help human beings, and affective commitment on dependent variable i.e. career satisfaction.

RESEARCH METHODOLOGY

The data is collected from both Primary and secondary sources. Primary data is obtained from the direct personal and indirect & oral investigation. The information is collected by personal interviews. The information is not collected directly from the source but by interviewing persons closely related with the problem. Secondary data is collected from other like literature reviews, websites, articles, journals, magazines and textbooks. The statistical tools, Excel & SPSS were used for the analysis.

SCOPE OF THE STUDY

The study covered the important aspects of career satisfaction, human values and work exhaustion. The theory and analysis varies in the organization. The study was restricted to Hyderabad only. Aspects such as commitment, empowerment practices and willingness to help human beings were studied.

RELIABILITY ANALYSIS

Reliability test for construct 1

Empowerment practices validity test

Reliability Statistics

Cronbach's Alpha	No. of Items
.736	3

- Cronbach's alpha value is nearer to 0.75 so it is a valid scale.
- The scale or the construct consists of three questions relating to empowerment practices.

Reliability test for construct 2

Career satisfaction

Reliability Statistics

Cronbach's Alpha	No. of Items
.845	5

- Cronbach's alpha value is more than 0.75 so it is a valid scale.
- The scale or the construct consists of five questions relating to Career satisfaction.

Reliability test for construct 3

Affective commitment scale

Reliability Statistics

Cronbach's Alpha	No. of Items
.672	8

- Cronbach's alpha value is less than 0.75 and it is nearer to the value. Therefore some more scales or items may be included in the construct

- The scale or the construct consists of eight questions relating to job performance

Reliability test for construct 4

Work exhaustion

Reliability Statistics

Cronbach's Alpha	No. of Items
.847	3

- Cronbach's alpha value is more than 0.75. So it is a valid scale
- The scale or the construct consists of three questions relating to work exhaustion.

Reliability test for construct 5

Willingness to help human beings

Reliability Statistics

Cronbach's Alpha	No. of Items
.879	6

- Cronbach's alpha value is more than 0.75 so it is a valid scale.
- The scale or the construct consists of six questions relating to job performance.

Table 1

Correlations

		EP	CS	ACS	WE	W
EP	Pearson Correlation	1	.538**	.099	-.180	.344**
	Sig. (2-tailed)		.000	.287	.053	.000
	N	117	117	117	117	117
CS	Pearson Correlation	.538**	1	.071	-.154	.265**
	Sig. (2-tailed)	.000		.446	.098	.004
	N	117	117	117	117	117
ACS	Pearson Correlation	.099	.071	1	.135	.065
	Sig. (2-tailed)	.287	.446		.147	.484
	N	117	117	117	117	117
WE	Pearson Correlation	-.180	-.154	.135	1	-.180
	Sig. (2-tailed)	.053	.098	.147		.053
	N	117	117	117	117	117
W	Pearson Correlation	.344**	.265**	.065	-.180	1
	Sig. (2-tailed)	.000	.004	.484	.053	
	N	117	117	117	117	117

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

Interpretation

- Empowerment practices, Career satisfaction, Affective commitment scale, Work exhaustion, Willingness to help human beings are correlated to each other.
- There is a perfect correlation between the variables.
- The sig(2-tailed) test or Pearson correlation signifies the relationship between the variables.
- The correlation table signifies that the variables are related to each other and contribute to the Commitment, Human values, Career satisfaction, Work Exhaustion.

Table 2

Group Statistics

	gender recode	N	Mean	Std. Deviation	Std. Error Mean
ACS	F	30	17.07	2.791	.510

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	df	Sig. (2-tailed)	Mean Differ-ence	Std. Error Differ-ence	95% Confidence Interval of the Difference	
									Lower	Upper
ACS	Equal variances assumed	1.037	.311	-.056	115	.956	-.037	.660	-1.344	1.271
	Equal variances not assumed			-.060	57.653	.953	-.037	.616	-1.269	1.195

ACS=AFFECTIVE COMMITMENT SCALE

Interpretation

- From the above Independent t-sample test it is clear that there is no difference between the male or females in their commitment towards the organization
- In other words it is clear that Gender has no impact on the Affective commitment scale of the organization

- The contribution of individuals is equal. The females are less than males in the sample survey collected. But still the impact of Gender is negligible on the Performance of the organization.
- In the total sample collected out of 117 , 30 are females and 87 are males.
- The sig-2 tail test is above the 0.025 which signifies that the Gender has no influence on the Commitment
- The t value which is depicting in the above table is also less than 1.96 which again reveals that both males and females contribution towards the organizational goals.

Table 3

Model Summary

R	R Square	Adjusted R Square
.545a	.297	.278

a. Predictors: (Constant), W, ACS, EP

ANOVAa

Model		Sum of Squares	df	mean Square	F	Sig.
1	Regression	542.115	3	180.705	15.890	.000b
	Residual	1285.081	113	11.372		
	Total	1827.197	116			

a. Dependent Variable: CS

b. Predictors: (Constant), W, ACS, EP

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.657	2.393		2.364	.020
	EP	.894	.149	.505	5.992	.000
	ACS	.019	.101	.015	.192	.848
	W	.070	.065	.090	1.071	.286

a. Dependent Variable: CS= Career satisfaction

EP=Empowerment Practices

ACS=Affective Commitment Scale

W=Willingness to help human beings.

Interpretation

- The above analysis is done through Regression analysis. The effect of Career Satisfaction is being analyzed by taking factors like Empowerment Practices, Affective Commitment and Willingness to help human beings.
- The dependent variable is taken as Career satisfaction and Independent variable are Empowerment Practices, Affective Commitment and Willingness to help human beings.
- The above table depicts that except the empowerment practices; other factors are not having any impact on the Career satisfaction of the employees.
- The empowerment practices in the organizations are the driving force for the career satisfaction in the organization, i.e., sig or p value is close to 0 or less than 5% which signifies that it is prime factor for the Career satisfaction.
- The other two factors affective commitment and willingness to help human beings are more than 0 value or other words more than 5% which signifies no impact on the career satisfaction.

FINDINGS

- It is clear from Table 1 the Reliability analysis that all the Cronbach's alpha values are above 0.75. It indicates that all the constructs are valid and contribute to the project on human values, career satisfaction, work exhaustion. Except commitment scale.
- The Independent Sample test done whether there is significant difference for the Gender difference on the Affective commitment or Performance, the results show that there is no change or there is no difference or both Male and Female equally contribute to the Job Performance in the organization.
- The Table -2 the significant two tail test should be less than 5% but it is more that means it clearly signifies that both males and females are equally contributing to the Organizational productivity.
- The correlation table says that all the factors or the constructs taken for the analysis of the project i.e. Empowerment practices, career satisfaction, affective commitment scale and work exhaustion and willingness to help human beings are perfectly correlated to each other. The significance levels are close to 0.05 which signifies the relationship between the variables and once again all are highly contributing factors to the commitment, human values ,career satisfaction and work exhaustion.
- The Independent sample test shows that willingness to help

human beings among the people in organization is also is also good where the significance levels are showing the positive signs.

- The analysis shows that the commitment levels of the employees should increased.

SUGGESTIONS

- Out of the sample size 117, the males are more in number than females so when coming to the performer's category generalizations are drawn.
- The table 2 is showing the performance or gender impact on the commitment. This is only general view as the sample size covers more of males than females.
- The Empowerment practices and their outcomes are very good in the organization and the organization can follow the same techniques to encourage the employees.
- Commitment towards the organizational productivity should be increased among the employees through various motivational techniques ie through financial or non-financial benefits.
- Clear and open communication, quality of interaction with peers, collaboration, organization policy, and organization performance are all contributing factors to organizational productivity.

LIMITATIONS OF THE STUDY

- The analysis was restricted to the employees of small scale industry Hyderabad. Both on roll and off roll employees were taken for the study and data analysis.

CONCLUSION

The empowerment practices are very good and are the cause of career satisfaction of the employees in the organization. Commitment and willingness attitude to help the other human beings and several other factors contribute to the congenial atmosphere in the organizations which in turn results increases the organizational productivity. These two factors are having less significance on the employee's performance levels. Therefore further steps may be taken by the organization to improve the same. There is also further scope for the other factors to be taken for the research. As the correlation significance positive results it can be concluded that all the factors taken for the present study are perfectly correlated and are contributing to the Commitment, human values, career satisfaction and work exhaustion.

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PRESSURE MAKES THE MAN TO WORK WITH RESPECT TO BELL CURVE APPRAISAL PRACTICE

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ABSTRACT

Performance appraisal is one of the most important and power full human resource practices which provides a justification for human resource decision such as rewards, career planning, transfers, training, counseling, mentoring, termination, etc. Bell curve appraisal system is one of the appraisal system where most of the organizations are using to reward the employees. This system divides the performance of the employees into higher level performers, middle level performers and worst level performers. They reward small percentage of top performers, encourage a large majority in the middle to improve, and lay-off the bottom performers. Companies believe that such pay-for-performance system encourages employees to perform better. The objective of this study is to examine the process of bell curve appraisal process and its role in improving the performance levels of employees either by motivating through reward system or with the pressure of punishing. So this paper explores two questions. Where first one is whether bell curve appraisal system increases the overall performance of the employee as well as company and other one is whether it is a rewarding tool or punishing tool.

KEY WORDS : Performance appraisal, bell curve system, reward system, forced distributed system, performance evaluation, reward system, layoff.

INTRODUCTION

Performance evaluation is one of the most effective and powerful human resource practices (Judges and Ferris, 1993; Murphy and Cleveland, 1995, p. 4). It provides a justification for human resource decision such as rewards, career planning, transfers, training, counseling, mentoring, termination, etc. Performance appraisal provides an opportunity to the employer to communicate with the employees about the mission, strategy, vision, values and objectives of the organization, and it personalizes organizational strategy into individual performance criteria. It has been observed that employee motivations to perform, to develop capabilities and to improve future performance are influenced by the performance appraisal system (Landy et al., 1978; Kanfer, 1990). According to Saiyadain (1998), the basic objective and purpose of performance appraisal is to judge the relative worth and ability of an individual employee in performing their tasks and duties..The main objective of appraisal practice is to help to identify a better worker from a poor one. Despite the importance of a performance evaluation system, various and extensive studies in this field have identified significant shortcomings in its applications that include different types of biases stemming from rating errors, sources of performance information and individual differences (Arvey and Murphy, 1998).

Among these various studies, rating bias is one of the most predominant area of research, which indicates the tendency of the raters to provide lenient or stringent rating (Bertz et al., 1992; Rynes et al., 2002). This systematic bias leads to lack of discrimination between high and low performance and automatically disrupts the whole essence of performance evaluation system (Jawahar and Williams, 1997; Guralnik et al., 2004). Over past two decades, several researchers have explored different methods to overcome the rating bias and to improve the accuracy of performance evaluation system (Goffin et al., 1996). Studies on performance evaluation are mainly focused on two types of appraisal systems – absolute and relative. In an absolute rating system, individual performance is evaluated against a pre-determined standard, whereas a relative evaluation system determines the relative positions of different employees by comparing them against one another (Duffy and Webber, 1974). Though there are advantages and disadvantages in both of these systems, some studies have pointed out the superiority of the relative grading system over the absolute one (Heneman, 1986; Nathan and Alexander, 1988; Wanger and Goffin, 1997). Many renowned organizations including General Electric (GE), Henz, Microsoft, American Express and Goldman Sachs have used and some still use relative grading system for performance evaluation in the form of a forced distribution system (FDS) (Grote, 2005). FDS was developed in an attempt to directly deal with the problems of rater leniency and lack of discrimination while measuring an individual's performance (McBriarty, 1988). This system forces the managers to discriminate between high and low performers either by sorting the employees into some pre-determined performance categories based on a pre-defined distribution or by ranking them on the basis of their relative performance (Guralnik et al., 2004). The first process is also known as the criterion-reference rating, while the second one is known as the norm-reference rating (Viswesvaran and Ones, 2000; Viswesvaran, 2001). The wide use of FDS as an objective measure of employee performance was mostly popularized by Jack Welch at the beginning of his tenure at GE under the name of "vitality curve" (Bossidy and Charan, 2002; Tichy and Sherman, 2001). Welch introduced this system to develop an objective measure to discriminate between high and low performer so that the culture of “rewarding doers” can be established, which in turn can be helpful for “building muscle” of the organization. In GE and many other organizations, FDS is considered as a developmental instrument for achieving a performance-oriented culture.

Research Question

The main objective of this paper is to examine whether pressure under bell curve appraisal practice motivates employees towards increased contribution for organizational growth.

OBJECTIVES

1. To study the bell curve appraisal process in IT sector.
2. To understand employee opinion on bell curve system
3. To find out benefits and flaws against the bell curve system
4. To analyze the remedies for employee fear against the bell curve appraisal process.

Performance evaluation process under bell curve appraisal process :

Many organizations today use a bell-curve for performance evaluation process. They reward a small percentage of top performers, encourage a large majority in the middle to improve, and lay-off the bottom performers. Companies believe that such pay-for-performance system encourages employees to perform better.

We observe that pressure, if maintained below a certain level, can lead to higher performance. However, with lay-offs, constant pressure demoralizes employees, leading to drop in performance. As the company shrinks, the rigid distribution of bell-curve forces managers to label a high performer as a mediocre. A high performer, unmotivated by such artificial demotion, behaves like a mediocre. Further, managers begin to reward visible performance over the actual. Finally, the erosion of social capital could cripple the company.

We recommend the use of a semi-bell-curve where someone who performs like a top performer is rewarded as one. Further, we recommend balancing pressure and morale. We recognize that such a balance is very difficult to strike, and can be successfully achieved only by decoupling the issue of lay-offs from the performance evaluation process, to some extent. Under bell curve performance evaluation process employees are categorized into three buckets. i.e. top 10% as high performers, middle 80% as normal or middle performers and bottom 10% as low performers. Alpha calls this a pay-for-performance system where the high performers get a big reward (bonus or salary raise), the middle performers get some reward, but the low performers are often laid off or given a clear signal that their job may be affected. Over the entire period of using this performance process, Alpha has been shrinking 10%

every year on an average. Many such companies that use the bell-curve for performance evaluation today (Gary 2001; Grote and Grote c2005) .

Pressure - is it motivates employees to perform

As a result of performance evaluation if an individual receives a low performance rating, they feel pressure to perform better to get higher performance rating. The manager expects e employee to give more performance every time whenever the employee performance falls. Even the top performers will feel pressure to maintain other forces such as rewards and reputation to keep up the performance once they receive a good evaluation.

Relationship between pressure and performance

When I have a discussion with some employees who are working in IT sector, I understand that When there is no pressure to perform, an employee may became slackand lazy. As the pressure increases , the performance improves. However, there is a limit to performance. But if the pressure becomes unbearable, the employees feel frustrated and their performance fall below the possible level, as people are stressed and being to cut corners. With regular and periodic performance evaluations the employees will be under constant pressure to perform better to get high ratings. Such an environment makes the employees demoralize. Due to not receiving the desired reward despite working under pressure for long periods, some other employees feel fear of lay-off and yet others from having lost their colleagues to lay-offs.

Balance pressure and morale

As discussed above, pressure is one of the most important factor in determining the employee's performance and also plays an important role in de motivating the employees due to fear and frustration. Ideally the balance between pressure and morale keep the employees to work better. High pressure enough to motivate the employees to work hard (pressure is not too high to pass the limited point), but not too high to cause demoralizations. In IT organizations, pressure is managed by the valuation process and the associated fear of the lay-off. As the company continues shrink, the pressure increases to higher levels, initially the pressure is relatively low and average level performers feel relieved, and the morale is high. Even there are lay-offs, it does not creates fear as everyone believes that the company is getting rid of the low performers. But if the company shrinks further , the average performance level employees starts to feel the fear, the pressure increases and the morale goes down. The average performance stays relatively constant for a while, as the drop in the morale is being compensated by the increase in the pressure. However, after the pressure reaches a certain point, it will not improve the performance anymore; there might even be some loss of performance. The morale is too low, adding up to a net performance that is very small.

HERE ARE SOME REASONS THE WHY CURRENT MODELS DON'T WORK:

1. No one wants to be rated on a five point scale.

First, much research shows that reducing a year of work to a single number is degrading. It creates a defensive reaction and doesn't encourage people to improve. Ideally performance evaluation should be "continuous" and focus on "always being able to improve."

In fact, David Rock's research shows that when we receive a "rating" or "appraisal" our brain shifts into "fear or flight" mode and shifts to our limbic brain. This shift, which takes place whenever we are threatened, immediately takes us out of the mode to learn or create, making us defensive. So the actual act of executing a performance appraisal itself reduces performance.

2. Ultra-high performers are incented to leave and collaboration may be limited.

The bell curve model limits the quantity of people at the top and also reduces incentives to the highest rating. Given the arbitrary five-scale rating and the fact that most people are 2,3,4 rated, most of the money goes to the middle. If you're performing well but you only get a "2″ or a "3″ you'll probably feel under-appreciated. Your compensation increase may not be very high (most of the money is held for the middle of the curve) and you'll probably conclude that the highest ratings are reserved for those who are politically well connected. Since the number of "1′s" is limited, you're also likely to say "well I probably wont get there from here so I'll work someplace where I can really get ahead."Also, by the way, you may feel that collaboration and helping others isn't really in your own self interest – because you are competing with your team mates for annual reviews.

3. Mid level performers are not highly motivated to improve.

In the bell curve there are a large number of people rated 2, 3, and 4. These people are either (A) frustrated high performers who want to improve, or (B) mid-level performers who are happy to stay where they are.

If you fall into category (B) you're probably pretty happy keeping the status quo – you know the number of "1′s" is very limited so you won't even strive to get there. In a sense the model rewards mediocrity.

4. Compensation is inefficiently distributed.

People often believe the bell curve is "fair." There are an equal number of people above and below the average. And fairness is very important. But fairness does not mean "equality" or "equivalent rewards for all." High performing companies have very wide variations in compensation, reflecting the fact that some people really do drive far more value than others. In a true meritocracy this is a good thing, as long as everyone has an opportunity to improve, information is transparent, and management is open and provides feedback.

Many of the companies I talk with about this suddenly realize the have to rethink their compensation process – and find ways to create a higher variability in pay. Just think about paying people based on the value they deliver (balanced by market wages and scarcity of skills) and you'll probably conclude that too much of your compensation is based on tenure and history.

5. Incentives to develop and grow are reduced.

In a bell curve model you tend to reward and create lots of people in the "middle." People can "hang out" in the broad 80% segment and rather than strive to become one of the high-performers, many just "do a good job." This is fine of course, but I do believe that everyone wants to be great at something – so why wouldn't we create a system where every single person has the opportunity to become a star?

If your company focuses heavily on product design, service, consulting, or creative work, (and I think nearly every company does), why wouldn't you want everyone to work harder and harder each day to improve their own work or find jobs where they can excel?

Benefits, flaws and remedies of bell curve appraisal practice:

Benefits:

- The workers, who are high performers, are motivated to keep improving themselves with the incentive of stock options, higher pay etc.
- The majority of the workers, who are classified as average performers, are provided with opportunities to enhance themselves with various training modules and other tools of improvement. This increases the company's competence level as a whole.
- The low performers are warned that they need to get their act together and thus, the productivity of the organization slowly improves
- Accountability, which is the purpose of performance appraisals, is enforced across the organization by using Bell Curve.

Flaws :

- The problem with Bell Curve methodology begins with its application. The distribution curve can only be applied to an organization with certain number of employees as a threshold. With small number of employees, the categorization of resources becomes too constrained, and more often, erroneous.
- Bell Curve method for performance appraisal always creates a doubt about the fairness of the classification system. Many times employees show increased activity in the time period approaching appraisals. Hence, the bias towards visible performance as against actual performance may overshadow fair categorization.
- Distributing incentives based on Bell curve methodology cannot guarantee an Increase in the company's overall performance. It happens only over a long period of time.
- This system is implemented department wise instead of the entire employee database and hence there are chances that the worst in some departments are much better than the average in other departments but still they are forced to leave.
- When this system is implemented in a department where the performance has been very good and the company can not afford to fire the lower 10% the bonuses and the raise in salary is quite less compared to other departments and hence sooner or later the firm seems the top 20% leave because they are not happy with their respective packages.
- This system along with improving the top performers in your company would also attract hyper competitive nature among employees and hence resulting into a dysfunctional working environment in the same department.
- The trainees are generally the ones who get fired. To minimize the risks associated with bell curve systems, it is recommended that:
- Employees should measured objectively and make them aware of how their work is appraised and how to meet their targets.
- Need of a robust review take place when grading an employee as 'underperforming'.
- Appropriate assistance and training need to provided to employees to enable them to meet their targets, particularly those employees with a negative rating.
- There should be continuous pressure on low performers but within limitations to maintain moralization within the employees.
- Call a top performer as top

performer

- Mainly give a right justice to right performer.
- Provide a space and security feelings to hard workers by removing lay off fears.

CONCLUSION:

Now a days most of the IT companies are using bell curve appraisal practice to evaluate their employee performance and to keep them under top performer, average performer and low performer so that it helps in decision making in the areas of rewarding, promotion, incentives and retrenchment. From the above research it concluded that maintaining pressure on employees needed to motivate them towards higher level contributions by creating fear in their minds. But continuous pressure can lead employees towards demoralization which can leads to loose top performers. So companies need to take remedies to create secure feelings to employees by removing layoff fear.

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FEAR AND GREED IN INDIAN FINANCIAL MARKET

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ABSTRACT

Fear and Greed are mirror images of each other. Fearful investors tend to panic and sell their assets less than their worth and greedy investors purchase these assets. Fear and greed is the situation which is natural but also unpredictable in the stock market. When the market is in volatility, investors are not in comfort zone, they become exposed to fear and greed emotions which time and again result in very costly mistakes. The fear and greed of investors is explained with the help of NSE VIX. Now the investors are using the VIX as a new asset class to hedge their risk. It is observed from the study that there is a negative correlation between the VIX and NIFTY over a period of study. With this it is concluded that if the VIX increases the NIFT index will decrease. Hence, there is a inverse relationship between these two indexes.

INTRODUCTION

Fear and Greed are mirror images of each other. Fearful investors tend to panic and sell their assets less than their worth and greedy investors purchase these assets. Trading in stock market is controlled by human emotions, i.e., fear and greed. Both fear and greed take out extremes in human behavior, yet this is the very ammunition a trader looks for. It brings out new prospect on every day. The elements of fear and greed are lively and healthy for all players, because large amount of money taken from banks, equity, mutual funds, pension funds and money managers drive the market. They also operate the environment. Are they immune from emotions? Does their job performance depend on their portfolio's performance? Don't they have to answer to their board of directors, their shareholders? So it can be concluded that all the people in market have to suffer from fear and greed.

MEANING OF FEAR AND GREED

Emotion is a feeling of inconvenience and stressful state in adverse conditions, whereas a feeling of pleasure in favorable conditions. Fear is an unpleasant, often strong emotion, of anticipation or awareness of danger. As markets turn to be overwhelmed with greed in the same way it can take place with the fear. When there are huge losses for some period and they continue for sustained period, the whole market is caught in a fearful situation and it sustains further losses. Greed is defined as an irresistible urge to possess more and more, than an individual actually needs. This greed may be of money, status, food or any other materialistic pleasure. Some researchers say that greed is like love or others say that it is like and addiction. It is a human behavior; all of us want to get hold of a large amount of wealth in the shortest amount of time.

OBJECTIVES OF THE STUDY

The present study is aimed to cover the following objectives:

1) To know the concept of fear and greed in the capital market.
2) To understand the methodology used to construct VIX.
3) To analyze the relationship between VIX and NIFTY.

FEAR, GREED AND COMFORT

Fear and greed is the situation which is natural but also unpredictable in the stock market. When the market is in volatility, investors are not in comfort zone, they become exposed to fear and greed emotions which time and again result in very costly mistakes. And an investor stays away from the dominant market sentiments of the day, which may be provoked by emotions of fear or greed and prefer the basic fundamentals of investment. It is also important for an investor to choose a suitable asset allocation mix. For example, a risk-averse person, overrun by the fear or greed dominating market and because of this the experience of equity market is not good as compared to the investor who can bear more risk. Buffett was once quoted as saying; if you want a good exposure of stock market you should be able to watch your stock holding decline by 50% without becoming panic-stricken.

FEAR, GREED AND HOPE

Some researchers oppose the opinion that greed and fear are main emotions driving financial markets. Psychologist Lola Lopes says that majority of investors don't respond much to greed as compared to hope but he consider fear is definitely a vital factor driving financial markets. Lopes also indicate that fear motivate investors to give attention to unprofitable investments. On the other side hope is exactly opposite of the fear. Moreover, hope and fear are believed to modify the manner in which investors estimate other possibilities. Fear provokes investors to ask: How bad can it get? While hope: How good can it get? Hence, it is concluded that fear compel investors to boost security, while hope inspires investors to emphasize potential.

MEASUREMENT OF FEAR AND GREED

The Volatility Index (VIX) is one of the best and accepted tools to measure the price level in the stock market. It was introduced in 1993 by Chicago Board of Options Exchange (CBOE). VIX is considering standard for the stock market volatility as it becomes the world premier barometer for the investor's sentiments. In other words, VIX is also known as fear and greed gauge in the stock market. It has been observed that VIX is usually known as the fear index. If the VIX increased, the sentiments of investor's bend towards the higher volatility which ultimately increase the risk or in other words it can be concluded that greater the fear, higher is the VIX level. VIX is based on option price which reveal the investor consent for future expected stock market volatility.

Calculation of Fear and Greed Index is based on seven indicators:

a) **Stock Price Momentum:** It is calculated by the S&P 500 against its 125-day moving average.

b) **Stock Price Strength:** It is calculated on the basis on the number of stocks hitting 52-week highs against those hitting 52-week lows on the NYSE.

c) **Stock Price Breadth:** It is calculated on the basis of trading volumes in rising stocks against declining stocks.

d) **Put and Call Options:** It is calculated on the basis of the Put/ Call ratio.

e) **Junk Bond Demand:** It is based on investment grade bonds and junk bonds.

f) **Market Volatility:** It is based on the CBOE Volatility Index or VIX.

g) **Safe Haven Demand:** It is the difference in returns for stocks versus Treasuries.

Each of these seven indicators is plotted on a scale from 0 to 100. The reading of 50 denotes a neutral state while a higher reading signals more greed. The index is then computed by taking an equal-weighted average of the seven indicators.

VOLATILITY INDEX (VIX) IN INDIA

The Volatility Index (VIX) is a key measure of market expectations of near-term volatility conveyed by stock index option prices. Since its introduction in 1993 by CBOE, VIX has been considered by many to be the world's premier barometer of investor sentiment. It has become the benchmark for stock market volatility. The VIX index is also known as fear and greed index in the market. VIX is based on real-time option prices, which reflect investors' consensus view of future expected stock market volatility. During periods of financial stress, which are often accompanied by steep market declines, option prices - and VIX - tend to rise. Greater the fear, higher is the VIX level. As investor fear subsides, option prices tend to decline, which in turn causes VIX to decline.

The need for such an asset class which derives itself more on the movement and not on the direction has been made particularly important in light of the high volatility in the markets, coupled with the increasing frequency of financial crises.

The volatility index will increase the understanding among people. Once that happens, we will be ready to launch products based on it . In India, VIX was launched in April, 2008 by National Stock Exchange (NSE). The VIX index of India is based on the Nifty 50 Index Option prices. The methodology of calculating the VIX index is same as that for CBOE VIX index.

India VIX Computation Methodology:

India VIX uses the computation methodology of CBOE, with suitable amendments to adapt to the NIFTY options order book using cubic splines, etc. The factors considered in the computation of India VIX are mentioned below:

a) **Time to Expiry:** The time to expiry is computed in minutes instead of days in order to arrive at a level of precision expected by professional traders.

b) **Interest Rate:** The relevant tenure NSE MIBOR rate (i.e., 30 days or 90 days) is being considered as risk-free interest rate for the respective expiry months of the NIFTY option contracts.

c) **The Forward Index Level:** India VIX is computed using out-of-the-money option contracts. Out-of-the-money option contracts are identified using forward index level. The forward index level helps in determining the at-the-money (ATM) strike which in turn helps in selecting the option contracts which shall be used for computing India VIX. The forward index level is taken as the latest available price of NIFTY future contract for the respective expiry month.

d) **Bid-Ask Quotes:** The strike price of NIFTY option contract available just below the forward index level is taken as the ATM strike. NIFTY option Call contracts with strike price above the ATM strike and NIFTY option Put contracts with strike price below the ATM strike are identified as out-of-the-money options and best bid and ask quotes of such option contracts are used for computation of India VIX. In respect of strikes for which appropriate quotes are not available, values are arrived through interpolation using a statistical method namely “Natural Cubic Spline”.

After identification of the quotes, the variance (volatility squared) is computed separately for near and mid month expiry. The variance is computed by providing weightages to each of the NIFTY option contracts identified for the computation, as per the CBOE method. The weightage of a single option contract is directly proportional to the average of best bid-ask quotes of the option contract and inversely proportional to the option contract’s strike price.

RELATIONSHIP BETWEEN VIX AND NSE NIFTY INDEX

There is distinct inverse relation between market performance and VIX movement. In period of high volatilities, underscored by high VIX scores, indices fall whereas low VIX is generally coupled with better market performances. Market keeps a close eye on the movement of VIX as a measure of volatility. A generally rising volatility period, underscored by consistently positive VIX denotes that market is not looking healthy and should be avoided. The most notable feature of the VIX is its negative correlation with the price index. This presents immense potential to use the volatility asset class as offered by the VIX as an effective hedging instrument. The correlation of Indian VIX with the NIFTY index is shown in the table-1 and the relationship between these indexes was presented in the figure-1.

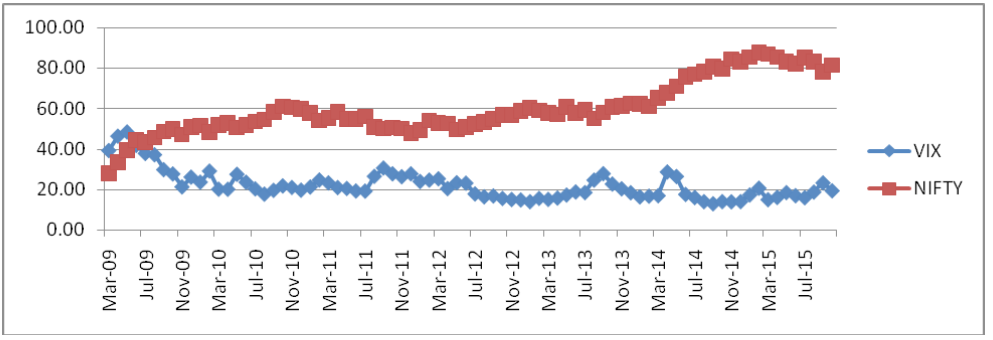
TABLE-1: CORRELATION BETWEEN NSE VOLATILITY INDEX AND NIFTY INDEX

	2009		2010		2011		2012		2013		2014		2015	
	VIX	NIFTY	VIX	NIFTY	VIX	NIFTY	VIX	NIFTY	VIX	NIFTY	VIX	NIFTY	VIX	NIFTY
JAN	NA	NA	23.48	5,156.22	21.10	5,782.71	23.83	4,920.02	13.87	6,023.12	16.24	6,223.16	17.18	8,517.77
FEB	NA	NA	28.94	4,839.57	24.54	5,400.92	24.50	5,409.09	15.50	5,893.59	16.57	6,098.75	20.50	8,750.44
MAR	39.07	2,802.27	20.02	5,178.15	23.14	5,538.42	25.16	5,298.48	15.00	5,782.26	16.81	6,507.98	14.85	8,664.06
APR	46.16	3,359.83	19.98	5,294.76	20.83	5,839.09	20.32	5,254.48	15.64	5,699.76	28.50	6,754.74	15.97	8,524.01
MAY	48.21	3,957.96	27.35	5,052.97	20.38	5,492.20	23.19	4,966.51	17.14	6,064.52	26.27	7,083.16	18.34	8,300.81
JUN	41.62	4,436.37	23.45	5,187.78	19.15	5,472.64	23.00	5,074.21	18.67	5,782.08	17.44	7,542.84	16.84	8,195.61
JUL	37.64	4,343.10	20.19	5,359.75	19.07	5,596.59	17.69	5,222.01	18.35	5,909.24	15.91	7,676.76	15.83	8,479.52
AUG	36.98	4,571.11	17.58	5,457.24	26.36	5,076.74	16.27	5,329.72	24.50	5,510.44	13.88	7,787.35	18.59	8,309.92
SEP	29.63	4,859.31	19.46	5,811.48	30.45	5,015.58	16.70	5,485.27	27.67	5,797.48	12.85	8,053.53	23.12	7,814.89
OCT	27.53	4,994.11	21.64	6,096.11	27.61	5,060.02	15.47	5,688.63	22.55	6,083.87	13.93	7,953.11	19.23	8,123.31
NOV	21.16	4,717.66	20.88	6,055.33	26.17	5,004.28	14.94	5,679.62	20.22	6,128.64	13.81	8,417.06	NA	NA
DEC	25.97	5,099.74	19.53	5,971.32	27.60	4,782.36	14.72	5,890.21	18.30	6,246.87	13.91	8,309.87	NA	NA
CORR	-0.68		-0.59		-0.84		-0.74		-0.22		-0.46		-0.59	
TTEST	0.00		0.00		0.00		0.00		0.00		0.00		0.00	
FTEST	0.00		0.00		0.00		0.00		0.00		0.00		0.00	

Source: www.nseindia.com; NA= Not Available / Not Applicable.

The correlation is very high in short term, however in long term the negative correlation goes down as the VIX is a range bound index while the stock index may go significantly up or down in long term. The following graph depicts the inverse movement relation between the VIX and the underlying price index. This is also proved with the help of t-test and F-test that there is a significant difference between means drawn from VIX and NIFTY indexes over the study period.

Figure 1 : Relationship between NSE VIX and NSE NIFTY Indexes



India VIX is a volatility index based on the index option prices of Nifty. It is computed by using the best bid and ask quotes of the out of the money, present and near month Nifty option contracts. VIX is designed to indicate investors' perception of the annual market volatility over the next 30 calendar days, higher the India VIX, higher the expected volatility and vice-versa. From the table-2, it is observed that the highest and lowest mean VIX value recorded in the year 2009 (36.08) and 2014 (17.11) respectively. The maximum of the maximum and minimum of the minimum value recorded in the same years i.e., 2009 (56.07) and 2014 (11.57) respectively. In the year 2009 the average VIX is 36.08, we can understand from this that an expected annual change of 36.08% in the Nifty over the next 30 days. That is, you expect the value of Nifty to be in a range between +36% and -36% from the present price of Nifty for the next 1 year for the next 30 days.

It can be inferred from the relationship between India VIX and NIFTY that: A negative correlation between India VIX and Nifty, VIX tends to drop when Nifty goes up, and vice versa. India VIX at high levels implies a market expectation of large movement in Nifty and vice versa. Range of India VIX for the last 7 years has been in between 11.57 to 56.07 as shown in the table-2. Yes, VIX had spiked to 50+ levels in 2009 when we had 2 upward circuits' moves on the day election results were announced, but otherwise the range has been between 11 and 56. Looking at the past 7-year data, we can say that VIX is considered high if it is above 25 and low if it is below 15, so the normal range is considered between 15 and 25. Finally it can be concluded that the volatility index explains about the market behavior and the market movements depends on the fear and greed of various investors actively participating in the capital market trading over a period of time.

TABLE-2: CLOSING VALUES ON INDIA VOLATILITY INDEX

YEAR	MEAN	MAXIMUM	MINIMUM
2009	36.08	56.07	22.94
2010	21.81	34.37	15.22
2011	23.84	37.19	16.73
2012	19.74	28.92	13.04
2013	18.89	32.49	13.07
2014	17.11	37.71	11.57
2015	17.92	28.72	13.14

Source: www.nseindia.com

CONCLUSION

The fear and greed of the investors is explained with the help of India VIX. Modeling of market volatility is one of the most important issues of recent times. Accurate modeling and forecast of volatility are of immense importance in managing the risk. The sub-prime crisis has further emphasized the importance of accurate modeling and forecasting of volatility. In the Indian context, the introduction of VIX has helped the traders gauge market sentiments and many traders are already using VIX values for the trading calls. The regulator will allow the trading in index as well when the market participants will become comfortable with the index. We believe that the developed instruments like VIX will significantly contribute to the development of the emerging markets like India in the course of time.

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PERCEPTION OF CUSTOMERS ON E-BANKING PRODUCTS AND SERVICES - A SELECT STUDY

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ABSTRACT

Information Technology has shrunken the world, as a result of which, time and distance have become non-entities. It has enveloped every aspect of life. In this changing scenario, the banking sector is not an exception. The concept of banking has drastically changed, where technology is the most dominating factor which has helped the banks to provide innovative products. The present study confined to Perception of Customers on E-banking Products and Services- A Select Study. In this study mainly focusing on the perception of select customers on e-banking products and services and main objective is to compare the perception of select public and private banking customers.

Key words: E- banking Products and Services, customer perception of select banks.

INTRODUCTION

The world is changing at a staggering rate and technology is considered to be the key driver for these changes around us. An analysis of technology and its uses show that it has permeated in almost every aspect of our life. Many activities are handled electronically due to the acceptance of information technology at home as well as at workplace. Slowly but gradually, the Indian customer is moving towards the internet banking. The ATM and the Net transactions are becoming popular. But the customer is clear on one thing that he wants net-banking to be simple and the banking sector is matching its steps to the march of technology. E-banking or Online banking is a generic term for the delivery of banking services and products through the electronic channels such as the telephone, the internet, the cell phone, SMS, etc. The concept and scope of e-banking is still evolving. In India e-banking is of fairly recent origin. The traditional model for banking has been through branch banking.

MEANING OF E-BANKING:

E-banking is the term that signifies and emphases the entire sphere of technology initiatives that have taken place in the banking industry. E-banking is simply using the electronic devices such as computer, mobile phone, internet, for performing banking activities. E-banking means any user with a personal computer and a browser can get connected to his bank's website to perform any of the virtual banking functions. The common features of e-banking are easy electronic fund transfer facility, better efficiency in customer relationship management, making the payments of bills like electricity, telephone bills, and mobile recharge, it introduces virgin and innovative banking products and services, e-banking can bring doorstep services, balance and transaction history search, mobile banking, SMS banking services.

REVIEW OF LITERATURE

RavinderVinayek and Preethi (2013): They study concluded that perceived usefulness and perceived simplicity of use are most influential primary determinants of the adoption of e-banking services.

Shilpi Khandelwal (2013): The study concluded that that Banks should ensure that online banking is safe and secure for financial transaction like traditional banking. It is also better access i.e. convenience plays pivotal rolein enhancing the use of e banking facilities among users.

Robin Kaushal (2012): The study suggests that the public sector banks must improve its service quality in terms of communication, responsiveness, reliability and understanding. It is also suggested that if the private sector intended to improve its service quality level, it must improve its service quality in terms of access, credibility, tangibility, security and competence where there is significant gap between tow sector and means of public sector in all these dimensions are high.

Dr. Roshan Lal (2012): This study is suggested that e banking is nascent state in India and banks are making sincere efforts to popularize the e banking services and products. The study also recommended that e banks should create awareness among people about e banking products and services.

Dr. Himani Sharma (2011):- The study reveals that there is not much awareness in Indian customers regarding use of e-banking services. But, the guidance and persuasion by bankers does promote the use of such services amongst the customersThere is greater incidence of e-banking usage among the middle age men (30 to 50 years of age); and women customers use such services much less frequently.

Ron Shevlin (2011):- This article concluded that mobile banking is useful to the bankers for providing better service to account holder. Along with this the author also suggested that the banker has to accept the more services through mobile devise for increasing the bank size.

Dr. S. Brinda (2010): This study concluded that the business firms are now in a position to advertise their wide range of products instantaneously across the globe using internet as media.

OBJECTIVES OF THE STUDY

1) To study the perception of select customers on e-banking products and services.
2) To compare the perception of select public and private banking customers.

HYPOTHESES OF THE STUDY

H01: There is no significant difference in the perception of public and private sector banking customers on e- banking services.

H02: There is no significant difference between male and female customers on e-banking products and services.

RESEARCH METHODOLOGY

Primary Data: The primary sources of data will be collected directly from the customers of select banking companies operating in Hyderabad with a structured questionnaire by covering perspectives of customers on e-banking services.

Type of Sample: Convenience sampling technique will be used for the collection of primary data on E-banking services and various products services of e banking.

Sample Size: The total number of respondents will be selected for the study is:

Table-1: Sample Size

Respondents	SBI	ICICI	Total
Customers	300	300	600
Total	300	300	600

Selection of Area: The research is limited to the greater Hyderabad. It is restricted to banking industry, due to the fact that the sector has been growing through intense competition.

Secondary Data will be collected from various sources like, newspapers, journals, magazines, books, annual reports, theses and websites.

PROFILE OF SAMPLE CUSTOMERS:

Gender: Refers to the social attributes and opportunities associated with being male and female and the relationships between women and men and girls and boys, as well as the relations between women and those between men. These attributes, opportunities and relationships are socially constructed and are learned through socialization processes.

Table-1

	ATM	Internet banking	Mobile banking	Telephone banking	Debit cards	All of the Above	Total
Male	27	61	3	4	2	215	312
	8.7%	19.6%	1%	1.3%	0.6%	68.9%	100%
Female	14	33	0	2	1	238	288
	4.9%	11.5%	0%	0.7%	0.3%	82.6%	100%
Total	41	94	3	6	3	453	600
	6.8%	15.7%	0.5%	1%	0.5%	75.5%	100%

Source: Primary Data.

From the table out of 600 Male customers 27(8.7%) are ATM, 3(1%) are Mobile banking, 4(1.3%) are Telephone banking, 2(0.6%) are Debit Cards, and all services of male is 215(68.9%). Similarly Female customers 14(4.9%) are ATM , 33(11.5%) are Mobile Banking, 2(0.7%) are Telephone Banking, 1(0.3%) Debit Cards, and all services of female is 238(82.6%).

PERCEPTION OF CUSTOMERS ON E- BANKING PRODUCTS AND SERVICES :

Telephone Banking: Tele-banking can be considered as a form of remote or virtual banking, which is essentially the delivery of branch financial services via telecommunication devices where the bank customers can perform retail banking transactions by dialing a touch-tone telephone which is connected to an automated system of the bank by utilizing Automated Voice Response (AVR) technology.

Table-1

		Telephone Banking					Total
		Very Poor	Poor	Neutral	Good	Excellent	
Bank	SBI	0	14	54	193	39	300
		0%	4.7%	18%	64.3%	13%	100%
	ICICI	0	13	65	187	35	300
		0%	4.3%	21.7%	62.3%	11.7%	100%
Total		0	27	119	380	74	600
		0%	4.5%	19.8%	63.3%	12.3%	100%

Source: Primary Data

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.365	3	.714

From the Above table out of 600 SBI customers 0% Very Poor, 4.7% are Poor, 18% are neutral, 64.3% are Good, 13% are Excellent. Similarly ICICI customers 0% are Poor, 4.3% are Poor, 21.7% are neutral, 62.3% Good, 11.7% Excellent. Finally 77.3% of SBI respondents Good, only 74% of ICICI respondents are good. on the whole 4.5% of respondents are Poor and 75.6% are agreed.

H0: Customers opinion of both SBI and ICICI on telephone banking similar.
From the chi-square table value is 1.365 degree of free is 4 and probability value is 0.714 and Chi-square table value at 4 degree of freedom, at 5% level of significance is 9.488. Here chi-square calculated value is less than table value. Hence accept null hypothesis and conclude that there is same opinion is rating the telephone banking.

Internet Banking: Internet banking system and method in which a personal computer is connected by a network service provider directly to a host computer system of a bank such that customer service requests can be processed automatically without need for intervention by customer service representatives. The system is capable of distinguishing between those customer service requests which are capable of automated fulfillment and those requests which require handling by a customer service representative. The system is integrated with the host computer system of the bank so that the remote banking customer can access other automated services of the bank.

Table-2

		Internet banking					Total
		Very Poor	Poor	Neutral	Good	Excellent	
Bank	SBI	2	4	23	159	112	300
		0.7%	1.3%	7.7%	53%	37.3%	100%
	ICICI	2	4	11	175	108	300
		0.7%	1.3%	3.7%	58.3%	36%	100%
Total		4	8	34	334	220	600
		0.7%	1.3%	5.7%	55.7%	36.7%	100%

Source: Compiled from Primary Data

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.074a	4	.280

From the Above table out of 600 SBI customers 0.7% Very Poor, 1.3% are Poor, 7.7% are neutral, 53% are Good, 37.3% are Excellent. Similarly ICICI customers 0.7% are Poor, 1.3% are Poor, 3.7% are neutral, 58.3 Good, 36% Excellent. Finally 90.3% of SBI respondents Good, only 94.3% of ICICI respondents are good. on the whole 2% of respondents are Poor and 92.4% are agreed.

H0: Customers opinion of both SBI and ICICI on internet banking similar.
From the chi-square table value is 5.074 degree of free is 4 and probability value is 0.280 and Chi-square table value at 4 degree of freedom, at 5% level of significance is 9.488. Here chi-square calculated value is less than table value. Hence accept null hypothesis and conclude that there is same opinion is rating the internet banking.

Mobile Banking: Mobile banking is the act of doing financial transactions on a mobile device (cell phone, tablet, etc.). This activity can be as simple as a bank sending fraud or usage activity to a client's cell phone or as complex as a client paying bills or sending money abroad. Advantages to mobile banking include the ability to bank anywhere and at any time.

Table-3

		Mobile Banking					Total
		Very Poor	Poor	Neutral	Good	Excellent	
Bank	SBI	1	15	39	194	51	300
		0.3%	5%	13%	64.7%	17%	100%
	ICICI	1	6	41	199	53	300
		0.3%	2%	13.7%	66.3%	17.7%	100%
Total		2	21	80	393	104	600
		0.3%	3.5%	13.3%	65.5%	17.3%	100%

Source: Primary Data

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.009	4	.405

From the Above table out of 600 SBI customers 0.3% Very Poor, 5% are Poor, 13% are neutral, 64.7% are Good, 17% are Excellent. Similarly ICICI customers 0.3% are

Poor, 2% are Poor, 13.7% are neutral, 66.3% Good, 17.7% Excellent. Finally 81.7% of SBI respondents Good, only 84% of ICICI respondents are good. on the whole 3.8% of respondents are Poor and 82.8% are agreed.

H0: Customers opinion of both SBI and ICICI on mobile banking similar.
From the chi-square table value is 4.009 degree of free is 4 and probability value is 0.405 and

Chi-square table value at 4 degree of freedom, at 5% level of significance is 9.488. Here chi-square calculated value is less than table value. Hence accept null hypothesis and conclude that there is same opinion is rating the mobile banking.

Automated teller machines (ATM) An unattended electronic machine in a public place, connected to a data system and related equipment and activated by a bank customer to obtain cash withdrawals and other banking services also called automatic teller machine, cash machine; also called money machine. The Indian market today has approximately more than 17,000ATM's.

Table-4

		Rate the ATM services					Total
		Very Poor	Poor	Neutral	Good	Excellent	
Bank	SBI	1	3	22	149	125	300
		0.3%	1%	7.3%	49.7%	41.7%	100%
	ICICI	1	2	19	169	109	300
		0.3%	0.7%	6.3%	56.3%	36.3%	100
Total		2	5	41	318	234	600
		0.3%	0.8%	6.8%	53%	39%	100%

Source: Compiled from Primary Data

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.771a	4	.597

From the Above table out of 600 SBI customers 0.3% Very Poor, 1% are Poor, 7.3% are neutral, 49.7% are Good, 41.7% are Excellent. Similarly ICICI customers 0.3% are Poor, 0.7% are Poor, 6.3% are neutral, 56.3 Good, 36.3% Excellent. Finally 91.4% of SBI respondents Good, only 92.6% of ICICI respondents are good. on the whole 1.1% of respondents are Poor and 92% are agreed.

H0: Customers opinion of both SBI and ICICI on Rate the ATM services is similar. From the chi-square table value is 2.771degree of free is 4 and probability value is 0.597 and Chi-square table value at 4 degree of freedom, at 5% level of significance is 9.488. Here chi-square calculated value is less than table value. Hence accept null hypothesis and conclude that there is same opinion is rating the ATM services of e- banking.

Debit Card

Debit cards are also known as check cards. Debit cards look like credit cards or ATM (automated teller machine) cards, but operate cards. While a credit card is a way to “pay later,” a debit card is away to “pay now.” When you use a debit card, your money is quickly deducted from your checking or savings account. Debit cards are accepted at many locations, including grocery stores, retail stores, gasoline stations, and restaurants.

Table-5

		Q. Debit Cards					Total
		Very Poor	Poor	Neutral	Good	Excellent	
Bank	SBI	5	31	66	170	28	300
		1.7%	10.3%	22%	56.7%	9.3%	100%
	ICICI	0	22	65	182	31	300
		0%	7.3%	21.7%	60.7%	10.3%	100%
Total		5	53	131	352	59	600
		0.8%	8.8%	21.8%	58.7%	9.8%	100%

Source: Primary Data

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.098	4	.131

From the Above table out of 600 SBI customers 1.7% Very Poor, 10.3% are Poor, 22% are neutral, 56.7% are Good, 9.3% are Excellent. Similarly ICICI customers 0% are Poor, 7.3% are Poor, 21.7% are neutral, 60.7% Good, 10.3% Excellent. Finally 66% of SBI respondents Good, only 71% of ICICI respondents are good. on the whole 9.6% of respondents are Poor and 68.5% are agreed.

H0: Customers opinion of both SBI and ICICI on debit cards similar.

From the chi-square table value is 7.098 degree of free is 4 and probability value is 0.131 and Chi-square table value at 4 degree of freedom, at 5% level of significance is 9.488. Here chi-square calculated value is less than table value. Hence accept null hypothesis and conclude that there is same opinion is rating the debit cards banking.

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MOTOR INSURANCE CLAIMS IN INDIA: A CASE STUDY OF ICICI LOMBARD

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ABSTRACT

Owning a vehicle is no longer a 'neighbor's envy, owner's pride'. Anymore in India. It has become a basic necessity in life. Motor insurance is a mandatory requirement for any vehicle, which facilitates us protect us against the various hazards, perils and acts of God.

This paper is prepared based on the secondary and analyzed with the last seven financial years annual reports. The present study explores ICICI Lombard General Insurance Company Limited of the motor insurance own damage and third party damage claims from the 2007-2008 to 2013-2014. It concludes that claims rates are steadily declining in motor insurance.

INTRODUCTION

Motor insurance is a combination of two words i.e. motor insurance, motor under the motor vehicle act is a self-propelled vehicle insurance we already know is protection against any unforeseen risk the unforeseen risk is an incident which can't be foreseen i.e. which may or may not happen. It may result in to either creation of liabilities or will result in to financial losses injuries or death to person(s) and damage to property liabilities damage to the vehicle itself and theft of parts or the theft of the vehicle itself. Motor insurance is thus protection against the risks explained earlier in order to cover come the liabilities and the financial losses associated with the accidents.

IMPORTANT ACTS OF MOTOR INSURANCE:

I. Pre – 1988 Position

Before, the Motor Vehicle Act, 1988 came in to existence, the Motor Vehicles Act, 1939 was applicable for all type of Motor Accidents. The Motor Vehicles Act, 1939, consolidates and amends the law relating to motor vehicles. This has been amended several times to keep it up to date. The need was; however, felt that this Act should; now inter alia, take into account also changes in the road transport technology, pattern of passenger and freight movements, developments, of the road network in the country and particularly the improved techniques in the motor vehicles management.

II. The Motor Vehicles Act, 1988

The Supreme Court in M. K. Kunhimohammed V. P. A. Ahmedkutty, has made certain suggestions to raise the limit of compensation payable as a result of motor accidents in respect of death and permanent disablement in the event of there being no proof of fault on the part of the person involved in the accident and also in hit and run motor accidents and to remove certain disparities in the liability of the insurer to pay compensation depending upon the class or type of vehicles involved in the accident.

III. The Motor Vehicles (Amendment) Act, 1994:

The Act was amended by the Motor Vehicles (Amendment) Act, 1994, which came in to effect from 14.11.1994. After the coming into force of the Motor Vehicles Act, 1988, Protecting consumers' interest in Transport Sector &Concern for road safety standards, transport of hazardous chemicals and pollution control.

V. The Motor Vehicles (Amendment) Act 2000:

The Act was again amended by the Motor Vehicles (Amendment) Act 2000 – Further amendments in the aforesaid Act have become necessary so as to reduce the vehicular pollution and to ensure the safety of the road users.

VI. The Motor Vehicles (Amendment) Act, 2001:

Third times amendments to this act were brought by the Motor Vehicles (Amendment) Act, 2001. The Motor Vehicles Act, 1988 is a Central legislation through which the road transport is regulated in the country. By the Motor Vehicles (Amendment) Act, 1994, inter alia, amendments were made for make special provisions under sections 66 & 67 so as to provide that vehicles operating on eco–friendly fuels shall be exempted from the requirements of permits and also the owners of such vehicles shall have the discretion to fix fares and freights for carriage of passengers and goods. The intention in bringing the said amendments was to encourage the operation of vehicles with such eco-friendly fuels.

PROFILE OF THE ICICI LOMBARD:

ICICI Lombard GIC Ltd. is a joint venture between ICICI Bank Limited, India's second largest bank with total assets of over USD 99 billion at March 31, 2014 and Fairfax Financial Holdings Limited, a Canada based USD 37 billion diversified financial services company engaged in general insurance, reinsurance, insurance claims management and investment management. ICICI Lombard GIC Ltd. is one of the largest private sector general insurance companies in India with a Gross Written Premium (GWP) of Rs 71.34 billion for the year ended March 31, 2014. The company issued over 11.22 million policies and settled over 6.44 million claims as on March 31, 2014.

ICICI Lombard received the highest rating in terms of overall customer satisfaction as well as 'The Most Recommended Company' in a 2013 survey to assess Customer satisfaction and Quality of Health insurance in India, commissioned by Dept. of Consumer Affairs, Ministry of Consumer Affairs. The company has also been conferred the "ASTD BEST Award 2012" for Learning and Development, "Porter Prize 2012" for creating Shared Value, "Golden Peacock Award 2012" for Corporate Social Responsibility and "Golden Peacock Innovation Award-2010" for Rashtriya Swasthya Bima Yojana. It also received the "Product of the Year" award in the General Insurance category for FY2012-13 and was voted the No 1 Health Insurance Product in a survey of 18,000 people over 23 cities in India, a study done by Nielsen. The company has been conferred with 'Celent Asia Insurance Technology Award 2012' under the category Best Mobile Applications.

REVIEW OF LITERATURE:

Deep Nair (2014)1 expressed that long term motor insurance cover likely three-and five-year validity mooted to tackle large-scale non-renewal of policies.

Editorial Bureau(2014)2 indicate that the third party motor insurance set to increase from April due to death claims in this segment have been increasing steadily: IRDA draft report.

Deep Nair (2014)3 mentioned that the high claims ratio resulting in heavy losses for insurers.

Deep Nair (2014)4 suggested that the insurance regulatory and development authority may allow insurance companies to invest in the recently launched Central public sector enterprises Exchange Traded fund, comprising scrip's of 11 blue-chip state owned firms.

T.S. Vijayan chairman IRDA (2014)5 stated that, ultimately banks have to move to a broker channel and there is no distinction between public sector banks and private sector banks. The RBI final will decide which banks will be eligible to become brokers.

P.K. Gupta (2012)6 Stated in his book that after liberalization the existing business models of insurance company's financial services have evolved that paved the way for the potential and unconventional entrants to penetrate the financial market through innovative higher product profile and portfolios, resulting in a sudden spurt in the demand of insurance professionals.

U Jawaharlal (2005)7 stated that Motor insurance commands a large slice of miscellaneous insurance business in India.Unfortunately it also has the highest claim ratio due to third party liability, predominately due to commercial vehicles. The advent of private insurers saw a skewed development in the motor portfolio. The more profitable private car and two wheeler business was targeted by the private insurers and the commercial vehicles was targeted to the public sector insurers, who could not refuse to insure against TP risks as they were mandated to insure in terms of the MV Act. They thus opposed DE Tariffing.

Mishra k (2005)8 stated that India's insurance industry has benefited from FDI and since many of the companies need to invest huge amount of funds to increase their reach of distribution, increasing of the FDI cap to 49% would further benefit the industry.

Raman N and Gaytri (2004)9 stated that the premium rates are the key parameters to select a particulars insurance company for investing and for majoring of the respondents friends and relatives have been the major source of awareness about new insurance companies.

Objectives of the study

1) To evaluate motor insurance policies of ICICI Lombard.
2) To identify the problems and prospects of motor insurance in India.

These papers highlight Own Damage (OD) Third Party (TP) claims settlement of ICICI Lombard from 2004 to 2013.

1) Own Damage: Own Damage means Insurer shall be bound to indemnify the insured against loss or damage to motor car or to its accessories and touring charges and immediate repairs if settled between the parties.
2) Third Party: Third party means any party other than owner/driver or the government, any liability occurring towards third party due to use of motor vehicle is third party liability.00oo9o
3) Claims: A formal request to an insurance company asking for a payment based on the terms of the insurance policy. Insurance claims are reviewed by the company for their validity and then paid out to the insured or requesting party (on behalf of the insured) once approved.

METHODOLOGY

This paper prepared mainly based on secondary data. It has been collected from ICICI Lombard Annual reports, IRDA, GIC, News Papers and websites.

Period of the study: The period of the study is from 2007-2014.

LIMITATION

This study the study is going to focus on ICICI Lombard, though, there are many contemporaries and this study does not cover the opinions of company policy holders on Own Damage (O.D) Third Party Damage (TP) claims settlement.
Scope of the study: this paper has been prepared based on secondary data covering entire India figures from 2007-2014. Hence, this paper highlights the claims settlement under Motor Insurance only.

Table-1

ICICI LOMBARD MOTOR INSURANCE CLAIMS INCURRED OWN DAMAGE (OD)							
Particulars/ Years	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Direct claims	455.76	519.34	642.93	711.85	755.44	907.03	109.19
Gross incurred claims				724.13	790.68	972.71	124.70
Total claims incurred	321.88	365.26	548.87	652.98	713.66	810.69	915.70
Growth rate		113.4	150.2	118.9	109.2	113.5	112.9

Source: ICICI Lombard Annual Reports

Table-1 shows that total claims incurred own damage from 2007-08 to 2013-14. It is observed from the above table claims incurred has increased from Rs. 321.88 (2007-08) to Rs. 915.70 (2013-14). This indicates that there is a growth in claims incurred own damage year after year. To know the growth rate, annual growth has been calculated; the annual growth rate is 113% in 2008-09, 150% in 2009-10, 118% in 2010-11, 109% in 2011-12, 114% in 2012-13 and 113% in 2013-14. It indicates that claims incurred have increased in the year of 2009-10.

Though it is indicating increasing trend in claims incurred but the actual growth rate is steadily declining. It indicates more number of claims have incurred during the period the year 2009-10 and later decreased.

Table-2

ICICI LOMBARD MOTOR INSURANCE CLAIMS INCURRED THIRD PARTY (TP)							
Particulars/ Years	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Direct claims	639.86	176.40	268.49	316.52	476.92	426.68	562.38
Gross incurred claims				623.27	133.74	116.41	693.21

Total claims incurred	343.15	454.19	479.28	840.68	153.19	109.16	884.80
Growth rate		132.3	105.5	175.4	54.0	71.2	81.0

Source: ICICI Lombard Annual Reports

Table-2 shows that claims incurred under (TP) from 2007-08 to 2013-14. It is observed from the above table that the Total claims incurred have increased from Rs. 343.15 (2007-08) to Rs. 884.80 (2013-14). This indicates that there is an increase of claims incurred year after year. To know the growth rate, annual growth has been collected; the annual growth rate is 132% in 2008-09, 106% in 2009-10, 175% in 2010-11, 54% in 2011-12, 71% in 2012-13 and 81% in 2013-14.

Though it is indicating increasing trend in claims incurred by third party but the actual growth rate is steadily declining. It indicates the number of claims have incurred during the period the year wise claims ratios under Third Party (TP) is decreasing.

Table-3

ICICI LOMBARD MOTOR INSURANCE CLAIMS INCURRED TOTAL (NET)							
Particulars/ Years	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Direct claims	197.49	695.74	911.43	102.83	123.23	133.37	165.43
Gross incurred claims				134.74	212.81	213.68	194.02
Total claims incurred	665.04	819.46	102.81	149.36	224.56	190.23	180.05
Growth rate		123.2	125.4	145.2	54.8	84.7	94.6

Source: ICICI Lombard Annual Reports

Table-3 shows that total claims incurred under NET from 2007-08 to 2013-14. It is observed from the above table claims incurred has increased from Rs. 665.04 (2007-08) to Rs. 180.05 (2006-07). This indicates that there is a growth in claims incurred year after year. The annual growth has been calculated to know the annual growth; the annual growth rate is 123% in 2008-09, 125% in 2009-10, 145% in 2010-11, 55% in 2011-12, 85% in 2012-13, and 95% in 2013-14.It indicates that claims incurred under net have increased.

As the premium increased year after year, the same way the claims incurred net has increased. As per the growth rate, more number of claims incurred net has increased in the year of 2010-11 and later decreased.

Table-4

GROSS DIRECT PREMIUM					
Years	ICICI Lombard	All Private insurers	All Public insurers	Grand Total	% to ICICI Lombard
2012-13	270.57	157.46	138.83	296.29	9.131
2011-12	213.88	124.73	117.73	242.47	8.821
2010-11	154.49	923.21	894.83	181.80	8.497
2009-10	137.91	735.56	769.13	150.46	9.165
2008-09	132.12	613.46	720.13	133.36	9.907
2007-08	127.90	546.13	722.38	126.85	10.083

Source: IRDA Annual Reports

Motor insurance is provided by the public sector undertaking & private undertaking, among the private sector ICICI Lombard is playing role. To study the ICICI Lombard role Gross Direct Premium (G.D.P) has been collected from 2007-08 to 2012-13 in proportion to all Motor Insurance business in India. The result presented in table:

In the year 2007-08 ICICI Lombard occupied tenth of the Motor Insurance Business. It reduced to 8% in 2010-11 and ended with 9% in 2012-13. It shows an on average ICICI Lombard contributing 10% of the motor insurance in India

Problems and Prospects:

Insurance Companies. The prospects of Indian Public Sector General Insurance Industries are very bright, however, at the same time, the industry is facing various challenges and these could be summarized as under: Private insurance companies are entering the market every year.

Problems

- Claims rejected for non-discloser
- Problems at Re-newal
- Difficulties with No-claim bonus
- Undervaluation

- Choose the correct deductibles
- Hazy or under insurance coverage
- In sufficient documents
- Lack of police report

Prospects

- India is a big potential market for insurance industry
- Helps in generation of the employment opportunities particularly in service sector
- Helps in tapping the rural market by the competition of private and public sector companies

CONCLUSION

India is among the most promising emerging insurance markets in the world. Non-life insurance sectors would benefit from less invasive regulations. In addition, price structures need to reflect product risk. Obsolete regulations on insurance prices will have to be replaced by risk-differentiated pricing structures. ICICI Lombard will need to increase efforts to design new products that are suitable for the market and make use of innovative distribution channels to reach a broader range of the population.

- The annual growth rate is 113% in 2008-09, 150% in 2009-10, 118% in 2010-11, 109% in 2011-12, 114% in 2012-13 and 113% in 2013-14. It indicates that claims incurred have increased in the year of 2009-10. Though it is indicating increasing trend in claims incurred but the actual growth rate is steadily declining. It indicates more number of claims have incurred during the period the year 2009-10 and later decreased.
- The annual growth rate is 132% in 2008-09, 106% in 2009-10,175% in 2010-11, 54% in 2011-12, 71% in 2012-13 and 81% in 2013-14.Though it is indicating increasing trend in claims incurred by third party but the actual growth rate is steadily declining. It indicates the number of claims have incurred during the period the year wise claims ratios under Third Party (TP) is decreasing.
- The annual growth rate is 123% in 2008-09, 125% in 2009-10, 145% in 2010-11, 55% in 2011-12, 85% in 2012-13, and 95% in 2013-14. It indicates that claims incurred under NET have increased.
- As per the growth rate, more number of claims incurred NET has increased in the year of 2010-11 and later decreased. In the year 2007-08 ICICI Lombard occupied tenth of the Motor Insurance Business. It reduced to 8% in 2010-11 and ended with 9% in 2012-13. It shows an on average ICICILombard contributing 10% of the motor insurance in India.

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A STUDY ON FACTORS INFLUENCING THE INVESTMENT DECISION MAKING IN MUTUAL FUNDS

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ABSTRACT

The objective of this paper is to analyze the investment pattern, objectives of investment and saving options. In order to attain the above objective in this paper an attempt is made to analyze the investment pattern and objectives of investment. A Mutual Fund is a trust that pools the savings of a number of investors who share a common financial goal. Anybody with an investible surplus of as little as a few hundred rupees can invest in Mutual Funds. These investors buy units of a particular Mutual Fund scheme that has a defined investment objective and strategy. The money thus collected is then invested by the fund manager in different types of securities. The primary data was collected directly from respondents through well structured questionnaire. A sample of 400 respondents is taken to analyze and attain the above objective. The tools used for analysis are, frequency tables, Chi-square test for measuring association between influencing variables and investment in mutual fund and Garrets ranking for the investment options available to investors.

INTRODUCTION

As a common human being a person earns money to meet his daily needs and wants and also for the purpose of future savings in terms of bank deposits, shares etc. The person saving a part of his income tries to find a temporary repository for his savings until they are required to finance his future expenditure. This results in investment. According to Martin," Investment is the employment of funds with the aim of achieving additional rewards from the investor point of view"2. Investing is an activity confined to the rich and business class in the past. This can be attributed to the fact that availability of investible funds is a pre-requisite to deployment of funds, but today, investment has become a household word and is very popular with people from all walks of life.

REVIEW OF LITERATURE

Many Organizations and individuals conducted studies on the various aspects of the capital markets in the past. These studies were mainly related to various instruments of capital market. Little effort has been made by researchers to study investors' behaviour towards mutual funds and other investment options. Hence an attempt is made to review some of the studies relevant to the topic in order to get into in depth details of the chosen study.

Madhusudhan and Jambodekar (1996)1 revealed that investor expect better services while they invest for safety of principal, liquidity and capital appreciation

Syama Sunder (1998)2 found that the awareness was poor in small cities. Brand image and return were the prime factors for investment.

Panda and Tripathy (2002)3 found that investors were unsatisfied except from UTI..

Singh and Chander (2004)4 concluded that poor regulation and control, under–performance and inefficient management are the cause of non investment.

Desigan et al. (2006)5 found that women investors are hesitant for investment in mutual funds.

Subhash Chander and Jaspal Singh (2006)6 studied the preference of investors, the study revealed that, investor's decision to invest in a particular mutual fund is affected by different sources from where information about working of that fund becomes available to investor, they also opined that the occupation groups differ significantly in their perception about the returns received from the mutual fund.

Parihar et al. (2009)7 found that respondent's age, gender and income were significantly associated with their attitude whereas education and occupation were not associated with the same.

Pandey (2011)8 found that younger people aged below 35, graduate people and the salaried person were easier to sell the funds and there was a large untapped market there.

OBJECTIVES OF THE STUDY

To study the behaviour of Indian individual investors towards the investment of their Savings

To study the factors influencing towards the investment in mutual fund

RESEARCH METHODOLOGY

Sources of Data

The present study was conducted by gathering both Primary and Secondary data. The primary data was collected through a questionnaire and the Secondary data was collected from Journals, Books, Magazines, News Papers, and websites of various statutory and non-statutory organizations.

Sample size: Investors who invested in Mutual Funds constitute the universe of the study. The Survey was conducted among 400 geographically dispersed Investors spread over urban and semi-urban areas in Andhra Pradesh.

Period of the Study: The survey was conducted for the period of six months i.e. from APRIL 2015 to SEPTEMBER 2015.

RESULTS AND DISCUSSION

Table 1: Analysis of Profile of mutual fund investors

Characteristics	No. of Respondents	Percentage
1.Age		
Below 30	118	30
30-40	178	45
41-51	85	21
Above50	19	4
2.Gender		
Male	275	69
Female	125	31
3.Academic Qualification		
Non-graduates	110	28
Graduates	290	72
4.Occupation		
Professional	53	13
Salary	267	67
Business	58	15
Retired	22	5
5.Annual Income		
1.5lakh-2.5lakh	95	24
2.5lakh-3.5lakh	253	63
Above 3.5lakh	52	13
6.Annul Savings		
Less 15,000	93	23
15,000-25,000	131	33
25,000-35,000	40	10
Above 35,000	16	4

Source: Primary Data

1. Age: Age was considered as an important factor in the study because the saving pattern differs based on age group. So the sample respondents were categorized according to their age .It could be observed from Table 1 that the majority about 45% of the respondents in the age group below 40 years. It indicates that these age group persons are more conscious towards savings and investment.

2. Gender: Gender plays important role in any decision of an individual in India. Generally it is believed that male dominates the women in investment decision making. It is observed from the table 1that 61% of the respondents were male and 31% of them were female. It showed that female members were not tapped fully so that there is scope to channelize savings from women towards mutual fund investment.

3. Academic Qualification: The scheme selection and perception towards mutual fund investment differs based on their academic qualification. Generally, the awareness about mutual funds will be very in the case of higher academic qualification. Based on this the sample respondents have been classified according to educational qualification. The study revealed that most of the respondents, non-graduates were business people. It is observed from table 1 72% of the respondents were graduates so that there is strong relationship between education qualification and investment decision.

4. Occupation: It is observed from the table 1that 67% of respondents were from salaried group followed by 15% of them were from business.

5. Annual Income: The investment decision is directly correlated with the income of investor. It is observed from table 1 majority 63 % of the sample respondents' fall in the income group of 2.5 lakhs to 3.5 lakhs followed by 24% between 1.5 lakhs to 2.5 lakhs. The table further revealed that investment habit is low among the income group of 3.5 lakhs .

6. Annual savings: It is observed from the table 1 that 33 %of the respondents between the annual saving level of 15000-25000 and followed by 23% of the respondents comes under below 15000 saving level.

Investment Options among the Investors

There are a number of savings avenues. The investor selects the suitable savings avenue. Investor's preference of Savings Avenue based on his age, gender, educational background, occupation, objectives of savings, investment strategy, and investment amount etc. Saving avenues are confined to bank deposits, pension and provident fund, gold, postal savings, real estate, chits, mutual funds, insurance, shares etc. The investors are asked to rank them on the basis of investor's preference are presented in following table.

Table 2: Analysis of Ranking for Investment Options among the Investors

Investment Options	1	2	3	4	5	6	7	8	Total Score	Mean Score	Rank
Postal savings	90	88	144	228	190	192	252	224	1408	3.52	9
Fixed Deposit	28	108	144	192	235	228	315	464	1714	4.28	1
Shares	47	86	108	168	265	324	259	312	1569	3.92	6.5
Gold	39	68	111	152	260	312	336	400	1678	4.19	2
Savings Bank	39	122	171	244	240	198	238	312	1564	3.91	8
Real Estate	54	80	114	144	225	258	280	416	1571	3.92	6.5
Mutual funds	40	76	132	172	205	270	336	392	1623	4.05	4
Chits	47	88	111	152	210	234	385	376	1603	4	5
Insurance	46	138	159	208	225	306	273	304	1659	4.14	3

Source: Primary Data

It could be seen from the Table depicts that, the most preferred investment instrument of investor is fixed deposits which has the highest mean score of 4.28, followed by gold and insurance which has the mean score of 4.19 and 4.14 respectively. Investors give only least preference to postal savings, savings bank and fourth preference to mutual funds investment which has the mean scores of3.52, 3.91 and 4.14 respectively.

From the analysis of the above table 1 and diagram 1 exhibits the mean score of various investment avenues and their respective ranking in the order of investment preference .The important investment avenues based on above analysis is that fixed deposits, gold, insurance since the respective mean score is 4.28, 4.19 and 4.14.

Table 2: Analysis of investor opinion on investment options based on the parameter

Parameters					
Return	Risk	Liquidity	Tax Saving	Procedural understanding	
Shares	Shares	MFs	insurance	PPF	1
Real Estate	MFs	Shares and FDs	FDs	FDs	2

Gold	Real	Bonds	PPFs	NSC	3
MFs	Insurance	NSC	NSC	Gold	4
Bonds	Bonds	PPFs	Bonds&MFs	Bonds	5
PPFs	Gold	Gold	Shares	Insurance& Real estate	6
NSC	PPF	Insurance	Gold	MFs	7
FDs	FDs	Real Estate	-	Shares	8
Insurance	-	-	-	-	9

Source:Primary Data

It could be seen from the Table that, the most preferred investment instruments i.e. Shares, shares, Mutual Funds, Insurance and public provident fund in relation to parameters return, risk, liquidity, tax saving and procedural understanding respectively. Further It is revealed Investors gave least preference to Fixed deposits, fixed deposits ,real estate and shares based parameters i.e. return, risk, liquidity, tax saving and procedural understanding respectively.

Investment Objective of the Investors

Every investor has a definite objective behind his investment decision. The motive of every investor investing in funds varies based on circumstances. These objectives vary from investor to investor due to various factors like, financial level, family environment, interest of the family members etc. These objectives reflect the investor's investment strategy, selection of schemes, holding period etc. The objectives of the savings are confined to retirement, to meet contingencies, to save tax, to purchase an asset, and to meet the educational needs of children.

Table 3: Analysis of Investor' Opinion Based on Objective of Investment

Objectives	Frequency	Per cent
Retirement	78	19.5
Contingency	23	5.8
Tax Saving	102	25.5
Asset purchasing	88	22.0
Children Education	109	27.3
Total	400	100.0

Source: Primary Data.

From the analysis of data, it is observed that a maximum of 27.3 per cent of the respondents' investment objective is to meet the educational needs of children. It is followed by 25.5 per cent of investors with the objective of tax saving. It shows that Majority of the investors are given importance to their children's education compared to other investment objectives.

Analysis of Result of Hypothesis Testing: Inferences

Table 4: Result of Chi-square Test

H_O: There is no association between age and investment objective of the Investor				
Variable	P-Value	Degrees of freedom	Significance at 5% level	Null Hypothesis Inference
Age	.005	13	Significant	Ho is Rejected

Source: Primary Data

In order to find out whether there is any association between age and investment objective of the investors, the null hypothesis that, "there is no association between age and investment objective of the investors" was formulated and tested with the help of chi-square test.

Since the calculated P-value (0.005) is less than (0.05) at 5 per cent level of significance (DF: 13) so the null hypothesis is rejected. Hence it is concluded that there is a significant association between age and investment objective of the investors.

Table 5: Result of Chi-square Test

H_O: There is no association between gender and investment objective of the Investor				
Variable	Calculated Value of chi-square	Degrees of freedom	Significance at 5% level	Null Hypothesis Inference
Gender	.061	4	Not Significant	Ho is Rejected

Source: Primary Data

In order to find out whether there is any association between gender and investment objective of the investors, the null hypothesis that, "there is no association between gender and investment objective of the investors" was formulated and tested with the help of chi-square test.

Since the calculated P-value (0.061) is greater than (0.05) at 5 per cent level of significance (DF: 4) so the null hypothesis is accepted. Hence it is concluded that there is no significant association between gender and investment objective of the investors.

Table 6: Result of Chi-square Test

H_o: There is no association between ocupation and investment objective of the Investor				
Variable	Calculated Value of chi-square	Degrees of freedom	Significance at 5% level	Null Hypothesis Inference
occupation	.004	12	Not Significant	Ho is Rejected

Source: Primary Data

In order to find out whether there is any association between occupation and investment objective of the investors, the null hypothesis that, "there is no association between occupation and investment objective of the investors" was formulated and tested with the help of chi-square test.

Since the calculated P-value (0.004) is less than (0.05) at 5 per cent level of significance (DF: 12 so the null hypothesis is rejected. Hence it is concluded that there is no significant association between occupation and investment objective of the investors.

Table 7: Result of Chi-square Test

H_o: There is no association between annual income and investment objective of the Investor				
Variable	Calculated Value of chi-square	Degrees of freedom	Significance at 5% level	Null Hypothesis Inference
Annual Income	0.003	11	Significant	Ho is Rejected

Source: Primary Data

In order to find out whether there is any association between annual income and investment objective of the investors, the null hypothesis that, "there is no association between annual income and investment objective of the investors" was formulated and tested with the help of chi-square test.

Since the calculated P-value (0.003) is less than (0.05) at 5 per cent level of significance (DF: 11) so the null hypothesis is rejected. Hence it is concluded that there is a significant association between annual income and investment objective of the investors.

Table 8: Result of Chi-square Test

H_O: There is no association between size of the family and investment objective of the Investor				
Variable	Calculated Value of chi-square	Degrees of freedom	Significance at 5% level	Null Hypothesis Inference
Size of Family	0.001	9	Significant	Ho is Rejected

Source: Primary Data

In order to find out whether there is any association between annual income and investment objective of the investors, the null hypothesis that, "there is no association between size of family and investment objective of the investors" was formulated and tested with the help of chi-square test.

Since the calculated P-value (0.001) is less than (0.05) at 5 per cent level of significance (DF: 9) so the null hypothesis is rejected. Hence it is concluded that there is a significant association between size of family and investment objective of the investors.

Table 9: Result of Chi-square Test

H_O: There is no association between age and total investment of the investor				
Variable	Calculated Value of chi-square	Degrees of freedom	Significance at 5% level	Null Hypothesis Inference
Age	0.065	9	Not Significant	Ho is Rejected

Source: Primary Data

In order to find out whether there is any association between age and total investment, the null hypothesis that, "there is no association between age and total investment of the investors" was formulated and tested with the help of chi-square test.

Since the calculated value (0.750) is less than (0.05) at 5 per cent level of significance (DF: 9) so the null hypothesis is accepted. Hence it is concluded that there is no significant association between age and total investment of the

Table 10: Result of Chi-square Test

H_O: There is no association between gender and total investment of the investor				
Variable	Calculated Value of chi-square	Degrees of freedom	Significance at 5% level	Null Hypothesis Inference
Gender	0.025	9	Significant	Ho is Rejected

Source: Primary Data

In order to find out whether there is any association between gender and total investment, the null hypothesis is that, “there is no association between gender and total investment of the investors” was formulated and tested with the help of chi-square test.

Since the calculated P-value (0.025) is less than (0.05) at 5 per cent level of significance (DF: 9) so the null hypothesis is rejected. Hence it is concluded that there is significant association between gender and total investment of the investors.

Table 11: Result of Chi-square Test

H_O: There is no association between age and investment strategy of the investor				
Variable	Calculated Value of chi-square	Degrees of freedom	Significance at 5% level	Null Hypothesis Inference
Age	0.061	10	Not Significant	Ho is Rejected

Source: Primary Data

In order to find out whether there is any association between age and total investment strategy, the null hypothesis is that, “there is no association between age and investment strategy of the investors” was formulated and tested with the help of chi-square test.

Since the calculated P-value (0.061) is greater than (0.05) at 5 per cent level of significance (DF: 10) so the null hypothesis is Accepted. Hence it is concluded that there is no significant association between age and investment strategy of the investors.

FINDINGS

In this paper, The Investors demographic and investment profile have close relation to the investment pattern. This analysis explained that opinion of the mutual fund investors on mutual fund investment in Andhra Pradesh.

The study found that a significant relationship exists between age and investment objective, gender and investment objective, occupation and investment, gender and total investment, size of family and objective of investment.

The study also found that fixed deposits and gold were most preferred investment avenues among individual investors.

It is also observed that, the most preferred investment instruments i.e. Shares, shares, Mutual Funds, Insurance and public provident fund in relation to parameters i.e. return, risk, liquidity, tax saving and procedural understanding respectively. Further It is revealed Investors gave least preference to Fixed deposits, fixed deposits ,real estate and shares based on parameters i.e. return, risk, liquidity, tax saving and procedural understanding respectively

CONCLUSIONS

It is concluded that middle age, non-professional degree holders and female respondents were less access to mutual fund investment activities. From the above findings it is concluded that brokers were top in providing information and attracting individual investors towards mutual funds. From the analysis it also concluded that age, gender, investment objective, experience and investment strategy were playing important role in individual investors ‘decision making. It is also concluded that fixed deposits and gold were most preferred investment avenues among individual investors. Mutual funds occupied fourth place in the order of preferred investment avenues.

Research analysis revealed there is a statistically significant relationship between independent variables (preferences of investors) and the dependent variable (investment decision) relationship between factor one(investors profile), factor three(investment options), factor four(investors objectives), and investment decisions shows that investment have significant impact on individual investors’ preference.

SUGGESTIONS

Based on findings presented above it was considered necessary to offer few suggestions for betterment of individual investors and growth of mutual fund industry:

Mostly of the investors were from male and it is necessary the Asset Management Companies steps should be taken to attract more number of female investors.

Research analysis revealed there is a statistically significant relationship between individual variables such as age, (independent variables) etc and dependent variables (investment decisions). So it is necessary AMCs should emphasis on independent variables such as investment objective etc, while designing the mutual fund products.

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IMPACT OF FDI ON INDIAN INSURANCE INDUSTRY

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ABSTRACT

India is a high growth economy and many foreign companies find it very attractive to invest in this country and more so with Insurance industry. As it is seen Insurance industry in India still consider to be a sunrise industry having substantial growth prospects rather potential year on year. The impact of Foreign Direct Investment (FDI) after recently announced FDI policy of 2015 effective 12th May by the Government of India from 26 percent to 49 percent will have various implications on not only Insurance industry but also on entire Indian economy.

This paper objective is to analyze and highlight the impacts which can be quite visible in the coming years in the industry both in Life, Non Life and Health segments.

INTRODUCTION

Foreign Direct Investment (FDI) have been increased substantially in the last two decades or so and it was made possible by minimizing the Trade barriers, Technological Developments in Communication, Improvements in Logistics and last but not the least the policy decisions taken by the government. FDI inflows into a particular country can opens up several economic benefits and affect capital markets, economic growth, employment and life standards and other related activities. The huge advantages FDI can impart are attracting new capital, accessibility of technology, Managerial expertise and reaching foreign markets for production and marketing. Hence Foreign Direct Investment is a potent instrument of development for the home country and for the organizations. They have advantages which no other have or will have and secondly ability to scale up the operations keeping costs under control and deployment of managerial expertise to name a few.

Some of the reasons why Tran's nationals are keen for FDI route are

a. Improving the competition

b. Developing the market for their products and services

c. Increase exports

d. Providing access to foreign markets

e. Raising the Life standards

f. Managerial Expertise

g. Contemporary training and development skills

And if you can look at current Indian insurance industry picture it is suffering from

1. Rising costs
2. In effective distribution system
3. Reforms taking slow mode
4. Stalled growth
5. Product stalemate

And it makes a strong point to Foreign Direct Investment a necessity rather than a tool for effective trade and operations.

INSURANCE AN OVERVIEW

Insurance is as old as human mankind. In fact there are references who date back to as old as 5000 BC in China and 4500 BC in Babylon. And in the pre Greek period and during Roman Empire the concept of Insurance was a bit vague yet it was conveniently helping out the needy like merchants especially those who were sailing. Considerable instances of Insurance and its philosophy can be visible in the last five or six centuries starting from 14th Century.

INSURANCE INDUSTRY – INDIA

In India insurance has a deep rooted history. It finds mention in Manu's Manusmrithi, Yagnavalkyas Dharmashashthra and Kautilya's Arthasashtra. These writings talk about pooling of resources that could be redistributed in times of need like calamities such as fire, floods, epidemics, famine etc. May be this could be a precursor towards Insurance of today. The history of Indian Insurance can be divided into four major areas like Early Period, Pre-Nationalization Period, Nationalized Period and

Post Liberalized Period that is starting from the year 2001 to till now.

1. Early Period: This period is commences from 17th Century when General Insurance and triton Insurance were started during British Rule. It also witnessed the establishment of companies like Oriental Life and enactment of British Insurance Act in the year 1870. Needless to say was dominated by foreign insurers like Albert Life, Royal Insurance etc.

2. Pre-Nationalization Period: In 1914 the then Government of India started to regulate insurance business and later the Indian Insurance Act was enacted in the year 1928 for both Life and Non Life business. Insurance Amendment Act in 1950 has abolished Principal Agents and paved the way for a comprehensive legislation which led to nationalize the Insurance business entities in 1956. This is the time when LIC was created with 243 companies in the country in 1st September, 1956. The basic reasons were to better management

of the business coupled with reduction of expenses, quality improvement and enhancing the business in a more regulated manner.

3. Post-Nationalization Period: This period has various important legislations and development in the history of Indian Insurance. Like in 1957 General Insurance Council was formed and in 1968 amendment of Insurance Act has taken place and in 1972 General Insurance Business Act was passed.

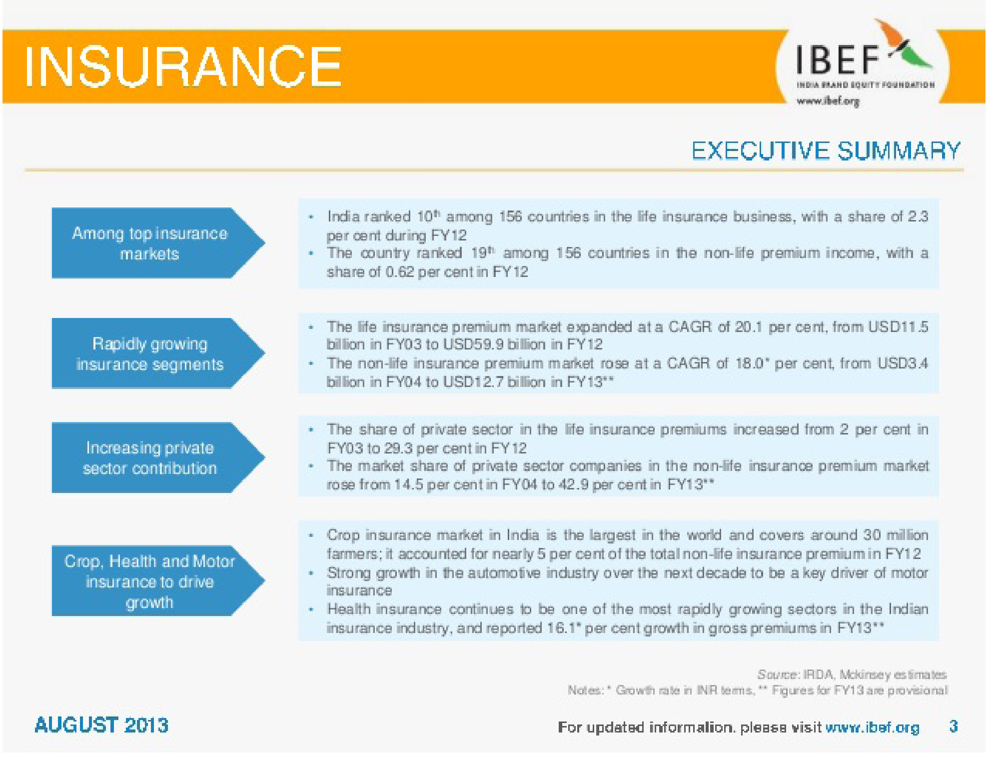
4. Post Liberalization Period: Indian Insurance sector has come full circle from open competition to nationalized business and from here to liberalization period like it's a 360 degrees turnover. And the government in the year 1990 has announced the liberalization business across the industry and insurance is not akin it. Based on the recommendations of Mr. R.N.Malhothra Committee report the then government established Insurance regulation and Development Authority (IRDA) headquartered at Hyderabad for the regulation and management of insurance business in India thus giving permission to local players to have an affiliation with other noted foreign entities in the field of Insurance. And many new companies have been started since then and today we have about sixty insurance companies in all segments of insurance.

WHY FDI

Though the foreign investment is available from liberalization of the economy it has taken the momentum only with the FDI cap being taken out. As for as FDI in insurance is concerned much has been expected from the companies after the Parliament passing the Insurance laws (Amendment) Bill, 2015. This was first passed in Lok Sabha on 4th March, 2015 and subsequently at Rajya Sabha on 12th March, 2015 thus becoming a bill and Act and enabling the present and future insurance companies to have their stake up to 49% by a foreign collaborator. And it is expected that the FDI which can come into this country is to the tune of 20000 to 25000 crores of rupees. Any company is either planning to set up operations in India must get registered under Companies Act, 1956 as a JV with Indian partner and can undertake the activities permitted under Foreign Exchange Management Act or FEMA regulations of 2000.

Source: www.ibef.org, 2014.

Procedure for FDI:



Automatic Route: In this method the company is allowed to bring in investment without any prior approval from either Government of India or Reserve bank of India to the level permitted and read as 49% for insurance.

Government Route: In this route permission is required from the government authorizes like Department of Economic affairs, Ministry of Finance and other related departments for permitting the entity to bring in FDI.

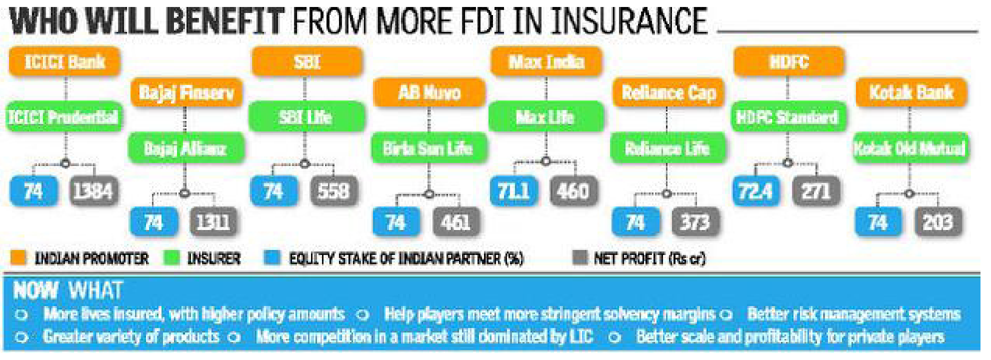
OPPORTUNITIES DUE TO FDI:

Insurance penetration

India is a country with more than a billion people that is about 120 crore plus in other words the requirement for adequate insurance is more in case us than other countries around. As the insurance penetration level is not on par with neighboring countries which or not on par with GDP allowing FDI into the insurance business will bring in more companies and strengthen the existing companies by more funds availability for procuring business and increase the operations like more branch offices and other related activities. And in turn this can lead to a healthy competition and competitive and innovative products at a cheaper premium.

Employment

With more funds available with the companies to expand they do it so by opening up more branches and increasing the product line and innovative products into insurance business like Health, Fire etc. In fact recently it was even conceived to bring in funeral insurance to India unlike other foreign countries. More jobs will be created at all levels and at third party operations like brokers. Needless to say more and more Agents will be recruited who have additional income source.



Open Turf

With the FDI advantage more and more companies will be able to fight it out in the market place by showcasing their products and there will be competitive spirit at all levels leading to advantage all players unlike in earlier case.

Increased Capital

The reality in insurance sector is not all companies are making profits and in fact lot of them is into losses. The increased FDI will give an impetus to stream line their operations and bring in some sort of relief to operate smoothly. Not only this by the availability of Funds Company need not depend on debt but reduce the risk component.

Consumer Friendly

With the advantage of funds availability due to FDI companies will try to attract the customer in all possible manners. They may even venture into creative initiatives to retain customer or even may reward for referrals. And one of the possible outcome can be loyalty can pay big in the future relationships.

Managerial Expertise

Due to FDI advent more and more capital will be deployed in Indian insurance business. Multi National Companies who operate will be investing in crores of rupees here and will bring managers from overseas operations who are well versed with business. This can attract experts and their services here will make a lot of difference in terms of products and operations.

Challenges

While so many benefits can be attributed to FDI it has its own necessary evils within. One of them being the control of the board and operations. While Foreign Investment Promotion Board or FIPB has the final say not much can be guaranteed in spirit. Top managerial positions like CEO and CFO would be in the hands of Indian partners the coordination can be a big hurdle with expatriates.

FINDINGS

It is found that FDI will strengthen the operations

Managerial expertise will be of high quality

More and more innovative, competitive and comprehensive products are available

Losses can be controlled to a greater extent

Employment generation is in very high in numbers

Insurance coverage in terms of customers and the amount of insurance increased drastically

CONCLUSIONS

The overall view of the paper on Impact of FDI with special reference to increase in capital from twenty six percent to forty nine percent is highly laudable in the sense it not only helps the general public at large by making it possible the insurance plans and products available at a competitive price but also benefit the economy at large

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LEADERSHIP SKILLS: IMPACT ON PERFORMANCE OF FIELD POLICE PERSONALS (FPP'S) IN CYBERABAD

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ABSTRACT

All organizations require effective and competent leadership to be successful. An organization cannot function effectively without proper guidance and direction. A sailboat may be able to sail with a crew, but without effective leadership, its chances of winning a regatta are dismal. Public service agencies are no exception. This is perhaps most critical among law enforcement agencies, whose duties focus on serving and protecting the public. The complexities of managing personnel and managing crime create unique needs for police leadership. Technological advances in crime solving continually emerge coupled with innovative methods of committing crime. Socioeconomic, demographic, and political factors have also affected the law enforcement profession. These changes are perhaps most evident since the horrific terrorist attacks of September 11, 2001. The increased level of complexity in the law enforcement profession since then requires police agencies to evaluate their visions and missions and to examine the larger role of the profession in society. Every individual may be a leader at some point in life, but police officers must by definition be capable of leading. Most officers spend their entire careers performing basic functions, but, even in this capacity, they serve as both leaders and followers, enforcing laws, maintaining order, and serving the public.

INTRODUCTION

Since the 1960s, law enforcement training and education have been central concerns for police agencies. However, training is often oriented toward specific skills involved in reducing and solving crime, with little training devoted to effective leadership. The extent of leadership development for most police (Geller,95 & Hermann 2009 & koper 2001) officers relies on their own life experiences, including what was taught to them by family members or senior officers on the job. This absence of formal leadership development has made it extremely difficult for law enforcement executives to learn how to lead and develop officers.

The role of police supervisors and managers is even more critical. Police sergeants are first-line supervisors in many departments, leading a shift or a squad and monitoring the line officers within their command. The sergeant is the person to whom the rank-and-file officer will look for direction, guidance, and assistance with problem solving. The sergeant essentially determines the efficiency and effectiveness of the agency. A successful police agency depends greatly on effective leadership development for rank-and-file officers and for supervisory officers. Once promoted, new sergeants must instantly become leaders. A great deal of responsibility is vested with the new sergeant, and expectations are high. However, many newly promoted police supervisors receive little or no leadership training (Reeve 2011, Scrivner 2005). Psychologist Robert Pernick argues that transitioning to supervision without leadership development is unreliable. A failure to provide support, guidance, and leadership development for newly promoted sergeants causes many to fail.

The National Policing Plan for 2003-6 (bayley,2008) stated that strong police leadership [was] central to delivering improvements in police performance and therefore to reducing crime and the fear of crime' whilst the Police Reform White Paper noted that 'Improved training, leadership and professionalism [were] required at every level of the police service to take on the challenge of a more varied and more satisfying approach to modern policing'.

Owing to concerns about police performance, police leadership has come under criticism in recent years (e.g. Condon 1997, HMIC 1999a, HMIC 1999b, Home Office 1999, Vick 2000) and many attempts have been made to try to improve its quality. Tripartite bodies have been established at the national level to try to address the issue, the most recent of these being the Police Leadership Development Board (PLDB), which was established in early 2001.

The various leadership models and theories which have been applied within the police service have been reviewed by several authors (Clarck,2010), but the evidence that any particular form of police leadership leads to improved individual or organizational performance is weak.

Effective police leaders become adept at respond¬ing to challenge. Like other organizations, police agencies must balance constancy and predict¬ability with adaptation and change. Even as they strive to standardize operations, most police (Criswel,2007) leaders recognize the fluid context in which their agencies operate. They also understand that there are forces to which police organizations must adapt and evolve in order to remain effective in a changing world. It is those forces that drive organizational change and create new models for conducting the business of policing (Gascon 2005).

RESEARCH METHODOLOGY

Methodology explains the flow and process of proposed research by explaining sample and sample size and data collection methods.

SAMPLE

The Field police personnel's (FPP's) includes Assistant sub inspectors, Inspectors and circle inspectors in cyberabad region are considered for the proposed study.

DATA COLLECTION

A structured questionnaire was designed by considering various leadership aspects like commanding, authority and guidance etc..in the form of a 5 point likert scale to measure the opinions.

Sample size

Total 143 above said sample respondents data was captured through a structured questionnaire.

SCOPE

The proposed study conducted in Cyberabad police division by considering all FPP's to respond the survey.

OBJECTIVES:

1) To know impact of leadership on FPP's performance
2) To study what are the major leadership skills to motivate them.
3) To discuss various leader quality in police arena.

Hypotheses

H01: There is no significant association between designation and their opinions on senior officers are encouraging the initiatives of the FPP in crime prevention.

H02: There is no significant association between designation and their opinions on senior officers are encouraging FPP to reach the targets to reduce crimes.

H03: There is no significant association between designation and their opinions senior officers are constantly studying & analyzing the present laws, manuals and procedures

H04: There is no significant association between designation and their opinions films of creativity and leadership are shown regularly to all levels of FPP

Reliability(LEADERSHIP)

Reliability Statistics	
Cronbach's Alpha	N of Items
.952	18

Scale Statistics			
Mean	Variance	Std. Deviation	N of Items
57.19	224.372	14.979	18

Inference: Cronbach's alpha has been run for to check their reliability. The above table displays some of the results obtained. The overall alpha for the all items is 0.952, which is very high and indicates strong internal consistency among the given items.

DESIG * 46.Senior officers are encouraging the initiatives of the

FPP in crime prevention.

H01: There is no significant association between designation and their opinions on senior officers are encouraging the initiatives of the FPP in crime prevention.

Crosstab								
			46.Senior officers are encouraging the initiatives of the FPP in crime prevention.					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
DESIG	jr level	Count	1	14	9	37	23	84
		% within DESIG	1.2%	16.7%	10.7%	44.0%	27.4%	100.0%
	middle level	Count	0	4	1	10	5	20
		% within DESIG	0.0%	20.0%	5.0%	50.0%	25.0%	100.0%
	sr level	Count	4	8	3	19	5	39
		% within DESIG	10.3%	20.5%	7.7%	48.7%	12.8%	100.0%
Total		Count	5	26	13	66	33	143
		% within DESIG	3.5%	18.2%	9.1%	46.2%	23.1%	100.0%

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.713a	8	.219
Likelihood Ratio	10.458	8	.234
Linear-by-Linear Association	4.113	1	.043
N of Valid Cases	143		
a. 7 cells (46.7%) have expected count less than 5. The minimum expected count is .70.			

From the above table chi square is not significant (sig. value is greater than 0.05), no evidence to reject null hypothesis. It means that there is no significant association between designation and their opinions on senior officers are encouraging the initiatives of the FPP in crime prevention.

DESIG * 51.Senior officers are encouraging FPP to reach the targets to reduce crimes.

H02: There is no significant association between designation and their opinions on senior officers are encouraging FPP to reach the targets to reduce crimes.

Crosstab								
			51.Senior officers are encouraging FPP to reach the targets to reduce crimes.					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
DESIG	jr level	Count	4	10	6	51	11	82
		% within DESIG	4.9%	12.2%	7.3%	62.2%	13.4%	100.0%
	middle level	Count	0	4	2	12	4	22
		% within DESIG	0.0%	18.2%	9.1%	54.5%	18.2%	100.0%
	sr level	Count	5	10	0	24	0	39
		% within DESIG	12.8%	25.6%	0.0%	61.5%	0.0%	100.0%
Total		Count	9	24	8	87	15	143
		% within DESIG	6.3%	16.8%	5.6%	60.8%	10.5%	100.0%

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.432a	8	.037
Likelihood Ratio	22.958	8	.003
Linear-by-Linear Association	6.342	1	.012
N of Valid Cases	143		
a. 8 cells (53.3%) have expected count less than 5. The minimum expected count is 1.23.			

From the above table chi square is significant (sig. value is less than 0.05), reject null hypothesis. It means that there is a significant association between designation and their opinions on senior officers are encouraging FPP to reach the targets to reduce crimes.

DESIG * 53.Senior officers are constantly studying & analyzing the present laws, manuals and procedures.

H03: There is no significant association between designation and their opinions senior officers are constantly studying & analyzing the present laws, manuals and procedures

Crosstab								
			53.Senior officers are constantly studying & analyzing the present laws, manuals and procedures.					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
DESIG	jr level	Count	4	16	18	27	18	83
		% within DESIG	4.8%	19.3%	21.7%	32.5%	21.7%	100.0%
	middle level	Count	1	7	3	4	7	22
		% within DESIG	4.5%	31.8%	13.6%	18.2%	31.8%	100.0%
	sr level	Count	4	18	7	9	3	41
		% within DESIG	9.8%	43.9%	17.1%	22.0%	7.3%	100.0%
Total		Count	9	41	28	40	28	146
		% within DESIG	6.2%	28.1%	19.2%	27.4%	19.2%	100.0%

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.006a	8	.059
Likelihood Ratio	15.377	8	.052
Linear-by-Linear Association	9.137	1	.003
N of Valid Cases	146		
a. 4 cells (26.7%) have expected count less than 5. The minimum expected count is 1.36			

From the above table chi square is significant (sig. value is less than 0.05), reject null hypothesis. It means that there is a significant association between designation and their opinions on significant association between designation and their opinions senior officers are constantly studying & analyzing the present laws, manuals and procedures

DESIG * 63.Films of creativity and leadership are shown regularly to all levels of FPP.

H04: There is no significant association between designation and their opinions films of creativity and leadership are shown regularly to all levels of FPP

Crosstab								
			63.Films of creativity and leadership are shown regularly to all levels of FPP.					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
DESIG	jr level	Count	4	15	16	28	14	77
		% within DESIG	5.2%	19.5%	20.8%	36.4%	18.2%	100.0%
	middle level	Count	0	7	9	5	1	22
		% within DESIG	0.0%	31.8%	40.9%	22.7%	4.5%	100.0%
	sr level	Count	8	24	7	2	0	41
		% within DESIG	19.5%	58.5%	17.1%	4.9%	0.0%	100.0%
Total		Count	12	46	32	35	15	140
		% within DESIG	8.6%	32.9%	22.9%	25.0%	10.7%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	44.792a	8	.000
Likelihood Ratio	50.671	8	.000
Linear-by-Linear Association	35.373	1	.000
N of Valid Cases	140		
a. 4 cells (26.7%) have expected count less than 5. The minimum expected count is 1.89.			

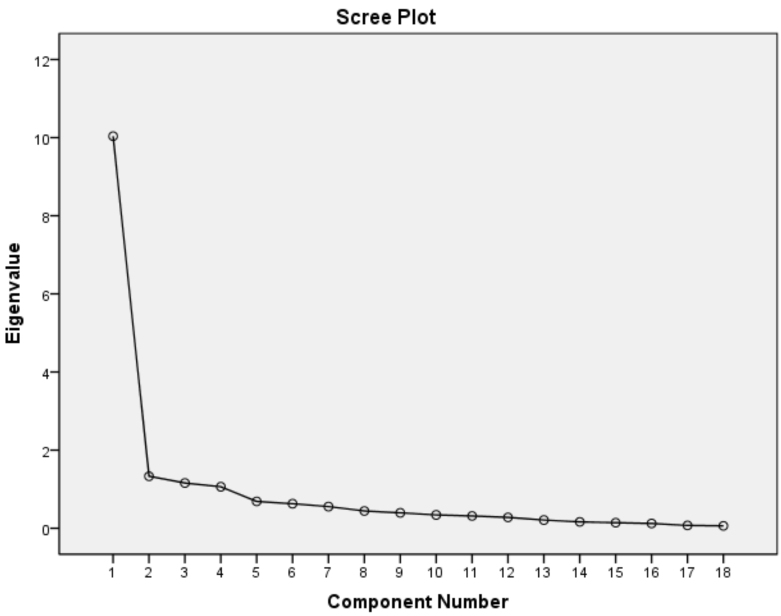
From the above table chi square is significant (sig. value is less than 0.05), reject null hypothesis. It means that there is a significant association between designation and their opinions films of creativity and leadership are shown regularly to all levels of FPP

Null Hypotheses	Sig. value	Result
H01: There is no significant association between designation and their opinions on senior officers are encouraging the initiatives of the FPP in crime prevention.	0.219	accepted
H02: There is no significant association between designation and their opinions on senior officers are encouraging FPP to reach the targets to reduce crimes.	0.037	rejected
H03: There is no significant association between designation and their opinions senior officers are constantly studying & analyzing the present laws, manuals and procedures	0.059	rejected
H04: There is no significant association between designation and their opinions films of creativity and leadership are shown regularly to all levels of FPP	0.000	rejected

Factor Analysis(LEADERSHIP)

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.858
Bartlett's Test of Sphericity	Approx. Chi-Square	1893.604
	df	153
	Sig.	.000

Before we proceed for factor analysis first the researcher tested the eligibility of the data by checking KMO- Bartlett's test which is a measure of sampling adequacy. The KMO value is 0.782 >0.5, (Sig. value is less than 0.005 indicates multivariate normal and acceptable for factor analysis



Rotated Component Matrixa				
	Component			
	1	2	3	4
46.Senior officers are encouraging the initiatives of the FPP in crime prevention.	.242	.790	.118	.313
47.Senior officers are encouraging the innovations of the FPP in crime prevention.	.148	.788	.381	-.087
48.Senior officers are handling complex situations/ problems effectively.	.314	.676	.219	.238
49.Senior officers are discussing with FPP the problems/hassles in crime prevention.	.260	.561	.246	.493
50.Senior officers are considering FPP's suggestions to decide on plan of actions	.193	.429	.283	.711
51.Senior officers are encouraging FPP to reach the targets to reduce crimes.	.054	.178	.804	.284
52.Senior officers are guiding FPP on practical lines.	.675	.155	.138	.436

53.Senior officers are constantly studying & analyzing the present laws, manuals and procedures.	.762	.248	.134	.365
54.Senior officers are suggesting changes in manuals in order to reduce the crime rate.	.691	.143	.377	.402
55.Senior officers are assigning appropriate tasks to FPP to reduce crime rate.	.403	.634	.207	.462
56.Senior officers supervise closely to reduce the crime rate.	.568	.278	.660	.068
57.Senior officers closely supervise the work of FPP to prevent manipulations & malpractices done to gain the incentives declared in this connection.	.536	.278	.544	.172
58.Senior officers encourage team work.	.632	.251	.525	-.123
59.Senior officers anticipate hassles.	.671	.468	.171	.194
60.Senior officers empower subordinates	.672	.486	-.001	.204
61.Senior officers are supportive to FPP to reduce crime.	.325	.627	.521	.085
62.Senior officers in the Police Department are giving credit to FPP for their achievements.	.151	.318	.679	.417
63.Films of creativity and leadership are shown regularly to all levels of FPP.	.310	.059	.149	.759
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.				
a. Rotation converged in 12 iterations.				

List of factors are mentioned below

S. NO	Factor Name	Factor loading value
1	Senior officers are constantly studying & analyzing the present laws, manuals and procedures.	0.762
2	Senior officers are encouraging the initiatives of the FPP in crime prevention	0.790
3	Senior officers are encouraging FPP to reach the targets to reduce crimes	0.804
4	Films of creativity and leadership are shown regularly to all levels of FPP	0.759

CONCLUSION

Many police executives and union leaders devel¬oped their careers in earlier times and were influenced by norms established by traditional¬ist and Baby Boomer cultures. Although these cohorts have initiated enormous change over the past 40 years and are not resistant to tacti¬cal and strategic change, tampering with age-old organizational structures, benchmarks for per¬formance, or benefit and reward systems may be hard pills to swallow. Further, in contrast to the private sector, there is no financial incentive to drive changes to traditions. Because they have been trained and educated to survive in a society shaped by industrial markets, some police lead¬ers may question the relevance, as well as the wisdom, of supporting change to fundamental organizational structures based on command and control or initiating practices that prioritize the needs of contemporary employees. Law enforcement has completed one successful transition through their response to the shrink¬ing of quality applicant pools, and those efforts provide an apt illustration of the adage that cri¬sis presents opportunity for change. Applicant shortages documented by Koper, Maguire and Moore (2001) spawned dramatic changes in police recruitment strategies including: use of cutting-edge advertising, marketing and brand¬ing new images of law enforcement as seen on the International Association of Chiefs of Police (IACP) website, providing signing bonuses and financial assistance for relocation expenses, and the proliferation of a variety of Web-based recruiting inducements. Because recruiting a diverse, talented, appropriate future workforce has required new methods, some agencies are loosening rigid acceptance criteria and adopting the framework of a ”whole person” approach to evaluating candidates (Scrivner, 2005). The next challenge will be to retain those hired in the sys¬tem and to prevent their being driven away by rigid traditions and fixed structures.

Despite a dearth of research that specifically addresses this type of organizational change in policing, American policing is not taking a back¬seat in this new era. In fact, some police leaders have started to make changes that address both the needs and the talents of the new generation, such as involving them in community engage¬ment and problem solving and encouraging use of social media to get realtime information to the public. For example, online electronic com¬munication tools such as YouTube, Facebook and Twitter are being integrated into many gov¬ernment agencies and police organizations and provide new avenues for interacting with the public.

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BUYING BEHAVIOUR OF RURAL CONSUMERS TOWARDS SHAMPOO SACHETS IN TELANGANA REGION - AN EMPIRICAL STUDY

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ABSTRACT

The most challenging aspect in marketing today is understanding the factors that Influences consumers in buying a product or service especially to rural consumers. Indian rural marketing has always been complex to forecast and consist of special uniqueness. However many companies were successful in entering the rural markets. They proved that with proper understanding of the market and innovative marketing ideas, it is possible to bag the rural markets. It is very difficult for the companies to overlook the opportunities they could from rural markets. As two-thirds of the Indian population live in rural areas, the market is vast than expected. For the companies to be successful in rural markets, they have to overcome certain challenges such as pricing and distribution. This paper studies purchase behaviour of rural consumers, particularly farmers in buying Shampoos in Telangana region. A Sample of 100 respondents was taken for the purpose of study.

INTRODUCTION

In our country over 70% of the total population live in villages. There are states like A.P, U.P, M.P, Bihar, Rajasthan and Orissa where rural population varies from 80 to 90 per cent. Agriculture and agriculture related activities contribute to about 75% of the income in rural areas.

The general impression is that the rural markets have potential only for agricultural inputs like seeds, fertilizers and pesticides, cattle feed and agricultural machinery. More than 50% of the national income is generated in rural India and there are opportunities to market modern goods and services in rural areas and also market agricultural products in urban areas. Infact it has been estimated that the rural markets are growing at fives times the rate of urban markets. About 70% of bicycles, mechanical watches and radios and about 60% of batteries, sewing machine and table fans are sold in rural India. At the same time the sales of colour television, washing machines, refrigerators, shampoos, face cream, mosquito repellent and tooth paste are very low and there is tremendous potential for such products in rural markets

While rural markets offer big attractions to the marketers, it is not easy to enter the market and take a sizeable share of the market within a short period. This is due to low literacy, low income, seasonal demand and problems with regards to transportation, communication and distribution channel. Further there are different groups based on religion, caste, education, income and age. There is a need to understand the rural markets in terms of buyer behaviour, attitudes, beliefs and aspirations of people.

LITERATURE REVIEW:

Rural markets have always presented marketers with their own set of challenges. With urban and suburban markets getting increasingly saturated more and more marketers in India are looking towards the rural markets. Renewed interest, increasing internet and mobile communication penetration and increasing awareness among the rural populace make rural markets a sought after destination for marketers.

Four A's of Rural Marketing:

Affordability
Awareness
Accessibility
Acceptance
Association

Promotional Strategies in Rural Markets

- **Outdoor advertisements:** This form of media, which includes signboards, wall painting, hoarding, tree boards, bus boards, dealer boards, product display boards etc, is cost effective in rural areas.
- **Point of purchase:** Display of hangings, festoons and product packs in the shops will catch the attention of prospective buyers. However a clutter of such POP materials of competing companies will not have the desired effect and is to be avoided.
- **Direct mail advertising:** It is a way of passing on information relating to goods or services for sale, directly to potential customers through the medium of post. It is a medium employed by the advertiser to bring in a personal touch. In cities lot of junk mail is received by all of us and very often such mails are thrown into the dustbin whereas a villager get very few letters and he is receptive to such mailers.
- **Tree boards:** These are painted boards of about two square feet in dimension having the picture or name or slogan of the product painted on it. The cost of such a painted board is about Rs.80. These boards are fixed to the trees on both sides of the village road at a height of about 10 feet from ground level. These boards attract the attention of slow moving vehicles like cycles, bullock carts and shampoos and people walking on the road. Considering the poor condition of roads, even the buses move at slow speed through village road.

Informal/Rural specific media

These media with effective reach and personalized communication will help in realizing the promotional objectives. Companies to suit the specific requirements of rural communication are using a variety of such media effectively and some of the more important media and methods are given below.

- **Farm-to-Farm/House-to-House visit:** Rural people prefer face-to-face communication and farm visits facilitate two-way communication. The advantage is that the sales person can understand the needs and wants of the rural customer by directly discussing with him and answer his queries on products and services. Potential customers in the village are identified and the company's/distributor's representative makes farm-to-farm visits and highlight the benefits of the products. The person carries with him literature in local language and also samples of products.

- **Group meeting:** Group meetings of rural customers as well as prospects are an important part of interpersonal media. The company is able to pass on the message regarding benefits of the products to a large number of customers through such meetings.

- **Opinion leaders:** Villagers place more emphasis on the experience of others who have used a product/ brand to make purchase decision. Opinion leader is a person who is considered to be knowledgeable and is consulted by others and his advice is normally followed. Such opinion leaders could be big landlords, bank official, panchayat-president, teachers, extension workers etc

The Melas:

Melas are of different types i.e. commodity fairs, cattle fairs and religious fairs and may be held only for a day or may extend over a week. Many companies have come out with creative ideas for participating in such melas. Examples: a) Britannia promotes Tiger Brand Biscuits through melas. b) The mahakumbh at Allahabad is the biggest mela in India. HLL has put up 14 stalls in the mela grounds for promoting Lifebuoy. Handcarts have been deployed for increasing access.

- **The Haats:** Traditionally on certain days of week, both the sellers and buyers meet in the village to buy and sell goods and services. These are the haats that are being held regularly in all rural areas. The sellers arrive in the morning in the haat and remain till late in the evening. Next day they move to another haat. The reason being that in villages the wages are paid on weekly basis and haat is conducted on the day when the villages get their wages.

- **Folk dances:** These are well-appreciated form of entertainment available to the village people. The folk dance “KuravanKurathi” is popular in Tamil Nadu. The troupe consists of dancers, drummers and musicians and they move in a well-decorated van from one village to another village singing and dancing. In a day the troupe covers about 8-10 villages. As soon as the van reaches a village, film songs are played to attract the attention of the villages. This is followed by folk dances. Mike announcement is made about the company’s products and leaflets are distributed. After the dance programme, queries, if any, about the products are answered by the sales person.

Audio Visual Publicity Vans (AVP Vans):

AV unit is one of the effective tools for rural communication. The van is a mobile promotion station having facilities for screening films slides and mike publicity. The sales person makes a brief talk about situation in the village, the products and the benefits. The ad film is screened along with some popular film shots and this continues for about 30 minutes. At the end of the film show, he distributes handbills and answers queries of the customers. The whole operation takes about 1-2 hours depending upon the products under promotion, number of participants in the meeting and time taken for question and answers.

Product display contests:

Package is an integral part of the product. Its main purpose is to protect the product during transit, to preserve the quality and to avoid any loss in quality and quantity. The main purpose of this contest is to remind the customer to buy the product as soon as he enters the shop. Another objective is to influence the dealer to stock the product and support the company in increasing the sales. The display contest has to be announced well in advance and promotional materials to be distributed to all the selected dealers in a geographical area.

Field demonstration:

This is based on the extension principle “seeing is believing” and is one of the most effective methods to show the superiority of the company’s products to the customers. A progressive farmer who is an opinion leader is selected and the demonstration is conducted in his field in the presence of a group of farmers in the village. The farmers observe the results in the field and the local dealer calls on them in their farms and persuades them to buy the particular brand of pesticide or fertilizer

Information centers:

They provide latest information on cultivation of crops, fertilizer application, weed, management and control of pests and diseases. Experienced agricultural graduates who make frequent visits to the field and advice farmers on modern agricultural practices manage the centers.

- **Life-style marketing:** Each rural market segment has certain special features i.e. they share common life-style traits. They include village sports, religious events, prominent personalities and role models.

OBJECTIVES OF THE STUDY:

Primary Objective

1. To study the behaviour of consumers towards purchasing of Shampoos in Telangana Region district.

Secondary Objective:

1. To find out the factors that influence in buying of Shampoo in Telangana region.
2. To know the satisfaction levels of rural consumers.

METHODOLOGY:

Primary Data

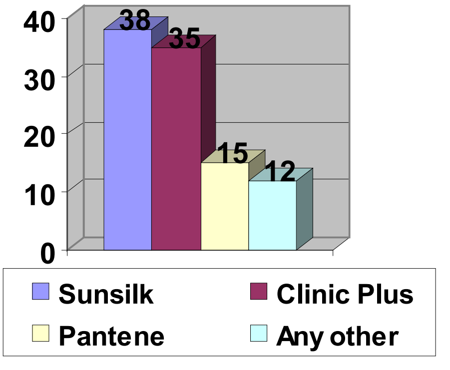
A Descriptive research was carried out in Telangana Region district from among 100

Respondents using convenience sampling through well-structured questionnaire.

DATA ANALYSIS:

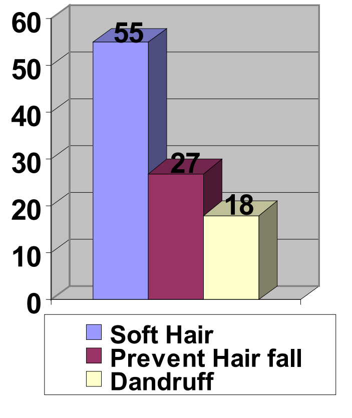
1. Brand of shampoo purchased by respondent.

Sun silk	38
Clinic Plus	35
Pantene	15
Any other	12



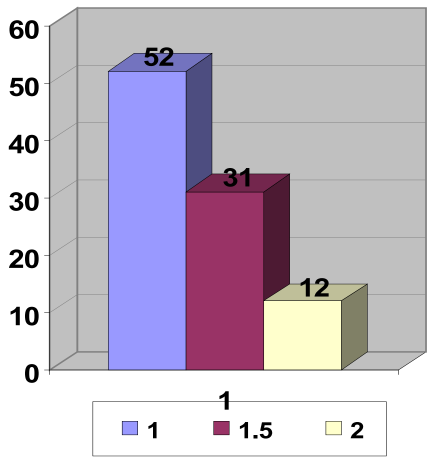
2. Purpose of purchasing Shampoo.

Soft Hair	55
Prevent Hair fall	27
Dandruff	50



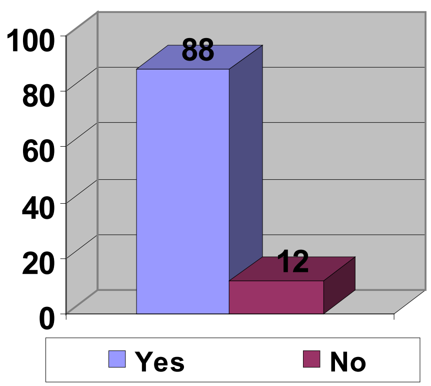
3Preference for Shampoo with respect to price

RS 1.00	52
Rs. 1.50	31
Rs 2.00	12
Rs 3.00	5



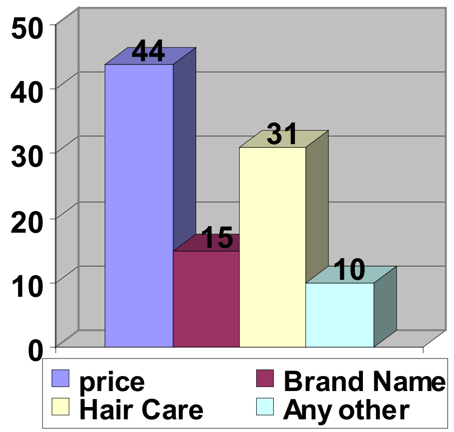
4. Satisfaction level of buying shampoo from the dealer

Yes	88
No	12



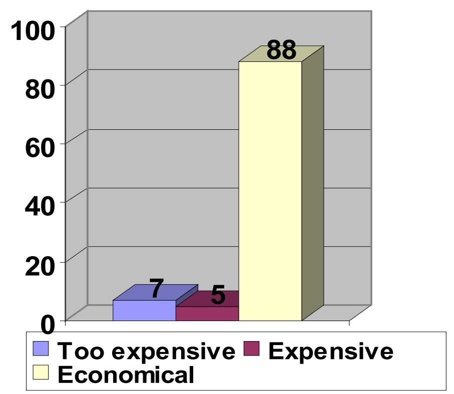
5.Factors considered in purchasing shampoo.

Price	44
Brand name	15
Hair Care	31
Any other	10



6 Economical value of buying shampoo in monetary terms?

Too expensive	7
Expensive	5
Economical	88



DATA FINDINGS:

- Out of the 100 respondents,38 respondents were using Sun silkshampoo, followed by 35 respondents using Clinic Plus and 15 respondents with PanteneShampoo however, 12 respondents were having other company'sshampoos.
- Out of the 100, 55 respondents who purchased the shampoo for soft hair27 respondents used for hair fall,18 respondents purchased their shampoofor dandruff.
- Out of 100 respondents, 52 respondents buy 1.00 rupee shampoo, Rs.1.50 preferred by 31 respondents, 12 prefer Rs 2.00 shampoo and remaining 5 prefer Rs 3.00 shampoo.
- Out of the 100 respondents 44 respondents were influenced by price, followed by 324 respondents by Brand name and 31 respondents by Hair care, 10 respondents were influenced by other factors.
- Out of the 100 respondents 88 respondents consider theirshampoo economical; however 7respondents consider their shampoo expensive. On the other hand 5 respondents consider it too expensive.

SUGGESTIONS:

- The companies should come up with more better offers in Shampoo segment
- The Companies should stress on benefits sought when using Shampoos.
- More and effective advertisement should be given especially in TV and News Paper
- More natural and Herbal ingredients should be highlighted as positioning tool in Ads and Sales Promotion.

CONCLUSION:

The success of the product in the rural market is as predictable as rain. It has always been difficult to understand the rural markets. Marketers need to understand the social dynamics and attitude variations within each village. But by overcoming the challenges and looking into the opportunities which rural markets offers to the marketers it is said that the future is very promising for those who understand the dynamics of rural markets and exploit them to their best advantage. Players in the rural market would do well to understand that these markets differ from urban markets in structure, composition, buying behaviour and forces of influence. Engaging customers in the rural market becomes more challenging on account of illiteracy, the tendency to look up to opinion leaders and a more determined search for value for money. The companies should follow better strategies to promote its shampoo sachets to rural consumer and communicate the benefits through right positioning.

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QUALITY OF WORK LIFE – LINKAGE WITH JOB SATISFACTION AND PERFORMANCE

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ABSTRACT

The increased complexity of today's environment poses several challenges to hospital management during the next decade. Trends such as changing organizational structures, increased knowledge and specialisation, interdisciplinary collaboration, advancement of technology, new health problems and health care policy, and sophistication in medical education have a part to play. All these affect the nursing profession and skill requirements as well as their commitment to performance in hospitals. In view of this, hospital management has to ensure quality of life for nurses that can provide satisfaction and enhance job performance. In this paper, an attempt is made to review the literature on quality of life to identify the concept and measurement variables as well its linkage with satisfaction and performance.

Keywords– quality of work life, job performance, job satisfaction

INTRODUCTION

The improvement of quality of work life has captured the imagination of managers and researchers alike. A number of researchers have tried to identify the kinds of factors that determine and their effort has resulted in different perspectives (Kahn, 1981; Kalra & Ghosh, 1984). Given the diversity in perspectives two questions remain: what constitutes a high quality of work life? How its impact can be measured? Researchers observed that a high quality of work life (QWL) is essential for organizations to achieve high performance and growth in profitability. Though in the earlier stages, QWL was focused on objective criteria like attracting talent, job security, earnings and benefits; its focus has gradually shifted to job satisfaction and commitment (Elizur & Shye, 1990).

QUALITY OF WORK LIFE (QWL) CONCERN

The quality of work life (QWL) as a human resource intervention has gained significance in the USA and Scandinavia during the 1960s -1970s. The impact of computer technology and increased automation led to a greater de-skilling, dehumanization, and alienation at workplace. Though developed economies and their industrial organizations have become affluent, the benefit of such affluence was not passed on to the working class. Instead, measures like outsourcing were adopted to reduce reliance on domestic labor and reduce costs in the name of gaining competitive cost advantage. As a result, the workers faced heavy workloads, significant stress for meeting targets and deadlines, greater control, less autonomy and less job security than ever before. Also the emergence of high tech jobs and the employment of 24/7 knowledge workers in IT sectors, has drawn the attention of researchers from various disciplinary backgrounds to explore ways to create better work life conditions. The objectives of such exercise was finding ways of motivating workers towards achieving high performance, enhancing job satisfaction and reducing threat of employee attrition.

QUALITY OF WORK LIFE – CONCEPT AND DIMENTIONS

The concept ``quality of work life'' was first discussed in 1972 during an international labor relations conference. It received more attention after United Auto Workers and General Motors initiated a QWL program for work reforms. Robbins (1989) defined QWL as ``a process by which an organization responds to employee needs by developing mechanisms to allow them to share fully in making the decisions that design their lives at work'' (p. 207). In other words, it refers to the relationship between a worker and his environment, that can be broken down into different dimensions like the social, technical and economic, in which the work is normally viewed and designed. It is a complex, multidimensional, generic concept (Hsu & Kernohan, 2006). Most literature on the QWL originates from the discipline of Industrial Labor Relationships (Hsu & Kernohan, 2006). QWL has been defined by researchers in different ways, which has brought about certain equivalents such as work quality, function of job content, employee's well-being, the quality of the relationship between employees, working environment, and the balance between job demands and decision autonomy or the balance between control need and control capacity (Korunka, Hoonakker, & Carayon, 2008; Lewis, Brazil, Krueger, Lohfeld, & Tjam, 2001; Schouteten, 2004; Van Laar, Edwards, & Easton, 2007) QWL is thus recognized as a multi-dimensional construct and the categorization is neither universal or eternal.

Different researchers have come up with different categories and factors to define and measure quality of life. Walton (1980) divided QWL main components into four categories. According to him, the affecting factors on QWL include: work meaningfulness, work social and organizational equilibrium, work challenge and richness.

Klatt, Murdick and Schuster (1985) have identified eleven dimensions of QWL in the year. They are: pay, occupational stress, organizational health programmes, alternative work schedule, participate management and control of work, recognition, superior-subordinate relations, grievance procedure, adequacy of resources, seniority and merit in promotion and development and employment on permanent basis.

Winter et al., (2000) viewed QWL for attitudinal response among the employees which includes role stress, job characteristics, and supervisory, structural and social characteristics to directly and in directly shape academicians' experiences, attitudes and behaviors. Mosharraf (2000) analyzed the security of employment, job/role clarity, understanding supervisors, work not stressful, access to relevant information and social and welfare facilities to measure the QWL in banks.

According to Nadler & Lawler the types of QWL activities can be listed as (i) Participative problem solving, (ii) Work restructuring, (iii) Innovative rewards systems and (iv) Improving the work environment.

Bhanugopan & Fish (2008) suggested indicators like lack of job stress, lack of job burnout, lack of turnover intentions and job satisfaction. They included measures like job satisfaction, earning money, membership in successful teams, job security & job growth. Connell & Hannif (2009) reported three factors –

(i) Job content; (ii) Working hours and work-life balance; and (iii) Managerial/supervisory style and strategies. They believe key concepts tend to include job security, reward systems, pay and opportunity for growth among other factors. Measures of Quality of Work Life according to Adhikari & Gautam (2010) are: adequate pay and benefits, job security, safe and health working condition, meaningful job and autonomy in the job.

Measures of Quality of Work Life include - (i) increased worker involvement, participation and power,

(ii) Increased emphasis on employee skill development, (iii) Increased autonomy for action and decision making at worker level and (iv) Reduced status distinctions among levels in hierarchy.

Mirsepasi, (2006), having examined the different views and observed that QWL is explained by the following factors: (i) Fair and proper payment for good performance (ii) Safe and secure work situation, (iii) The possibility of learning and using new skills, (iv) Establishing social integration in the organization, (v) Keeping individual rights, (vi) Equilibrium in job divisions and unemployment and (vii) Creating work and organizational commitment.

According to Casio (1998) quality of work life comprises both the mental and objective aspects of work life. The objective ones emphasize the circumstances and procedures relating to promotion policies, participatory supervision, and safe working conditions, whereas the subjective relate to supervision, communication, leadership etc. He identified 8 factors that determine quality of work life as given under. Communication, employee involvement, desire and motivation to work, job security, career progress, solving problems, salary, and pride of a job.

Sirgy and et al (2001) categorized QWL into two major categories: lower- and higher order needs. The lower-order QWL comprised of health/safety needs and economic/family needs whereas the higher-order QWL is comprised of social needs, esteem needs, self actualization needs, knowledge needs, and aesthetic needs. For measurement, they suggested review in terms of the following seven categories of needs.

1. Health and safety needs (protection against disease and injury within and outside the workplace)
2. The needs of family economy (wages, job security and etc)
3. The need for social (cooperative work between colleagues, and having free time in the workplaces)
4. Social needs(having the cooperative work between colleagues and spare time at work place
5. The need for self-esteem (recognition and appreciation of the work inside and outside the organization)
6. The need for training (training to improve job skills)
7. The aesthetic needs (creativity workplace and personal creativity and general aesthetics.

Donald, et al, (2005) investigated QWL indicators in six Canadian Public Health Care Organizations

(HCO's) by reviewing documentation relevant to QWL and conducting focus group or team interviews. Group interviews were taped and analyzed with qualitative data techniques. They found employee well being and working conditions are important indicators of QWL. They found vagueness in defining QWL indicators and they suggested increased HCO resources, integration of HCO management systems will help to access the relevant information.

Zare, Hamid, Haghgooyan, Zolfa and Asl, Zahra Karimi (2012) undertook a study on quality of work life to identify its dimensions Library method was used to gather information on theoretical basics, literature and to identify aspects and scales. Field study method was used to gather information through questionnaires distributed among 30 experts. The data so collected was analyzed using Analytical hierarchy process (AHP); it is found that QWL can be explained by four factors as given under.

1. Work life balance - Fair working hours , Work-life atmosphere, Opportunity for doing religious ceremonies, Ergonomics, No physical and mental damages, Distance between workplace and home
2. Social factors - The importance of work in the society, social integration in organization, Social networks in work, Respecting employees, Self-esteem feeling in the organization, Good colleagues
3. Economic factors - Salary, Health service, Insurance, Retirement, Job security
4. Job content - Team working, independence, meaningful work, rich and challenging work, ownership feeling in work, the need of creativity in work, growth opportunity. From the above expositions, we can arrive at two conclusions.

(i) QWL is a multi –dimensional concept.

(ii) Due to its multi –dimensional nature, it is a relative concept which cannot be precisely defined and measured.

The factors that were stated by different researchers are grouped and stated in Table -. The key concepts captured and discussed in the existing literature include job security, better reward systems, higher pay, opportunity for growth, and participative groups, among others (Havlovic, 1991; Straw and Heckscher, 1984; Scobel, 1975).

Table -1 Dimension and factors of quality of life

Dimension	Factors
Job design	Job content, work meaningfulness, work challenge, work richness, meaningful job and autonomy in the job, work restructuring, and job/role clarity.
Work environment and facilities	Improving the work environment, social and welfare facilities, etc.
Job security	Employment on permanent basis
Health, stress and safety	Health and safety of working conditions, protection against disease and injury within and outside the workplace; occupational stress, organizational health programmes, job stress, and lack of job burnout.

Wages and rewards	Fair and adequate pay , fair and proper payment for good performance, Innovative rewards systems, the circumstances and procedures relating to promotion policies, seniority and merit in promotion and development.
Work life balance	Working hours and alternative work schedule.
Aesthetics and creativity	General aesthetics, free time in the workplaces, creativity workplace and personal creativity.
Conflict	Cooperative work between colleagues' adequacy of resources, work and organizational equilibrium, and grievance procedure.
Learning and development	Increased emphasis on employee skill development, possibility of learning and using new skills, training to improve job skills, creating opportunities to learn, growth in the professionalism path, job growth and career progress
Leadership and employee empowerment	Superior –subordinate relations, Participatory supervision, Communication, desire and motivation to work, Creating work and organizational commitment, employee involvement, participation and power, Increased autonomy for action and decision making at worker level, access to relevant information and participative problem solving,
Job satisfaction	Recognition and appreciation of the work inside and outside the organization, membership in successful teams, proud of the job, and lack of turnover intentions.

QWL – JOB SATISFACTION AND PERFORMANCE

QWL is defined as the favorable conditions and environments of a workplace that support and promote employee satisfaction by providing them with rewards, job security, and growth opportunities. However, some researchers point out that Quality of Work Life (QWL) is not only related to personnel's well-being and their attitudes and feelings towards their job (Beaudoin & Edgar, 2003) but also goes beyond job satisfaction (Bo-Znadh, 1998; Cheung & Tang, 2009; Sirgy, Efraty, Siegel, & Lee, 2001).

Job satisfaction facet:

Locke (1976) defined employee satisfaction (often referred to as job satisfaction) as ``a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences'' (p. 1300). Employee needs and wants are satisfied when they perceive that rewards from the organization, including compensation, promotion, recognition, development, and meaningful work, meet or exceed their expectation (Hackman and Oldham, 1980).

Largely, it appears that the main outcomes of an effective QWL program are improved working conditions for employees and greater organizational effectiveness for employers. (Adhikari Gautam, 2010). QWL positively facilitates the creation of a more flexible, loyal, and motivated workforce, and thereby determines the company's competitiveness.

Great place to work -Quality of Work Life of secondary teachers and principals was investigated by Rossmiller (1992). It was found that QWL positively influenced the respect accorded to teachers, teacher participation in decisions affecting their work, professional collaboration and interaction, use of skills and knowledge and the teaching learning environment. Research has indicated that the QWL affects organizational culture and effectiveness, staff's health, high stress and burnout levels, more complaints, higher direct medical expenses and patients morbidity and mortality rates have been noted as the repercussions of low levels of QWL (An, Yom, & Ruggiero, 2011; Cole et al., 2005; Laschinger, Finegan, Shamian, & Almost, 2001, Nayeri et al., 2009 and Sirgy et al., 2001).

Bragard et.al (2012) examined relationship between Quality of work life (QWL) and Quality of Work Life Systemic Inventory (QWLSI), and discussed an intervention methodology based on the analysis of the QWLSI. One hundred and thirteen medical residents during 2002 and 2006 completed the QWLSI, the Maslach Burnout Inventory and the Job Stress. Residents perceiving low QWL experienced high emotional exhaustion ($\beta = 0.282$; $P < 0.01$) and job stress ($\beta = 0.370$; $P < 0.001$) levels. . This sample of medical residents had an average QWL ($\mu = 5.8$; $SD = 3.1$). It is found that QWL was very low for three subscales: arrangement of work schedule ($\mu = 9$; $SD = 6.3$), support offered to employee ($\mu = 7.6$; $SD = 6.1$) and working relationship with superiors ($\mu = 6.9$; $SD = 5.3$). They suggested that prevention should focus on reduction of work hours, development of support and change in leadership style.

Efraty and Sirgy (1990) conducted a study based on a sample of 219 service deliverers to the elderly in a large mid-western city. Quality of work life (QWL) was conceptualized in terms of need satisfaction stemming from an interaction of workers' needs (survival, social, ego, and self-actualization needs) and those organizational resources relevant for meeting them. It was hypothesized that need satisfaction (or QWL) is positively related to organizational identification, job satisfaction, job involvement, job effort and job performance; and negatively related to personal alienation. The results were consistent with the hypotheses

Better motivation - Emadzadeh, Khorasani, and Nematizadeh (2012) studied the quality of work life of primary school teachers in Isfahan city and found that their quality of work life is less than average. However, their motivation was high despite dissatisfaction in salaries paid. The study employed descriptive survey method and collected data through a questionnaire From 120 teachers selected on a random basis from a population of 862 teachers in Isfahan city The questionnaire was tested for reliability, the Cronbach's alpha coefficient 87% was significant at alpha 1%. The data were analyzed using ANOVA, Levin test and t-test.

Commitment - Asgari, Mohammad Hadi and Dadashi, Mohammad Ali (2011) undertook research to determine the relationship between the quality of work life and organizational commitment of Melli Bank staff in west domain of Mazandaran in 2009-2010. The research method was descriptive and of the correlation type. The population of the research was all the workers of Melli Bank in west of Mazandaran with total number of 467, out of which 210 individuals were selected as the sample according to Morgan's table. In order to collect data two questionnaires were used: Walton's quality of work life questionnaire, and Allen-Meyer's organizational commitment questionnaire. Allen-Meyer's organizational commitment questionnaire includes 24 questions, using which all three aspects of commitment including affective, continuance and normative were assessed. This questionnaire is also designed based on Likert scale of five points. Cronbach's Alpha was used to measure reliability which was 87%. In data analysis SPSS software, stepwise regression, and Pearson's correlation coefficient were used. The relationship between organizational commitment and quality of life and also its dimensions affective, continuance and normative were proved.

Ashoob (2006) examined the relationship between quality of work life and organizational commitment of The High Schools of Gonbad-e- Kavus City using Walton's eight components of QWL. He concluded that there is a positive and significant relationship between quality of work life and organizational commitment.

Chen Huang (2005) found that personal characteristics like gender, age, and marital status lead to significant differences in quality of work life and organizational commitment.

Turner (2005) studied the relationship

between commitment to university and willingness to work among 205 students who had student jobs, and found out that there's a significant relationship between commitment to university and willingness to work. Sports College in the US is dependent on student jobs to a great extent. According to the results older students have higher levels of commitment.

Turner (2007) has developed strategic plans due to importance of investing on preserving athletes. He carried out his research on 190 athletes who were selected randomly and concluded that women are more committed to the team and university. Moreover, all three components of commitment had a significant relationship with team satisfaction and not leaving the team. According to these findings satisfaction has an important role in commitment to the team. Also the higher the age, the more committed individuals get to the team.

Job satisfaction - Davoodi (1998) studied the impact of QWL on job satisfaction among operational staff of Mobarakeh Steel Complex". He tested the following hypotheses:

- Informal involvement of operational staff in decision making related to working conditions leads to an increase in job satisfaction;
- informal involvement of operational staff in decision making related to the work itself leads to an increase in job satisfaction;
- Informal involvement of operational staff in decision making related to working conditions leads to a decrease in occupational accidents;
- Informal involvement of operational staff in decision making related to the work itself leads to a decrease in occupational accidents.

He found positive relationships and concluded that employee involvement will lead to satisfaction and less accidents.

Performance facet:
Researchers and practitioners found a significant correlation between measures of QWL and business performance in terms of market performance, stakeholder value, and business sustainability as well as differentiating competitive capabilities in terms of service quality, delivery, employee knowledge, flexibility, and technological leadership. Positive results of QWL reduced absenteeism, lower turnover, and improved job satisfaction. A large body of prior research supports the service profit chain concept. Lau (2000) used an ad hoc approach to study two key elements of the service profit chain model, namely QWL and performance. The study showed that service organizations that emphasized QWL for their employees tended to have better sales growth, asset growth, and return on asset growth (ROAG) over a

five-year period when contrasted to other S&P 500 firms.

Najafi (2006) examined the relationship between quality of work life and profiting of middle managers of Iranian Companies" using Casio's components and found a positive and significant correlation between them. According to him, about 20% of profiting is due to quality of work life and the remaining 80% is the effect of other factors. Fallah (2006) found a significant relationship between quality of work life and performance Kosar Economical Organization Staff" using Walton's components in her study.

Nayeri, et.al (2011), carried out a descriptive study to investigate the relationship between the QWL and productivity among 360 clinical nurses working in the hospitals of Tehran University of Medical Sciences. Findings showed that the QWL is at a moderate level among 61.4% of the participants. Only 3.6% of the nurses reported that they were satisfied with their work. None of those who reported the productivity as low reported their work life quality to be desirable. Spearman-rho test showed a significant relationship between productivity and one's QWL ($p < 0.001$). Considering the results, the researchers opined that managers should adopt appropriate policies to promote the QWL to enhance productivity.

CONCLUSION

The above discussion has helped us to conclude that the identification of the measures of quality of life is indeed a difficult task, though there is a sort of common agreement on its concept of employee well being. Evidently there are objective (physical and structural design) factors that provide work place setting and intervening policy factors that affect work processes of employees. As regards the outcome factors the immediate effects on psychology of employees (positive attitudes, commitment, and satisfaction) and ultimate effects on performance of organisation are being considered by researchers. Figure -1 provides a diagrammatic view of the linkages QWL has with satisfaction and performance based on the above discussion.

Quality of work life	Job satisfaction	Performance
Job design , Work		Growth in sales, assets
environment and	Great place to work	and ROAG,
facilities, Job security,	without stress, better	stakeholder value,
Health, stress and safety,	motivation and	business sustainability,
Wages and rewards,	satisfaction, reduced	competitive advantage,
Work life balance,	absenteeism, lower	employee knowledge,

Aesthetics and creativity	turnover.	technological
Conflict, Learning and		leadership and
development, Leadership		flexibility.
and employee		
empowerment		

Figure -1 QWL and Job satisfaction and performance

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IMPACT OF TELEVISION ADVERTISEMENTS ON SCHOOL CHILDREN

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INTRODUCTION

Advertising is a form of communication intended to persuade an audience (viewers, readers or listeners) to purchase or take some action upon products, ideas, or services. It includes the name of a product or service and how that product or service could benefit the consumer, to persuade a target market to purchase or to consume that particular brand. These messages are usually paid for by sponsors and viewed via various media. Advertising can also serve to communicate an idea to a large number of people in an attempt to convince them to take a certain action. The meaning of word advertising in previous century was limited only 'to give notice of' but in modern world it is used in specific commercial form. So advertising means to inform the public about the item or quality and price and motivate the public to invest money to help increase the sale of commodity. In other words it is pictorial salesmanship presented through printed or written words.

Definitions of Advertising

The concept of advertising has been defined by many experts from time to time. They all have agreed on one definition. Some of the definitions are given below:

- "Advertising is the non-personal communication of information usually paid for and usually persuasive in nature about products, services or ideas by identified sponsors through the various media." According to Bovee,
- In the words of Jones, "Advertising is a sort of machine-made mass production method of selling, which supplements the voice and personality of the individual salesman much as in manufacturing the machine supplements the hands of the craftsmen."

In this manner advertising is an impersonal or non-personal salesman ship in which through various sources consumers are informed about the products or services and motivated to purchase the goods. Advertising is bringing a product (or service) to the attention of potential and current customers. Advertising is focused on one particular product or service. Thus, an advertising plan for one product might be very different than that for another product. Advertising is typically done with signs, brochures, commercials, direct mailings or e-mail messages, personal contact etc.

Advertising Objectives

An objective can be defined as "something toward which efforts are put achieve it. Whatever the concerned party wants to achieve and for that efforts are put is called objective.

1. To create Awareness
2. To Remind the Customers
3. To Persuade Customers
4. To Retain Existing Customers
5. To Neutralize Competition

Major Advertisers in India

The use of advertising has been increased worldwide and India is also no exception. According to Advertising Age TAM India, the India's leading advertisers are following:

1. Unilever India
2. ITC
3. Procter & Gamble
4. PepsiCo
5. Dabur India
6. Colgate

These are the leading companies and there is big list of advertisers now in India. They started spending more amounts in present time and in future more competitive situation the advertising budget is going to increase definitely.

EFFECT OF TELEVISION ADVERTISING

TV ads have three kinds of intended effects on children as given by Rossiter:

- Cognitive effects: It relates to ability of the children to understand the nature and intent of TV ads. Studies on cognitive effects focus on children's recall or recognition of commercials or brands.
- Affective effects: They relate to the feeling children develop towards TV ads.
- Behavioural effects: They relate to the extent to which children are persuaded by TV ads to ask for the advertised products. Studies of behavioural effects investigate the extent to which children are persuaded by advertisements. Since young children usually do not have the means to purchase products, behavioural advertising effects are usually measured by means of children's product request

PESTER POWER

Today children are constantly making demands that are eroding their parents' pockets. This is due to pester power. Pester power, as described by McMillan dictionary, is the children's ability to make their parents buy something or do something for them by continual asking until the parents agree to do it. This phrase emerged in the USA in the late 1970s as the changing relationship between the child and the parent in western societies wherein the 'cash-rich and time-poor' parents indulged their children by yielding into their demands. According to another source "the ability possessed by a child to nag a parent relentlessly until the parent succumbs and agrees to the child's request" is pester power.

Pester Power in India

There were more than 120 million teen (children aged between 8-12 years of age) in India. Among them, about 45 million live in urban areas who have the power of determining or influencing the whopping Rs. 20,000 crores worth purchasing decisions on food, mobile phones, apparel, cars and FMCGs. The arrival of niche channels like the Cartoon Network, Hungama, Jetix, Disney etc has given a big push to the children's overall knowledge about the products available for them in the market. Quite often, they are successful in making parents almost redundant in family decision making by enforcing their influence strongly. The total spending of the Indian children is about $6.5 billion - their own discretionary spending plus what their families spend on them. Indian children alone buy nearly 60% of the fizzy drinks, chocolates and biscuits sold in India.

Factors leading to the growth of Pester Power Socio¬ Cultural factors

1. Changing family structure
2. Double–income families and Lack of Parents' quality time
3. Increasing sources of pocket money
4. Rising single parent household
5. Delayed parenthood
6. The Indulgent parents
7. Hyper-Parenting

NEED FOR THE STUDY

The children, who were born in India after 1985, have been brought up with a wholly positive approach towards consumption. They are truly a ‗dissonance generation‘. While twenty years ago, one could safely say that children were not spoken of as spenders or customers but as savers and future consumers who had money, but only for saving & not spending where parents usually dictated the amount that could be spent and would justify this strict guidance as a penny saved is a penny earned‘ showing their dominance, but today‘s children have grown up faster both in terms of information and influence, perceived as world‘s computer literate generation and being in general, better travelled than their parents. They are caught between two sets of very different discourses- at home with their parents and outside with TV, friends and schoolmates. Consumerism is the new religion of the day and its most devout followers are the children. Children are caught between high aspirations to consume which are aroused through media and advertisements. Marketer's targeted children, including infants, basing their advertising strategy on highly sophisticated and manipulative psychology. It is growing in the advertising industry. Thus we need to recognize the new category of household decision making that is child dominant.

OBJECTIVES OF THE STUDY

The present study has been based on the following objectives:

1. To examine the present trends in Television Advertisements, aimed at school children.
2. To study the unaided recall of Television Advertisements, among school children (Brand Recognition).
3. To study the aided recall of Television Advertisements among school children (Brand Recall).
4. To study the impact of Television Advertisements on school children and their influence on family purchase.

The present study has the following hypotheses:

Ho1: There is no difference in aided recall of advertisements among school children.

Ho2:There is no difference in unaided recall of advertisements among school children.

Ho3:There is no significant influence of Television Advertisements on school children towards family Purchase.

RESEARCH METHODOLOGY

In the present study, an effort has been made to study the impact of Television advertising on school children . This study is based on the primary data collected from private school children with the help of well drafted, pre-tested structured questionnaires.

Sample size:612 children and 612 parents are the final respondents for the study.

FMCG products chosen for the study

The FMCGs products categories selected for the study were Toothpaste, Soaps, Instant Foods, Snacks, Cool Drinks ,Health Drinks, Biscuits and Chocolates. The selection of the product category from FMCG for this study was based on the assumption that majority of the television advertisements portray the products selected and also a significant number of families are influenced by the television advertisements and use various products in their daily life. The other reason was that these products were almost in the same price range. The various products were available under different brands and television is assumed to play a dominant role in influencing the purchases. Moreover, various FMCG manufacturers are extending their focus on children, due to the huge potential being untapped.

Profile of Area under Study

Hyderabad is the capital of the southern Indian state of Telangana and Occupying 625 square kilometres (241 sq mi) along the banks of the Musi River, it has a population of about 6.8 million and making it the fourth most populous city and sixth most populous urban agglomeration in India.

Data Collection

The required data was collected by interviewing the respondents personally with the help of a pre-tested interview schedule. The pilot study was conducted on fifty respondents. After a few changes, the final questionnaire was developed which was used for data collection as a structured interview schedule.

In each of the selected school, the attempt was made to involve the child and the parents of the family. The children which were approached were first enquired about their exposure to television advertisements.

An attempt was made to collect the detailed data through a structured questionnaire from children and their parents to explain the influence of Television advertisements on the purchase of selected products under study.

Analysis of Data

The tabulation of data was done to have a complete picture of the analysis proportionate with the different objectives of the study. 5 point scale questions were analyzed by tabular approach where the percentages were computed respectively. Tabular analysis was carried out for the purpose of

(a) Studying the level of exposure to television advertisements and awareness of children about television advertisements.

(i) Identifying the brand recognition power of the child for various brands of advertising.

(ii) Identifying the brand recall power of the child for various brands of advertising

(iii) Role played by the respondents in the family while making the buying decision.

Descriptive statistics were used for summarizing the data and to make it intelligible and easy for analysis. In order to sharpen the inferences drawn on the basis of the accumulated data in terms of frequencies, averages and percentages, some appropriate statistical tools were used. To study the relationship between the age of the respondents and the hours spent in viewing the television and relation between occupation and hours spent in watching television was found by using the Pearson Chi Square, ANOVA, Battlers Test were used for the analysis with SPSS 22.

LIMITATIONS OF THE STUDY

Though, utmost care was taken to get accurate data and results, yet, the possibility of some inaccuracy cannot be ruled out.

1. The present study was confined to Hyderabad, which is the capital of Telangana State. The findings may not be applicable to other parts of the country.
2. In the FMCG sector only Product categories which were popular were selected. So the scope of this study was limited to the selected products only.
4. The findings of this study reflect the behavior and attitudes of the school children .

REVIEW OF LITERATURE

Galst and White (1976) studied to explore that children's purchase influence attempts at the supermarket were related to the reinforcement value of television commercials and the amount of T.V. time children were exposed to at home. The finding revealed that the more commercial television he or she watched at home, the greater the number of purchase-influencing attempts directed at his or her mother at the supermarket.

Rossiter (1977) studied the children's attitudes towards advertising on a four point likert scale. The item reflected a range of cognitive and affective reactions towards television commercials. The children showed a negative attitude towards television commercial.

Sharon Shavitt (1998) designed a study to provide a national picture of pubic attitudes towards advertising. Respondents reported more liking towards advertisement than disliking. They tended to report that they enjoyed the advertisements they saw, and found it more informative and useful in guiding their own decision-making.

Austin et al (1999) investigated positive and negative mediation styles and parental perception of television usefulness as a learning tool. The study identifies some positive parent views on TV as well as active parental media consumption and concluded that parents liking of TV inspires more co-viewing and using television as a tool to reinforce positive lessons, rather than a source of examples of what not to do. The main Limitation was parents' perception is primarily descriptive and is limited in its predictive value for explaining media uses and effects for children.

Spungin (2004) undertook an online family food survey with 1530 parents across. The UK to research the burning issues of —what do parents think about advertising to children? In order to investigate, parents were asked a number of questions about their attitude to advertising and marketing to kids. The results showed that parents do have reservations about advertising to children. 84% in the survey said advertising manipulates children; but at the same time accepted it as fact of life in a consumer society. Parents recognize their own responsibility to educate their children as 96% of parents agreed with the statement "It's up to parents to explain to children that they cannot have everything they see advertised."

Richard et al (2006) conducted a study to analyze the audio-visual effects on children's recall. children are able to recall much information from a single exposure to a television advertisement accurately and that recall increased with age. Visual information appears to be more memorable and readily recalled than audio information with visual stimuli tending to have adverse effects on the processing of audio information.

PRIMARY DATA ANALYSIS

The data analysis aimed at analyzing

i) Demographic variables of the child and parents;

ii) Consumer socialization agents;

iii) Influence strategies used by children;

CHILDREN ANALYSIS

Cronbach's Alpha and KMO Test Value

Cronbach's Alpha		.812
N of Items		36
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.770
Bartlett's Test of Sphericity	Approx. Chi-Square	2423.977
	df	28
	Sig.	0.000

Table: 2

The Sample is worth enough to measure variables. Anti Image Co-Variance for all the statements are >.5 i.e., 0.770. Hence it shows the statements are unique and homogenous and are not correlated with each other. The table 2 showed the overall Kaiser-Meyer-Olkin measure of sampling adequacy was found to be 0.770 and Bartlett's Test of Sphericity was also significant (Approx. chi-square=2423.97, df=28, significance =.000) indicating the suitability of data for factor analysis. Thus, all of these examinations revealed that data was fit for factor analysis.

GENDER OF THE SCHOOL CHILDREN

	Frequency	Percent	Cumulative Percent
Boy	363	59.3	59.3
Girl	249	40.7	100.0

Table: 3

Gender: Gender has two categories, Out of the 612 children respondents, 363(59.3%) were boys and 249 (40.7%). were girl.

AGE OF THE SCHOOL CHILDREN

	Frequency	Percent	Cumulative Percent
Below 10 Years	105	17.2	17.2
11 Years	225	36.8	53.9
12 Years	213	34.8	88.7
13 years	69	11.3	100.0
Total	612	100.0	

Table: 4

Age: Child respondents were distributed in four age-groups of Below 10 years, 11 years, 12 years and 13 years. The frequency and percentage of child respondents are shown in Table is out of 612, 105 child respondents (17.2%) fell in the younger age-group i.e. below 10 years, 225 child respondents (36.8%) fell in the age group of 11 years, 213 child respondents (34.8%) fell in the age group of 12 years and the rest 69 child respondents (11.3%) fell in the age group of 13 years.

Class Studying

	Frequency	Percent	Valid Percent
4th Class	93	15.2	15.2
5th Class	129	21.1	21.1
6th Class	144	23.5	23.5
7th Class	246	40.2	40.2
Total	612	100.0	100.0

Table: 5

Class: the child respondents were from 4th to7th Class. 93 children respondents (15.2%) were from class 4th, 129 child respondents (21.1%) from 5th class, 144 child respondents (23.5%) from class 6thand, 246 child respondents (40.2%) from 7th class.

CHI SQUARE OF AGE AND BRAND RECOGNITION

In order to understand the relationship between the gender and brand recognition chi square is conducted the following hypothesis.

Ho: Brand recognition is not independent of age

Age	0-2 Brands	3-4 Brands	5-6 Brands	7 and above Brands	Total	Pearson Chi-Square
10 Years	13	13	24	55	105	.007
	12.4%	12.4%	22.9%	52.4%	100.0%	
11 Years	30	44	67	84	225	
	13.3%	19.6%	29.8%	37.3%	100.0%	
12 Years	30	49	61	73	213	
	14.1%	23.0%	28.6%	34.3%	100.0%	
13 Years	0	18	19	32	69	
	0.0%	26.1%	27.5%	46.4%	100.0%	
Total	73	124	171	244	612	
	11.9%	20.3%	27.9%	39.9%	100.0%	

Table: 6

The chi square value is found to be significant, meaning that null hypothesis is rejected and brand recognition is independent of age.

CHI SQUARE OF AGE AND BRAND RECALL

In order to understand the relationship between the age and brand recall chi square is conducted with the following hypothesis.

Ho: Brand recall is not independent of age

Age	0-6 Correct	7-10 Correct	11-14 Correct	15-18 Correct	Total	Pearson Chi-Square
10 Years	21	22	47	15	105	.003
	20.0%	21.0%	44.8%	14.3%	100.0%	
11 Years	38	41	107	39	225	
	16.9%	18.2%	47.6%	17.3%	100.0%	
12 Years	63	44	88	18	213	
	29.6%	20.7%	41.3%	8.5%	100.0%	

13 years	6	18	32	13	69	
	8.7%	26.1%	46.4%	18.8%	100.0%	
Total	128	125	274	85	612	
	20.9%	20.4%	44.8%	13.9%	100.0%	

Table: 7

The chi square value is found to be significant, meaning that null hypothesis is rejected and brand recall is independent of age.

CHI SQUARE OF TV WATCHING HOURS DURING WEEK DAYS AND BRAND RECALL

In order to understand the relationship between the TV watching hours during week days and brand recall chi square is conducted with the following hypothesis.

Ho: Brand recall is not independent of tv watching hours during weekdays.

Weekdays	0-6 Correct	7-10 Correct	11-14 Correct	15-18 Correct	Total	Pearson Chi-Square
1-2 Hours	36	22	21	6	85	.000
	42.4%	25.9%	24.7%	7.1%	100.0%	
3-4 Hours	49	55	69	7	180	
	27.2%	30.6%	38.3%	3.9%	100.0%	
4-5 Hours	36	19	98	25	178	
	20.2%	10.7%	55.1%	14.0%	100.0%	
5 Hours & above	7	29	86	47	169	
	4.1%	17.2%	50.9%	27.8%	100.0%	
Total	128	125	274	85	612	
	20.9%	20.4%	44.8%	13.9%	100.0%	

Table: 8

The chi square value is found to be significant, meaning that null hypothesis is rejected and brand recall is independent of TV watching hours during week days.

FINDINGS

1. The study has a total 612 respondents with boys363(59.3%) and girls 249 (40.7%)
2. Among the total 612 respondents 244 children(39.9%)have the highest brand

recognition of 7 brands and above for the selected products followed by 171children(27.9) with 5-6 brands.

3. When age is taken into consideration for the brand recognition 84 children of 11 years have the highest correct answers with 7 and above brands followed by 67 children of age 11 with correct answers for 5-6 brands.

4. When class is taken into consideration for brand recognition 93 children of class 7th have the highest correct answers for 7 and above brands followed by 54 children of 5th class with correct answers for 5-6 brands.

5. Among gender boys have more brand recall than girls where 54 boys have answered correct for 15 -18 followed by 31 girls for 15-18 captions.

6. Among the total 612 respondents 85 children(13.9%) have the highest level of brand recall with 15-18 captions, followed by 274 children(44.8%) could give correct answers for 11-14 captions.

7. When age is considered for brand recall 39 children of 11 years have the highest brand recall with correct answers for 15-18 captions followed by 107 children of 11 years with correct answers for 11-14 captions.

8. When class is taken into consideration for brand recall 31 children of 7th class have highest brand recall for 15-18 captions followed by 109 children from 7th class with correct answers for 11-14 captions.

9. Gender has impact on the exposure to television, spending pattern of pocket money, role of children in family purchase, pestering and child reaction to parent response.

10. Age has impact on the exposure to television, spending pattern of pocket money, role of children in family purchase, pestering and child reaction to parent response.

11. In the present study out of 612 respondents 192 (31.4%) parents are married for 16-18 years and 99 (16.2%) parents are married for 10-12 years.

CONCLUSION

The study has taken into consideration various factors to study the impact of television advertisements on school children. The study has collected information form the children and their parents which is analyzed to know the impact of television advertisements. The tabulated values show that there is a lot of impact of television advertisements on school children which can be established by their brand recognition level and brand recall level and considering the response from the parents it was found that there is considerable influence of children in the family decision making in the purchase of the selected products.

IMPACT ON CURRENCY FLUCTUATIONS OF FII FLOWS TO INDIA

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ABSTRACT

The study of currency fluctuations impact on FII flows into India from the period of 2000 to 2014. Augmented Dickey Fuller (ADF) test has been applied for the stationery of the data bi variate correlation depicts the relationship between the select variables like FII, DII, NIFTY, RupeeVs Dollar. Granger causality test indicated on Johnson co integration tested data of FII with NIFTY and DEFTY that this indices was not influenced by the FII flows. Regression Analysis indicated that the global currency dollar index is having significant impact on Defty and external flows into India in form of FDI and FII. This analysis is useful for the investor in India namely Retailer, HNI, FII, QIB, Pension funds and MF managers.

INTRODUCTION

The Foreign Institutional Investors (FIIs) have emerged as remarkable players in the Indian stock market and their growing contribution adds as an important feature of the development of stock markets has its impact on the development of economy. It provides investors with an array of assets with varying degree of risk, return and liquidity. A major development in our country, post 1991 has been liberalization of the financial sector, especially that of capital markets. In India, FII has a positive impact on the stock market, corporate transparency and governance norms; stock market is regarded as a barometer.

The number of FIIs registered with SEBI was 3 in 1992-93 and since then it has increased to 1713 in 2009-10. Indian stock market was opened to Foreign Institutional Investors on 14th September 1992. The FIIs follow policies and guidelines of the Reserve Bank of India (RBI) and Security Exchange Board of India (SEBI) which has changed from time to time due to dynamic domestic and global environment. The FERA was replaced in 2000 by Foreign Exchange Management Act, (FEMA), 1999 which now controls foreign exchange related transactions for FIIs approved by the RBI. The two routes for FIIs are (70:30) route, wherein 70% of equity related investments is permissible and balance 30% is for debt. The second route is 100% debt security investment route; however, our focus is on the normal equity FII route. There has been an enormous increase of over 400% in the foreign investment flows to India from 1995 to 2007

In today's era of globalization, capital flows know no barrier, over the last few years the capital flows – both physical and financial markets – have increased by leaps and bounds. The history of international capital flows goes back more than 100 years. There are important implications in economics and finance, as regards estimation of volatility in the equity market. An attempt is made in this paper to give financially viable significance to changes in the pattern of stock market volatility in India during 1992 – 2011.

OBJECTIVES:

- To find the relationship between FII, DII, NIFTY and RUPEE Vs DOLLAR.
- To find the correlation between MSCI and FII flows.
- To find the relationship between FII, GDP, IIP, INTEREST RATE and INFLATION.
- To find the impact of FII flows on NIFTY and DEFTY.
- To measure the Dollar index influence on FII and FDI flows into india.
- To measure the performance of NIFTY and DEFTY.

NEED OF THE STUDY:

The study is to understand Currency fluctuations impact on FII flows into India, in today's market what has happened last five six years, retail investor more or less has sold out and is very negligible player in the market today. Even our local mutual funds and local insurance companies that constitute local institutional investors are also relatively less important but the foreign institutional investors they have become the dominant force.We should just try and understand how do they invest and how the money comes in. These FIIs are foreign mutual funds.

SCOPE:

This study has been emphasized for the period of 2000-2014 i.e. 15 years period. This analysis has been focused on the external inflow of FII in India is influenced by the global currency fluctuations like dollar index. Defty data has been considered from FII's perspective as a equity indicator MSCI has been considered from 2007.

LIMITATIONS:

1. DEFTY data has been considered from 2000-2014.
2. DII Flows data is available from 2006 onwards.
3. Dollar index has been considered from 2004-2014.
4. IIP data is not available for the year 2014.
5. MSCI data is available from 2007 onwards.
6. Repo rate and FDI data is not available for 2000.

REVIEW OF LITERATURE:

Douma, Kabir and Rejie(2006): investigated the impact of foreign institutional investment on the performance of emerging market firms and found that there is positive effect of foreign ownership on firm performance. They also found the impact of foreign investment on the business group affiliation of firms. They observed the foreign investors preferred the companies with better corporate governance.

Mukherjee (2002): examined the various probable determinants of FII and concluded (1) Foreign investment flows to the Indian markets tend to be caused by return in the domestic equity market; (2) returns in the Indian equity market is an important factor that has an impact on FII flows; (3) whereas FII sale and FII net inflow are significantly affected by the performance of the Indian equity market, FII purchase shows no such that affect to this market performance; (4) FII investors do not probably use Indian equity market for the purpose of diversification of their investment; (5) returns from the exchange rate variation and the fundamentals of the economy may have an impact on FII decisions, but that type of influence do not prove to be strong enough.

Gordon and Gupta, (2003): found causation running from FII inflows to return in BSE. They observed such that FIIs act as an market makers and book profits by investing when prices are low and selling when they are high. So, there are contradictory findings by various researchers regarding the causal relationship between FII net inflows and stock market capitalization and returns of the BSE (or) NSE. Therefore, there is a need to investigate whether FIIs are the cause or effect of stock market fluctuations in India.

Rajesh Chakraborty(2001): in his research paper titled „FII Flows to India: Nature and Causes' concluded that since the beginning of liberalization FII flows to India have steadily growth into importance. The author analysed FII flows and their relationship with other variables, Pal found that FIIs are the major players in the Indian stock market and their impact on the domestic market is increasing. Trading activities of these flows and the domestic stock market turnover indicates that FII"s are becoming more important at the margin as an increasingly higher share of stock market turnover is accounted for by FII trading in India.

Dukken Fuller (2001):The Foreign Institutional Investors (FIIs) have emerged as noteworthy players in the Indian stock market and their growing contribution adds as an important feature of the development of stock markets in India, to facilitate the foreign capital flows to the developing countries have been advised to strengthen their stock markets with the Indian Stock Markets have reached new heights and became more volatile making the researches work in this dimension of establishing the link between FIIs and Stock Market volatility. This FII flows makes an attempt to develop an understanding of the dynamics of the trading behaviour of FIIs and effect on the Indian equity market to this study is conducted by using daily data on BSE Sensex and FII activity over a period of 10 years spanning from 01st Jan 2001 to 31st Dec 2011. It provides to the evidence of significant positive correlation between FII activity and effects on Indian Capital Market. The analysis also finds that the movements in the Indian Capital Market are fairly explained by the FII net inflows.

DATA ANALYSIS:

1. To find the correlation between FII,DII,NIFTY and RsVsDollar

Correlations

		FII	DII	NIFTY	RsVsDollar
FII	Pearson Correlation	1	-.190	-.338	-.100
	Sig. (2-tailed)		.498	.218	.724
	N	15	15	15	15
DII	Pearson Correlation	-.190	1	.691**	.232
	Sig. (2-tailed)	.498		.004	.406
	N	15	15	15	15
NIFTY	Pearson Correlation	-.338	.691**	1	.284
	Sig. (2-tailed)	.218	.004		.305
	N	15	15	15	15
RsVsDollar	Pearson Correlation	-.100	.232	.284	1
	Sig. (2-tailed)	.724	.406	.305	
	N	15	15	15	15

Interpretation: The above data depicts the bi variate correlation among the select variables. DII Vs NIFTY is observed strong correlation. Whereas FII with NIFTY is likely negative correlation. Rupees Vs Dollar with NIFTY is also likely correlate with NIFTY.

- To find the correlation between MSCI and FII flows

Interpretation: The above analysis of Johnson co integration test is suggesting the data is co integrated between MSCI and FII. The log likelihood ranks are observed in decreasing trend in all the trend models along with the alpha levels.

Pair wise Granger Causality Tests

Null Hypothesis:	Obs	F-Statistic	Prob.
DFII does not Granger Cause MSCI	12	0.98889	0.4186
MSCI does not Granger Cause DFII	0.43427	0.6641	

Interpretation: Granger causality test had given the result of global equity indicator MSCI. This influencing the FII flows into India because the probability value is found to be significant.

- To find the correlation between FII,GDP,IIP,REPORATE and INFLATION

Correlations

		FII	GDP	IIP	REPORATE	INFLATION
FII	Pearson Correlation	1	.273	-.066	-.080	-.299
	Sig. (2-tailed)		.324	.816	.778	.279
	N	15	15	15	15	15
GDP	Pearson Correlation	.273	1	-.128	-.094	.261
	Sig. (2-tailed)	.324		.648	.739	.347
	N	15	15	15	15	15
IIP	Pearson Correlation	-.066	-.128	1	-.097	-.274
	Sig. (2-tailed)	.816	.648		.730	.324
	N	15	15	15	15	15
Reporate	Pearson Correlation	-.080	-.094	-.097	1	-.264
	Sig. (2-tailed)	.778	.739	.730		.342
	N	15	15	15	15	15
Inflation	Pearson Correlation	-.299	.261	-.274	-.264	1
	Sig. (2-tailed)	.279	.347	.324	.342	
	N	15	15	15	15	15

Interpretation: The bi variate correlation shows that except GDP Vs FII and INFLATION

Vs GDP is observed slightly correlated where rest of the variables relationship is found to slightly negative correlated.

- To find the impact of FII flow on NIFTY and DEFTY

Series: DFII DNIFTY

Data Trend:	None	None	Linear	Linear	Quadratic
Rank or	No Intercept	Intercept	Intercept	Intercept	Intercept
No. of CEs	No Trend	No Trend	No Trend	Trend	Trend
	Log Likelihood by Rank (rows) and Model (columns)				
0	-327.2833	-327.2833	-327.2635	-327.2635	-327.1331
1	-323.9075	-317.8260	-317.8238	-310.2079	-310.1809
2	-320.9679	-314.4959	-314.4959	-306.7473	-306.7473
	Akaike Information Criteria by Rank (rows) and Model (columns)				
0	55.21388	55.21388	55.54392	55.54392	55.85552
1	55.31791	54.47100	54.63729	53.53465*	53.69682
2	55.49465	54.74932	54.74932	53.79121	53.79121
	Schwarz Criteria by Rank (rows) and Model (columns)				
0	55.37551	55.37551	55.78638	55.78638	56.17879
1	55.64118	54.83468	55.04138	53.97914*	54.18172
2	55.97955	55.31504	55.31504	54.43775	54.43775

Interpretation: The above analysis of johnsencointegration test is suggesting the data is cointegrated between fii and nifty. The loglikelihood ranks are observed in decreasing trend in all the trend models along with the alpha levels.

Sample: 1 15

Lags: 2

Null Hypothesis:	Obs	F-Statistic	Prob.
DNIFTY does not Granger Cause DFII	12	1.11426	0.3801

DFII does not Granger Cause DNIFTY		2.03670	.2008

Interpretation: Granger Causality test depicts the probability value between FII and NIFTY, the result indicates the FII flows are not causing the NIFTY.

Series: DFII DDEFTY
Lags interval: 1 to 1

Data Trend:	None	None	Linear	Linear	Quadratic
Rank or	No Intercept	Intercept	Intercept	Intercept	Intercept
No. of CEs	No Trend	No Trend	No Trend	Trend	Trend
	Log Likelihood by Rank (rows) and Model (columns)				
0	-270.0059	-270.0059	-269.7755	-269.7755	-268.9151
1	-258.8682	-258.8432	-258.8431	-258.4742	-258.2285
2	-257.1806	-256.7498	-256.7498	-254.6529	-254.6529
	Akaike Information Criteria by Rank (rows) and Model (columns)				
0	54.80118	54.80118	55.15510	55.15510	55.38302
1	53.37364*	53.56863	53.76863	53.89484	54.04571
2	53.83612	54.14996	54.14996	54.13058	54.13058
	Schwarz Criteria by Rank (rows) and Model (columns)				
0	54.92221	54.92221	55.33665	55.33665	55.62509
1	53.61571*	53.84096	54.07121	54.22768	54.40881
2	54.19922	54.57358	54.57358	54.61472	54.61472

Interpretation: The above analysis of Johnson co integration test is suggesting the data is co integrated between FII and DEFTY. The log likelihood ranks are observed in decreasing trend in all the trend models along with the alpha levels.
Pairwise Granger Causality Tests

Null Hypothesis:	Obs	F-Statistic	Prob.
DDEFTY does not Granger Cause DFII	10	0.10609	0.9013
DFII does not Granger Cause DDEFTY	1.39259	0.3306	

Interpretation: Granger Causality test depicts the probability value between FII and DEFTY, the result indicates the FII flows are not causing the DEFTY.

- To measure the Dollar index influence on DEFTY along with FII and FDI flows into india

Series: DOLLARINDEX DFII

Data Trend:	None	None	Linear	Linear	Quadratic
Rank or	No Intercept	Intercept	Intercept	Intercept	Intercept
No. of CEs	No Trend	No Trend	No Trend	Trend	Trend
	Log Likelihood by Rank (rows) and Model (columns)				
0	-187.9734	-187.9734	-187.8011	-187.8011	-184.7565
1	-185.8109	-173.0403	-172.9688	-171.5276	-170.5791
2	-185.6245	-170.9006	-170.9006	-169.4571	-169.4571
	Akaike Information Criteria by Rank (rows) and Model (columns)				
0	42.66077	42.66077	43.06692	43.06692	42.83479
1	43.06908	40.45340*	40.65974	40.56169	40.57313
2	43.91655	41.08903	41.08903	41.21269	41.21269
	Schwarz Criteria by Rank (rows) and Model (columns)				
0	42.74842	42.74842	43.19840	43.19840	43.01010
1	43.24439	40.65063*	40.87888	40.80274	40.83610
2	44.17951	41.39582	41.39582	41.56331	41.56331

Interpretation: The above analysis of Johnson co integration test is suggesting the data is co integrated between dollar index and FII. The log likelihood ranks are observed in decreasing trend in all the trend models along with the alpha levels.

Pair wise Granger Causality Tests

Sample: 1 15

Lags: 2

Null Hypothesis:	Obs	F-Statistic	Prob.
DFII does not Granger Cause DOLLARINDEX	9	1.23399	0.3825

DOLLARINDEX does not Granger Cause DFII	18.9776	0.0091	

Interpretation: The analysis of granger causality test shows that global currency dollar index is not causing the FII flows into India. As the probability value is not significant.

Model Description

Dependent Variable		DOLLARINDEX
Independent Variables	1	FDI
	2	FII
	3	DEFTY
Weight	Source	DOLLARINDEX
	Power Value	-2.000

Model Summary

Multiple R	.888
R Square	.789
Adjusted R Square	.699
Std. Error of the Estimate	2.385E6
Log-likelihood Function Value	-78.350

Coefficients

	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta	Std. Error		
(Constant)	7740.450	233.615			33.133	.000
FDI	-.030	.007	-.729	.176	-4.144	.004
FII	-.002	.001	-.286	.202	-1.419	.199
DEFTY	.000	.000	-.194	.199	-.973	.363

Interpretation: The above analysis of regression has been occurred to measure the impact of dollar index on Indian FDI, FII and DEFTY The R square is observed more than 60% to 0.789. The significant values of the regression weight estimation is found to be less than 0.5% for all the FDI, FII and DEFTY, which indicates dollar index influence has been observed on the external flow into India.

FINDINGS

1. Domestic Institutional Investment flows found to be stronger correlation with NIFTY.
2. Global equity indicator MSCI is affecting the flows into India.
3. FII and inflation is found to be slightly correlated with GDP.
4. FII flows are not causing the NIFTY returns.
5. FII flows are not impacting the Defty which is acting as an exchange indicator for the foreign in terms of dollar.

SUGGESTIONS

1. FII returns are affected by the currency fluctuations with the dollar. I suggest that they should follow the defty index instead of nifty; so that they can measure the exact movement equity markets India.
2. Long-term investment is the best strategy to minimize the risk from short-term currency depreciations impact on equity segments.
3. I suggest the regulator should impose restrictions on FII's investment holding period minimum it should be 1 year. As of now there is no restriction on FII's holding time period.
4. FII's are dominating Indian markets; there is a greater need to increase the awareness on equity markets among Indian investors, so that they can take the advantage of the economy growth like FII's.

CONCLUSION

We conclude the Analysis of currency fluctuation impact on FII flows into India. We study as considered 15 years i.e. 2000-2014. Indian markets are always influenced by the FII investments more than the domestic investments. The analysis had proven with the global equity markets influence the foreign investors in India. This analysis had proven FII is not causing the NIFTY and DEFTY to get fluctuates. Global currency dollar index is influencing the external flows. FDI and FII in India there is the further scope to do research on FII flows time of investment and influence on Indian market

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