ISSN No. 0976 - 4208

OSMANIA
Journal of Management

Volume - XI Number - 4 Oct-Dec 2015

Department of Business Management
OSMANIA UNIVERSITY
Hyderabad, Telangana, India.

Awarded Dewang Mehta Education Award for **Best B School Leadership**

OSMANIA
Journal of Management

Volume - XI Number - 4 Oct-Dec 2015

DEPARTMENT OF BUSINESS MANAGEMENT
OSMANIA UNIVERSITY
Hyderabad, Telangana, India

OSMANIA JOURNALOF MANAGMENT

Volume XI **Number 3** **Jul-Sep 2015**

Contents

MOBILE WALLETS: REGULATORY ENVIRONMENT IN INDIA

Professor Shailaja Gajjala

Department of Business Management, Osmania University, Hyderabad.

ABSTRACT

A mobile wallet (or m wallet) enables payment with electronic money, using the mobile phone. The RBI issued m wallet regulations in 2014, and a dozen m wallet issuers are currently in the market. Customers are increasingly using phone apps to access and transact on websites. By 2020, the Indian m wallet market is estimated to be US$ 6.6 billion. Though India is a cash based economy, it is the world's second largest mobile phone market, and the fastest growing e commerce market. The smartphone based m wallet can move India towards becoming a cashless economy. This paper gives an overview of m wallets, the regulatory environment in India, and compares the m wallet eco systems in two of the world's largest m wallet markets - China and India.

Key words: mobile payments, third party providers

INTRODUCTION

Mobile payments are digital financial transactions using electronic money to made through digital mobility technologies, with or without the use of mobile telecommunications networks (Diniz et al, 2011). More than 90 % of all transactions in India are through cash compared to the virtually cashless societies in the west - cash payments accounted for a mere 3% of payments in Sweden, and 7% in USA (Patil, 2014). But India is also the world's second largest mobile market and the fastest growing ecommerce market. In 2015, 70% of etransactions came from mobile, mobile app usage grew by 131%, and m commerce overtook ecommerce. Companies began changing market strategies to accommodate this shift - Myntra closed its web platform and became a mobile app firm, while Flipkart opened a mobile website in November. The mwallet has the potential to convert the country into a cashless economy, fuelled by the rapid rise of mobile phones and smartphones. safety and ease of use. According to the India Mobile Wallet Market Forecast and Opportunities (2020), the Indian mwallet market is estimated to touch USD 6.6 billion by 2020. China and India are expected to be world's largest mwallet markets. This paper gives an overview of mwallets in India, the regulatory environment in which they operate, and a comparison of the mwallet ecosystems in China and India.

Mobile Wallet: A mobile wallet or

mwallet is a digital repository of money on mobile phones. It is an app on the mobile phone through which the user can preload money and pay for purchases online as well as offline with electronic money. The mwallet need not be linked to a bank account. Smartphones have transformed the mwallet and the range of services it offers. It can be used for micro payments, internet payments, booking tickets, funds transfer and withdrawal, as a smart card, for savings, and for residential building access control. More services are in the pipeline - MobiKwik is planning to use the m wallet for eKYC (know your customer).

The first wallet in India relied on sms, and was launched by Bank of Punjab in 2002. By December 2015, there were a dozen players in the Indian mwallet business, and new players such as Micromax are set to launch Mwallets. To get an mwallet, the phone user registers with the wallet provider, or send it an sms. Once registered, the user loads money on to the m wallet either by paying cash at the ewallet provider's outlet or at 'partner' outlets – such as planet M for Oxigen. Alternatively the user can transfer funds to the ewallet through his bank, or through credit card/ debit card. The stored funds can be used to make online purchases, to pay bills, to transfer money to someone else, to withdraw money, and recharge the smartphone. Smartphone users can pay for services through the mobile app, or by using the mobile phone number or personal identification number (PIN). Transactions are secured through triple DES cryptography, digital certificates, and one time password OTP).

Mwallet versus credit/debit cards: In western markets, the m wallet co-exists with credit cards and debit cards. In India, where credit card and debit card usage is comparatively low, the mwallet is expected to quickly outstrip and even replace credit/debit cards, once the RBI lifts the mwallet spend ceiling of Rs. 10,000. While the mwallet (with the exception of an open mwallet) can be launched as a standalone product, but the credit/debit card is linked to a bank account. Unlike credit card and debit card usage, mwallet user does not inadvertently part with confidential information. While credit/debit card payments are communicated to the bank, and must be authenticated by the card provider, in an mwallet payment there is no authentication lag. And unlike browser based payments, the mwallet user can pay with a single tap on the smartphone, enjoys discounts and gets cashbacks. An mwallet user faced one step authentication, as compared to two-way authentication for online payments - inputting card details, an OTP or a 3D secure pin. In February 2015, the RBI mooted one step authentication for online payments too. Once this is in force, mwallets will lose this advantage.

REVIEW OF LITERATURE

The mwallet is a valuable tool in

financial inclusion as it encourages small savings and provides access to micro credit (Diniz et al, 2011) though awareness was low (Sivapragasam et al, 2011). A group mwallet called 'Weza' wallet, designed to meet the needs of security, convenience, transparency, and access to credit, was launched in Eastern Uganda in 2014 (Bhandari, 2015). It enables mobile storage of savings by women savings groups. The Weza wallet is linked to the savings group's bank account, and the group can avail credit products from the concerned bank. It has increased micro savings, and improved access to micro credit.

Mobile payments offer huge opportunities in emerging markets on the demand side to consumers, and on the supply side to mobile service providers, and financial institutions (Kshetri and Acharya, 2012). On the demand side, mobile apps convert a spontaneous desire to purchase into a purchase decision, and are time saving. Predictors of customer intention to use mcommerce apps are perceived enjoyment (Dwivedi et al, 2014), perceived usefulness, perceived ease of use, and social influence (Thakur et al, 2013); efficiency and speed, and use in time critical situations (Jahanshahi et al, 2011); lack of access to other non cash forms of payment, ability to monitor account balances, merchant acceptance, ease of set- up), cost, and record keeping (Hayashi, 2012); perceived behaviour control, level of personal innovativeness, and attitude towards using m payment (Mahran and Enaba, 2013). Barriers are anxiety, self -perception of mobile skilfulness (Hsi Peng Lu et al, 2009), perceived risk (Jahanshahi et al, 2011), and uncertainty avoidance (Xin Hua, 2013).

India is a cash based economy because of the universal acceptance of cash, low bank penetration, and limited access to internet and online payment mechanisms. According to RBI estimates, only 35% of the Indian population has bank accounts, compared to an average of 41% in developing economies, and 50% globally. Less than a fifth of all transactions in India are paid through credit cards and debit cards. This leaves a vast untapped market for mwallets. Mobile phones are a key element in RBI's financial inclusion policy, and India has 364 million rural mobile phone users. International Data Corporation 2015, predicts that India's financial inclusion drive, the rising mobile phone ownership, and internet usage through smartphones, is predicted to cause an upsurge in mwallet usage.

Widespread mobile ownership in India has already lead to a tele density of 73% (Velmurugan and Velmurugan, 2013). There are 150 million smartphone users in India, and this figure is expected to double in two years. According to the Chief Marketing Officer (CMO) Council Worldwide, an estimated 730 million

Indians are expected to use mobile phones by 2017. But a shift has already occurred - as of April 2014, internet usage in India had already migrated to mobile phones – 86% of mobile usages was through apps, and 72% of web traffic was through mobile phone. By 2020, 80% of the world's adults will have smartphones, and this is going to change the payments landscape (Koduri, 2015) as more and more companies embrace mcommerce.

Types of MWallets

All mwallets require preloading of funds. Based on issuer and usage, there are four types of mwallets - open, semi-open, semi-closed and closed. In an Open wallet, the user can pay for goods and services through the mobile phone, transfer funds, withdraw funds from a bank or an ATM. To ensure that the funds are accessed only by the user, the funds are placed in an escrow account. RBI stipulates that an open must be launched only by a bank - M Pesa is an example of an open mwallet. It was co-launched by Vodafone and ICICI bank in 2014.

In a semi open mwallet, the user can pay for goods and services purchased from outlets that have tied up with the mobile phone service provider. The preloaded money must be spent, and cannot be transferred or withdrawn. Airtel Money and Citrus Pay are semi open wallets. In a semi closed mwallet, the user can pay for goods and services purchased from outlets that have tied up with the mobile phone service provider, as well as undertake financial services. Money cannot be withdrawn or redeemed. PayU, Paytm, and MobiKwik are semi closed wallets.

A closed mwallet is issued by a specific retailer or company, through which the user can buy only its products and services. Money cannot be withdrawn or redeemed. The preloaded amount is locked with the issuer. Paytm cash and Meru Cabs cabwallet are closed wallets. Etailers such as Jabong and Flipkart also offer closed mwallets. A big disadvantage is that the user has to register with and maintain a separate mwallet with preloaded interest free amounts with each goods and service provider. To overcome this, Meru Cabs tied up with Citrus Pay, so that a Citrus account is created for the user when he uses cabwallet. A user with an existing Citrus account can access funds in it through the cabwallet.

MWallet Regulations in India

Mobile payments are governed by the Payments and Settlement Systems Act (2007). Open, semi open and semi closed mwallets fall within the category of prepaid payment instruments (PPIs) and are regulated by the RBI. The closed mwallet is not a PPI, and RBI does not regulate it. Regulations relating to open, semi open and semi closed m wallets issued in July 2014 by the RBI, are summarised below:

1. RBI approval is a prerequisite to launch an open, semi open and

semi closed mwallet. No RBI approval is required to launch closed m wallets.

2. An Mwallet can be issued by a bank, an Non Banking Finance Company (NBFC) incorporated in India, or a company incorporated in India. Issuers are permitted to launch co-branded m wallets. But banks are permitted to issue only rupee denominated reloadable co-branded mwallets to Indian citizens. Banks are permitted to issue rupee denominated non reloadable co-branded mwallets to NRIs and foreign tourists for use in India, after completing KYC.

3. An open mwallet can be issued only by a bank. A bank can issue an open or semi open m wallet, only after completing KYC. An NBFC incorporated in India, or a company incorporated in India, is permitted to issue semi open, semi closed, and closed mwallets. However the company must have a minimum share capital of Rs. 5 crores and a minimum positive networth of Rs. 1 crore. A company which has FDI or FII investment, must have the minimum capital requirement specified under the government's consolidated FDI policy guidelines.

4. A semi closed mwallet opened after completing the customer's KYC can have maximum reload of Rs. 1 lakh in a month, and the outstanding balance should not exceed Rs 1 lakh. But if only minimum customer details are taken, the maximum reload is Rs. 10,000 and the outstanding balance cannot exceed Rs. 10,000.

5. Mwallets cannot be used for cross border payments, except for current account transactions, and limits prescribed under FEMA (2000).

6. RBI's guidelines, Anti-Money Laundering guidelines, Combating Financing of Terrorism guidelines, and provisions of Prevention of Money Laundering Act (2002) are applicable.

7. Mwallet issuers must maintain a log of every transaction. The log can be inspected by RBI or any institution authorised by RBI to do so. Issuers must file Suspicious Transaction Report with Financial Intelligence Unit – India.

Mwallet Ecosystems in China and India:

both countries have vast domestic markets, and are cash based economies. In both countries mobile phone penetration and smartphone usage are the principal drivers of mwallet growth. Chinese telecom firms such as Xiaomi and Meizo sell low cost smartphones, that have lead to a surge in internet access and usage in rural China. The year on year increase in mobile phone usage fuels mwallet growth in China, as it does in India.

But there are three crucial differences. Firstly, in India, third party providers, ecommerce firms and banks, issue m wallets. In China, banks have not been active in the mwallet market. Third party providers such as Tencent (China's largest internet service portal, media, and gaming company), Alibaba (an ecommerce firm), Sina (an online media company), and China UnionPay (a government owned bankcard association which operates China's interbank clearing and settlement system and controls China's debit card and credit card processing) share the Chinese mwallet space.

Secondly, Indian mwallets are not integrated with existing platforms and chat services that have their own customer base. But in China, both standalone mwallets (Alipay) and embedded mwallets (such as Wechat wallet, Tenpay, QQ wallet, and Weibo wallet) coexist. This helps them leverage their existing user base. Tencent's WeChat and QQ chat are social networking sites collectively have more than 1 billion users. Weibo is a Chinese microblogging site that has195 million users. Tenpay wallet uses Wechat. WeChat wallet is embedded in Chinese developed sms services cum social network, WeChat. Chinese banks communicate with their customers through Wechat. QQ wallet uses Tencent QQ. Weibo wallet, colaunched by Sina Corporation and Alibaba, uses the Weibo. It remains to be seen whether Indian mwallet players tie up with Indian player hike messenger, to leverage the latter's 70 million customer base.

Thirdly, Chinese mwallets went global in 2015, while Indian mwallet players are confined to India, since RBI regulations require mwallets to be loaded only with Indian rupees. Customers using tenpay wallet already make cross border payments Jing Daily reported that in September 2015 that Alipay and Wechat wallet became global mwallets. Alibaba offers mobile payments through Alipay at 30,000 stores in Hong Kong, Singapore, and South Korea, with a goal of reaching 1 million global Alipay wallets by 2020. Tencent announced that it would partner with 10,000 Japanese stores, in which Wechat wallet could be used. UnionPay and China Mobile announced an mwallet in December 2015.

Inspite of these differences, according to Ernst and Young's Report (2014), India has the world's highest uptake of mobile money. Mcommerce is expected to rise by 800% over the next few years. As the new generation of mobile users (both urban and rural) begin to use mobile payments, the mobile money market in India faces aggressive double digit growth rates. Smartphone user demographics favour m wallets - half of the smart phone users in India are between 18 to 30 years old. They are familiar with smartphones, conversant with technological changes, active on social networking sites, and willing to try new products and services. A convergence has begun with Xiaomi, the Chinese mobile phone company having entered the Indian market.

CONCLUSION

The market is continuously evolving, with new players, increased competition, and collaborations. Tie ups are being announced and advertising budgets were ramped up in 2015. Paytm whose wallet partners are Uber, Bookmyshow, and Makemytrip, had a mwallet user base of 100 million in October 2015. In August 2015, Alibaba, the Chinese ecommerce giant, announced the picking up of a 26% stake (through its subsidiary), in PayTM, India's largest mwallet player. In August 2015, the RBI gave mwallet providers Vodafone, Paytm, and Airtel, licences to set up payment banks. This will enable mwallet users to access a large portfolio of financial services. Mobile payments are in a growth industry, with new wallets entering the competitive market. The rapidly evolving market may witness new regulations and changes in existing regulations.

REFERENCES

1. Diniz H, Alberqueque J.P., Cernev A.K. (2011), Mobile Money and Payment: a Literature Review based on academic and practitioner-oriented publications (2001-2011), Proceedings of SIG Global Development Fourth Annual Workshp, Shanghai, December 3 http://www.icmc.usp.br/~jporto/papers/24% 20REVISED%20Diniz%20Mobile_Money _and_ Payment_Nov%2014%202011.pdf
2. Bhandari P (2015), A Mobile Money Solution For Savings Groups, www.empowerwomen .org/.../a%20mobile%20money%20solution%20fo
3. Dwivedi Y. K., Tamilmani K., Williams M. D., Lal B. (2014), Adoption of M-commerce: Examining Factors Affecting Intention and Behaviour of Indian Consumers International Journal of Indian Culture and Business Management, Vol. 8(3), DOI: 10.1504/IJICBM.2014.060365
4. Hayashi F. (2012), Mobile Payments: What's in it for Consumers? - Federal Reserve Bank of Kansas, 35-66, https://www.kansascityfed.org/Publicat/EconRev/PDF/12q1Hayashi.pdf
5. Jahanshahi A.A., Mirzeae A., Asadullahi A. (2011), Mobile Commerce Beyond Ecommerce: Issues And Challenges, Asian Journal of Business and Management Sciences, Vol. 1 (2), 119-129, ttp://www.ajbms.org/articlepdf/ajbms_2011_1219.pdf

ISSUES AND CHALLENGES OF ONLINE RETAIL STORES IN INDIA FOR LAST MILE CONNECT

Prof. K.Gnana Chandrika

Department of Business Management, Osmania University, Hyderabad.

ABSTRACT

Online-commerce is growing significantly in terms of presence and attraction amongst Indian middle class. The ever expanding Indian e-commerce space is attracting newer and newer players, both Indian and foreign. Rapidly changing Indian consumer buying patterns and largely untapped online retail market space has created enthusiasm among potential investors. However the challenges for the online retail companies wanting to gain competitive advantage in this market place are many. One of the most important of these challenges is home delivery or last mile connect that completes the supply chain. This paper attempts to study some of the challenges faced by the online retail stores in the home delivery of the products, also study how online retail giant Amazon is handling this challenge.

Keywords: e-commerce, online retail, last mile connect, challenges, Amazon.

INTRODUCTION

Online Retailing industry in India has come of age. With vast improvements in the Internet and Communication Technology Infrastructure ecommerce in India has grown tremendously. Many Online stores which started off as simple single product stores have grown into multiproduct& multibrand retailers. Stores like Flipkart have enthused foreign online retail giant like Amazon.com to venture into India. Technological innovations across the world are enabling these online stores in India to compete and create a brand image of their own in the virtual market place. Also, India with a large population of young people in the age group of 18 and 45 coupled with tech savvy generation is an ideal place to start with. However the growth of Indian middle class has raised the expectation bar on quality of products and services offered by both the traditional and online stores. Awareness levels of Indian consumer today is like never before, he is looking for value for money, the retail stores like Flipkart, Myntra, Jabong have virtually pulled the young customers away from traditional stores. The growth in business volumes of India's biggest online retail store Flipkart is an indication of the growing inclination of young people in India to purchase online rather than go for a traditional brick & motor store. However this form of business also has its own concerns, issues and challenges. The number of online retailers within India is increasing and competing with each other, now they are also facing challenges from cash rich foreign companies like Amazon, e-bay etc and also Indian giant like Flipkart. Therefore the online retail stores have to thoroughly study their existing processes and make suitable changes to remain competitive. The present study analysis the challenges in the home delivery system of online retail stores in India.

The primary objective is

i. To study the challenges faced by the online retail companies in Home delivery system i.e. Last Mile delivery. Also

ii. To study the delivery-model of Amazon.com the successful online retailer.

METHODOLOGY

The present study is a descriptive study considering the case of Amazon.com. The study uses secondary sources of data collected from Internet, Magazines and Journals.

SCOPE & LIMITATIONS

The scope of the study is confined to studying only issues and challenges for online retail stores in India with the entry of cash rich e-commerce giants like Amazon, eBay etc.

The present study has certain limitations

i. The study uses only secondary sources of data.

ii. The study discusses only delivery model of Amazon retail store.

LAST MILE CONNECT - REVIEW OF LITERATURE

Once a product has been selected by the customer and placed for order, the delivery process for the online store begins, however the delivery processes are evolving in face of competition across the world. The following review of literature provides us an understanding of the changes taking place in the home delivery environment.

According to Shijo Sunny Thomas E-commerce is a business model that, even though is currently in its maturing stages, is set to grow to a very large proportion by 2020. Obviously, this requires a modern logistics infrastructure that is not only cost effective but also highly integrated with the e-commerce company. In a competitive and margin-critical retail business model, the shipping and delivery costs currently often account 6-12 percent of the total product costs. Commerce retailers are building their customer logistics capabilities in multiple ways. Some are setting up their own captive logistics infrastructure; some are tying up with specialised e-commerce delivery partners, while many are partnering with existing courier companies. Though these options are satisfying the existing need, scalability and expansion are still a question. Understandably, the wish is for a logistics mechanism that provides a reach into the largest number of pin codes in India powered by a captive fleet and storage locations.

Greg Bensinger in his article articulates how Amazon retail store in USA has started using locker system to gain the confidence of its online customers and expand its business - The Web giant has quietly installed large metal cabinets—or Amazon Lockers—in grocery, convenience and drugstore outlets that function like virtual doormen, accepting packages for customers for a later pickup. Amazon began putting lockers in Seattle, New York state and near Washington, D.C., about a year ago and the company is now ramping up the service. In the past few weeks, Amazon has opened its first lockers sites in the San Francisco Bay area.

Alexei Oreskovic in his article How Google Plans to Expand into Home Shopping Delivery writes -Online shopping is an area that Google, which has ambitions to dominate every aspect of the Web, has traditionally had a limited presence in. Traffic lost to Amazon and eBay, which are using same-day service to lock in consumers for the main business, means customers lost for Google's other services. As ecommerce grows, Google wants at least to get its hands on data about online shoppers, so it can expand and improve its main business, search advertising. Its successful foray into mobile phone software was driven partly by a similar philosophy to guard its search franchise. Google Shopping Express lets consumers buy products online from more than a dozen stores in the San Francisco Bay Area, including Staples, Costco, Blue Bottle Coffee and Toys R Us, and have the goods at their doorsteps that same day. Importantly, the ability to deliver purchases into buyers' hands on the same day closes the "last mile" between an online business and a customer home. That removes a key advantage of traditional retailers today: instant gratification.

According to Carrie Dunn - The boom in internet shopping is forcing retailers and logistics firms to adapt to new delivery models to meet customers' needs. As internet shopping continues to grow retailers and logistics firms having to up their game in order to meet high customer expectations. That's not simply on the price of products, but also the speed and quality of delivery.

According to Amazon's vice president and country manager Mr. Amit Agarwal - The biggest advantage of e-commerce is the instant nationwide reach it enables sellers of all sizes, however, it is the delivery of that opportunity that requires significant focus and investment from the industry.

Nandita Bose writes - online retail stores are at the mercy of commercial airlines, which frequently remove their parcels to make room for passengers, highlighting one of the challenges to expanding in an e-commerce market that consultants say is growing at a compound rate of 34 percent a year, and which saw online retail sales of $1.6 billion last year.

Lee Gill in an article in Guardian writes In the face of the continued rise of e-commerce and growing customer expectations, online fulfilment excellence will separate the winners and the losers. In fact, 61% of consumers said they would switch retailer based on receiving an unacceptable online shopping experience.

ONLINE RETAIL INDUSTRY IN INDIA

Internet usage in India is growing at a phenomenal rate both in urban and rural areas. According to IMAI - Mobile Internet is expected to reach 153 million users by June 2014. Across India bridging rural & urban divide there is an increase in mobile internet users. This is a positive indication for online retail companies. This can augur well for their business. Online commerce especially mobile commerce can breach the urban –rural divide and can offer even rural customers products/services which were earlier out of reach for them. With expectations, that this industry has the potential to grow to much higher levels. India's online retail industry has grown at a swift pace in the last 5 years from around Rs 15 billion revenues in 2007-08 to Rs 139 billion in 2012-13, translating into a compounded annual growth rate (CAGR) of over 56 per cent. The 9-fold growth came on the back of increasing internet penetration and changing lifestyles, and was primarily driven by books, electronics and apparel. CRISIL Research expects the buoyant trend to sustain in the medium term, and estimates the market will grow at a healthy 50-55 per cent CAGR to Rs 504 billion by 2015-16. The entry of new players in niche segments such as grocery, jewellery and furniture, along with large investments by existing players in the apparel and electronics verticals, will be the drivers.[CRISIL, 2014]. Even though online retail still constitutes a very small percent of traditional retail this business is growing at a rapid pace. According to CRISIL in the year 2012-2013 there is compounded annual growth rate of 56%. For past five years many players have entered the online retail which started with Flipkart selling books, CDs, Electronics to players such Jabong in apparels, Fab Furnish in furniture, to online groceries etc. Today we even have online stores like OLX, Quikr where we can place our used items for sale. Online commerce has come a long way. But growing concern for online business models are the last mile delivery in order to successfully complete the supply chain.

As the competition grows in the virtual market place the real challenge for the online stores is a good delivery model to get to customers and retain & enhance their customer base.

ISSUES AND CHALLENGES IN LAST MILE DELIVERY IN THE ONLINE RETAIL

There are some fundamental issues & Challenges in the Home delivery of products in the case of online retail stores in India

a) On time delivery of Products: Online Customers are spread far and wide across the length and breadth of the country, the challenge lies in prompt delivery. E-commerce stores have customers in urban & rural areas as well. Customers may have access to internet but finding the address of these customers is no easy job. This is one of the biggest challenges in India.

b) Logistical Problems: In today's competitive environment where the slogan is same day delivery, online retail stores have to deliver on the same day which means they have to look for different modes of carriers – plane, bus, trains etc many of these online stores send their products for delivery through passenger service carries where the priority is for passengers rather than parcels of these companies. This could to lead to delay in the delivery schedule. Also the cost of air transport continues to be a big concern for fast delivery.

c)WareHousingProblems:forInventory-based online retail stores there is need to have ware houses, especially if the products are bulky this requires physical space for storage of products. In big cities finding accommodation is challenge in terms of cost and right space. Cash rich companies can afford to pay high rental costs, but for small & medium sized online this could act as a big constraint. Even for some cash rich companies there is competition from traditional retail stores who already have physical infrastructure in place, so getting cheaper accommodation for new online retail stores is difficult task.

d) Retaining employees of different categories especially delivery boys from poaching: Poaching of employees especially delivery boys is of concern in today's online retail business, as most them are semiliterate and semi-skilled, who can be easily lured. Thus employees working in retail sector are vulnerable for poaching.

e) Technological Obsolesce: Online retail stores use technology extensively for different activities and processes, Right from computers for order processing to RFID for identifying the right products for delivery to actual delivery. Businesses must have a policy to handle old technologies and bring in new technologies for seamless delivery.

d) Adoption of latest techniques for inventory management: Inventory management is an important issue for online retail stores for delivery, right product should be delivered to right customer on specified date. So the challenge lies in organizing and identifying the product from the warehouse to be delivered to the correct customer address.

g) Theft of products in transit: The products to be delivered are sometimes stolen while in transit. The companies must have a policy to handle issues such as theft or use of some new delivery model to overcome such complaints.

h) House Locked: With the rise in nuclear families and almost all the members of family work are engaged in activity outside their homes. There is every possibility that the house is locked at the time of home delivery of the product. This an issue that companies must address differently in the coming years.

i) Payment-modes: Online stores offer different types of payment modes like use of credit/debit cards. Unlike in other countries in India many online stores offer cash-on-delivery payment mode. A customer can pay after he receives the product. As the overhead charges increase can these companies still afford to offer cash-on-delivery model?

j) Packaging: Packaging for the product is a big challenge for companies delivering the product. The Packaging has to be done in such a way that it is of right size, use right material etc. Very often the package is too big even if the product to be delivered is small, which can create problem while transporting.

k) Dedicated home delivery players or third party players: Some big business players are focussing only on home delivery of products like Google express in USA. This an issue and a challenge for online retail stores specially for small & medium online retailers.

l) Supply of high demand products: Sometimes certain products may be in great demand, the e-retailers may run out-of-stock very soon, so how does the e-retailer face demand versus supply Challenge.

m) Competition from cash rich giants: Above all Indian online retail space has become the most attractive virtual place for investors across the world as the online industry has the potential to grow significantly in the coming years. Recently the Indian online retail giant Flip kart has spelt out its plan to invest one billion dollars in its online retail business, also US retail giant Amazon announced it would be investing around two billion dollars in the Indian online retail business.

LAST MILE DELIVERY MODEL OF AMAZON IN USA

A case study of Amazon is considered as this company has pioneered the delivery systems in online retail. The Case of Amazon can be studied by Indian online retail stores and experiment their delivery systems in our country as well. As an early mover in online retail Amazon had to face a number of issues considered above and has evolved itself and has become a role model for other e-commerce companies across the world. Amazon is first of its kind in bringing new ideas, models & technologies into the last mile connect as well. Amazon was one of the first online stores to bring in same day delivery concept to remain competitive; Amazon also has launched its own logistics arm Amazon Logistics in addition to the tie ups with other third-party logistics companies like GATI, Blue Dart and FedEx Corp. Amazon set up its local ware-houses to reduce shipping and transfer costs to ensure faster and efficient delivery of products to its customers. In addition to building its own warehouses, it is also using neighbourhood grocery stores and petrol stations as delivery points where it uses lockers famously known as Amazon lockers. The customers are given a key as soon as the transaction is completed and can pick up their products from the locker using key sent from the nearest delivery point at any convenient time of theirs. Amazon is looking into future technologies to complement the existing delivery systems. Amazon Prime Air subsidiary floated by Amazon to leverage the commercialisation of US defence systems - Drones. As a concept they expect to use drone technology to deliver packages weighing less than five pounds to be delivered at the doorstep of customer's homes within half an hour by flying short distances in range of (10-20 km).

CONCLUSION

The above study is an attempt to identify the various challenges online retail stores in India would likely to face in the coming months or years as the number of players increases, especially in the home delivery segment. Home delivery segment or last mile connect completes the supply chain for the online stores. This segment plays a significant role in bringing efficiency to supply chains and also cost effectiveness. Strategising this segment is equally important for creating an online brand.

REFERENCES

1. Alexei Oreskovic, "How Google Plans to Expand into Home Shopping Delivery", March 20, 2014
2. Carrie Dunn, "Delivery the key to growing online retail", The Guardian, Wednesday 17 April 2013.
3. CRISIL Opinion, February 2014, CRISIL RESEARCH.
4. Greg Bensinger, "Amazon's New Secret Weapon: Delivery Lockers - Online Retailer Expands Use of Cabinets for Package Deliveries", The Wall Street Journal, August, 2012.
5. Lee Gill, "Challenges facing retailers in serving online customers, Technology Hub", The Guardian, June 30 2014.
6. Nandita Bose, "Logistical challenges hit growth of online retailers in India", retrieved from http://businesstoday.intoday.in, updated June 10 2014.

"A STUDY ON COMPETENCY MAPPING IN TELEVISION ENERTAINMENT CHANNEL"

Dr. Smitha Sambrani, Asst. Professor
Department of Business Management, Osmania University, Hyderabad

Dr. J.V. Rangeswara Reddy, Associate Professor
Department of Business Management, KGR Institute of Tech. & Management.

ABSTRACT

Competency Meaning: Any underlying characteristic of an individual, an operative thought or behaviour, casually related to superior performance of a job, which are observable, Measurable and Consistent.

Television is one of the major mass media of India and is a huge industry and has thousands of programmes in all the states and languages of India. The small screen has produced numerous celebrities of their own kind some even attaining national and international fame. TV soaps are extremely popular with housewives as well as working women. Almost 90% Indian households own a television. As of 2014, the country has a collection of free and subscription services over a variety of distribution media, through which there are over 575 channels and 200 are pay channels. It has become imperative for media industry to infuse professionalism into the industry so as to have qualitative, cost effective and accountable to society. Unlike other industries, tailor made, experienced professionals are not available for electronic media. Hence, the media houses have been strengthening human resources development to identify core competencies required for each position, hire employees, train, develop and retain them for the benefit of industry and employees as well. Competency became integral part of the human resources management. The organizations looking for the competitive personnel to perform their activities within and outside of the works place.

INTRODUCTION

Media, the fourth estate, when entwined with the entertainment component represents an effective facet of consumers in India. Technology has played a key role in influencing the entertainment industry, by redefining its products, cost structure and distribution. Terrestrial television in India started with the experimental telecast starting in Delhi on 15 September 1959 with a small transmitter and a makeshift studio. The regular daily transmission started in 1965 as a part of All India Radio. The television service was extended to Bombay (now Mumbai) and Amritsar in 1972. Up until 1975, only seven Indian cities had a television service and Doordarshan remained the sole provider of television in India. Television services were separated from radio in 1976. National telecasts were introduced in 1982. In the same year, colour TV was introduced in the Indian market. Indian small screen programming started off in the early 1980s. At that time there was only one national channel Doordarshan, which was government owned. The Ramayana and Mahabharata (both Indian mythological stories) were the first major television series produced. This serial notched up the world record in viewership numbers for a single program. By the late 1980s more and more people started to own television sets. Though there was a single channel, television programming had reached saturation. Hence the government opened up another channel which had part national programming and part regional. This channel was known as DD 2 later DD Metro. Both channels were broadcast terrestrially. Over 600 channels evolved during the past two decades due to rapid growth of the electronic media.

Hogg observed that "Competencies are the characteristics of a manager that lead to the demonstration of skills and abilities, which result in effective performance within in an occupational area. Competency also embodies the capacity to transfer skills and abilities from one area to another.' William J Rothwell and John E Lindholm opined that the future holds both bright promise and major challenges for those involved in competency work. Their efforts will be encouraged by demands to reinvent jobs and to simplify competency modelling.

NEED FOR THE STUDY:

1. Performance assessment is based on TVRs / GRPs which depend upon various factors.
2. Recruitment - Tailor made human resources are not easily available. Set up required competencies for each position to ensure right person at right place.
3. Multi skilling / Job Rotation are not easy in most of the cases causes forced firing of employees.

OBJECTIVES OF THE STUDY

Objectives of the current study are

1. To study the influence of individual characteristics on competencies.
2. To study the influence of organizational factors on individual competencies.
3. To study the competency levels of various positions in the hierarchy and their influence on competencies..
4. To map the actual and required competencies at various levels of the organizational hierarchy.

HYPOTHESES:

H 01: There is no significant influence of individual characteristics on his / her competencies.

H 02: There is no significant influence of organizational characteristics on individual competencies.

H 03: There is no Significance influence of position on competencies.

METHODOLOGY

The present study is a study based on empirical data. The study is carried out applying survey method. Data was for the study was collected from all the employees and associates of entertainment channels.

SOURCE OF DATA

Primary and Secondary data have been used to make the study more authentic and relevant

COMPTENCY MAPPING

In this world of cut throat competition, companies are putting tremendous effort to hire competent employees and to develop relevant competencies in their existing employees. These are one of the few ways in which companies can gain competitive edge over each other. In this slowing economy where so many companies are fighting for limited resources and talent, it is very important for organizations to incessantly reassess their competencies, update it and have the courage to make the necessary changes. It is equally imperative for a firm to define a set of core competencies which corresponds with its key market differentiators. This is where competency mapping plays a key role. The four general areas o of competencies are

Meaning Competency: The person assessed must be able to identify with the purpose of the organization or community and act from the preferred future in accordance with the values of the organization or community. Relation Competency: The ability to create and nurture connections to the stakeholders of the primary tasks must be shown. Learning Competency: The person assessed must be able to create and look for situations that make it possible to experiment with the set of solutions that make it possible to complete the primary tasks and reflect on the experience. Change Competency: The person assessed must be able to act in new ways when it will promote the purpose of the organization or community and make the preferred future come to life.

TYPES OF COMPETENCIES

Organizational competencies: The mission, vision, values, culture and core competencies of the organization that sets the tone and/or context in which the work of the organization is carried out

Technical competencies: Depending on the position, both technical and performance capabilities should be weighed carefully as employment decisions are made

Behavioral competencies: Individual performance competencies are more specific than organizational competencies and capabilities

Initiative and Creativity Plans work and carry out tasks without detailed instructions; makes constructive suggestions; prepares for problems or opportunities in advance

Functional competencies: Functional competencies are job-specific competencies that drive proven high-performance, quality results for a given position

Management competencies: Management competencies identify the specific attributes and capabilities that illustrate an individual's management potential

Building a Competency Model

Many Human Resource professionals are employing a competitive competency model to strengthen nearly every facet of talent management—from recruiting and performance management, to training and development, to succession planning and more. A job competency model is a comprehensive, behaviourally based job description that both potential and current employees and their managers can use to measure and manage performance and establish development plans. Often there is an accompanying visual representative competency profile as well

Areas of Implementation

1. Training and development, Recruitment and selection, |Career and succession planning, Performance management, Recognition and rewarding.

DATA ANALYSIS

Table: 1 Gender

			Gender		Total
			Male	Female	
CHANNEL	E.TV	Count	115	20	135
		%	85.2	14.8	100.0
	Zee Telugu	Count	104	16	120
		%	86.7	13.3	100.0
	Gemini	Count	97	22	119
		%	81.5	18.5	100.0

Total		Count	316	58	374
		%	84.5	15.5	100.0

Source: Primary Data

CHI-SQUARE TESTS

	Value
Pearson Chi-Square	1.289

H0: There is no significant influence of Gender on competencies.
H1: There is a significant influence of Gender on competencies

Chi-Square value from table with 2 degrees of freedom at 5% level of significance table value is 5.991 and the calculated value of Chi-square is 1.289 which is less than the table value, then H0 may be accepted. Hence it may be concluded that, there is no significant influence of Gender on competencies.

Table: 2

Age (in years)

			Age (in years)				Total
			18- 25	25- 35	35- 45	45-55	
CHANNEL	E TV	Count	7	59	62	7	135
		%	5.2	43.7	45.9	5.2	100.0
	Zee Telugu	Count	4	54	56	6	120
		%	3.3	45.0	46.7	5.0	100.0
	Gemini	Count	9	57	48	5	119
		%	7.6%	47.9	40.3	4.2	100.0
Total		Count	20	170	166	18	374
		%	5.3	45.5	44.4	4.8	100.0

Source: Primary Data

Chi-Square Tests

	Value
Pearson Chi-Square	3.055a

H0: There is no significant influence of Age on competencies.

H1: There is significant influence of Age on competencies

From the above table Chi-Square value from table with 6 degrees of freedom at 5% level of significance table value is 12.59 and the calculated value of Chi-square is 3.055 which is less than the table value, then H0 may be accepted. Hence it may be inferred that, there is no significant influence of individual characteristics on competencies i.e. age has any influence on individual competencies.

Table: 3

Educational Qualifications

Channel		Educational Qualifications				Total
		Professional	P G	Graduation	Inter/ S.S.C	
ETV	Count	28	27	59	21	135
	%	20.7	20.0	43.7	15.6	100.0
Zee Telugu	Count	27	27	51	15	120
	%	22.5	22.5	42.5	12.5	100.0
Gemini	Count	26	24	52	17	119
	%	21.8	20.2	43.7	14.3	100.0
Total	Count	81	78	162	53	374
	%	21.7	20.9	43.3	14.2	100.0

Source: Primary Data

Chi-Square Tests

	Value
Pearson Chi-Square	.771a

H0: There is no significant influence of individual characteristics on competencies.
H1: There is significant influence of individual characteristics on competencies

Chi-Square value from table with 6 degrees of freedom at 5% level of significance table value is 12.59 and the calculated value of Chi-square is .771 which is less than the table value, then H0 may be accepted. Hence it may be concluded that, there is no significant influence of individual characteristics (educational qualification) on competencies.

Table: 4

Experience

			Experience				Total
			Up to 3 yrs	3- 6 yrs	7 – 10 yrs	Above 10 yrs	
CHANNEL	E TV	Count	11	13	46	65	135
		%	8.1	9.6	34.1	48.1	100.0
	ZEE Telugu	Count	9	13	38	60	120
		%	7.5	10.8	31.7	50.0	100.0
	Gemini	Count	11	17	38	53	119
		%	9.2	14.3	31.9	44.5	100.0
Total		Count	31	43	122	178	374
		%	8.3	11.5	32.6	47.6	100.0

Source: Primary Data

Chi-Square Tests

	Value
Pearson Chi-Square	2.011a

H0: There is no significant influence of individual characteristics on competencies.

H1: There is significant influence of individual characteristics on competencies

Chi-Square value from table with 6 degrees of freedom at 5% level of significance table value is 12.59 and the calculated value of Chi-square is 2.011 which is less than the table value, then H0 may be accepted. Hence it may be concluded that, there is no significant influence of experience of individual characteristics on competencies.

Table: 5

Span of control

			Span of control / colleagues				Total
			Up to 4	5 – 8	8 – 11	Above 11	
CHANNEL	E TV	Count	44	22	30	39	135
		%	32.6	16.3	22.2	28.9	100.0

	Zee Telugu	Count	41	17	25	37	120
		%	34.2	14.2	20.8	30.8	100.0
	Gemini	Count	40	17	24	38	119
		%	33.6	14.3	20.2	31.9	100.0
Total		Count	125	56	79	114	374
		%	33.4	15.0	21.1	30.5	100.0

Source: Primary Data

Chi-Square Tests

	Value
Pearson Chi-Square	.629a

H0: There is no significant influence of individual characteristics on competencies.
H1: There is significant influence of individual characteristics on competencies

Chi-Square value from table with 6 degrees of freedom at 5% level of significance table value is 12.59 and the calculated value of Chi-square is 0.629 which is less than the table value, then H0 may be accepted. Hence it may be concluded that, there is no significant influence of span of control on competencies.

Table: 7

Promotes Welfare of Employees

			Promotes Welfare of Employees				Total
			Disagree	Neutral	Agree	Strongly agree	
Channel	E TVI	Count	0	28	82	25	135
		%	0.0	20.7	60.7	18.5	100.0
	Zee Telugu	Count	0	27	74	19	120
		%	0.0	22.5	61.7	15.8	100.0
	Gemini	Count	2	31	70	16	119
		%	1.7	26.1	58.8	13.4	100.0

Total		Count	2	86	226	60	374
		%	.5	23.0	60.4	16.0	100.0

Source: Primary Data

Chi-Square Tests

	Value
Pearson Chi-Square	6.183

H0: There is no significant influence of organizational characteristics competencies.
H1: There is a significant influence of organizational characteristics on competencies

Chi-Square value from table with 6 degrees of freedom at 5% level of significance table value is 12.59 and the calculated value of Chi-square is 6.183 which is less than the table value, then H0 may be accepted. Hence it may be concluded that, there is no significant influence of organizational characteristics on competencies.

Table: 8

Inspires and Motivates Employees with enlighten insights

			Inspires and Motivates Employees with enlighten insights				Total
			Disagree	Neutral	Agree	Strongly agree	
Channel	E TV	Count	4	21	83	27	135
		%	3.0	15.6	61.5	20.0	100.0
	Zee Telugu	Count	3	20	73	24	120
		%	2.5	16.7	60.8	20.0	100.0
	Gemini	Count	2	17	80	20	119
		%	1.7	14.3	67.2	16.8	100.0
Total		Count	9	58	236	71	374
		%	2.4	15.5	63.1	19.0	100.0

Source: Primary Data

Chi-Square Tests

	Value
Pearson Chi-Square	1.568a

H0: There is no significant influence of organizational characteristics competencies.
H1: There is a significant influence of organizational characteristics on competencies

Chi-Square value from table with 6 degrees of freedom at 5% level of significance table value is 12.59 and the calculated value of Chi-square is 1.568 which is less than the table value , then H0 may be accepted. Hence it may be concluded that, there is no significant influence of organizational characteristics on competencies. I.e. inspiring and motivation of employees has no influence on individual competencies.

Table: 9

Provides Rewards, Feedback and Recognition

			Provides Rewards, Feedback and Recognition				Total
			Disagree	Neutral	Agree	Strongly agree	
Channel	Z Tamil	Count	5	38	65	27	135
		%	3.7	28.1	48.1	20.0	100.0
	Zee Kannada	Count	4	34	59	23	120
		%	3.3	28.3	49.2	19.2	100.0
	Zee Telugu	Count	2	25	67	25	119
		%	1.7	21.0	56.3	21.0	100.0
Total		Count	11	97	191	75	374
		%	2.9	25.9	51.1	20.1	100.0

Source: Primary Data

Chi-Square Tests

	Value
Pearson Chi-Square	3.657a

H0: There is no significant influence of organizational characteristics on competencies.
H1: There is a significant influence of organizational characteristics on competencies

Chi-Square value from table with 6 degrees of freedom at 5% level of significance table value is 12.59 and the calculated value of Chi-square is 3.657 which is less than the table value, then H0 may be accepted. Hence it may be concluded that, there is no significant influence of organizational characteristics on competencies. I.e. providing rewards, recognition have no influence on competencies.

Table: 10

Motivational Technique: Recognition and Monetary Incentives

			Motivational Technique : Recognition and Monetary Incentives					Total
			Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Channel	E TVI	Count	3	6	18	82	26	135
		%	2.2	4.4	13.3	60.7	19.3	100.0
	Zee Telugu	Count	3	6	16	75	20	120
		%	2.5	5.0	13.3	62.5	16.7	100.0
	Gemini	Count	3	6	18	70	22	119
		%	2.5	5.0	15.1	58.8	18.5	100.0
Total		Count	9	18	52	227	68	374
		%	2.4	4.8	13.9	60.7	18.2	100.0

Source: Primary Data

Chi-Square Tests

	Value
Pearson Chi-Square	.654a

H0: There is no significant influence of organizational characteristics on competencies.

H1: There is a significant influence of organizational characteristics on competencies

Chi-Square value from table with 8 degrees of freedom at 5% level of significance table value is 15.59 and the calculated value of Chi-square is 0.654 which is less than the table value , then H0 may be accepted. Hence it may be concluded that, there is no significant influence of organizational characteristics on competencies. I.e. Recognition has no significant influence on competencies.

CONCLUSION

Competency mapping has been gaining over a period of time. Skill development by Competency mapping is one of the most accurate means in identifying the job and behavioural competencies of an individual in an organization .Competency mapping should not be seen as rewards. All the stakeholders must see in the exercise an opportunity for long-term growth. Competency mapping is not only done for Confirmed employees of an organization and it can also be done for contract workers or for those seeking employment to emphasize the specific skills which would make them valuable to a potential employer. It is interesting to know that that the demographic factors such as age, education , vertical complexity, designations have no bearing on the individual competency levels i.e. the younger aged persons have higher competency levels than elders who have very fast track growth prospects in the industry. It is interesting to know that the company is aiming at building strong teams with high professional standards who would be leading force for the entire organization. The company is committed. From the analysis it is observed that the competency is not having influence on individual characteristics, organizational positions. ce.

REFERENCES

1. Ganesh Sherman (2004), Competency Based HRM,(Tata McGraw-Hill , New Delhi
2. Gary Yukl (2002), Leadership in Organization (5th ed.Prentice Hall,).
3. Garcia, Marie L. (1997) “Introduction to Technology Road mapping: The Semiconductor
4. Pareek, U and Rao, T V (1982). Designing and Managing Human Resource Systems, New Delhi: Oxford & IBH.
5. R. N. Kostoff, R. R. Schaller (2001), “ Science and Technology Roadmaps” IEEE Transactions on Engineering Management, Vol. 48, No. 2(2001), pp.132
6. Harvard Business Review, Graduate School of Business Administration, Harvard University, U.S.A.

A STUDY ON CORPORATE INDIA ACTIVITIES TOWARDS SWACHH BHARAT ABHIYAAN AS A PART OF CSR

Dr.N.Sravanthi, Assco.Prof,
Department of Business Management,MVSR Engineering College, Nadergul, Hyderabad.

Mrs.G.Bharathi, Assistant Prof,
Department of Business Management,MVSR Engineering College, Nadergul, Hyderabad.

ABSTRACT

Swachh Bharat Abhiyaan is the campaign started by the Government of India for making India a clean and green country At the PM's invitation, the India Incorporation has come forward and joined the mission Swachh Bharath Abhiyaan. Indian companies did not wait for the campaign to fall under the mandatory CSR policy before lending cooperation. Both public and privately-held Indian companies had extended their full support to this cause, even before it was formally brought under CSR. It's truly unprecedented.

As corporate enthusiastically taking part in the Swachh Bharat Abhiyan, Companies, such as Airtel and TCS have already pledged Rs 100 crore each for building toilets for girls in schools. The Public Sector Undertaking, (PSUs) apart from their commitment to build toilets, organised a 'Swachhta Shapath' where the employees took a formal oath to keep their surroundings clean, Industry bodies, such as CII launched the Sanitation of Schools (SoS) programme, which aims to construct nearly 10,000 toilets in schools, in 2015–16.

In this context the present paper brings out various activities of Indian Corporate towards Swachh Bharat Abhiyaan.

Key words: Corporate Social Responsibility, Corporates, Swachh Bharath Abhiyaan, Contribution, Funds, Exemption etc.

INTRODUCTION

SWACHH BHARAT ABHIYAAN – EK KADAM SWACHHATA KE ORE

On 2nd October 2014, the birth anniversary of Mahatma Gandhi, India's visionary Prime Minister Narendra Modi, an active participant of this noble mission who led from the forefront wielding a broom to make India clean and open defecation free (ODF) nation by the year 2019, launched Swachh Bharat Mission' (Clean India Initiative). Swachh Bharat abhiyan is not just about cleaning surroundings but also seeking the participation of people in planting tree, creating trash-free environment, providing sanitation facilities and paving a way for promoting the nation as an ideal desitnation for tourists from across the world. To actualize the achievements of Swachh Bharat Mission' various issues related to the toilet and sanitation, health, education, women empowerment and behavioral change for wider social good are included. In India still more than 72 percent of rural people respond to their nature's call behind bushes, in fields or road sides. The Prime Minister has urged that this should be a nationwide campaign, a people's movement where individuals, corporations, political parties, NGOs, religious groups should participate to make it a success.

Swachh Bharath Abhiyaan

Swachh Bharat Abhiyan or Clean India Mission or Swachh Bharath Mission (SBA or SBM) is a national campaign by the Government of India, covering 4041 statutory towns, to clean the streets, roads and infrastructure of the country. The 'Swachh Bharat' campaign ever since it was launched by the Prime Minister on Rajpath on October 2, 2014, has engineered massive public response. Mission was launched with the objective of ensuring cleanliness and open defecation free urban areas in all 4,041 statutory cities by 2019. The entire mission aims at complete elimination of open defecation, constructing public and community toilets, maintenance of toilets, municipal solid waste management, cleaning of roads and pavements and most important of all, changing the mindset of the people and encouraging them to be cleanliness conscious. Estimated cost is Rs. 66,009 crore out of which the Centre's share is Rs.14, 643 crores. The national government has allocated Rs.14, 623 crore as a central share for the SBM in urban areas. In addition, a minimum additional amount of Rs.4 874 crore (as equivalent to 25 percent of GoI funding) will be contributed by the States/ ULBs share. The balance funds is proposed to be generated through various other source.

Corporate participation in Swachh Bharath Abhiyaan

While launching a biggest ever cleanliness drive in India, Swachh Bharat Abhiyan on October 2, Prime Minister Narendra Modi had applied to every citizen of the country to devote at least 100 hours a year for cleanliness work voluntarily. The Prime Minister has also urged that this should be nation wide campaign, a people's movement where individuals, corporations political parties, NGOs, religious groups should participate to make it a success.

Also, the Government has set up the Swachh Bharat Kosh (SBK) so that big and small corporation provide help to the mission by donating fund in the form of their Corporate Social Responsibility (CSR) and also to attract funds from individual volunteers.

It is heartening to see that many private and public companies have supported the Swachh Bharat Abhiyan and have already started implementing it.

Corporate Social Responsibility (CSR)

CSR is a process to achieve sustainable development in societies. CSR is about how companies manage the business processes to produce an overall positive impact on society". In its broadest sense, corporate social responsibility represents a concern with the needs and goals of society which goes beyond the merely economic. Insofar as the business system as it exists today can only survive in an effectively functioning free society, the corporate social responsibility movement represents a broad concern with business's role in supporting and improving the social order.

CSR rules Under Companies Act, 2013 & 2014

CSR is an active participant of this noble mission. . The structure for social welfare spending under the new companies law is "absolutely well drafted" allowing corporates to spend money towards CSR activities without any ambiguity as part of mandatory two per cent CSR spending. Certain class of profitable companies are required to shell out at least two per cent of their three-year average annual net profit towards CSR activities. The provision of Section 135 of the Companies Act, 2013,Schedule VII of the said Act, The provision, part of the new Companies Act, came into force from April 1, 2014. The rules, effective April 2014, embrace both private and public firms, and spell out a range of activities for companies to undertake in order to meet their obligations. This is the first year of the implementation of CSR by companies under the Act. Details such as the amount spent and nature of activities undertaken by the companies would be available only after the mandatory disclosures of CSR expenditure are made by companies, which would be due after September, 2015. These norms are applicable to companies having at least Rs. 5 crore net Profit or 1,000 crore turnvover of Rs.500 crore networth.

Contributions to Swach Bharat Kosh Come Under CSR Ambit

Swachh Bharat Abhiyan and Clean Ganga Mission have been included as CSR activities under Schedule VII of the Companies Act, 2013 from 24th October 2014. According to the government, Corporates contributions towards swach Bharath kosh and Clean Ganga Fund will be considered as social welfare spending under the new companies law.In a bid to invite corporate funds for its flagship schemes, like Swachh Bharat and Clean Ganga initiatives, the government has decided that corporate contributions towards these two key initiatives will now be counted as CSR spend. However to make it more clear later the Corporate Affairs Ministry amended Schedule VII of Companies Act to specify that contributions to 'Swachh Bharat Kosh' and 'Clean Ganga Fund' would be an eligible CSR spend. 'Swachh Bharat Kosh' has been set up to attract CSR funds from the corporate Sector and contributions from individuals and philanthropists to achieve the objective of clean India by the year 2019. The ‘Clean Ganga Fund’ is aimed at pooling money for taking up works to rejuvenate the Ganga. ‘Swachh Bharat’ and ‘Clean Ganga’ are among the major initiatives of the Modi government, which has embarked on a major drive to ensure cleanliness across the country. In October 2014, the government widened the activities coming under CSR ambit and said contributions to ‘Swachh Bharat Kosh’ and ‘Clean Ganga Fund’ would be considered as social welfare spending work.

100% Exemption to Corporates under Swachh Bharat Abhiyaan

The finance minister has announced some tax incentives in his Budget to encourage companies to participate in ‘Swachh Bharat Abhiyan’ and ‘Clean Ganga campaign’. In his speech he has announced that the donations (other than the corporate social responsibility or CSR contributions) made to ‘Swachh Bharat Kosh’ (both by resident and non-resident) and Clean Ganga Fund (by resident) shall be eligible for 100 per cent deduction under section 80G of the Income Tax Act and as an added incentive Prime Minsister Modi personaly acknowledges all donations that exceed Rs. 20 crore by Coporates.

CORPORATE INDIA AND SWACHH BHARAT ABHIYAAN

Corporate India is enthusiastically taking steps towards call of Prime Minister Narender Modi, and making the Abhiyan a success. Public and Private companies are actively participating SBM activiities under their compulsory CSR schemes which is a statutory requirement as per Companies Act, 2013. CSR is a mechanism through which companies invest in activities beneficial to society as a whole. The Government has set up the Swachh Bharat Kosh so that big and small corporations provide help to the mission by donating funds in the form of their CSR and also to attract funds from individual volunteers. The mission embraced new heights of success when several big Indian companies joined the Swachh Bharat bandwagon and donated over Rs 1,000 crore for the project. Leading corporate houses such as L&T, DLF, Vedanta, Bharti, TCS, Ambuja Cements, Toyota Kirloskar, Maruti, Tata Motors, Coca Cola, Dabur, Reciktt Benckiser, Aditya Birla Group, Adani supported and contributed to this great cleanlisness drive. Most public sector companies like SBI, Coal India, ONGC, OIL, IOC and GAIL have earmarked funds for projects aligned with the idea of Swachh Bharat Abhiyan. It is heartening to see that many private and public companies have supported the Swachh Bharat Abhiyan and have already started implementing it.

The following paragraphs brings out the contributions made by various corporate-

State Bank of India (SBI)

SBI is an Indian multinational, Public Sector banking and financial services company. It is a government-owned corporation with its headquarters in Mumbai, Maharastra and also its corporate office in Mumbai, Maharashtra. As of December 2013, it had assets of US$388 billion and 13,000 branches, including 190 foreign offices, making it the largest banking and financial services company in India by assets. State Bank of India is one of the Big Four banks of India, along with Bank of Baroda,Punjab National Bank and ICICI Bank.

SBI, Hyberabad Circle donated Rs. 2.19 crore for construction of 102 toilets in 53 Government Schools in Adilabad District under Swachch Vidayala campaign, 2015. . SBI is also provided water facility by laying bores and pipe lines for lifting of water to the Overhead Tank. Bank is also undertaking Maintenance of the Toilets for 2 years through M/s Wockhardt Foundation. It also donated Rs 12 lacs to AIM FOR SEVA for their Student Home at Uthnur of Adilabad Disctrict of Telengana State as a one time donation for 50 students for providing food, uniforms, schooling etc.

Larsen & Toubro (L&T)

L&T is a major technology, engineering, construction, manufacturing and financial services conglomerate, with global operations.

L&T Joins Swachh Bharat Brigade, Pledges 5000 Toilets to build 5000 toiets in various parts of the country. L&T along with L&T Public Charitable Trust will construct 2,000 toilets in the first phase. and will also invest in other initiatives like water supply, healthcare and skill training institutes as a part of its CSR. L&T Public Charitable Trust's investments will cover water supply and distribution, sanitation facilities, healthcare facilities and skill training institutes. Mobile vans extend the outreach of L&T's health care initiatives far beyond cities with established medical facilities. Mobile vans equipped with the facilities of a science laboratory visit village schools and enable children to observe and participate in science experiments.

Bharti Enterprises

Bharti Enterprises is an Indian business conglomerate headquartered in New Delhi, India. It was founded in 1976 by Sunil Bharti Mittal and it operates in 20 countries across Asia and Africa. Bharti Enterprises owns businesses spanning across telecommunications, retail, financial services and manufacturing.

Sunil Mittal-led Bharti Enterprises' development arm Bharti Foundation has been allocated Rs 100 crore to build toilets in Ludhiana over the next three years.

Tata Consultancy Services (TCS)

TCS is an Indian multinational information technology service, consulting and business solutions company headquartered in Mumbai, Maharashtra.

TCS had pledged Rs. 100 crore towards financing hygienic sanitation facilities for girl students across 10,000 schools. TCS has set aside Rs.100 crore to build 10,000 school toilets for girls under the Swacch Vidyalaya scheme (which in turn is part of the larger Swachh Bharat Mission). For 2015, the company is targeting 860 toilets by the year-end in Andhra Pradesh, Bihar, Telangana and Haryana.

Vedanta Group

Vedanta Resources plc is a global diversified metals and mining company headquartered in London, United Kingdom. Its main products are copper, zinc, aluminium,lead, iron ore and petroleum.

Vedanta Group announced to build 10,000 more toilets in addition to 30,000 which they are already building in collaboration of Rajasthan government.

Dabur

Dabur India Ltd. is the fourth largest Fast Moving Consumer Goods (FMCG) company in India with consolidated Revenues of over INR 7,800 Crores and Market Capitalisation of over INR 46,600 Crore (at the end of 2014-15). Building on a legacy of over 130 years, Dabur is today India's most trusted name and the world's largest Ayurvedic medicine & related products manufacturer and Natural Health Care Company.

Dabur has joined in the campaign by launching Swachh Toilet, in which the company will provide germ-free public toilets across the country. It has also announced that it will contribute one Sani Fresh Toilet Cleaner from the sale of every pack of this cleaner, to maintain clean toilets in the country.

Corporation Bank, Mangalore

Corporation Bank is a public sector banking company headquartered in Mangalore, India. The bank has pan-India presence with 8,000 functional units comprising 3200 branches, 3200+ ATMs and 4,000 branches as of 30 January 2015.

Corporation Bank, Mangalore bank has launched Swachh Vidyalaya Scheme in which 100 toilets will be constructed across the country in the schools which do not have toilet facilities. The bank will be constructing five toilets in the schools in Udupi region of the bank.

Public Sector Undertakings (PSUs)

PSUs under the Ministries of Power, Coal and New & Renewable Energy, have announced the construction of 50,000 toilets in schools by 2015 next year August; the work on 1001 toilets has already started. These PSUs have also earmarked 50% of the CSR for the construction of these toilets during the financial years 2014-15 and 2015-

16. The major PSUs involved in this programme and the States they are covering with the number of toilets to build in schools are -

Oil and Natural Gas Commission (ONGC)

ONGC multinational oil and gas company headquarteredinDehradun, Uttarakhand, India. It is a Public Sector Undertaking (PSU) of the Government of India, under the administrative control of the Ministry of Petroleum and Natural Gas. It is India's largest oil and gas exploration and production company.

ONGC, launched a major cleaning campaign in all its work centres on Gandhi Jayanti under the Swachh Bharat Abhiyan. The mission was first launched at Rajahmundry, which is one of ONGC's large operational areas in Andhra Pradesh, by a pledge by all the employees. This was followed in other ONGC offices in various parts of the country. As a part of their CSR, the ONGC has promised to construct toilets in 2500 Government schools in 26 districts spread over 13 States, along with other initiatives, during the current financial year. The ONGC has allocated Rs 100 crore for this programme, which has been named as Swachh Vidyalaya Abhiyan by ONGC officials. It has already been launched in two schools in Ganjam, eight schools in Gajapati districts of Odisha and in 10 schools near ONGC work centres in Andhra Pradesh, Gujarat, Tamil Nadu, Assam and Tripura. The organisation has also come up with slogan writing, press conference, walkathons, etc. to create public awareness on cleanliness and work towards improvement of overall health and environment. The ONGC has already signed an MoU with the Archaeological Survey of India and the Ministry of Tourism for conservation and cleanliness of Taj Mahal, the historical monument of India, at a cost of 20.75 crore.

Gas Authority of India Limited (Gail)

GAIL Limited is the largest state-owned natural gas processing and distribution company in India, It is headquartered in New Delhi. It has following business segments: Natural Gas, Liquid Hydrocarbon, Liquefied petroleum gas Transmission, Petrochemical, City Gas Distribution, Exploration and Production, GAILTEL and Electricity Generation.

Gail has announced that as a part of the Swachh Bharat Abhiyan, the organisation will construct 1,021 toilets across India, with separate toilet facilities for girls in schools, which in turn will help in reducing dropouts and help in increasing female literacy. It has announced a Rs 27 crore bio-toilet programme. The PSU is committed to improve sanitation facilities for girls at schools. Construction of toilets has already started in four districts: Jhabua (310) in Madhya Pradesh, Khurda (243 toilets) , Nayagarh (132) in Odisha, and East Godavari (336) in Andhra Pradesh.

Other PSUs

- NTPC: Bihar, Chhattisgarh, Jharkhand, MP, Odisha, Rajasthan,UP and West Bengal – 240 toilets
- Power Finance Corporation (PFC): Rajasthan - 72 toilets
- SJVN Limited: Himachal Pradesh, 21 toilets
- POWERGRID: AP, Assam, Bihar, Chhattisgarh, MP, Odisha and Telegana – 90 toilets
- National Hydroelectric Power Corporation (NHPC): Assam, WB, J&K, HP, Uttarakhand, Arunachal Pradesh, Manipur and West Bengal – 56 toilets
- Rural Electrification Corporation Limited (REC): UP – 90 toilets
- Neyveli Lignite Corporation Ltd (NLC): Tamil Nadu- 25 toilets
- THDC India Limited (THDCIL): Uttarakhand – 5 toilets
- Indian Renewable Energy Development Agency (IREDA): Chhattisgarh – 4 toilets
- North Eastern Electric Power Corporation (NEEPCO): Assam – 6 toilets
- Coal India Limited (CIL): Jharkhand, West Bengal, Odisha, MP, Chhattisgarh, UP, Assam – 400 toilets

Contributions of Companies towards Swachh Bharath Kosh under CSR activities

One year to the date of Clean India Fund donations of a mere Rs. 349 crore have been received. Top private sector donors include Laarsen & Toubto Ltd, the Bajaj Group, and ITC Ltd. TCS etc. Table:1 shows the contributions made towards Swatch Bharath by various corporates.

Table:1 showing the contributions made by select corporate towards Swatch Bharath

Name of the Company	Amount (in Rs. Crore)
Larsen & Toubro	60
Bajaj Group	20
BHEL	20
HAL	20
ITC	10
Nuclear Power Corporation of India Ltd	10
IFFCo	10
BSE	01
(Source: Business Line News paper dtd 14.10.15, pp1)	

PROBLEMS WITH REGARD TO SWACHH BHARAT ABHIYAAN

- Corporates and PSUs are supposed to construct 1,50,000 toilets according to the action plan and both categories have 1,45,000 toilets booked under their names.
- The report also claimed that private corporate have contributed only one per cent of the fund while PSUs have contributed 41 per cent, indicating a sharp difference between their commitments and actions.
- Today youth taking part only through digital social media by creating hype by sharing blogs and posting pictures, but our country need their actual participation in the present movement.
- The success of Swachh Bharat Abhiyan needs continuous efforts from all stakeholders because one day work will not fulfill make our dream into reality.
- The biggest challenge is changing the attitude of people to keep their surrounding clean.

MEASURES TO BE TAKEN BY CORPORATES WITH REGARD TO SWACHH BHARAT ABHIYAAN

The Swachh Bharat campaign has already got abounding support from corporate houses as part of CSR.

- In this campaign CSR initiatives are being planned on building toilets in schools for girls. Corporates apart from hiring contractors to create toilet facilities, they would need to partner with social organizations in ensuring behavior change and maintenance.
- It is the not only the role of only government in educating people but it is the role of corporates. Corporates to extend their overwhelming support by undertaking extensive awareness generation issues with regard to the negative health care issues caused due to open defacation.
- Companies should use various mediums to create awareness like advertisements in TV channels, Radios, News Papers, hoardings, Bill boards, Street Plays and audiovisual tools at various public places.
- Apart from sanitation facilities, sewage or waste water disposal corporate should also majorly concentrate on availability of running water facilities in toilets, to enable to maintain hygiene and hand washing facilities.
- In many parts of India still there is non-existence of electricity to have water supply through pump sets. Water supply can be regulated through the Option of solar pump sets and Rain harvesting facilities in schools could be promoted.

CONCLUSION

Swachh Bharat Abhiyaan is the campaign started by the Government of India for making India a clean and green country. Under this scheme not only government and private individuals but also the corporate sector is playing its role in making India totally clean. The government must get its act together and ensure that PSUs and private corporates are motivated enough. Only a few companies have come forward to contribute to the government's Swachh Bharath Kosh. The most important reason cited for the Industry's lukewarm response is that most of the coporates have their own CSR projects. To make the mission a successful, a mass movement is required, and it is not only about spending money but also about incorporating a civic sense among the people. For success of Swatch Bharat Abhiyaan, Corporates role is very wide because participation in swach Bharat is not sufficient, the other important task is behavioural change of Indians. But it is a big challenge because mentality of cores of Indians are to be changed. Indian citizens participation is must in making of clean India by not throwing any garbage on the roads and keeping surroundings clean. "BE THE CHANGE THAT YOU WANT TO SEE IN THE WORLD"- Mahatma Gandhi.

REFERENCES

- Agrawal, Sanjaoy K, "Corporate Social Responsibility in India" (2008) Response Business Book from Sage, Sage Publications, New Delhi.
- Sharma, Nishi. (2011), "CSR practices and CSR reporting in Indian banking sector", International Journal of Advanced Economic and Business Management, Vol.1 (2), pp.58-66.
- Sharma Eliza ,Dr.Mani Mukta Mani, "Corporate Social Responsibility: An Analysis of Indian Commercial Banks", AIMA journal of Management & Research , February 2013,Volume 7, Issue1/4,ISSN0974-49.
- Allouche, J. and Laroche, P.(2005), "A meta-analytical examination of the link between corporate social and financial performance", French Review of Human Resource Management, Vol.57, pp.18-41.
- Annual Reports of various companies
- Websites of various companies

IMPLICATIONS OF IFRS ON REPORTING PRACTICES OF NGOS IN TELANGANA STATE AND ANDHRA PRADESH, INDIA

Dr V Samunnatha, Assistant Professor
Department of Business Management, Osmania University, Hyderabad.

ABSTRACT

International Financial Reporting Standards (IFRS) is a set of international accounting standards that states how certain transactions and events should be reported in financial statements of organizations and are based upon principles rather than hard set rules. IFRS allows the managements to use good judgment and flexibility while preparing a company's financials. Usually, adoption of IFRS is to bring about improvement in accounting quality through a uniform set of standards for financial reporting. As the Non-Governmental Organizations (NGOs) are been established with the purpose of offering non-profit services to the society, they are supposed to be true and transparent in terms of financial reporting. Thus, following the standards those are internationally accepted may help them in attaining piece of their objectives.

INTRODUCTION

International Financial Reporting Standards (IFRS) is a set of international accounting standards that states how certain transactions and events should be reported in financial statements of organizations and are based upon principles rather than hard set rules. IFRS allows the managements to use good judgment and flexibility while preparing a company's financials.

The fundamental economic function of accounting standards is to provide "agreement about how important commercial transactions are to be implemented" (Ball, p. 19). Infact, if these standards are adopted worldwide will benefit investors and other users of financial statements by reducing the cost of investments and increasing the quality of the information provided. Usually, adoption of IFRS is to bring about improvement in accounting quality through a uniform set of standards for financial reporting.

The Non-Governmental Organizations (NGOs) are been established with the purpose of offering non-profit services to the society. Hence, they are supposed to be true and transparent in terms of financial reporting. Thus, following the standards those are internationally accepted may help them in attaining piece of their objectives.

The present paper discusses the prospects of IFRS and the problems regarding the adoption and application or practices of IFRS in the context of NGOs working for rural development. The discussion is based on a study of literature survey and analysis of some primary information obtained from various NGOs of Telangana and Andhra Pradesh states of India. Various journals and research papers and newspaper articles have been surveyed in making this study. The paper concludes with a few recommendations for effective enforcement mechanisms of IFRS in Non-Governmental Organizations.

NEED FOR THE STUDY

In a country like India, where NGOs are considered to be the advocacy groups for the socio-economic development of the nation, huge amounts of money is been disposed at the interest of ensuing activities. Some people raise issues regarding the misuse of funds which have created many doubts in the general public regarding the purpose of establishing NGOs, their employability and utilization of funds and grants. But yet there are NGOs those truly serve the civil society in their respective fields. Thus, there is a great need for analyzing and for developing a uniform accounting and reporting methodology for the NGOs. The present study tries to understand the extent of applicability of IFRS for these NGOs.

OBJECTIVES

The primary objective of the paper is to focus on the implications of IFRS on financial reporting practices of NGOs in Telangana and Andhra Pradesh states of India and the specific objectives include the following:

1. To understand the relevant financial reporting practices for NGOs
2. To understand the significance of IFRS in improving the quality of accounting information in NGOs
3. To analyze the implications of IFRS on reporting practices of NGOs

SCOPE OF THE STUDY

Considering the underlying institutional and economic factors, the present study makes an attempt to understand the relevant standard accounting and reporting practices of NGOs in Telangana and Andhra Pradesh states of India and tries to analyze the advantages and problems related to adoption of IFRS on their reporting practices. The study concludes through offering a few suggestions for the better applicability of accounting standards.

LIMITATIONS OF THE STUDY

Since most of the NGOs operating in Telangana and Andhra Pradesh are non-commercial and non-profit oriented, many of them are in a dilemma whether or not to adopt IFRS in their financial reporting.

REVIEW OF LITERATURE

Forbes (1998) conducted an empirical study of NGOs and addressed the concept of effectiveness. Forbes included quantitative archival data of a period of 20-years, such as financial reports and operational statements, as measures of effectiveness. He concluded that effectiveness in not for-profit organizations is a complex concept that was not only difficult to measure but also required a multi-dimensional approach and consideration of multiple components.

Seshagiri (1999) is of the opinion that moderate importance should be given to the NGOs. NGOs are undoubtedly significant as vital gap fillers and act as agents between the governing and governed bodies. The author concluded that the NGO phenomenon is an indication of organizational improvement to respond to the irregular market trends and an affirmation of the irreducible autonomy of individuals and communities, against an active state.

Alnoor Ebrahim's (2003) makes a study on "Accountability in Practice: Mechanisms for NGOs" and examines how accountability is practiced by Non-Governmental Organizations. The researcher has reviewed five broad mechanisms viz., 1) Reports and Disclosure Statements, 2) Performance Assessments and Evaluations, 3) Participation, 4) Self-regulation, and 5) Social audits. The study found that the NGOs and fund providers have focused primarily on short-term "functional" accountability responses at the expense of longer-term "strategic" processes necessary for lasting social and political change.

In a study on "Accounting and Navigating Legitimacy in Tanzanian NGOs", Andrew Goddard and Mussa Juma Assad's (2006) have observed the trends of accounting in non-governmental organizations (NGOs). The study tries to figure out the accounting processes and reporting practices in NGOs and the conditions that sustain those processes and practices. The study criticizes that though NGOs have become important institutions in the world affairs their accounting research has not been developed significantly in the interest of their operations. The research recognized the importance of accounting in the process of navigating organizational authenticity.

Anand Pagaria's (2006) study on "NGO's-Accounting and Legal Intricacies" observed that in the absence of any related law by the judiciary, it is very difficult to follow a uniform line of action in the process of preparing and presenting the financial statement of an NGO. The study reveals that the practices followed by an NGO on certain issues are varied and diverse thereby making the financial statements incomparable and difficult for users to understand.

NON-GOVERNMENT ORGANIZATION (NGOs) IN INDIA

In the civil society, Non-Government Organizations (NGOs) play a prominent role as development assistance implementers. According to Asian Development Bank, the term Non-Government Organization refers to organization which is neither based in government, nor created to earn profit. United Nations defines it as "NGOs are private organizations that pursue activities to relieve suffering, promote the interest of poor, protect the environment, provide basic social services or undertake community development" (Admin, June 2012).

NGOs may include trust, society and non-profit organizations which are voluntary organizations registered under The Societies Registration Act, 1860, The Indian Companies Act, 1956 and under India Trust Act, 1882. These NGOs are supposed to play a vital role in the process of social and economic development of the economies and there has been a substantial increase in the activities of NGOs in India too. NGOs receive grants from government as well as other national and international agencies. Para 13 of the Accounting Standards (AS) 12 - Accounting for Government Grants provides that Government Grants should not be recognized until there is reasonable assurance that (i) the enterprise will comply with the conditions attached to them, and (ii) the grants will be received.

The source of funds for the NGOs has been diversified from private donations to international funding agencies. As the foreign donors insist on the financial statements according to International Accounting Standards (IAS), the non-compliance of IAS may make the NGOs disqualified for their donations.

SIGNIFICANCE OF FINANCIAL REPORTING AND STANDARD PRACTICES

As admitted by the business community, accounting is "the language of business" and financial information is a form of language. Financial statements are the output of the accounting system, which measure and present the results of the organization's activities to their interested parties viz., the owners, management and employees (Internal parties), potential investors, financial analysts, lenders and suppliers and Government parties (External parties). These financial statements include income statement, financial position statement, changes in owners' equity statement and cash flows statement in addition to the notes. Following is the importance of financial statements in Non-Government organizations (Jarbou, 2001):

1. Provide information for decision makers and help in resource allocation, evaluate and measure performance and its continuity till attaining the organizational goals
2. Provide information about available resources and liabilities about net income and changes of these components during the accounting period.
3. Provide information about the immediate evaluation about the accounting, the sources and uses of financing and provide notes

that will help users in making their decisions.

Factors associated with the quality of financial reporting include the behavioural factors such as attitude, subjective norm, perceived control and the environmental factors such as level of education, tax/legal system, ownership structure, the political system, capital structure, economic development and capital market development. Different accounting standards have been adopted by different countries with their own versions of Generally Accepted Accounting Principles (GAAP).

In anticipation of advances in accounting standards after 1990s, following the global trends, the accounting quality has been improved. But across the countries, the variation in accounting quality has resulted in accounting asymmetry impacting the economic consequences of financial reporting. Thus, in order to bring about accounting quality improvement and a uniform set of standards for the firms doing business in more than one country which may have to deal with different accounting standards, International Financial Reporting Standards (IFRS) have been developed and supported by the International Accounting Standards Board (IASB).

STANDARD FINANCIAL REPORTING PRACTICES FOR NGOS

While the NGOs are under scrutiny, they strain themselves to show that they are utilizing their resources in an efficient way proving their accountability in a transparent manner. For running a non-profit organization, a non-governmental organization (NGO) should be having good governance with characteristics such as strong internal accountability measures in official travel, financial management, record keeping, election and accountability of the Board, etc. The main areas of accountability for which NGOs can be held accountable by their stakeholders are concerned with their effectiveness, their organizational reliability and their legitimacy (Jordan 2005): For the most part, their accountability is enforced through self-regulatory mechanisms and internal rules and procedures, transparency standards, human resource management policies, financial management standards and downward accountability measures. These NGOs need to maintain the confidence of public and fund donor and promote accountability standards.

NGOs primarily prepare their accounts for submission to the various authorities like funding agencies, Income Tax authorities, Registrar of Societies and to the Ministry of Home Affairs. It is probably an unclear idea that most of the NGOs do not satisfactorily practice in terms of adoption of standard accounting practices and hence lack transparency in communicating their financial and social performance. Most NGOs do follow the cash basis of accounting and therefore, in most of the cases, this is virtually the same as the Income and Expenditure Account. Both these statements show the activity during the year.

APPLICABILITY OF ACCOUNTING STANDARDS TO NGOS

In countries affected by the prevalent corruption, NGOs are supposed to face higher corruption challenges. For example, NGOs offering advocacy, infrastructure projects may meet with risks of different nature than organizations providing humanitarian relief or delivering health or education services.

Standardized, regular and adequate reporting, in compliance with relevant governance, financial accounting and reporting requirements based on national laws and global good practice represent an important aspect of NGO transparency, with the view to making basic data available to the public or oversight bodies on NGO operations.

Regarding applicability of Accounting Standards to NGOs, the Accounting Standard Board (ASB) has given an opinion in September 1995 which makes it clear that there are twenty three (23) Accounting Standards applicable to NGOs whose activities are either commercial or business in nature.

Commercial or business activities include sale of cards, sale of handicrafts or publications, sale of farm produce, fee based consultancy or training, etc. Some examples are: Consultancy / professional services where fees are charged; Sale of books, publications, etc.; Sale of garments or handicrafts; Sale of handloom/ power-loom items; Sale of pickles etc.; Sale of agro-forestry products, herbal medicines, etc.; Vermiculture, pisiculture, farm animals, dairy where products are sold; Sale of stationery, cards, hand-made papers, file folders, envelopes; Screen-printing unit or printing press on charge basis; Photocopy / phone booths; Running waste collection / disposal or public conveniences for charge or under contract; Schools / education centers where students pay fees; Hospitals, clinics or veterinary centers where fee is charged; Running guest houses, hostels, boarding halls against charge; Training centers where hire charges or fee is taken; and Micro-credit revolving funds, where interest or service charges are taken.

But fundamentally, NGOs are not meant for earning profit out of their activities. There is controversy as to whether these accounting standards are applicable to NGOs or not. The Institute of Chartered Accountants of India (ICAI) has clarified that the standards are mandatory for all NGOs who have any income-generating activities like sale of cards, sale of handicrafts or publications, sale of farm produce, fee-based consultancy or training etc. And these accounting standards apply only to material items. It is also clarified that exclusion of an entity from the applicability of the Accounting standards would be permissible only if no part of the activity of such entity was commercial, industrial or business in nature.

RESEARCH METHODOLOGY

The study is based on Descriptive Analytical Approach and depends on describing and demonstrating the importance of IFRS for NGOs with reference to Telangana and Andhra Pradesh states of India.

SOURCES OF DATA

The sources of secondary data included the Annual Financial Statements of various NGOs, journal articles, manuals, books, newsletters, reports, e-libraries, e-Books and other internet sources. Informal interviews were conducted with the representatives of legally registered NGOs operating in Telangana and Andhra Pradesh viz., Center for Sustainable Agriculture (CSA), A few units of Andhra Mahila Sabha including AMS School of Informatics, Durgabai Deshmukh Hospital and Research Center (DDHRC), Durgabai Deshmukh Vocational Training and Rehabilitation Center (DDVTRC), Akshaya Patra, Helpage India, Prajwala, Bhoomika Initiative and a few NGOs working confined to their respective localities.

DATA ANALYSIS

The reports, manuals and newsletters of NGOs and findings of informal discussions with respective representatives were analyzed and demonstrated in a descriptive manner and the implicit advantages and challenges of adopting IFRS by NGOs were understood.

CHALLENGES IN ADOPTION OF IFRS

- The adoption of IFRS and the subsequent convergence of accounting standards to IFRS significantly costs much for the NGOs as all the Accounting manuals need to be rewritten; manuals must incorporate IFRS terminologies and also conform to local requirement.
- Education and training in this novel area also constitute a substantial amount of government expenditure as the nation prepares to adopt IFRS.
- Availability of qualified accountants familiar with procedures under IFRS is an issue to be checked.
- Certain complexities are apparent such as the use of terminologies' used in the IFRS
- Resistance to change is a big issue for organizations those are comfort with the existing systems
- Lack of proper financial reporting guidance, lack of proper instructions from regulatory bodies, additional training for professionals and modernized IT system in handling the transitions

to IFRS are the main challenges of IFRS adoption.

- Other key challenges include increased volatility of earnings, tax driven nature of previous standards and problem with IFRS's use of fair value accounting.
- Shimaa &Young, (2012) also found that, factors relating to size of capital markets, taxation, and inflation produce disincentives for adoption, which point to internal political and practical costs of converting current accounting systems to IFRS.

CONCLUSION

The adoption and implementation of IFRS by NGOs in general will help in the harmonization of financial operation and uniformity in the reporting the accounting information and disclosure. The adoption of IFRS will ensure better financial information supports, improvements to accountability, transparency and governance, better financial management, better information to donors and countries providing external assistance, better quality and credibility of financial reports. With the drastic change in the accounting world at global level, we need to catch up with the new trends in financial reporting. Therefore, proper planning and involvement of all stakeholders is required to ensure that the nation is adequately resourced to achieve this goal.

RECOMMENDATIONS

1. For the convergence of accounting reporting procedures to IFRS, the NGOs need enormous support and political will of governments of the newly formed states and ICAI should extend its services in discharging such challenging task.
2. Bodies such as the Security and Exchange Board of India (SEBI) should be up to its feet in the campaign aimed at ensuring that the agencies are applying the rules on submission and compliance as required.
3. There is a need to recruit qualified accountant and intensify training of personnel.
4. There should be a well-structured training program for all the Public sector organizations, NGOs and the donor communities on the key issues and requirements that needs to be addressed before the adoption of the standard.
5. There is a need to develop an accounting manual to integrate key transactions in line with the IFRS.
6. The NGOs should try to tap the experience and lessons from other countries which may be of help to Indian NGOs to adopt the process of IFRS.
7. The difference in policy and procedure between GAAP and

IFRS for NGOs must be analyzed through applying an initial diagnostic gap analysis.

8. The specific procedures for NGOs including specific actions, the procedures for adaptation of note disclosures and conversion of financial statements in compliance with IFRS should be determined for bridging the gaps.

9. The new financial statements and their impact on performance should be assessed, measured and communicated to all the stakeholders.

10. The new operating procedures should be determined and the required changes in governance should be identified.

REFERENCES

1. "AccountAble" Handbook, NGO Accounting and Regulation, AccountAid India, New Delhi, June, 2002

2. CA. Anand Pagaria, "NGOs—Accounting and Legal Intricacies", The Charted Accountant, June, 2006, Pp. 1716-1723.

3. Dandapat. D, Bagchi B(2007). "Accounting for NGOs: A Case Study in West Bengal", Indian Accounting Review. 11(2):58.

4. Ebrahim, Alnoor, 2003, Accountability in practice: Mechanisms for NGOs, http://www.plataformademocratica.org/Publicacoes/575_Cac hed.pdf

5. "Guidelines for Annual Reports and Financial Statements for Non-Governmental Organizations", June, 2013, Dochas, The Irish association of Non-Governmental Development Organizations

6. International Non-Governmental Organizations Accountability Charter, http://www.ingoaccountabilitycharter.org/ (accessed March 4, 2013).

FACTORS ANALYSIS OF SALES AND OPERATIONS PLANNING (S&OP) - A STUDY OF INDIAN AUTO-COMPONENT MANUFACTURERS INDUSTRY

Prof. E. Chandraiah,Dean, Faculty of Commerce
Dr.B.R.Ambedkar Open University, Hyderabad.

G.D. Pawan Kumar, Research Scholar
Department of Business Management, Osmania University, Hyderabad.

ABSTRACT

Sales and Operations Planning (S&OP) is a framework of planning to balance demand and supply for gaining competitive advantage in the market. Of late, it has caught the attention of various industry stalwarts due to the benefits it brings to the organization in terms of higher productivity with stable production, better demand-supply balance, improved customer service and enhanced visibility of future opportunities. S&OP is considered as an extension of aggregate planning and encourages integrated decision making process connecting strategic and tactical goals of an organization. Auto-component manufacturers supply parts/ components and sub-assemblies to original equipment manufacturers (OEM) comprising passenger cars, commercial vehicles, 2/3Wheelers and tractors. As a rule, manufacturing activity is concerned with translating the demand plan into supply plan and as such demand is considered the first half of equation and supply plan as the other half. One of the main objectives of S&OP is to balance demand-supply in an organization. Normally, S&OP is considered as a monthly process with cross-functional activity, driven by a single plan with empowered participants to develop a consensus supply plan aligned to firm's business plan. Few of the important processes are related to regular updating of demand plan, developing functional plans and working out resource constraints based on demand plan, conducting demand-supply balancing meetings for achieving business plan and customer service levels in full etc. Any lacunae in these processes and practices will not provide the advantages sought. With top management involvement, a well designed and implemented S&OP could provide handle on business management. A study was conducted to find the factors considered as important by auto-component companies against the S&OP framework. The data is analysed and the results are presented in this research paper.

Key Words: Auto-components, Customer service, Demand, Operations, Supply.

INTRODUCTION

The dynamic changes that are taking place in various markets due to reduced product life cycle (PLC), disruptive technologies, global competition and increased customer demands are putting the organizations under tremendous pressure to sustain and improve performance.

In many businesses, by and large, we find dissatisfied customers, high inventories, cash flow problems, missed annual business targets, imbalances in demand and supply and other issues which keep cropping up at regular intervals putting lot of stress on the organizational system due to volatile, uncertain, complex and ambiguous(VUCA) markets. Automobile market is not spared either.

It is a known fact that when demand surpasses supply, manufacturing may fail to provide the required volume and consequently, customer service is bound to affect. Alternatively, when supply exceeds demand, inventories could increase resulting in cut in production, plant shut downs and lay-offs reducing the competitiveness of the organizations.

The above two scenarios could be avoided if a proper balance between demand and supply is planned and an advance warning system is put in place to avoid the imbalance (Vollmann et al, 2005).
As organizations have to match supply with sales orders, the term S&OP has come into use to refer to that process, structure that helps organizations to keep demand and supply outcome in balance. The premise of S&OP is that customer service and inventory are 'resultants' or 'outcomes' and to effectively monitor them the drivers- demand and supply, have to be managed effectively to have competitive advantage. As regards auto-component suppliers, customer service could range from consistent quality supplies, timely delivery and annual cost reduction apart from other subtle initiatives like collaborative approach to issues faced by them from time-to-time.

It is reported that S&OP was created in the late 1980's by Dick Ling when manufacturing resource planning (MRP II) was in vogue and was considered as a driver to make MRPII to work. It is also believed that conceptually, S&OP evolved from aggregate production planning in the early 1950s to MRP II in the mid-1980's (Thome et al, 2011, Grimson and Pyke2007).

REVIEW OF LITERATURE

The Association of Operations Management (APICS) defined S&OP as a "process that provides management the ability to strategically direct the businesses to competitive advantage on a continual basis by integrating customer focused marketing plans for new and existing products with the management of supply chain".

Wallace and Stahl (2008) observed that the coordination between the sales planning and production planning morphed into S&OP and that it worked as a lubricant between different partners in supply chain to function harmoniously with minimum disruption. Moreover, it is seen as a facilitator and integrator of strategic and tactical planning components of an organization.

It is considered as a set of management practices to respond effectively to demand variability and take timely decisions which could have direct impact on profitability and customer satisfaction (Majumdar & Fontanella, 2006). Justifiably, it is a complex construct which can be measured as a management and planning process covering frequency of meetings, trust and confidence of designated participants, agenda, etc (Thomé et al 2012). Further, it is seen essentially as a value chain and an enterprise-wide risk management process (APICS and Protiviti, 2008).

As per Ferreira (2006), S&OP is positioned at the centre of the supply chain that extends backward to suppliers and to customers in the forward direction with the support of technology enablers like enterprise resource planning (ERP) and the organizational enablers consisting structure, skills, metrics, incentives etc.

S&OP comprises series of steps with monthly meetings involving designated and empowered participants from functional departments. Regular monitoring and evaluation of results is done with the help of information technology (Lapide 2004, Grimson and Pyke 2007). It comprises five stages – Data Gathering, Demand Planning, Supply Planning, Pre-S&OP balancing meeting and Final Executive S&OP meeting.

Thomé et al (2011) opined that S&OP is a tool that unites different business plans into one integrated set of plans. Its main purpose being twofold:

1) To balance supply and demand

2) To build bridges between the business or strategic plan and the operational plans of the firm.

Milliken (2007) and Lapide(2004) identify S&OP as a cross functional process for collaborative decision making. It has a ‘Planning Horizon’ of 15 to 18 months, the longer period being considered for implementation of capacity expansions (Wallace and Stahl, 2008 and Thome et al, 2012).

Tuomikangas and Kaipia (2014) who reviewed 99 articles on S&OP between 2001to 2013 found that the underlying coordination mechanisms/linkages or factors of S&OP framework are S&OP Tools, S&OP Process and Performance Management apart from S&OP Organisation, S&OP Culture and Leadership, and Strategic Alignment.

Lapide (2004), who popularized S&OP in early 2000's, observed that companies that fully embrace S&OP process gain competitive advantage by meeting customer demands at the highest levels by maintaining reduced inventories supply chain operating costs.

OBJECTIVE OF THE STUDY

The objective of the study is to find the factors of Sales and Operations Planning (S&OP)
process that the auto-component manufacturers deem relevant and important.

RESEARCH METHODOLOGY

The study is based on primary and secondary data. The population for the study comprised all the auto-component companies at Tier-1 level registered in India, numbering around 250 serving passenger cars/ multi-utility vehicles, commercial vehicles, 2wheelers, 3 wheelers and tractors. The sample size considered for the study is 50.

The primary data was collected by serving the questionnaire to the executives at the highest level - CEO, Director, VP, GM, Plant head. Further, the study was conducted by telephone and online through Google Form.

A visit to Auto Expo 2014 was made to meet with the executives of the targeted auto-companies. The secondary data is collected from companies' websites, ACMA and SIAM websites, consultancy organizations, vendors of S&OP software, text books, articles by experts and researchers. Auto-components comprise machined components, auto electrical, auto ancillaries, body and other parts. For research analysis, factor analysis technique was used to identify the factors of S&OP framework which the auto-component manufacturers found pertinent.

LIMITATIONS OF THE STUDY

As in any research, all issues cannot be taken up for finding solutions. Similarly, in this particular research also, there were few limitations. The sample size has been confined to 50. Almost 50% of the sampled companies were not listed in the Indian stock exchanges. The study confined to passenger car/ multi-utility vehicle, commercial vehicle, 2wheeler and 3wheeler segments only. The secondary data pertaining to automobile companies was taken to analyse the trends and fluctuations in different segments. The accuracy of the conclusions, as such, would depend on the reliability of the secondary data. The survey was confined to Tier-1 suppliers only. Tire-2 suppliers were not covered and this seclusion was intended so as not to dilute the study for fear of impact of extraneous factors.

RESULTS AND DISCUSSIONS

The objectives of Factor analysis is to simplify the data by reducing large number of variables to a set of small number of variables and to analyse the interdependence of interrelationships among a total set of variables (Beri, 2010).

An attempt was made to reduce the variables into a set of factors which reflect the underlying relationships that exist between them. Nine variables relevant to the S&OP framework were studied through Likert scale questions.

The variables related to importance assigned to demand planning, updating rolling plan regularly, ease of predicting accurately, basis of functional plans, demand plan being basis for resource and capacity constraints, aim of supply plans, reason for allocation/ balancing, aim of balancing meetings in terms of improving customer service and meeting business plan fully. The details of the findings are:

The Kaiser-Meyer-Olkin (KMO) measure of sampling accuracy of 0.565 shows that the data selected is suitable for factor analysis as it is higher than the acceptable limit of 0.50. Since, the significant value is 0.006 which is less than P value of 0.05, we can rely on the factors selected through factor analysis. Please see table: 1

Table:2 provides information on initial and extracted communalities. Communalities indicate the amount of variance in each variable that is accounted for. Extraction communalities provides estimate of the variance in each variable accounted for by the factors (components). Small extraction values may not help in factor solution and may have to be dropped.

From table: 3 we can know the percentage of variance of each component. As components with Eigen value of more than one (1) is to be considered as factors, the first three are chosen. It can be seen that these three factors define 56.329% of the variance of the variables, which means that these three components can explain 56.329% of the original data set.

Table :4 provides the factor loadings which measure the correlation between variables and factors. A loading close to one indicates a strong correlation and a loading close to zero, a weak correlation between the factor and variable. Un-rotated solution of factor loading is not amenable to interpretation since the variables tend to generally load on multiple factors. Hence we go for a rotated matrix as in table:5

From table: 6 we can see the rotated component matrix using Principal Component Analysis, wherein, the factors are rotated using varimax with Kaiser Normalisation rotation method. We have considered only those variables which have loadings closer to 0.5 or greater than 0.5 for interpretation purpose.

From the table: 7, it can be seen that the three Factors that have emerged cover all the nine variables (questions) explaining 56.329% of the original data set.

Table 1

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.565
Bartlett's Test of Sphericity	Approx. Chi-Square	60.894
	Df	36
	Sig.	.006

Table: 2

Communalities

Variable Statement	Initial	Extraction
1.Importance assigned to 'Demand Planning / Forecast' by your company	1.000	.501
2.Demand Planning' process is a 'Rolling Plan' updated	1.000	.464
3.Predicting demand / forecast accurately is	1.000	.261
4.All Functional plans are prepared based on single 'Demand plan / forecast'	1.000	.619
5.Resources and capacity constraints are worked out based on 'demand plan'	1.000	.580
6.Supply plan' aims to meet rolling 'demand plan' in total	1.000	.679
7.Catering to more than one OE customer necessitates allocation/balancing 'demand and supplies'	1.000	.735
8.Meeting on balancing 'demand and supply' are held to improve Customer Service levels	1.000	.566
9.The Aim of balancing 'demand and supply' is to meet 'business plan' fully	1.000	.665

Table: 3

Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.039	22.657	22.657	2.039	22.657	22.657	1.843	20.479	20.479

2	1.796	19.953	42.610	1.796	19.953	42.610	1.693	18.814	39.293
3	1.235	13.719	56.329	1.235	13.719	56.329	1.533	17.036	56.329
4	.953	10.589	66.918						
5	.875	9.723	76.641						
6	.678	7.533	84.174						
7	.598	6.647	90.821						
8	.441	4.901	95.722						
9	.385	4.278	100.00						

Table: 4

Component Matrixa

Variable Statement	Component		
	1	2	3
1.Importance assigned to 'Demand Planning / Forecast' by your company	.534	-.139	.444
2.Demand Planning' process is a 'Rolling Plan' updated	.034	.628	.260
3.Predicting demand / forecast accurately is	.385	-.152	.299
4.All Functional plans are prepared based on single 'Demand plan / forecast'	.681	-.394	.015
5.Resources and capacity constraints are worked out based on 'demand plan'	.472	-.598	.005
6.Supply plan' aims to meet rolling 'demand plan' in total	.690	.092	-.441
7.Catering to more than one OE customer necessitates allocation/balancing 'demand and supplies'	.260	.420	.700
8.Meeting on balancing 'demand and supply' are held to improve Customer Service levels	.436	.459	-.407
9.The Aim of balancing 'demand and supply' is to meet 'business plan' fully	.430	.671	-.171

Table:5

Rotated Component Matrixa

Variable Statement	Component		
	1	2	3
1.Importance assigned to 'Demand Planning / Forecast' by your company	.667	.000	.239
2.Demand Planning' process is a 'Rolling Plan' updated	-.158	.184	.636
3.Predicting demand / forecast accurately is	.496	-.013	.120
4.All Functional plans are prepared based on single 'Demand plan / forecast'	.719	.218	-.231
5.Resources and capacity constraints are worked out based on 'demand plan'	.648	-.009	-.400
6.Supply plan' aims to meet rolling 'demand plan' in total	.307	.741	-.190
7.Catering to more than one OE customer necessitates allocation/balancing 'demand and supplies'	.300	-.041	.802
8.Meeting on balancing 'demand and supply' are held to improve Customer Service levels	-.047	.747	.082
9.The Aim of balancing 'demand and supply' is to meet 'business plan' fully	-.052	.710	.398

Table: 6

Variable Statements combined into factors

Factors	Variables	% of variance	Cumulative %
1	1, 3, 4, 5	20.479	20.479
2	6, 8, 9	18.814	39.293
3	2, 7	17.036	56.329

NAMING AND INTERPRETATION OF FACTOR ANALYSIS

The Kaiser-Meyer-Olkin (KMO) measure of sampling accuracy of 0.565 shows that the data selected is suitable for factor analysis as it is higher than the acceptable limit of 0.50. From the rotated component matrix, we have three factors representing nine variables and explain 56.329% the total variance.

It is understood that for population too, it is likely to have same percentage distribution of factors. Considering the above outcome we name the factors as follows:

Factor1: This consists of four variables having significant loadings.

1. Importance assigned to 'Demand Planning / Forecast' by the company.
2. Ease of predicting Demand/Forecast accurately.
3. All functional plans are prepared based on single 'Demand Plan/Forecast'
4. Resources and capacity constraints are worked out based on Demand Plan/ Forecast.

The Factor 1 is named as "Demand related Operations Plans".

Factor 2: This covers three variables.

1. Supply plan aims to meet rolling demand plan in total.
2. Meeting on balancing demand and supply are held to improve Customer Service.
3. The aim of balancing demand and supply is to meet business plan fully.

The Factor 2 is named as "Outcomes of S&OP Process".

Factor3: This covers two variables.

1. Demand planning process is a rolling plan updated regularly,
2. Catering to more than one OE customer necessitates allocation/balancing demand and supplies.

The Factor 3 is named as "S&OP Processes/Practices".

The table:7 provides a summary of the factors and the variables that each covers along with the factor loadings.

Table: 7

Naming of the Factor

Factor No.	Name of the Factor	Variables	Factor Loadings

F1	Demand related Operational Plans	Importance assigned to 'Demand Planning / Forecast' by your company	0.667
		Predicting demand / forecast accurately is	0.496
		All Functional plans are prepared based on single 'Demand plan / forecast'	0.719
		Resources and capacity constraints are worked out based on 'demand plan'	0.648
F2	Outcome of S&OP Process	Supply plan' aims to meet rolling 'demand plan' in total	0.741
		Meeting on balancing 'demand and supply' are held to improve Customer Service levels	0.747
		The Aim of balancing 'demand and supply' is to meet 'business plan' fully	0.710
F3	S&OP Processes / Practices	Demand Planning' process is a 'Rolling Plan' updated	0.636
		Catering to more than one OE customer necessitates allocation/balancing 'demand and supplies'	0.802

CONCLUSIONS

It is found from factor analysis that there are three important factors that define the variables concerning S&OP framework.

Factor1 pertaining to "demand related operational plans" have four variables and is loaded highly on "functional plans based on demand plan"(0.719) and least on , "ease of predicting demand/ forecast accurately"(0.496) indicating, that auto-component manufacturers accord due importance to demand planning with operational plans of various functional departments like production, human resources, finance, strategic sourcing based on the demand plan/forecast. Similarly, resources and capacity constraints were aligned to demand plan / forecast indicating their significance in S&OP framework.

As regards Factor 2 , pertaining to "outcome of S&OP process", it is equally loaded on , " meetings on balancing demand and supply are held to improve customer service levels"(0.747) , "supply plans aim to meet rolling demand plan in total"(0.741)and "the aim of balancing demand and supply is to meet business plan fully"(0.710). From the point of view of supplies and as well as the objective of demand-supply balancing meetings, the findings show that auto-component manufacturers look at meeting the business plan and customer service levels fully which happens to be the ultimate aim of S&OP framework.

Finally, Factor 3 pertaining to "S&OP processes and practices", is loaded heavily on , "catering to more than one OE customers necessitates allocation/balancing demand and supplies,"(0.802) and less so on "demand planning process is a rolling plan updated regularly"(0.636). In S&OP framework, the rolling demand plan is to be updated regularly for planning uninterrupted supplies as the demand is always dynamic. Further, when any auto-component supplier caters to more than one OEM, allocation of supplies and balancing of demand with supplies becomes necessary depending on the importance of OE customer. Hence, these processes can be considered as fundamental to S&OP framework.

These factors are also found in line with few of the research findings of Tuomikangas and Kaipia (2014) mentioned earlier.

REFERENCES

1. APICS (2007)-Association for Operations Management, 'Introduction to Sales and Operations Planning" www.apics.org. Accessed on 24.12.14
2. APICS and Proviti,(2008), "Sales and Operations Planning : Aligning Business Goals with Supply Chain Tactics", research paper. http://www.adexa.com/PDF/4905-RA-sales-operations-planning.pdf. Accessed on 26.12.2014.
3. Beri.G.C,(2010), " Marketing Research", Tata McGraw Hill Education Private Limited, New Delhi- 110 008.
4. Ferreira John(2006), "The Integrated Planning Process, Tale of a CPG Turnaround, Successful Sales & Operations Planning: Lessons Learned" Forum, Second Quarter.
5. Grimson J Andrew and Pyke F David (2007) "Sales and operations planning: an exploratory study and framework", The International Journal of Logistics Management, Vol. 18 Issue: 3.
6. Lapide, Larry, (2004), "Sales & operations planning part I: the process", Journal of Business Forecasting.
7. Ling, Dick and Coldrick Andy (2009), "Breakthrough Sales & Operations Panning: How we developed the process".https://www.reearchgate.net/publication/228919533_Breakthrough_Sales__Operations_Planning_How_we_developed_the_process Accessed on 25.04.15.

TALENT MANAGEMENT: BENEFITS AND CHALLENGES – A STUDY

Madhavi Gutha, Associate Professor
Kasturba Gandhi College for Women, Secunderabad

ABSTRACT

Talent management is a new concept but a difficult phenomenon to measure. Talent Management within an organization is a Human Resource Strategy that seeks to identify, develop and retain talented and potential employees who are very important for any successful business. Talent contributes greatly to the performance of the organization and its management has a direct impact on the overall business performance. The current business and economic environment is exposing a host of weakness in the Talent Management practices of many organizations as well as the lack of comprehensive understanding about Talent Management. Talent Management is a simple matter of anticipating the need for Human Capital and then setting out a plan to meet it as there is diversity at the work place and the growth and innovation taking place in the current market scenario. It has become very important for the organizations to understand the Concept of Talent Management, its benefits and challenges for long run survival. This article focuses on the Benefits, Challenges and the importance of People in successful implementation of the company's strategies.

Keywords: Talent Management, Talent, Challenges and Benefits.

INTRODUCTION

"… we believe that when the right talent meets the right opportunity in a company with the right philosophies amazing transformations can happen."

Talent Management is a process that emerged in the 1990's and continues to be adopted, as more companies come to realize that their employee's talents and skills drive their Business success. The companies develop plans and processes to track and manage their employee's talents including attracting and recruiting qualified candidates with competitive backgrounds, managing and defining competitive salaries, Training and development, opportunities, Performance Management, Retention, Promotion and Transitioning.

TALENT MANAGEMENT:

Talent Management as the name itself suggests is managing the ability, Competency and power of the employees within an organization. The concept is not restricted to recruiting the right candidate at the right time but it extends to exploring the hidden and unusual qualities of the employees and developing and nurturing them to get the desired results. Hiring the best talent from the industry may be a big concern for the organizations today but retaining them and most importantly, transitioning them according to the culture of the organization and getting the best out of them is a much bigger concern. Talent Management in organizations is not just limited to attracting the best people from the industry but it is a continuous that involves sourcing, hiring, developing, retaining and promoting them while meeting the organization's requirements simultaneously. Talent Management is a full-fledged process that not only controls the entry of an employee but also his or her exit. Every organization requires the best talent to survive and remain ahead in the competition. Talent is the most important factor that drives an organization and takes it to a higher level, and therefore, cannot be compromised at all. It won't be exaggerating saying Talent Management as a never-ending war of Talent.

Benefits of Talent Management

Talent Management can be can be a discipline as a HR function itself or a small bunch of initiatives aimed at people and organization development. Different organizations utilize talent management for their varied benefits, which is as per the size of the organization and their belief in the practice. The benefits of Talent Management are:

1. Right Person in the right job: The skill or competency mapping allows the organization to analyse the skill inventories lying with them which is especially important from both the perspective of the organization as well as the employee because the right person is deployed in the right position and employee productivity is increased. Also there will be a better alignment between an individual's interests and his job profile the job satisfaction is increased.

2. Retaining the top talent: Despite changes in the global economy, retaining the top talent is important to leadership and growth in the market place.

3. Better Hiring: The quality of organization is quality of workforce it possesses. The best way to have talent at the top is to have talent at the bottom.

4. Understanding Employees Better: Employee assessments give deep insights to the management about their employees.

5. Better Professional Development Decisions: When an organization gets to know who is its high potential is, it becomes easier to invest in their professional development.

Talent Management- Opportunities and Challenges:

If we consider the present market scenario, most of the companies are operating their businesses globally. In such situations the organizations come across many problems in managing their talented workforce. Nonetheless global or local or at gross roots level talent management has to address similar concerns more or less. The opportunities and challenges faced are as follows:

The opportunities and challenges:

- Recruiting Talent: The organization has to recruit talented people on onboard, who are enterprising but ensure that the organization does not suffer for the same.
- Training and Developing Talent: This is a new challenge to talent management, training and developing people who work on a contractual or project basis. What's more big a challenge is increasing the stake of these people in their work.
- Retaining Talent: Retaining the talented people in the organization is most important challenge. Investing on people development in the crisis is the best thing an organization can do to retain its top talent.
- Developing Leadership Talent: Leadership in action means an ability to take out of crisis situation. Identifying people from within the organization who should be invested upon is a critical talent management challenge.
- Creating Talented Ethical Culture : Setting standards for ethical behaviour, increasing transparency, reducing complexities and developing a culture of reward and appreciation are still more challenges and opportunities for talent management

CONCLUSION

Apart from just knowing the benefits and opportunities and challenges of talent management, it is important for every organization to understand them clearly and plan and implement a best strategy which suits their organization and the situation that they are facing. Apart from having a strong talent management, culture also determines how organizations rate their organization as work places. In addition if employees are positive about the talent management practices of the organization, they are more likely to have confidence in the future of their organization. The resultant is a workforce that is more committed and engaged, determined to outperform their competitors and ensure a leadership position in the market for their organization. We can say that Talent Management is the most important factor that drives an organization and takes it to a higher level, and therefore, cannot be compromised at all. It won't be exaggerating saying Talent Management as a never ending war for Talent.

REFERENCES

1. Becker, B., Beatty, D., & Huslid, M.(2009).Differentiated Workforce: Transforming Talent into a Strategic impact. Harvard Business School-Press Books.
2. Sridharan, R.(2007) “There is a shortage of Talent Everywhere”, Business Today. 102
3. Davenport, T.H., Harris, J., & Shapiro, J.(2010). Competing on Talent Analytics. Harvard Business Review,88(10)
4. Collings, D.G., & Mellahi, K.(2009). Strategic Talent Management. A review and research Agenda, HR Management Review, 19(4).
5. Cappelli, P.(2008). Talent Management For Twenty-First Century. Harvard Business Review.
6. Burbach, R., & Royle, T.(2010). Talent on demand? Personnel Review.
7. Marshall Goldsmith., & Louis Carter. Best practices in Talent Management- Best Practice Institute.
8. Lance R. Berger. & Dorothy R. Berger. The Talent Management Handbook-Second edition.

CORPORATE SOCIAL RESPONSIBILITIES OF INDIAN PRIVATE SECTOR COMMERCIAL BANKS

Pamula Ravi Kumar, Research Scholar
Dept. of Business Management, Osmania University, Hyderabad.

ABSTRACT

Corporate Social Responsibility is the mechanism through which the corporate organizations have executed their philanthropic visions for social welfare. The main objective of this study is to analyze the CSR activities. An attempt has been made to analyze the existing CSR practices of Major Three nationalized private commercial banks i.e., ICICI Bank, HDFC Bank, and Axis Bank. It has been found that the selected banks are directly engaged in CSR activities mostly in the area of Rural Development, Health, Education, Community welfare, Women welfare, and Children welfare.

The qualitative analysis shows that though the Indian private commercial banks are making efforts in the CSR areas but still there is a requirement of more emphasis on CSR. Private sector banks are still lagging in this area. The study has a scope of further research where the CSR performance of banks can be related to financial performance of the banks.

Keywords: Corporate Social Responsibility, CSR activities, Practices, Private Sector Banks.

INTRODUCTION

Business is basically a socio-economic entity. Although business is fundamentally an economic activity, it cannot be carried out in isolation of society. It is a group endeavor and therefore has a number of responsibilities towards different stakeholders –management, workers, customers, shareholders, government and the society. Realisation and fulfillment of responsibilities towards these stakeholders is termed as corporate social responsibilities.

Corporate social responsibility is the continuing commitment by business to achieve commercial success in ways that honor ethical values, address legal issues and contribute to economic development while improving the quality of the workforce and their families as well as the local community and society at large. Indeed, the idea of social responsibility is not new to this age; rather it has been around as long as businesses have existed. Although many such voluntary social measures have become legal requirements, a number of business leaders have gone further ahead by utilizing their wealth to improve the living conditions of many people in the society.

Corporate social responsibility (CSR) is generally understood as a moral obligation that is supposed to be shown by organizations towards the society in lieu of profits generated through customers who are a part of the same society. Companies also have to show a concern for CSR to prove the value proposition of the brand to the current as well as prospective customers. Today customers are of the view that if it is a well-known company, it undertakes certain activities not merely for the motive of profit but also for a social cause.

Banking sector is reckoned as a hub and barometer of the financial system. As a pillar of the economy, this sector plays a predominant role in the economic development of the country. Thus the banking sector has been playing a significant role as growth facilitator. In recent years corporate social responsibility has become an important issue at global level.

In contrast to Friedman's statement, Robbins and Coulter (2007) explained that the management's social responsibility goes beyond making profit to include protecting and improving social's welfare of its stakeholders and the environment in which the firm carries out its operations. This statement is based on the belief that corporation are not independent entities responsible only to stockholders.

In 2011, a debate was triggered on increasing the social responsibility of India's corporates (corporate social responsibility or CSR in short), as the government of India was mulling over the idea of a mandatory spend of 2 % of profits on social responsibility programmes by all Indian companies. With the implementation of this step, the collective spending on CSR initiatives would be approximately $ 2 billion a year (almost Rs 80,000 million)

PURPOSE OF THE STUDY

The purpose of the study is to highlight the existing CSR activities by selected banks and give suggestions for better CSR activities.

OBJECTIVES OF THIS PAPER INCLUDE:

- To study the existing CSR practices in selected Indian private sector commercial banks.
- To suggest the implementation of CSR model practices for Indian banks.

RESEARCH METHODOLOGY

The present study covers major three nationalized Indian private sector banks (ICICI Bank, HDFC Bank, Axis Bank). Corporate Social Responsibility (CSR) activities in the respective banks. The secondary data has been collected from different sources like scholarly articles, annual reports of the selected banks, newsletters, and various web sites.

CORPORATE SOCIAL RESPONSIBILITY

The concept of Corporate Social Responsibility is not a new one but its focal point changes with the changing requirements of business and varying social needs. The concept of CSR was first mentioned in 1953 in the publication of "Social responsibilities of businessman" by William J. Bowen. However the term CSR became only popular in the 1990s. When the German Beta pharma generic pharmaceutical company decided to implement CSR. CSR is a concept where by companies decides voluntarily to contribute to a better society and a cleaner environment. It is represented by the contributions undertaken by companies to society through its business activities and its social investment. CSR has been making an increasingly prominent impact in the Indian social system by supplementing development projects. But it is not a novel concept in India as its historical roots goes till the Vedic age.

Today Banking Sector growing larger and powerful than before. Various Non-government organizations put pressure on Banks to act responsibly towards their stakeholders. Thus pressure has given rise to the concept named Corporate Social Responsibility. CSR defined as "the economic, legal, ethical, and philanthropic expectations placed on organizations by society at a given point in time." (Carrol and Buchholtz, 2000:35). Exactly what responsibility companies have towards society has been discussed for some decades now. A fundamental model which could be argued to reflect the outcome of this discussion is Carroll‟s (1991).

- Philanthropic Responsibilities: This involves corporation's willingness to enhance the quality of living for their stakeholders (i.e. employees, local community, and society at large) through charitable donations and organizational support. These corporate decisions are entirely voluntary, of less importance than the former three, and (with regards to social responsibility) only seen as desired by society. (Crane& Matten, 2004).
- Ethical Responsibilities: It refers to corporations responsibilities which are not covered by legal or economical requirements, but instead by what could be considered as right or fair in the eyes of society. Society therefore expects corporations to act ethically towards their stakeholders. (Crane & Matten, 2004).
- Legal Responsibilities: Demands that companies act in accordance with existing legislation and regulatory requirements. The legal framework consequentially fosters society's ethical view and all companies attempting to be socially responsible are therefore required by society to follow the law. (Crane & Matten, 2004).

- Economic Responsibilities: The first responsibility of the company towards society refers to running the business as an economically healthy unit. It includes aspects such as return on investment for shareholders, fair employee salaries, and quality products supplied to customers at fair prices; all required by the society. (Crane & Matten, 2004).

REVIEW OF LITERATURE

This section provides a review of the theoretical literature on CSR activities in Indian private commercial banking sector. Sharma (2011) made an attempt to analyze CSR practices and CSR reporting in India with special reference to banking sector and concluded that banking sector in India is showing interest in integrating sustainability into their business models but its CSR reporting practices are far away from satisfaction.

Ventura and Vieira (2007) made a study to understand the dynamics of institutionalizing corporate social responsibility in the field of Banking Organizations in Brazil and found that from being an isolated marginal action, CSR in the past ten years is now a structured action in banking organizations. Narwal (2007) made a study to highlight the CSR initiatives taken by the Indian Banking Industry. The findings suggest that banks have an objective view-point about CSR activities. They are concentrating mainly on education, balanced growth (different strata of society), health, environmental marketing and customer satisfaction as their core CSR activities.

Corporate social responsibility (CSR) is about the core behavior of companies and the responsibility for their total impact on the societies in which they operate. CSR is not an optional add-on nor is it an act of philanthropy. A socially responsible corporation is one that runs a Profitable business that takes into account of all the positive and negative environmental, social and economic effects which has its impact on society (Marsden, 2001).

Venu Srinivasan (2007) highlighted that Corporate Social Responsibility is more than philanthropy and must not mean "giving and receiving "An effective CSR initiative must engage the less privileged on a partnership basis. "CSR means sustainable development of the community by being partners in their progress. The government has been evolving a large number of welfare schemes for the people but experience shows that in most cases the benefits do not reach the most deserving. Industries have expertise in man management, financial management and business planning. They can easily provide the missing ingredients of leadership and organization and establish the last mile connectivity to reach the benefits to the deserving people. Therefore the focus of CSR could be unlocking the last mile connectivity. Industry must be a catalyst for social development.

Ahmed et al. (2012) suggested that the CSR can increase both long term profitability and sustainability of the banks as well as enhance the reputation of the banks. Keffas and Oulu-Briggs (2011) found that, the banks which incorporate CSR have better asset quality; capital adequacy; and are more efficient in managing their asset portfolios and capital.

CSR Practices in Indian Private Banking Sector

Now-a-days CSR has been assuming greater importance in the corporate world including financial institutions and banking sector. Banks and other financial institutions start promoting environment friendly and socially responsible lending and investment practices. RBI (2007) has also directed Indian banks to undertake CSR initiatives for sustainable development and also asked banks to begin non-financial reporting which is related to activities in the era of environmental, social and economic accounting.

The financial institutions do not take adequate steps for updating the recent activities in CSR has been assuming greater importance in the corporate world, including the banking sector. To highlight the role of banks in CSR, the RBI circulated a notice on December 20, 2007 for all the scheduled commercial banks in India.

RBI also instructs the banks to integrate their business operation along with social and environmental aspects. The major key areas of CSR like, children welfare, community welfare, education, environment, healthcare, poverty eradication, rural development, vocational training, women empowerment, protection to girl child, and employment have been discussed.

Table 1: The Major Key Areas of Corporate Social Responsibility

S No	Activities	Explanation
1)	Education	The bank working in the area of promoting education for e.g. Child education, girl education, providing scholarships , etc
2)	Health	The bank working in the area of health care for the needful for e.g. Rural health, preventing HIV/AIDS etc.
3)	Community Welfare	The bank working for welfare of various sections of society for e.g. Philanthropic donations, promoting inclusive growth.

4)	Entrepreneurship Development	The banks working towards promotion of entrepreneurial activities or helping people to set up their own enterprises to earn their livelihood for e.g. Imparting technical knowhow, provision of startup capital, etc.
5)	Environment	The company states a policy of minimizing negative environmental impact or positively benefiting the natural environment as a part of their business practices. For e.g. Not lending to industries depleting Ozone layer.
6)	Market Place	The banks working in issues related to its market having impact on its business. For e.g. Provisions of micro finance in villages etc.
7)	Rural Development	The banks carrying out activities for the development of rural areas. For e.g. Carrying out agriculture development activities, provisioning of street lights in rural areas etc.

Table 2: CSR Activities in Three Major Banks:

Name of the Bank	CSR Areas	Main CSR Activities
ICICI Bank	• Primary Health, • Elementary Education • Skill Development & Sustainable Livelihood • Financial inclusion	• Elementary Education • Skill Development & Sustainable Livelihood
HDFC Bank	• Sustainable Livelihood • Financial Literacy • Education • Community Initiatives • Environmental Sustainability	• Education • Financial Literacy • Community Initiatives
Axis Bank	• Education • Sustainable Livelihoods • Public Health and Medical Relief	• Education • Public Health and Medical Relief

As per the instruction of the RBI, majority of its member commercial banks started new programmes on social and economic welfare of the masses, keeping parity with the guidelines. To highlight the role of banks in corporate social responsibility the RBI circulated a notice on December 20, 2007 for all the scheduled commercial banks, with title "Corporate Social Responsibility, Sustainable Development and Non-Financial Reporting –Role of Banks". Major issues discussed in the notice were regarding Corporate Social Responsibility, Sustainable Development.

CASE STUDY -1: ICICI BANK

MAJOR CSR AREAS	KEY OBSERVATIONS
• Primary Health, • Elementary Education • Skill Development & Sustainable Livelihood • Financial inclusion	• ICICI Foundation for Inclusive Growth (ICICI Foundation) was founded by the ICICI Group in early 2008 to carry forward and build upon its legacy of promoting inclusive growth.
	• ICICI Foundation works within public systems and specialized grassroots organizations to support developmental work in four identified focus areas. We are committed to investing in long-term efforts to support inclusive growth through effective interventions.
	• Having a strong philosophy on CSR, the Bank was acts as a responsible corporate citizen. The bank is committed to nation-Building through Community Services Banking, apart from normal banking operations.
	• Bank spends a huge sum for the CSR activities further; the bank had implemented MoRD Guidelines for Rural Self Employment Institutes (RSETIs).

CASE STUDY -2: HDFC BANK

MAJOR CSR AREAS	KEY OBSERVATIONS
• Sustainable Livelihood • Financial Literacy • Education • Training • Community Initiatives • Environmental Sustainability	• HDFC Bank, Corporate Social Responsibility is developing a business model that creates economic value contributing to a healthy ecosystem and strong communities. • Organized of the largest blood donation drive this Bank branches undertook similar initiatives at a local level. • Its responsibility for the impact of its activities on the environment, consumers, employees, communities and stakeholders. • Capacity Building Program (CBP), part of the Bank's overall SLI initiative has made a significant impact in doing these two things in the past year. • Further, the bank had implemented MoRD Guidelines for Rural Self Employment Institutes (RSETIs).

CASE STUDY-3: AXIS BANK

MAJOR CSR AREAS	KEY OBSERVATIONS
• Education • Sustainable Livelihoods • Public Health and Medical Relief	• Axis Bank recognizes its corporate citizen to help strengthen the communities. Axis Bank Foundation (ABF) was setup as a Public Trust in 2006. • ABF has partnered with several NGOs to provide equitable education to various underprivileged individuals across 13 states of India. In 2011 we ventured into the domain of providing sustainable livelihoods for economically weak households. • The philanthropic initiatives of ABF, setup a Volunteering program, encouraging the employees of the Bank to get involved and become socially responsible citizens. • The bank engaged in the socio-economic development, rural development and sustainable economic development of the country. Further, the Bank had implemented MoRD Guidelines for Rural Self Employment Institutes (RSETIs).

CONCLUSION

At present the Banking Sector performing their banking services more effectively in comparison with the past and also started working towards social banking that is Corporate Social Responsibility. The private sector banks highly performing CSR activities as per their priority but if we look towards the CSR reporting then we can see that most of the banks are still not disclosing their amount for such initiatives in their websites. The Banks under study have recognized their responsibility towards the society and are making their contribution in the field of employment generation, education, health care, farmer training, women welfare and women empowerment. We suggest that banks should disclose the amount spent on CSR activities in their annual reports. The banks for social, economic and environmental betterment of the society.

REFERENCES:

1. Agrawal, Sanjaoy K, "Corporate Social Responsibility in India" (2008) Response Business Book from Sage, Sage Publications, New Delhi.
2. Arora, B., and Puranik, R: A Review of Corporate Social Responsibility in India. Journal of the Society for International Development, 2004.
3. Chaudhury SK, Das SK & Sahoo PK, "Practices of Corporate Social Responsibility (CSR) in Banking Sector in India: An Assessment", Research Journal of Economics Business and ICT: 76-81.
4. CRS Report of the banking institutions: SIDBI, 2009.
5. Kavitha N.V, Reddy N.Suma, "Corporate Social Responsibility in Indian banking Sector:" A Comparison of CSR initiatives in commercial and private banks" 329-349.
6. Narwal, Mahabir. (2007), "CSR initiatives of Indian banking industry", Social Responsibility Journal, Vol.3 (4), pp. 49-60.
7. RBI Notification.(2007) .CSR in Indian Banks, Corporate Social Responsibility, Sustainable Development and Non-Financial Reporting-Role of Banks, RBI/2007-08/216:DBOD No Dir. BC.58/13.27.00/2007-08, Dec.20.
8. Sharma Eliza, Dr. Mani Mukta Mani, "Corporate Social Responsibility: An Analysis of Indian Commercial Banks", AIMA journal of Management & Research , February 2013,Volume7,Issue1/ 4,ISSN0974-497
9. Sharma, Nishi. (2011), "CSR practices and CSR reporting in Indian banking sector", International Journal of Advanced Economic and Business Management, Vol.1 (2), pp. 58-66.

A STUDY ON CONSUMER PREFERENCES FOR SELECT HYPERMARKETS

Ramesh Chandavath, Research Scholar
Department of Business Management, Osmania University, Hyderabad.

ABSTRACT

Consumer preference is a growing concern among business throughout the world. Two customers may not have identical likes and preferences and hence their expectations differ. Delivering value and narrowing down the zone of tolerance is a tight rope walk for marketers in any sector. An in-depth knowledge of consumer expectations is the key to satisfy the consumer in the current scenario. Today, manufacturing and service companies, large and small, use "satisfaction research to determine the critical product and service attributes that provide customer satisfactions.

DEFINITION

Radha Krishnan (2003), found that with the entry of superstores, the most affected stores are precisely the smaller stores, whose sales are associated with small areas, few number of employees, low sales volumes and the isolated stores(Stores that do not have partnership with other retailers).

Mc Gee (1996) is also of the opinion that retailers facing threat from new discounters respond with lower prices and increased promotions

SCOPE OF THE STUDY

- The scope of the study is broad from the concept point of view as it to customer preferences and purchase decision making process in various retail formats.
- From an empirical point of view the study narrows down to focusing on understanding purchase preferences on selected Hypermarkets

The study is confined to find out the consumer preferences while selecting the retail formats for the purchase of various consumable, durable goods

OBJECTIVES OF THE STUDY

1. To study the influence of demographic factors on consumers' preferences towards Hypermarkets
2. To examine the impact of socio-cultural factors on consumer preferences for Hypermarkets
3. To study the Retail Format attributes that influence consumers' preferences

HYPOTHESES

H01: There is no significant influence of demographic factors on Hypermarket preference

H02: There is no significant impact of socio-cultural factors on Hypermarket preference

H03: There is no significant difference of attributes of Hypermarkets on selection

RESEARCH METHODOLOGY

Sample Design

Sample sizes of 1200 customers were selected during the period i.e. 1st July 2015 to 31st July 2015. Who visited Malls and Hyper markets located at selected area, sample is drawn from each Hypermarkets were selected by convenience sampling method.

INTRODUCTION

Consumer Preferences

Consumer preferences used primarily to mean an option that has the greatest anticipated value among a number of options. This is an economic definition and does not tap into ‘wishes’ or ‘dreams’ but for all practical purposes is an appropriate definition. Preference and acceptance can in certain circumstances mean the same thing but it is useful to keep the distinction in mind with preference tending to indicate choices among neutral or more valued options with acceptance indicating a willingness to tolerate the status quo or some less desirable option.

Retailing business is greatly affected by the patronage behavioural orientations of shoppers. The study by Erdem et al. (1999) examines the linkages between consumer values and the importance of some salient store attributes. The findings of the exploratory study indicated that the important judgments for store attributes were influenced by the set of terminal and instrumental values viewed as important by the shoppers. Even though the importance of store attributes was related to both kinds of values, it seems that there was a disproportionate predominance of terminal values in this influence. In addition, combining values with demographic information can provide a better understanding of targeted consumers, and marketing programs based on this understanding can enhance the effectiveness of retail management.

Retail Sector

In ¬Retailing so many factors play vital role in attracting customers, some of these factors discussed in this literature survey, Discounting defines as “offerings merchandise at lower price than the competition. Robinson (1994)57opined that discounting was to a large extent overlooked in the affluent 1980’s cheap and cheerful was out; quality was in…. but after almost a decade out of favour discount retailers are back. The broad aim of this research is to examine the nature and extent of discounting retailing in the clothing sector in the U.K. from an identified population of sixteen multiple discount retailers, an examination was made of the performance data of ten retailers from that population using secondary data sources such as company reports augmented by on line data base searches. Nine retailers were selected for personal interview so as to study in greater depth those retailers' perceptions like product ranges, customer profile, in-store service mix etc.

Over 20 per cent of India's gross domestic product (GDP) is contributed by retail sector and in total employment it contributes eight percent. India is Home to one of the top five retail markets in the world and in retail, India offers immense scope of growth and opportunities According to A T Kearney's Global Retail Development Index (GRDI) 2013, the global slowdown has impacted India's growth also and as a result India's growth rate fell from a 10-year average of 7.8 percent to 5 percent and in GRDI ranking India slipped to 14th. India's previous low ranking was 6th place in the inaugural Index in 2002 but in 2009 it stood first. However the GRDI report points out some positive factors leading to optimistic expectations. These factors are: strong long-term fundamentals and young, increasingly brand- and fashion-conscious population. The report projects 14 to 15 percent growth per year in retail sector through 2015 and due to more urbanization and more potential new investment by retailers, expects a higher proportion of modern retail which is 7 percent in 2012.Several authorities and surveys conducted by different agencies have given current as well as future projections of retail trade in India. Currently, India is one of the fastest growing economies in the world and by 2030; India would be one of the Top 5 economies in terms of GDP. The India retail market is estimated at US$ 470 billion in 2011, accounting for ~35% of GDP and is expected to grow to US$ 675 billion by 2016, at the rate CAGR of 7.5%.

Global Retail Industry: Some Facts

- Worldwide retail sales are estimated at $7 trillion (USD).
- The top 200 largest retailers account for 30% of worldwide demand.
- The money spent on household consumption worldwide increased 68% between 1980 and 1998.
- Retail sales are generally driven by people's ability (disposable income) and willingness (consumer confidence) to buy.
- The world's population is poised to expand 50% by 2050. The world is currently 78% poor, 11% middle income and 11% rich.
- Some two-thirds or $6.6 trillion out of the $10 trillion American economy is consumer spending. About 40% of that ($3 trillion) is spending on discretionary products and services.

Organized retail operates at three levels:

Level 1: Includes specialty stores dealing in Food & grocery, Households and FMCG, Apparel, Footwear, Beauty Products, Fashion Accessories, Electronics and accessories, Consumer durables, Furniture and home décor and jewellery.

Level 2: Includes a department store, a supermarket or a hypermarket catering to 2-3 categories of retail mentioned in level 1.

Level 3: Includes a 'Mall' which includes a departmental store, hypermarkets & specialty stores.

Challenges to Retail Sector in India

The retail industry in India has to face many obstacles before becoming a truly flourishing industry

- Competition from unorganized sector.
- In retail sector, Automatic approval is not allowed for foreign investment.
- Taxation, which favours small retail businesses.
- Developed supply chain and integrated IT management is absent in retail sector.
- Lack of trained work force.
- Low skill level for retailing management.
- Intrinsic complexity of retailing-rapid price changes, threat of product obsolescence and low margins.
- Organized retail sector has to pay huge taxes, which is negligible for small retail business.

History of Hypermarkets

Hypermarket is a vast self-service warehouse-cum-retail outlet that combines the features of a supermarket, department store, discount store, and specialty store in one location. Hypermarket is a superstore combining a supermarket and a department store. The result is an expansive retail facility carrying a wide range of products under one roof, including full groceries lines and general merchandise. In theory, hypermarkets allow customers to satisfy all their routine shopping needs in one trip.

The Pacific Northwest chain Fred Meyer opened the first suburban one-stop shopping center in 1931 in the Hollywood District of Portland, Oregon. The store's innovations included a grocery store alongside a drug store plus off-street parking and an automobile lubrication and oil service. In 1933, men's and women's wear was added, and automotive department, house wares, and other nonfood products followed in succeeding years. In the mid 1930s, Fred Meyer opened a central bakery, a candy kitchen, an ice cream plant, and a photo-finishing plant, which supplied the company's stores in Portland and neighbouring cities with house brands such as Vita Bee bread, Hocus Pocus desserts, and Fifth Avenue candies. By the 1950s, Fred Meyer began opening stores that were 45,000 sq ft to 70,000 sq ft and the 1960s saw the first modern-sized Fred Meyer hypermarkets. The Midwest chain Meijer, which today operates some 190 stores in five US states and calls the hypermarket format "supercenter opened its first such "supercenter" in Grand Rapids, Michigan, in June 1962, under the brand name "Thrifty Acres".

In the late 1980s and early 1990s, the three major US discount store chains – Wal-Mart, Kmart and Target – started developing hypermarkets. Wal-Mart introduced hyper mart USA in 1987, followed by Wal-Mart Super center in 1988; Kmart opened its first Super Kmart (originally called Kmart Super Center) in 1991; and Target came with the first Target Great land stores in 1990, followed by the larger Super Target stores in 1995. Most Great land stores have since been converted to Super Target stores. In the early 1990s, US hypermarkets also began selling fuel. The idea was first introduced in the 1960s, when a number of supermarket chains and retailers like Sears tried to sell fuel, but it didn't generate sufficient consumer interest at the time. Today there are approximately 4,500 hypermarket stores in the US selling fuel, representing an estimated 14 billion US gallons (53,000,000 m3) sold each year. The first European hypermarket is commonly mistaken to be the Carrefour store that opened in 1963, at Sainte-Genevieve-des-Bois, France, However, the Belgian retailer Grand Bazaar preceded Carrefour by two years when it opened three hypermarkets in a short span in 1961 under the name Super Bazaar after Belgian law restricting the size of department stores was abolished in 1960. The first Super Bazaar opened in Bruges on 9 September 1961. However the larger stores that opened a week later in Auderghem, and a month later in Anderlecht (both in Brussels), are regarded as more proper hypermarkets that brought the concept to fruition.

DATA ANALYSIS

The people purchase various items at various places. The respondent's preferences to purchase different items may vary. 812 (67.7) customers purchase vegetables and fruits,655 (54.6) customer purchase confectionaries, 675 (56.3%) customers purchase cooking oil/butter/ghee, Apparels 684 (57%) customer purchase for women, 552 (46%) for Men, 395 (32.9%) for children . 62.7 percent customers purchase detergents 48.3 percent of customers purchase toilet products 40.3 percent of customers purchase gift &novelties and least 4.5 percent customer prefer to purchase cassettes. This will shows that customers prefer various items to purchase form the Hypermarket.

Table:1

FMCG & Consumables usually purchase by the consumers

			No	Yes	Total
General Items	Vegetables/Fruits	Count	388	812	1200
		%	32.3	67.7	100.0
	Confectionaries/ Juices/Jams	Count	545	655	1200
		%	45.4	54.6	100.0
	Cereals/Pulses/ Condiments	Count	662	538	1200
		%	55.2	44.8	100.0
	Cooking oil/Butter/ Ghee	Count	525	675	1200
		%	43.8	56.3	100.0
Apparels	Men	Count	648	552	1200
		%	54.0	46.0	100.0
	Women	Count	516	684	1200
		%	43.0	57.0	100.0
	Children	Count	805	395	1200
		%	67.1	32.9	100.0
	Apparels	Count	901	299	1200
		%	75.1	24.9	100.0
Household appliances	House holding Furnishings	Count	825	375	1200
		%	68.8	31.3	100.0
	Electric Alliances	Count	835	365	1200
		%	69.6	30.4	100.0
	Kitchenware	Count	851	349	1200
		%	70.9	29.1	100.0
	Furniture	Count	993	207	1200
		%	82.8	17.3	100.0

Music	Cassettes	Count	1146	54	1200
	%	95.5	4.5	100.0	
	CD's /DVD's	Count	683	517	1200
		%	56.9	43.1	100.0
Books & Stationery	Novels	Count	1086	114	1200
		%	90.5	9.5	100.0
	General Books	Count	822	378	1200
		%	68.5	31.5	100.0
	Newspaper	Count	714	486	1200
		%	59.5	40.5	100.0
	Magazines	Count	1015	185	1200
		%	84.6	15.4	100.0
	Stationery	Count	847	353	1200
		%	70.6	29.4	100.0
FMC goods	Detergents/Surfs	Count	448	752	1200
		%	37.3	62.7	100.0
	Toilet products	Count	621	579	1200
		%	51.8	48.3	100.0
Specialty goods					
	Cosmetics	Count	509	691	1200
		%	42.4	57.6	100.0
	Gifts & Novelties	Count	716	484	1200
		%	59.7	40.3	100.0

Table: 2

Attributes (Features) of retailing

		Not at all Important	Slightly important	Neutral	Quite important	Extremely important	Total
Improved quality	Count	0	31	177	245	747	1200
	%	0.0	2.6	14.8	20.4	62.3	100.0
Reasonable price	Count	0	101	67	554	478	1200
	%	0.0	8.4	5.6	46.2	39.8	100.0

Brand variety	Count	0	98	156	356	590	1200
	%	0.0	8.2	13.0	29.7	49.2	100.0
Assortment of merchandise	Count	76	173	191	413	347	1200
	%	6.3	14.4	15.9	34.4	28.9	100.0
Easy Availability of products	Count	0	35	227	234	704	1200
	%	0.0	2.9	18.9	19.5	58.7	100.0
Proper display of products	Count	0	18	172	186	824	1200
	%	0.0	1.5	14.3	15.5	68.7	100.0
Warrantee of products	Count	0	53	149	343	655	1200
	%	0.0	4.4	12.4	28.6	54.6	100.0
Proper packaging	Count	0	102	111	336	651	1200
	%	0.0	8.5	9.3	28.0	54.3	100.0
Exchange facilities	Count	0	118	173	307	602	1200
	%	0.0	9.8	14.4	25.6	50.2	100.0
Bundling offers	Count	0	278	121	392	409	1200
	%	0.0	23.2	10.1	32.7	34.1	100.0

The above table reveals the attributes/features which felt important by customer for selecting the retail formats for shopping. 827 (68.7%) customer's felt proper display of products, 747 (62.3%) says improved quality, approximately 704 (54.6%) says easy availability of products 655 (54.6%) warrantee of products, 651 (54.3%) proper packaging, 602 (50.2%) exchange facilities, and 590 (49.2%) brand variety and the least 409 (34.1%) customers says bundling offer is important for choosing retail format for shopping.

Table: 3

Store Attributes

		Not at all Important	Slightly important	Neutral	Quite important	Extremely important	Total
Pleasant ambience (Store atmosphere)	Count	0	0	126	316	758	1200
	%	0.0	0.0	10.5	26.3	63.2	100
Better location	Count	18	123	59	226	774	1200
	%	1.5	10.3	4.9	18.8	64.5	100
Complete Security	Count	0	120	93	309	678	1200
	%	0.0	10.0	7.8	25.8	56.5	100
Nice in-store promotion	Count	71	84	184	630	231	1200
	%	5.9	7.0	15.3	52.5	19.3	100
Adequate dressing room	Count	27	44	245	293	591	1200
	%	2.3	3.7	20.4	24.4	49.3	100.0
Clealiness of store	Count	0	0	173	335	692	1200
	%	0.0	0.0	14.4	27.9	57.7	100
Children play area	Count	137	159	286	456	162	1200
	%	11.4	13.3	23.8	38.0	13.5	100
Good packing facility	Count	0	35	105	425	635	1200
	%	0.0	2.9	8.8	35.4	52.9	100
Convenient shopping hours	Count	0	102	107	194	797	1200
	%	0.0	8.5	8.9	16.2	66.4	100
Trained sales personnel/ helpful staff	Count	0	62	53	242	843	1200
	%	0.0	5.2	4.4	20.2	70.3	100

The above table depicts the store attributes which influence customers in selecting retail formats. 843 (70.3%) customers preferred trained sales personnel are important, 797 (66.4%) convenient shopping hours, 774 (64.5%) better location 758 (63.2%) pleasant ambience of the store, 591 (57.7%) cleanliness of store 678 (56.5%) complete security, 635 (52,9%) good packing facility, 591 (49.3%) adequate dressing room very few people 231 & 162 (i.e. 19.3% and 13.5%) store promotion, children play area is important in choosing the retail outlet for shopping.

Table: 4

Selecting Hypermarkets

			Slightly important	Neutral	Quite important	Extremely important	Total
Gender	Male	Count	18	202	343	154	717
		%	2.5%	28.2%	47.8%	21.5%	100.0%
	Female	Count	69	36	320	58	483
		%	14.3%	7.5%	66.3%	12.0%	100.0%
Total		Count	87	238	663	212	1200
		%	7.3%	19.8%	55.3%	17.7%	100.0%

Chi-Square Tests

	Value
Pearson Chi-Square	150.022

H0: There is no significant relationship between Gender and choosing choice of Hypermarkets.

H1: There is a significant relationship between Gender and choosing choice of Hypermarkets.

From the above table Chi-Square calculated value is 150.022, and p ≤0.05. Table value at 5% level of significance with 3 degrees of freedom is 7.815. The calculated value is (150.022) > table value (7.815). Hence reject the null hypothesis and concluded that there is a significant relationship between gender and choosing the choice of Hypermarkets for shopping.

Table: 5

Age (in years) Selecting Hypermarkets

			Slightly important	Extremely important	Neutral	Quite important	Total
Age (in ears)	15-30	Count	51	54	241	137	483
		%	10.6	11.2	49.9	28.4	100
	31-40	Count	36	89	295	57	477
		%	7.5	18.7	61.8	11.9	100
	41-50	Count	0	19	55	18	92
		%	0	20.7	59.8	19.6	100
	51-60	Count	0	76	1	0	77
		%	0	98.7	1.3	0	100
	Above 60	Count	0	0	71	0	71
		%	0	0	100	0	100
Total		Count	87	238	663	212	1200
		%	7.3	19.8	55.3	17.7	100

Source: Primary Data

Chi-Square Tests

	Value
Pearson Chi-Square	438.271

H0: There is no significant relationship between Age and choosing choice of Hypermarkets.

H1: There is a significant relationship between Age and choosing choice of Hypermarkets.

From the above table Chi-Square calculated value is 438.271, and p ≤0.05. Table value at 5% level of significance with 12 degrees of freedom is 21.026. Here calculated value (438.271) > table value (21.026). Hence reject the null hypothesis and concluded that there is a significant relationship between age and choosing the choice of Hypermarkets.

Table: 6

Profession/Occupation Selecting Hypermarkets

			Slightly important	Neutral	Quite important	Extremely important	Total
Profession/ Occupation	Government Service	Count	0	18	40	0	58
		%	0.0	31.0	69.0	0.0	100
	Private Service	Count	87	165	515	181	948
		%	9.2	17.4	54.3	19.1	100
	Business	Count	0	19	0	0	19
		%	0.0	100	0.0%	0.0	100
	Student	Count	0	36	19	13	68
		%	0.0	52.9	27.9	19.1	100
	Others	Count	0	0	89	18	107
		%	0.0	0.0	83.2	16.8	100
Total		Count	87	238	663	212	1200
		%	7.3	19.8	55.3	17.7	100

Chi-Square Tests

	Value
Pearson Chi-Square	201.706

H0: There is no significant relationship between Profession/Occupation and choosing choice of Hypermarkets.

H1: There is a significant relationship between Profession/Occupation and choosing choice of Hypermarkets

From the above table Chi-Square calculated value is 201.706, and $p \leq 0.05$. Table value at 5% level of significance with 12 degrees of freedom is 21.026. Here calculated value (201.706) > table value (21.026). Hence reject the null hypothesis and concluded that there is a significant relationship between Occupation and choosing the choice of Hypermarkets.

Table: 7

Educational Qualification Selecting Hypermarkets

Educational Qualification		Slightly important	Neutral	Quite important	Extremely important	Total
Professional	Count	87	115	391	181	774
	%	11.2	14.9	50.5	23.4	100
Post Graduation	Count	0	32	209	18	259
	%	0.0	12.4	80.7	6.9	100
Graduation	Count	0	73	63	13	149
	%	0.0	49.0	42.3	8.7	100
Inter/S.S.C	Count	0	18	0	0	18
	%	0.0	100	0.0	0.0	100
Total	Count	87	238	663	212	1200
	%	7.3	19.8	55.3	17.7	100

Source: Primary Data

Chi-Square Tests

	Value
Pearson Chi-Square	276.110

H0: There is no significant relationship between Educational Qualification and choosing choice of Hypermarkets.
H1: There is a significant relationship between Educational Qualification and choosing choice of Hypermarkets.

The above table shows Chi-Square calculated value is 276.110, and $p \leq 0.05$. Table value at 5% level of significance with 9 degrees of freedom is 16.919. Here calculated value (276.110) > table value (16.919). Hence reject the null hypothesis and concluded that there is a significant relationship between Educational Qualification and choosing the choice of Hypermarkets.

Table: 8

Area or location of Hypermarkets

			Slightly important	Neutral	Quite important	Extremely important	Total
Area	Banjara Hills, Jubilee Hills	Count	30	53	140	77	300
		% within Area	10.0	17.7	46.7	25.7	100
	Hi-tech City, GachiBowli	Count	32	54	139	75	300
		% within Area	10.7	18.0	46.3	25.0	100
	Charminar, Mehadipatnam	Count	30	53	138	79	300
		% within Area	10.0	17.7	46.0	26.3	100
	Balanagar, B.H.E.L	Count	29	55	141	75	300
		% within Area	9.7	18.3	47.0	25.0	100
Total		Count	121	215	558	306	1200
		% within Area	10.1	17.9	46.5	25.5	100

Chi-Square Tests

	Value
Pearson Chi-Square	.388

H0: There is no significant relationship between Area and selecting the Malls.
H1: There is a significant relationship between Area and selecting the Malls.

From the above table calculated Chi-Square value is 0.388 and $p \leq 0.05$. Table value at 5% level of significance with 9 degrees of freedom is 16.919. Here calculated value (0.388) < table value (16.919). Hence accept the null hypothesis and concluded that there is no significant relationship between Area and Selecting the Malls.

CONCLUSION

The broad conclusions of the study that emerged from the findings are as follows with reference to purchase preferences of consumer are choosing the Hypermarkets.

From the study identifies that 59.8% of customers are males, 40.2% of customers are females. It clearly shows increase in role of female's in purchasing decisions. The study revels 40.3% of customers are 15-30 years age group, 39.8% are 31-40 years age group remaining are above 40 years group. It clearly shows the change in purchasing pattern of young generation. Study reveals that 61.9% of the customers are married 38.1% are unmarried. It shows married people are frequent visitors for shopping.

From the study it is identified that 64.1% of the customers are Hindus, 31.3% are Christians, and 4.7% are Muslims. It clearly shows all religions showing interest in shopping at Retail outlets. Hypermarkets are emerging in fast in the metropolitan cities like Mumbai, Hyderabad, and Chennai. As the consumer's preferences and interest style are changing, their pattern of life style is one of the reasons for the growth of the organized retail sector in India.

The demographic factor like gender, age, location, education and income are not having any influence on the choosing the Hypermarkets for the shopping. Whenever they will get the leaser period probably the weekends and holiday they are showing interest in shopping compare to previous generation. The next shopping is concentrated Hypermarkets or Malls for revolutionised shopping

REFERENCES

1. Paninchukunnath, "Organized supermarkets of South India-an exploratory study of the Margin free Markes of Kerala", Journal of Marketing, Volume XXXVIII. Number 5: May2008 pp 20-24.
2. Anandan.C "A study on the influence of packaging in brand selection in toothpaste industry" The ICFAI Journal of Marketing ; Volume.III,, November, 2004, pp 32-49.
3. Anderson.C. James. James A narus and Wouter Van rossum, "Customer value propositions in business Maarkets". Harvard Business review, March, 2006, pp 91-99.
4. Andre Tordjman, "European Retailing convergencies Differences and Perspectives", International Journal of Retail & Distribution Mangement Vol.22, No.5, 1994, pp.
5. Ghosh, P., V. Tripathi, and A. Kumar. (2010). Customer expectations of store attributes: A study of organized retail outlets in India. Journal of Retail & Leisure Property, 9(1), 75-87
6. Aandrew J Newman & Peter Cullen. "Retailing: Environemnt & Operations", Thomson learning Inc., 2007.

THE POWER OF EMPOWERMENT ON FRONT – LINE EMPLOYEES IN HOSPITALS

Dr. Surendra Prasad, Principal
David Memorial Institute of Management, Tarnaka, Secunderabad.

ABSRACT

The people on the front-line understands the customers expectations and the factors that inhibits them from meetings their expectations better than any manager in the Hospitals. And it is more important for management to listen to these people than almost any other activity they perform. Yet to our amazement many management don't seem to respect the people on their front-line. They fail to recognize that one of their prime responsibilities is to acknowledge and make legitimate the problems facing front-line people , so that they can be resolved. Often the biggest problem facing people at the front-line is lack the trust and support of top management and thus don't feel that they have authority to act.

The aim of this study is to examine how empowerment is perceived by the front-line Hospitals employees and secondly, to identify factors affecting empowerment within the Hospitals Industry.

Key words: Empowerment, Front-line, Responsabilization

INTRODUCTION

Real power comes from giving it to others who are in a better position to do things than you are.

The idea behind sharing power more broadly is to move as close as possible to where action can be taken. Not to spread power around, but to pin-point it. The decisions that result are faster and cleaner, so more decision can be made and more work done. "There is a big difference between power that is decentralised and power that is diffused, as in a play-ground, where many players can say no, but it is unclear who can say yes".

In an empowered organization, one of the aims is to ensure that power is never "locked-up" in one or two parts of the organizations, and power is able to flow freely where and when it is needed. Empowerment is about being free to explore the best way of doing things – not just doing what you are told. Management writer David Oates draws a destination between delegation and empowerment. Delegation' he says is actioned by the manager, Empowerment, if it works well, is actioned by the subordinate.

Common Misinterpretations of Empowerment

Empowerment is not:

1. Delegation: Jack Furrer, director of management education at the swiss pharmaceutical multinational Ciba – geigy ,agrees: All too often, delegation equals dumping. Sometimes its' more positive and consists of a balance between direction and autonomy. But it still usually lacks the elements of support which Empowerment involves:
2. Responsibility alone is not Empowerment, says Paul Evans, a professor of organizational behaviour at the French business school INSEAD. Empowerment is not just a matter of pushing more responsibility down an organizations, he says it's stupid and crazy to do so to people who don't have the stills and competencies to take control over their work. As Firestone CEO John Naevin puts it. "If you want to drive a person crazy, the easiest way to do it is to give him a deep sense of responsibility and no authority".

INSEAD's Evans, however, prefer the French term "RESPONSABILIZATION" to Empowerment.

Empowerment is not a cost cutting exercise:

Bernard Taylor of Henley Management College are asked: Are people being Empowered to develop the business or are they being asked to cut cost and bring in short term profits?

Bernard Taylor says "People aren't fool. They need some vision of the future and some reassurance that the job will still be there is a few years. This requires some commitment to develop the business. At the moment, however organizations have got a major problem in motivating their employees and persuading them to commit themselves. This has come about because the unions have been disempowered, a massive amount of restructuring has led to large job losses, companies are traded like commodities, and mangers and employees do not know from one minute to the next if they have a job. Empowerment is often introduced in the context of siege mentally.

Why is Empowerment Important?

Though the word "Empowerment" in a management context has been coined relatively recently, its roots in management theory reach back several decades. The Hawthorn experiment at Westinghouse, Chicago, where it was shown that productivity improved when staff felt they were being paid attention to, dates to the 1920s'. After the second world war, the occupying forces installed works directors in major German companies, but baulked at the idea of taking the same medicine at home.

It was not until the 1960's and the understandable back lash to the time and motion approach popular in the previous decade, that the idea of greater job involvement really come to the fore. It was at this point that a number of management scientists, notably Smith and Mc Gregor, Drucker and Likert, began to question the role of people in the new, highly automated work place. This led to the concept of job environment that, while repetitive motions may be the most technical efficient way of doing a job, a more varied job role could lead to greater motivation and productivity.

Quality circles, imported from Japan, opened western eyes to the potential contribution of people at operator level can make, and the popularity of Total Quality Management added to the impetus.

Empowerment, in all its forms, evolved slowly from all these ideas. In the late 1980's, however, trends in the business world began to make it essential to delegate more widely and to delegate more worthwhile work. The need has arisen to….

- Make organisations more responsive to the market place.
- De.layer organisations in order to make them more responsive and cost effective.
- Get employees of various disciplines to collaborate with minimal supervision, by communicating horizontal, rather than vertical up and down the hierarchy.
- Get CEO and to management to step back and do more strategic work.
- Tap all resources that can help maintain and improve competitiveness.
- Fulfil the higher expectations of an increasing well educated work force.

Michael Osbadeston, Chief Executive of Ashridge Management, told in a 1993 Conference why Empowerment become so important in recent years:

- The increasing pace of change, the turbulence of the environment, the speed of competitive response and the acceleration of customer demands require a speed and flexibility of response which is in compatible with the old style command and control model of organisational functioning.

II. Organisations themselves are changing. The impact of downsizing, de-layering and decentralizing of means that the old methods of achieving Co-ordination and Control are no longer appropriate. Achieving performance in these new circumstances requires that staff take and exercise much greater responsibility.

- Organisations require more cross-functional working, more cooperation between areas, more integration in their processes if they are to meet customers' needs. Such co-operation can be achieved through Empowerment.

- Really good managerial talent is increasingly perceived as scarce and expensive. Using it for direct supervision of staff able to mange themselves compounds these difficulties. Empowerment on the other hand, enables managerial talent to be focused more on external challenges and less on internal problem-solving.

Empowerment may reveal sources of managerial talent, which were previously unrecognized, creating circumstances in which that talent can flourish. Another important aspect of Empowerment is that releases people creativity and commitment.

Objectives and Statement of Hypotheses:

Bearing in mind the important of Empowerment in the knowledge era, the study findings could help in determining the appropriate tactic in achieving an optimal objective and after reviewing the literature, below are the hypothise of the study.

H1a: There is significant difference between male and female employees of varied age in their perception towards Empowerment.
H1b: There is significant difference among employees of varied academic qualification in their perception towards Empowerment.
H1c: There is significant difference among employees of varied year of service in their perception towards Empowerment.

To determine the relationship between Empowerment and related factors, the hypothesis.

H2a: There is significant relationship between Communication and Empowerment.
H2b: There is significant relationship between Coaching and Empowerment.
H2c: There is significant relationship between Participation and Empowerment.
H2d: There is significant relationship between Training and Empowerment.

SCOPE OF THE STUDY

The scope of the study was confined to selected Public and Private Hospitals in the twin cities of Hyderabad and Secunderabad.

Two types of hospitals were selected on the basis of their ownership namely public and the private hospitals, besides they were qualified on the basis of their strength. All these hospitals, which were having a minimum of 100 beds, were choosen for the study.

LITERATURE REVIEW

What is empowerment meant to accomplish? It is important for the general manager and executive committee to decide what specific goals would like to achieve by implementing employee Empowerment advises Robert Brymer of Florida State University. 'These goals must be specific, measurable. Otherwise, Empowerment can easily become something to simply 'try out for a year". According to Donald Laurie, founder & CEO of Laurie International, London, people on the front-line understand the customer's expectations and the factors that inhibit them from meeting their expectations better than any manager in the company. Laurie says that people who can really meet customer's requirement are these on the front-line. Show them their potential, trust them, support them with the tools and training that they need, and strive to remove the factors that inhibit them. They will reword you with the financial results.

According to Brymer "Experienced employees usually have more difficulty initially accepting decision making responsibility. That is because they are accustomed to reverse delegation, which means passing problem to their boss or perhaps to another department. However, once they made the transition and have accepted empowerment they can rely on their operation experience to help make informed decision.

Newly hired employees, on the other hand, will usually hare the reverse reaction. They will accept bottom-up decision, making much more readily, taking on customer problem with a fresh and energetic approach. Their inexperience will sometime require advice on what to do.

Karenward a resourcing consultant explains that the quality of service has increased. More and more companies are recognizing that in a sort of front-line jobs. It is innate traits, work style and behaviour, more that experience, educational qualification or technical abilities that differentiate between the successful and the unsuccessful performance we can teach the technical skills, but how can train someone to smile?

METHODOLOGY

Total Ten Hospitals were selected for the study, four from public sector and six from private sector Hospitals. The sample for the study includes out of total population 255 employees. 125 front-line employees stratified sampling was used to determine the minimum sample size.

Each employee was placed into only one sub-group according to department and everyone within the group stood and equal chance of being included in the sample. Based on Smith (1988), the minimum required sample size for the study is 49% of the total number of the front-line employees from each Hospitals or a total of 125 respondents.

SOURCE OF THE DATA

The primary data were collected from the both Private and Public Hospitals front-line employees. Primary data formed the core of the research study. As the sample includes front-line employees, questionnaires and interview were utilized as necessary methods.

FINDINGS AND DISCUSSION

The respondent's demographic characteristics are presented in the table below:

Table-1: Respondents' demographic characteristics (n = 125)

Demographic	Characteristics & Classification	Frequency	Percentage
Gender	Male	61	48.8
	Female	64	51.2
Age	> 21 years	43	34.4
	21 – 30 years	67	53.6
	31 – 40 years	13	10.4
	41 – 50 years	2	1.6
Experience	<1 year	70	56
	2-5 years	50	40
	6-10 years	3	2.4
	> 11 years	1	1.6

6.1 Result of T-test and One-way ANOVA

Results of T-test and mean values on perception toward empowerment.

Table-2:

Perception towards Empowerment based on Gender	Gender	Mean	Std. Deviation	T. Value	P. Value
	Male	3.25	3.30	-2.002	0.000
	Female	0.28	0.26		

Based on the above, there was a significant difference between mean attitudes of the male employees and the female employees in terms of their perception toward Empowerment. Thus the study fails to reject null hypothesis.

Table-3: Results of one-way ANOVA and mean values on perception towards Empowerment.

Perception towards Empowerment based on	Variables under study	Mean	Std. Deviation	F Value	P Value
Age	Below 21 years	3.249	0.18	1.792	0.033
	21-30 years	3.253	0.32		
	31-40 years	3.354	0.26		
	41-50 years	3.260	0.27		
Experience	Below 1 year	3.185	0.24	2.184	0.007
	2-5 years	3.351	0.27		

The result above shows that there was on significant difference among employees of varied age in their perception toward Empowerment where f-value is 1.792 and p-value 0.033. Further, for perception based on experience the mean is 3.185 (less than one year) 3.351 (2-5 years) and 3.44 (6-10 years).

The ANOVA's result showed there is no significant difference among employees of varied working experiences in their perception towards Empowerment, where the f-value is 2.184 and the p-value is 0.007.

Relationship between Empowerment and Related Factors

The relationship between variables was determined through a correlation analysis as shown below.

Table-4: Result of correlation analysis on Empowerment and Related factors

Independent Variables	Correlation (r)	P-Value
Communication	1	0.000
Coaching	0.362**	0.000
Participation	0.624**	0.000
Training	0.161*	0.000

** Significant at the 0.01 level
* Significant at the 0.05 level

The above table shows that there was a significant correlation between communication and Empowerment where r is 1. Thus, the hypothesis 2a is accepted. This implies that the better the flow of communication especially horizontal the more positive would be their perception towards Empowerment. In term of the relationship between coaching and Empowerment, there was a significant correlation where r=0.362. P-value is 0.00. Thus, hypothesis 2b is accepted. The strength of the relationship was moderate. This implies that the more coaching given, the more positive would be the perception of the employees towards Empowerment.

Hypotheses 2c is also accepted because the relationship between participation and Empowerment was found to be significantly positively correlated at r=0.624, P-value=0.00. This implies that the higher the employees participation in decision-making the more positive would be the perception towards Empowerment. Training was also significantly positively correlated to Empowerment with r of 0.161 and P-value=0.00. This implies that the more training being given by the managers, the more there would be a positive perception of front-line employees towards Empowerment. This hypothesis 2d is accepted.

CONCLUSION AND RECOMMENDATION:

Except for gender, the majority of employees had a positive perception towards Empowerment regardless of their age, experience. It shows that the right kind of organizational condition and management support, employees at even the lowest level can have a sense of personal control over their work.

In an organization wherein of contractual relationship that can exit between individuals and organisation. There are full-time, Part-time, permanent, temporary and sub-contractual people working side by side. The challenge will be to maintain a whole hearted commitment of all these workers to the organisation and it is only possible with embracing Empowerment.

The modern mobile labour market makes its easy for talented employees to find alternative employees with an attractive reward packages. The challenge here is to offer such people rewarding work and a stake in the organization.

Consistency and consideration on must be the watchwords. As organisation expand there is often a need to ensure that opportunities are open for individuals to grow and develop by moving across divisions and Empowerment of an employees is of great help in the regard.

Maintaining the motivation of employees

in a constantly changing market place is perhaps the most demanding challenge of all in the situation management must find alternative ways to engage the commitment of the work force. The route to Empowerment is a tried and tested approach to constructively involve employees.

In order to meet these challenges to top management needs to enter in to a new kind of relationship with its employees. It is a kind of synergetic partnership where each depends on the other for success. Employees will become more independent more self-sufficient, more empowered. Thus Empowerment is the way if achieve survival and success.

REFERENCES:

1. Blalstand, M. and Cooper,A (1995), The communicating Organisation. Institute of Personnel and Development, ISBN 085292575,
2. Syrett, M. and Lammiman J, (Luly 1994) Developing the Peripheral Worker, Personnel Management, July 1994, pp 28-29.
3. Johnson. R (1986) "Building Success Through People" Business Books Limited, ISBN, 009 1607604.
4. Reid M. and Barrengton, H (1997) Training Interventions. Institute of Personnel and Development, ISBN 085292660X.
5. Burgoyne J. (19950 "Feeding minds to grow the business" people Management, 21sept.1995. pp,22-23
6. Grundy. T (1993) Implementing Strategic Change, kogan page. ISBN 074940745X.
7. Wheatley, Rand Prker. N (1995) "Empowerment: Self-directed work teams", Institute of Management Foundation. ISBN 085946 2579.
8. Badura A (1997) "Self-efficacy: Toward a unifying theory of behavioural change. Psychological Review, vol.84 pp.191-215
9. Berry, LL and Parasuraman A (1991), Marketing Services competing through Quality. The free Press. N.Y.
10. Forrester, R (2000), Empowerment: rejuvenating a Potent idea, Academy of Management Executive, vol.14 No.3. Pp-67-80.
11. Hart. C.W.L; Heskett, J.Land Sassr, W.E. (1990) The Profitable art of Service recovery, Harvard Business Review. Vol.68. No.3 p.p – 148-156.
12. Maister, D. and lovelock. C (1982) Managing Facilitator Services, Sloan Management Review, pp. 19-31.
13. David Clutter buck and Susan kernaghan (1995) "The Power of Empowerment" Kogan page London. ISBN 07494 17538.

ORGANIZATIONAL CITIZENSHIP BEHAVIOR: ITS ANTECEDENTS IN IT SECTOR ORGANIZATIONS IN HYDERABAD – AN EMPIRICAL STUDY

Ravi Nath M, Research Scholar
Dept. of Business Management, Osmania University, Hyderabad.

ABSTRACT

This study is concentrated on the consequences of Unselfishness (Altruism), Conscientiousness, and Civic Virtue (three antecedents) and their relationship with Organizational Citizenship Behavior (OCB) among IT sector organizations in Hyderabad. As per previous studies it's been hypothesized that there exists an immediate and vital relationship between the antecedents chosen and Organizational Citizenship Behavior (OCB). Results prove that every one the on top of mentioned antecedents have vital positive relationship with OCB. The aim of this study is to invoke Organizational Citizenship Behavior (OCB) in Information Technology (IT) sector organizations.

Keywords: Organizational Citizenship Behavior (OCB), Altruism, Conscientiousness, Civic Virtue, Organizational atmosphere

INTRODUCTION

Organizational Citizenship Behavior is comparatively new idea thought-about below organizational Behavior. The main analysis, during this comparatively infant field of study has principally taken place within the Nineties and still continued at a stable pace. The analysis going down presently is targeted on establishing the connection of OCB with its three aspects. The rationale for selecting OCB as a research ground is its positive relationship with unit performance, which implies by measure OCB we are able to get one step nearer in increasing the unit performance.

OCB makes the impact on organization effectiveness; OCB ought to have a specific impact on the effectiveness of organizations by adding to the social framework of the work atmosphere. Interestingly researchers' outline OCB in not a great deal completely different contexts and backgrounds, additionally there's a lot of consistency found in their ways in which of deciphering OCB. Jacqueline et al. (2004) refers, OCB to be an extra-role behavior i.e. it's any behavior not formally needed by the organization; rather its follow depends only on the consent of employee as a consequence of the organizational atmosphere. I actually have chosen unselfishness, conscientiousness, and, civic virtue among the massive 5 aspects of OCB.

There is profound relation between

OCB and Altruism; it's usually remarked because the serving to behavior of an employee, towards its fellow staff. Todd (2003) found that unselfishness, for example, typically is interpreted to replicate the willingness of associate degree employee to assist a co-worker, is also mentioned and explained because the selflessness of an employee towards organization.

Conscientiousness is another vital antecedent of OCB; a lot of the studies have taken place to review its relationship with OCB. Konovsky & amp; Organ (1996) found in their study that, conscientiousness was considerably inter-related to any or all sorts (facets) of OCB. According to Neihoff & amp; Yen (2004), additional conscientious employees can keep informed with up-to-date information concerning products or services offered.

The third designated antecedent that affects OCB is Civic Virtue, it's a behavior exposed by collaborating in the unofficial activities of the organization, that don't seem to be necessary and obligatory, however result in the social cohesiveness inside the organization. As per Borman et al. (2001) the definition of Civic Virtue is, to involve oneself responsibly in and worrying regarding the lifetime of the corporate.

To this date, most of the research within the field of Organizational Behavior (OB) was control in the geographical context of civilization, In sub continental region; culture, surroundings, values and norms are entirely totally different and need a separate study to create HR practices applicable additional meticulously, several western international corporations are acquiring this region owing to low cost labour and vast potential market, so this study would primarily be targeted to assist in a better understanding of the OCB in a completely different geographical context. This research will focus on different Information Technology (IT) sector organizations.

LITERATURE REVIEW

Organizational Citizenship Behavior (OCB)

Organizational concern emerged as the motive most closely related to OCB directed towards the organization (Dick et al. 2006). OCB typically refers to behaviors that positively impact the organization or its members (Poncheri, 2006). OCB can be defined as defending the organization when it is criticized or urging peers to invest in the organization (Turnipseed & Rassuli, 2005), or a behavior that exceeds routine expectations. OCBs yield significantly higher outcomes in the long term than in the short term for the organization (Joireman et al. 2006). OCB can be affected by instilling in employees a perception of expertise in their job tasks (Todd, 2003). There is persuasive evidence that OCB is an outcome consistent with a social exchange relationship (Deckop et al. 1999). The importance of OCB can be realized by the argument of Koys (2001) who suggests; Organizational Citizenship Behavior had an impact on profitability but not on customer satisfaction. Also (Jacqueline et al. 2004) individuals engage in OCB as a form of reciprocity based on organizational treatment.

Turnipseed & Rassuli (2005), as found that the 'best' performing workers produced the strongest link between performance and functional participation, which is a helping-type (Altruism) OCB. Employee attitudes were found to influence subsequent organizational citizenship. Indeed, as citizenship appears to consist of discretionary behaviors, how the employee perceives the organization would likely predispose this employee to either perform or withhold such performance (Dick et al. 2006). Results indicate that perceptions of citizenship performance predict overall performance equally well across all task performance levels (Coole, 2003). Results from the studies of Yorges (1999) suggest, that creating a group environment can have detrimental consequences, particularly regarding OCB (due to competition). Deckop et al. (1999) argue that, for employees low in value commitment, a pay-for-performance system appears to be a disincentive for engaging in OCB.

Jacqueline et al. (2004), are to the extent organizations can manage their relationship with employees; they are more likely to engage in OCB. The belief among theorists is that as more employees engage in OCB, the organization becomes more successful (Neihoff & Yen, 2004). OCB and CWB (Counterproductive Work Behavior) were significantly negatively correlated (Baker, 2005), which means that a person high on OCB scale will not show any such behavior posing an adverse effect to production. Interestingly, the study of Deckop et al. (1999) yields, that; the age of employee had (s) a negative and a marginally significant effect on OCB. Organizational Citizenship Behavior might enhance co-workers' or supervisors' productivity, help coordinate activities, increase the stability of organizational performance, and help the organization attract and retain employees (Borman, 2004). Employees who perform citizenship behaviors may be more likely to elicit support from their organizations (Moorman et al. 1998). After all above arguments there also exist a view regarding OCB i.e. OCB is an extra-role behavior that is not formally evaluated (Pond et al. 1997).

Major Antecedents of Organizational Citizenship Behavior (OCB)

There are many factors that can contribute to the determination of Organizational Citizenship Behavior (OCB) which include Altruism, Conscientiousness, Civic Virtue, Sportsmanship, Courtesy, etc. but the factors that have been researched to have a significant relationship with Organizational Citizenship Behavior, are the first three i.e. Altruism, Conscientiousness, and Civic Virtue. As Borman et al. (2001) finds Altruism and conscientiousness are the two major or overarching dimensions of OCB.

1. Altruism

Todd (2003) Altruism, for instance, usually is interpreted to reflect the willingness of an employee to help a co-worker, also is referred to and explained as the selflessness of an employee towards organization. Also, as per, (Redman & Snape, 2005) 'Altruism' is concerned with going beyond job requirements to help others with whom the individual comes into contact. Altruism is accounted as a one of the significant antecedents of Organizational Citizenship Behavior (OCB), reason being, as Pare' & Tremblay (2000) explains - behaviors such as helping a colleague who has been absent from work, helping others who have heavy workloads, being mindful of how one's own behavior affects others' jobs, and providing help and support to new employees represent clear indications of an employee's interest for its work environment. Socially driven values emphasizing the group over individual concerns are likely to encourage altruistic behaviors benefiting the group.

Redman & Snape (2005), 'altruism' involves helping specific individuals in relation to organizational tasks. The altruistic person can obtain utility from other persons' utility (by convincing them with their selflessness aspect of personality). Altruism and compassion may arise as a natural consequence of experiences of interconnection and oneness (Vieten et al. 2006). Altruism or helping co-workers makes the work system more efficient because one worker can utilize his or her slack time to assist another on a more urgent task (Neihoff & Yen, 2004). Rush & Allen (2001) states that, an abundant body of social psychological research indicates that there are gender differences with regard to helping behavior and altruism. Participants (employees) who were allowed to work individually were much more likely to engage in altruism and courtesy behaviors as found by Yorges (1999). The measure of altruism may be akin to citizenship behavior directed toward one's colleagues (resulting in the benefit of the organization) as established by Brennan & Skarlicki (2004). Altruism encourages teamwork and cooperation, allowing employees to increase the pool of available knowledge.

2. Conscientiousness

'Conscientiousness' refers to discretionary behaviors that transcend the essential necessities of the work in terms of obeying work rules, group action and job performance (Redman & Snape, 2005). In different words, conscientiousness means that the thorough adherence to organizational rules and procedures, even once nobody is looking at. It's believed to be, the attentiveness that a person never forgets to be a vicinity of a system. Conscientiousness and Openness are all better predictors of decision-making performance once ability is needed than decision-making performance before unforeseen modification (Lepine et al. 2000). Konovsky & Organ (1996) found in their study that, conscientiousness was considerably associated with all five types of OCB. Also, Conscientiousness was considerably associated with Generalized Compliance and to Civic Virtue, (two of the antecedents of Organizational Citizenship Behavior). Additional conscientious employees can keep informed with up-to date information regarding products or services offered (Neihoff & Yen, 2004). High conscientious individuals, in distinction, persisted longer than people lower in conscientiousness whether or not or not there was an extra profit and whether or not or not they varied the procedure whereas playing (Sansone et al. 1999). Conscientiousness, with its stress on responsibility and dedication, is probably going to underlie the primary motive for social helping—taking the initiative to interact in behaviors for the nice of the organization - conscientiousness may be expressed in various ways that in organizations and, most clearly, in terms of job performance.

Theoretically, conscientiousness is also an important predictor of geographical point behaviors as a result of it provides the organization and direction that area unit necessary to provide targeted behaviors. Higher values area unit related to larger conscientiousness once combined (Yorges, 1999). Conscientiousness accounted for distinctive variance in citizenship targeted toward the organization, as researched by Ladd & Henry (2000). Lowery & amp; Krilowicz (1996), superior evaluations of performance were found to be determined by altruism and Conscientiousness additionally as by objective job performance.

3. Civic Virtue

Civic Virtue refers to behaviors that demonstrate a accountable concern for the image and successfulness of the organization (Redman & Snape, 2005). Borman et al. (2001) defines civic virtue as responsibly involving oneself in and caring about the li fe of the company. Civic virtue is behavior indicating that associate worker responsibly participates in, and is concerned regarding about the lifetime of the organization. Baker (2005) explains Civic Virtue is accountable, constructive involvement within the political processes of the organization.As mentioned earlier, Conscientiousness was (is) considerably associated with Generalized Compliance and to Civic Virtue (Konovsky & Organ, 1996). There was (is) an impression of fairness for less than a single form of OCB (Civic Virtue), as found by Bacharach

& Jex (2000). As per Redman & Snape (2005) the civic virtue is completely expected by commitment to customers and colleagues with proof of partial mediation by international commitment.

Coole (2003) argues that civic virtue was a lot of restricted in their respect to organizational effectiveness; i.e. the more the organization is effective the probabilities of emergence of this terribly behavioural aspect is that the most. Sociableness was (is) negatively associated with the citizenship behaviors of unselfishness, Civic Virtue, and Conscientiousness (Baker, 2005). Todd (2003) points out that, it’s noteworthy that some different types of OCB like serving to behavior and civic virtue seem to impact distinct measures of organizational effectiveness in their own ways that. Civic virtue is additional possible to involve a purposeful contribution (in OCB) by employees compared to different dimensions (Jacqueline et al. 2004). If employees determine powerfully with the organization (i.e., high civic virtue), one would expect them to exert additional effort to enhance their productivity, leading to improved potency (Neihoff & Yen, 2004).

HYPOTHESIS

H1: Based on above analysis findings we can argue that altruism is an antecedent of OCB; therefore altruism will show direct and positive relation with OCB.

H2: After a comprehensive literature review on the connection of OCB and Conscientiousness we can argue that Conscientiousness will prove positive correlation with OCB.

H3: The on top of research shows that civic virtue is a very important antecedent of OCB and Civic Virtue will have a positive relationship with OCB.

PARTICIPANTS, MEASURES AND METHODOLOGY

Participants

The employees of various IT sector organizations within the city of Hyderabad were the participants in my study. The survey was conducted on random basis i.e. questionnaires were with none discrimination or bias. Mine could be a cross-sectional study as I have collected the information just once. Because of some limitations (discussed in following pages) the sample consists of 176 employees from the above mentioned sector; however the accuracy has not been compromised. It’s expected, that each one respondents have provided the response honestly and properly up to their understanding and comprehension of the questionnaire.

Measures

In my survey, responses were rated on the Likert scale format, with answer starting from 1 to 5 (1 = Strongly Disagree and 5 = Strongly Agree). To measure Organizational Citizenship Behavior (OCB); I used OCB measure developed by Lee and Allen (2002) and a measure of discourse performance developed by Motowidlo and Van Scotter (1994). To survive the chosen antecedents of OCB i.e. Altruism, Conscientiousness, and Civic Virtue I adopted the relevant sections of Organization Citizenship Behavior questionnaire, developed by Podsakoff et al., 1990; Podsakoff & MacKenzie, 1994.

The respondents were assured of confidentiality to ensure the fairness of responses (questionnaire appended). To avoid any oversight attributable to a non-serious perspective i tried to utilize the break day of employees to fill the questionnaires. Additionally the respondents were given full clarification of the questionnaire.

METHODOLOGY

After the collection of information, scores were developed for the chosen constructs, by averaging the responses to things comprising every dimension (OCB, Altruism, Conscientiousness, and Civic Virtue). Then on acquired suggests that, totally different analyses were utilized significantly Correlation and Regression, to analyse regarding the presence of relationship between OCB and its constructs, their significance beside the direction.

RESULTS

Demographic Analyses

The subsequent Figure 2 in below I has tabulated the demographics data on the basis of age, gender and education level of respondents with their description range and frequency.

Criteria (Description)

Age	18 – 26 years	56	32
	26 – 36 years	77	44
	36 – 44 years	18	10
	45-above years	25	14
Years of Education	Less than 16 years	39	22
	16 years	63	36
	More than 16 years	74	42
Gender	Male	127	72
	Female	49	28

Years of Working	Less than 2 years	37	21
	More than 2 but less than 5 years	116	66
	More than 5 years	23	13

Data shows that 56 respondents fall between the age bar of 18 to 26 and therefore the high frequency between 26 to 36 years show that the majority of the employees square measure during this sorting; the overall frequency between 36 to 44 is 18 whereas 25 employees were 45 years of age and higher than. The education categorization shows that the majority of the respondents were well educated, solely 22 of them were below the graduate level, and rest of them were either graduates or were post graduates. The data additionally reveals that the magnitude relation of male respondents is more than females. One among the massive reasons of this distinction in magnitude relation is our Indian culture during which, it's not acceptable by the plenty to let women work in any sector, any where and any time, apart from medical, IT, and teaching. Though a new moderate era has taken a small begin but still individuals are reluctant, but we are able to expect this gap to be stuffed shortly. Moreover, a decent proportion i.e. 79 of workers had spent more than 2 years with their current organizations.

Correlation Analyses

Predictors	Mean	S.D.	OCB	Altruism	Conscient-iousness	Civic virtue
OCB	3.3520	.38428	1			
Altruism	3.3977	.83378	.418(**)	1		
Conscientiousness	3.1651	.58068	.428(**)	.030	1	
Civic Virtue	3.4644	.84861	.405(**)	.132	-.118	1

2. Descriptive Statistics and Inter-correlations

** Correlation is significant at the 0.01 level (2-tailed)
A Number of Respondents = 176

Different application's were accustomed calculate the same values of correlation and regression, notably MS excel and SPSS application. Here second column is showing the means that of responses, third column is showing the quality deviation of these means that, the last 3 columns square measure portraying the inter-relationship between OCB and also the elite antecedents, moreover as their relationship among themselves. All the values square measure positive and vital up to 0.01 (**). Our concern is especially with the fourth column of the table that is showing the correlation between OCB and chosen antecedents.

Regression Analysis

The regression analysis suggests that the chosen antecedents account for more than 400th of the variation in OCB among the employees of various IT sector organizations in Hyderabad.

Model	Predictors	B	t	Sig.
1	OCB (Constant)	1.178	7.199	.000
	Altruism	.161	6.504	.000
	Conscientiousness	.309	8.700	.000
	Civic Virtue	.188	7.662	.000

Figure a. Regression Model

a) Dependent Variable: OCB (Constant)

R square = .514
F = 60.556 Adjusted R square = .505
Significance = .000(a)

Number of Respondents: N = 176
Figure b. Regression Mode
a) Predictors: OCB (Constant), Altruism, Conscientiousness, Civic Virtue

DISCUSSION

This analysis provides robust indications, that the chosen antecedents have deep impact on OCB within the IT Sector organizations in Hyderabad. It had been expected that geographical, cultural and environmental factors could cause some deviation and contradictions from the results found by earlier researchers who thought-about solely civilization in their research however to my surprise the values weren't a lot of totally different than those yielded by preceding western researches. OCB features an important importance to an organization; as a result of if personnel aren't willing to work and their work directions are not parallel to the organizational objectives then the organization cannot accomplish the operational potency. As while not OCB there won't be a lot of concern present among the employees concerning the promotion and good thing about the organization.

This research included three variables; the primary one was “Altruism” that is additionally named and explained because the selflessness of an employee towards the organization. The applied analyses yield vital results, providing the proof that H1 is true. The analyses show that the worth of the correlation between OCB and Unselfishness is 0.418**. If the manpower of an organization have the passion to assist each other and are unselfish in achieving the organizational goals, it will naturally lead to the development of, OCB within the organization and consequently the organization itself. In my analysis space, the IT Sector organizations in Hyderabad, it absolutely was ascertained that the notion of Human Resource Management until currently, has not non-moving deep into the bottom of the organizations. Incentives for motivation being provided to the employees solely embrace vast financial spurs, keeping in view the economy of the geographical region.

The second variable i.e. Conscientiousness, was additionally known to possess an incredible role within the development of OCB. Conscientiousness is a temperament dimension that may be outlined as the magnitude of adherence to the principles and norms of an organizational setting. Conscientiousness also can facilitate to create the surroundings of the organization better and calm and it can facilitate to form cordial relationship with peers. The results shown in correlation table indicate that the connection between OCB and Conscientiousness was considerably positive i.e. 0.428**. There may be a conflict between worth and therefore the value found by previous researchers, the rationale for the delineation is also, as during this a part of the planet, several of the employees doesn’t have a particular set of organizational code, to stick to; which ends in low score by the respondents on Conscientiousness scale.

Finally, Civic Virtue was the last among the chosen antecedents of OCB. Civic Virtue will be explained as the willing involvement of the personnel within the routine and non-routine matters of his/ her organization for the projection of a decent image of the organization. The correlation result’s showing the many result on the link between OCB and Civic Virtue. The worth yielded by this study for correlation between OCB and Civic Virtue is .405(**). In this region of the globe people focus additional on financial gain instead of obtaining themselves concerned in efforts to enhance the impression of their organization. It’s a typical understanding in society that one who is politically and financially robust and one who has sensible relationship with the higher ups within the management, wouldn’t have any hassle extant. But by deciphering the results, it will be finished that in most of the personal organizations, the commitment of employees with their organization and work is increasing with the extent of awareness. Staff are realizing the actual fact that not only the office work however the opposite workplace connected routines may also play a job within the betterment of the organization and consequently, for the employees themselves. In sum it's expected that the thought of civic virtue is rising in organizations, but we will need to provide it some time to let it reach to its prudent level.

A mere observation of the respondents' perspective towards the organization citizenship behavior develops its pedigree with the passage of time i.e. it was determined that, the longer the amount of affiliation, the stronger was the citizenship behavior, also it was discovered that a lot of the satisfaction among the employees concerning the organization, caring for his or her employees, high was the rating on OCB scale. The analysis also capitulates that the citizenship behavior contains a terribly important impact on the soundness of the organizational structure.

LIMITATIONS

It is felt by the researchers that there's an ample space for research during this field but the shortage of resources poses a significant limitation. Conjointly it's believed that the sample size is not enough to represent the total business and there is a small chance that the long run research within the same organization could yield slightly different results.

It was found throughout the survey that most employees had no idea of OCB, the researchers created their honest efforts to form each respondent perceive the questionnaire in order that the research is productive, but it's felt that the subsequent researchers ought to translate the language of questionnaire in order that it's simply understood by the respondents.

Finally, it is suggested to the long run researchers to incorporate antecedents like Tenure, Salary, Job Satisfaction (JS), Job Enrichment (JE) and Organizational Commitment (OC) etc. in their studies, because it was experienced that they will have a sway on the decisive of OCB among the hands of an establishment.

SUGGESTION AND CONCLUSION

The explanation of this research was to test the connection between OCB and its chosen antecedents; in a different cultural context i.e. IT sector organizations in Hyderabad. Even though it was found in literature that the cultural context moderates the relationship to a significant level, but apparently this study proves otherwise, i.e. the results were directionally as well as magnitude wise in keeping with the researchers.

Firstly employees protruding selfless behavior i.e. to assist out their co-workers with their work connected issues will demonstrate OCB, which reciprocally will act as a good person for the whole organization. It will conjointly end in employees having religion in one another which can cause the employee relationship, of supervisor subordinate at vertical level, and peers at horizontal level to boom.

Secondly those workers showing a due concern towards the progress of their organization by performing activities that may boon the organization, this behavior conjointly leads to the betterment of surroundings and behavior among the organization. If employees strictly adhere to the rules and regulation then it'll mechanically result in some positive effects, which can embody timeliness, decrease in employee absence, leading to flip in the prosperity of the organization.

Finally if workers participate in activities not obligatory by the organization but that result in the impression of the organization to prosper, then the social life inside the organization can become pleasant, that at the top of the day can end in happy employees and should cause the employees to develop vigorous and resistance relationships among themselves.

REFERENCES:

1. Bolino, M. C., Turnley, W. H., Gilstrap, J. B., & Suazo, M. M. (2010). Citizenship under pressure: What's a "good soldier" to do? Journal of Organisational Behaviour, 31, 835-855. doi: 10.1002/job.635
2. Borman, W. C., Penner, L. A., Allen, T. D., & Motowidlo, S. J. (2001). Personality predictors of citizenship performance. International Journal of Selection and Assessment, 9(1/2), 52-69.
3. Organ, D.W. (1988). Organizational citizenship behavior: The good soldier syndrome. USA: D.C. Heath and Company.
4. Roberts, Et Al. (2005). The Structure of Conscientiousness: An Empirical Investigation Based on Seven Major Personality Questionnaires. Personal Psychology, Vol. 58, pp. 103-139.
5. Organ, D.W. (1997). Organizational citizenship behavior: It's construct clean-up time. Human Performance, 10(2), 85-97. doi: 10.1207/s15327043hup1002_2
6. Organ, D. W., Podsakoff, P. M., & MacKenzie, S. B. (2006). Organizational citizenship behavior: Its nature, antecedents, and consequences. USA: Sage Publications, Inc.
7. Organ, D. W., & Ryan, K. (1995). A meta-analytic review of attitudinal and dispositional predictors of organizational citizenship behavior. Personnel Psychology, 48, 775-802.

UNDERSTANDING PRICE BEHAVIOUR BY USING CANDLE STICK CHARTS – A STUDY ON SELECT EQUITIES

B.Laxman, Research Scholar
Department Of Business Management, Osmania University

INTRODUCTION

A candlestick chart is a style of financial chart used to describe price movements of equity. It is like a combination of line-chart and a bar-chart: each bar represents all four important pieces of information for that day: the open, the close, the high and the low prices. Candlestick charts are most often used in technical analysis of equity and currency price patterns. Candlestick charting offers several advantages over other investment techniques. It helps investors enormously when they try to pin down the best trading stocks in the market. Candlesticks are especially popular because they give investors a very clear visual image of a stock's progress. They provide deeper insight into the direction of the market as compared to other types of charts. Most investors feel that candlestick charts are more visually informative and appealing; therefore it is easier to draw inferences from them. A candlestick provides an encapsulated picture of the stock movement so investors can easily compare the opening and closing prices, as well as the high and low. This highly popular method intuitively reveals the investment trends in a particular stock.

History of Candlestick Charts

Candlestick analysis had been developed over the years simply due to the tracking of rice price movements. However, in the mid 1700's they were really fully utilized. "The god of the markets" Homna came into the picture. Munehisa Homna, the youngest son of the Homna family, inherited the family's business due to his extraordinary trading savvy. Homna's research into historic price moves and weather conditions established more concrete interpretations into what became known as Candlesticks. His research and findings, known as "Sakata Rules" became the framework for Japanese investment philosophy. Japanese Candlestick analysis was never a hidden or secretive trading system. It was successfully used in Japan for hundreds of years. It has been only recently, about 25 years ago, that it first made its way into the U.S. trading community. Until then, there just wasn't any interest from Western cultures to investigate the Candlestick Technique. Until recently, the investment community knew about Candlesticks, they just didn't know how to use them effectively. Interest has been increasing dramatically now that the roaring markets have collapsed.

Investors, new and old, are now trying to investigate methods that protect them from the severe losses that occurred from March 2000 until now.

OBJECTIVES OF THE STUDY

The objectives of the present are:

1. To study about various technical charts in understanding price behavior of select equities.
2. To study the long term price behavior of select equities by using candlestick charts.

RESEARCH METHODOLOGY

This study is an endeavor to find the importance for technical analysis in predicting the price behaviour of the selected equities, using candlestick charts. For this purpose five different companies are selected each form four different industry segments. After selection of the companies they are individually analyzed using the candlestick charts to know about the validity and utility in prediction of the future prices.

RESEARCH DESIGN

The present study has verified the theories of technical analysis on the basis of observations. It has examined the overall performance and profitability of equities of different companies with the help of candlestick charts for the analysis. The present study covers the four major traditional patterns such as 1) Head and Shoulders 2) Inverted Head and Shoulders 3) Up flag 4) Down Flag. Factors common to all the patterns are established and interpreted in the study.

Sample Design

In the present study, five different companies from each sector i.e., total sample of 5 companies from Nifty have been considered for the study to analyze for long term (5years) separately. The selected 5 companies for the present study are as follows:

Bajaj Auto Limited, ICICI Bank, BPCL Britannia Limited, HCL Technologies Limited,

Time Period of the Study:

The secondary data was collected and interpreted for the period of five financial years from 1st April, 2009 to 31st March, 2014 for the secondary data to study the price behavior of selected stock.

Statistical Tools Used: The tools used for the secondary data for the purpose of technical analysis candlestick charts with candle patterns and price patterns, Exponential Moving Averages for 5 days, 13 days and 26 days have been used and the volume traded

Limitations of the Study:

The present study have following limitations:

- The stocks selected for this study are taken only from the NSE Nifty and not for many other indices.
- Only few candle patterns and chart

patterns were used to study the price behavior of selected stocks not all the patterns.

Review of Literature

In the present study review of literature has been divided into 3 segments which are as follows

Candlestick Charts

Levy (1971) Documented the profitability of 32 five-point chart formations for NYSE securities. He found that none of the 32 patterns for any holding period generated profits greater than average purchase or short-sale opportunities.

Leigh, Paz, and Purvis (2002) Noted that bull flag patterns for the NYSE Composite Index generated positive excess returns over a buy-and-hold strategy before transaction costs.

Lucke (2003) All showed limited evidence of the profitability of technical patterns in foreign exchange markets, with trading profits from the patterns declining over time.

Omrane and Oppens (2004) Use technical trading strategies. They examine the presence of price chart patterns in intra-day EUR//USD, using both close and high-low prices. They search for 12 chart patterns and study them, based on the two criteria of profitability and predictability. Using the statistical methodology of Monte Carlo simulation to calculate results' statistical significance, the authors find evidence of chart patterns in the foreign exchange market. The results reveal that more than 50 per cent of the charts that are identified, has high predictability.

Haibin, Zhao and Wang (2012) Examine the performance of the Japanese candlestick patterns in predicting equity returns using both in-sample and out-of-the-sample forecasts. The researchers find that the Japanese candlestick patterns do have predictive power in both in-sample and out-of-sample forecasts. In all the cases, the Japanese trading rules are found superior to the simple buy-and-hold. Also, it is found that there is important information that spreads out from the US stock market to the other financial markets.

Data Analysis:Long Term Behavior of Bajaj Auto Limited

In Bajaj Auto Limited Company Uptrend and Sideways Trends have formed in the chart for the financial years 2009-14 and 11 candle patterns have formed on the chart and the below 4 candle patterns have repeated for multiple times.

1. Doji (8 Times)
2. Shooting Star (2 Times)
3. Bearish Harami (8 Times)
4. Bearish Engulfing (13 Times)

The price of Bajaj Auto Limited moved in between Rs.607 and Rs.2028 with net change of Rs.1421. with overall growth during 2009-14 is 234%. Average annual growth is 46.8% .

Chart Long Term Behavior of ICICI Bank

In ICICI Bank Head and Shoulder and Inverted Head and Shoulder patterns have formed for financial years. 2009-14 and 10 candle patterns have formed on the chart and the below 4 candle patterns have repeated for multiple times.

1. Gravestone Doji (3 Times)
2. Hanging Man (2 Times)
3. Dark Cloud Cover(2 Times)
4. Bearish Harami (6 Times)

The growth of the ICICI Bank for long term 2009-14 is 209% where price starts at Rs.397.8 and ends at Rs.1230.45 and the net change is Rs.832.65.the annual growth rate is 41.8% .

Chart Long Term Behavior of Bharat Petroleum Corporation Limited

In Bharat Petroleum Corporation Limited Head and Shoulders and Sideways Trend have formed for the financial years 2009-14, and 8 candle patterns have formed and the below 4 candle patterns have repeated for multiple times.

1. Doji (13 Times)
2. Hammer (1 Time)
3. Bearish Harami (1 Time)
4. Shooting Star (3 Times)

The price starts at Rs.384.3 and ends at Rs. 443.6 and net change is RS.59.3with the growth rate of 15.4% for long term and average annual growth rate is around 3%.

Chart Long Term Behavior of Britannia Limited

In Britannia Limited Sideways and Uptrend patterns have formed for financial years 2009-14 and 9 candles have formed on the chart and the below 4 candle patterns have repeated for multiple times.

1. Doji (20 Times)
2. Dragonfly Doji (3 Times)
3. Bearish Engulfing (11 Times)
4. Inverted Hammer (3 Times)

Britannia limited shows the negative growth of -40.4% where the prices moved between Rs.1446.9 and Rs. 860.95 ant net negative change is Rs. 585.95.

Chart Long Term Behavior of HCL Technologies Limited

In HCL Technologies Sideways Trend and Uptrend have formed on the chart for the financial years 2009-14 and 5 candle patterns have formed

1. Doji (14 times)
2. Hanging Man (2 times)
3. Bearish Engulfing (11 times)
4. Bearish Harami (10 times)

The growth rate of HCL is 1043% for long term where price moved between Rs. 122 and Rs.1397, the net change in the price is Rs. 1275. The average annual growth is 208% .

FINDINGS

Secondary Findings

- In the present study 12 candle patterns have formed they are Doji, Dragon fly Doji, Grave Stone Doji, Hammer, Inverted Hammer, Hanging Man, Shooting Star, Dark Cloud Cover, Bearish Harami, Bullish Engulfing, Bearish Engulfing, Piercing Line.

- The study has found that total 4 different chart patterns are formed those are Head and Shoulders, Inverted Head and Shoulders, Up Flag and Down Flag.
- For the long-term price behaviour of Bajaj Auto Limited the candlestick chart has shown the formation of uptrend and sideways trend twice. The overall growth rate of the Bajaj Auto Limited is 234% for five years. The annual growth rate is 46.8 % which is considered to be above normal growth.
- For the long-term price behaviour of ICICI bank the candlestick chart has shown the formation of Head and Shoulders and Inverted Head and Shoulders twice The overall growth rate of ICICI is 209 % for five years. The annual growth rate is 41.8 % which is considered to be above normal growth.
- For the long-term price behaviour of Bharat Petroleum Corporation Limited the candlestick chart has shown the formation of Head and Shoulders and sideways trend . The overall growth rate of the Bharat Petroleum Corporation Limited is 15.4% for five years. The annual growth rate is 3% which is considered to be below normal growth.
- For price behaviour of Britannia Limited the candlestick chart has shown the formation of sideways trend twice and uptrend. The overall growth rate of the Britannia Limited is found to be negative which is considered to be -40.4% for five years.
- For the long-term price behaviour of HCL Technologies Limited the candlestick chart has shown the formation of sideways trend and uptrend. The overall growth rate of the HCL Technologies Limited is 1043 % for five years. The annual growth rate is 208 % which is considered to be abnormal growth..

REFERENCES

1. Ameen, A. A. (2013). Do Japanese Candlestick Patterns Help Identify Profitable Trading Opportunities? An Analysis On Selected Forex Markets. Dubai: The British University.
2. A. Jayakumar, K. S. (2014). Technical Analysis of Union Bank with Special Reference to NSE. International Journal of Advance Research in Computer Science and Management Studies , Vol 2 (Issue 1), Pp 356-360.
3. Biswal, P. C. (2002). An Analysis of stock price in India: Wavelets and spectral application. Hyderabad: University of Hyderabad.
4. Bigalow, S. (2002). Profitable Candlestick Trading: Pinpointing Market. New York: John Wiley & Sons, Inc.

EMPLOYEE MOTIVATION AND ITS IMPACT ON JOB SATISFACTION IN A SELECT IT COMPANY IN HYDERABAD- AN EMPIRICAL ANALYSIS

Dr. Syed Tabassum Sultana, Principal
Matrusri Institute of PG Studies, Saidabad, Hyderabad

Shalini Pottabathini, Student
Matrusri Institute of PG Studies, Saidabad, Hyderabad

ABSTRACT

Motivation and Job Satisfaction have a great impact on the performance of an employee as well as the organization. An effective organization will put in place politices to motivate its employees leading to a sense of commitment and satisfaction. Amist the declining trends in the levels of employee motivation, Organizations have to understand that there is a need better approach to increase motivation at the various levels, departments of the company so as to make employees satisfied and committed to their jobs in an organization.

The current study makes an attempt to identify what motivates IT employees and its impact on Job satisfaction using Herzberg's motivators. The results of the study conclude that there is High level of employee motivation. Majority of the IT employees opine that Recognition and Growth as their high motivating factors. Advancement and Work itself are listed last in the ranking of the motivating factors. There is a high degree of positive correlation between Motivation level and Job satisfaction level of employees. Multi Regression was applied to find the effect of various motivating factors such as Sense of Achievement, Advancement, Work itself, Recognition and Growth on Job Satisfaction. The statistical analysis confirms that motivating factors like Recognition and Growth have influence on Job Satisfaction.

Keywords: Herzberg's motivators, Job satisfaction, IT Employees;

INTRODUCTION

Motivation and Job Satisfaction have a great impact on the performance of an employee as well as the organization. An effective organization will put in place politices to motivate its employees leading to a sense of commitment and satisfaction. Amidst the declining trends in the levels of employee motivation, Organizations have to understand that there is a need better approach to increase motivation at the various levels, departments of the company so as to make employees satisfied and committed to their jobs in an organization.

Motivation and Job Satisfaction have a great impact on the performance of an employee as well as the organization. The success of an organization is to fulfill the continuous changing needs of the employees; profound responsibility falls on top management to develop strong bond between employees and organization. Organizations expect employees to follow the formal and informal rules and regulations, work according to the standards set for them in turn the employees expect good working conditions, fair treatment and pay, growing career graph and involvement in decisions. These expectations vary from organization to organization. For organizations to meet these expectations, an understanding of employees' motivation is required (Beer et al, 1984).

The relationship between the organization and its members is influenced by what motivates them to work and the rewards and fulfillment they derive from it. The nature of the work, styles of leadership and the design and content of jobs can have a significant effect on the satisfaction of employee and their levels of performance. The manager needs to know how best to elicit the co-operation of employee and direct their efforts to achieving the objectives and goals of the organization. Human Resources are the key drivers of the prosperity and success of any organization. Unless and until the organization does not recognize the efforts and contributions of their employees and reward them accordingly, it would not be able to conquer the highest level of motivation. Reward and recognition to the employee is a means that injects self-confidence and also it is a method of acknowledging the efforts of employees which helps the employee to realize that the work done is being valued by the organization.

Money still remains to be the most significant motivational factor. Though Abraham Maslow (1943) gave a model that shows that factors that motivate an individual keeps changing as one climbs the ladder of age and maturity. And also, achievement of one goal sets the ball rolling for another one to be achieved. Thus, to be motivated is a constant need. There are times when one faces a period of de-motivation and everything seems bleak. It is then that they need to find what would motivate them to spring back into action. Amongst others, rewards and recognition are the most popular practices that make an employee satisfied with his/her job as well as keep him/her highly motivated.

OBJECTIVES OF THE STUDY

- To assess the level of motivation of the employees using Herzberg's motivators
- To assess the level of Job satisfaction of the employees.

- To investigate the relationship between Herzberg's motivators and Job Satisfaction of the employees.
- To identify and analyze the impact of Herzberg's motivators on Job Satisfaction of the employees.

HYPOTHESIS OF THE STUDY

Highly Motivated employees are highly satisfied with their job.

RESEARCH METHODOLOGY

Sample Selection: the questionnaire was administered to the employees of IT Company in Hyderabad. The company permitted to administer the questionnaire on a condition that the Name of the company will not be publicized, hence the name of the company has been masked in the research work. A random sampling technique is applied and 100 employees were chosen to whom the questionnaire was administered. Out of which only 68 respondents responses were found to be useful for analysis. The response rate is 68 percent.

Data collection: Primary Data (Questionnaire survey)

Statistical Package: SPSS 16.0

Data Analysis: The following Statistical tools such as Correlation, Multi linear regression and Cronbach's-alpha test were used to analyze the data

Scaling Technique: Likert five point Scale, Cumulative scaling technique

LITERATURE REVIEW

Herzberg's motivation-hygiene theory, also known as the two-factor theory, has received widespread attention as having a practical approach toward motivating employees. In 1959, Herzberg published his analysis of the feelings of 200 engineers and accountants from over nine companies in the United States. These professionals were asked to describe experiences in which they felt either extremely bad or exceptionally good about their jobs and to rate their feelings on these experiences.

In the retail setting, Winer and Schiff (1980) have conducted studies using Herzberg's two-factor theory. They found that "achievement" was the highest rated motivator. Likewise, "making more money" received the second-highest rating in the study, followed by "chances of promotion" and "recognition". In contrast, Lucas (1985) study revealed that the "supervisor-employee relationship" was a significant factor influencing worker satisfaction in a study of U.S. retail stores, and two hygiene factors were reported as significant, namely "company policy" and "relationship with peers".

Allen & Meyer (1990) have made an attempt to answer the question; how an organization can investigate that whether they are keeping employee happy, satisfied and loyal to the organization.

Frey (1997) showed that extrinsic rewards, like monetary benefits may interact negatively with the intrinsic work motivation. It has just seen that there is crucially dependence of intrinsic motivation on the extrinsic incentives.

Luthans (1998) asserts that motivation is the process that arouses, energizes, directs, and sustains behavior and performance. Motivation encourage people internally towards the actions which helps them to achieve a preferred task.

Horwitz et al (2003) predicted that employees get high motivation through challenging work environment and support of the top management. If the employees are competitive and want to do work with full efficiency as it will utilize all their capabilities, then challenging work is the best motivator. Many of the employees like to make relationships and thus need to contact more and more to the higher authorities, so making more regular contacts make them feel that they are been observed and work with more motivation.

Wright and Pandey (2005) described in their work that emotional attachment and loyalty of the employee is one of the most important motivator that binds them to stick to the organization, many other benefits associated with the organization are also part of motivation.

Motivation and Job Satisfaction of Employees

Job satisfaction is one of the most researched area in the field of psychology, management and especially in organizational behavior and human resource management. Job satisfaction is important to an organization's success.

Some studies found that job satisfaction is associated with salary, occupational stress, empowerment, company and administrative policy, achievement, personal growth, relationship with others and the overall working condition. It has been argued that an increase in job satisfaction increases employee productivity (Wright & Cropanzano, 1997; Shikdar & Das, 2003). As mentioned by Dunnette, Campbell and Hakel (1967) and Robbins (2001), job satisfaction is an emotional state in which a person perceives various features of his/her work or the work environment. Therefore, job satisfaction has a major effect on employee's lives. Locke (1976) indicated that job satisfaction most commonly affects a person's physical health, mental health and social life. According to Rain, Lane and Steiner (1991) job satisfaction is connected to life satisfaction, whereby people who are satisfied with their jobs will tend to be happy with their lives as well, and vice versa. Breed and Breda (1997) indicated that job satisfaction may affect absenteeism, increases complaints, and labour unrest. Therefore, it is understood that satisfied employees will be much more productive and be retained within the organisation for a longer period, in contrast the displeased employees will be less useful and will have a greater tendency to quit their jobs (Crossman, 2003). More importantly, satisfied employees not only perform better but also provide better service to customers, which could result in improving customer satisfaction. According to Dawson (2005), employee satisfaction is associated with positive employee behavior. It is undeniable that satisfied workers generate customers who are satisfied and loyal.

Much research has been conducted into ways of improving employees job satisfaction in various sectors of the Malaysian economy, including the academic sector (Wong & Teoh, 2009; Noordin & Jusoff, 2009), the hotel sector (Abd. Patah, Radzi, Abdullah, Adzmy, Adli Zain, & Derani, 2009), the government sector (Yahaya, A., Yahaya, N., Arshad, & Ismail, 2009), the non-profit sector (Ismail & Zakaria, 2009), the naval sector (Mohd. Bokti & Abu Talib, 2009), and the automobile manufacturing sector (Santhapparaj, Srinivasan, & Koh, 2005).

It is assumed that motivation and satisfaction are very similar and that, in many cases, they are considered to be synonymous terms. Theories of employee motivation address a model connecting job satisfaction, motivation and performance. Significant importance is attached to these concepts, and there is a need for clarification on how satisfaction and motivation differ from each other.

Job satisfaction is how an employee feels emotionally or emotional response accompanying actions or thoughts relating to work, whereas motivation is the process that triggers the behavior. Satisfaction is an attitude, it is possible for an employee to be satisfied with his job but not be motivated. Hence, motivation and satisfaction are not synonymous with each other. It is vital to clarify the distinction between the concepts so that it is easier to understand that motivation leads to satisfaction, which ultimately leads to enhanced performance.

However, according to Hersey and Blanchard (1988), motivation and satisfaction are quite different from each other in terms of reward and performance. According to them motivation is influenced by forward-looking perceptions about the relationship between performance and rewards, whereas satisfaction involves how people feel about the rewards they have received. In other words, motivation is a consequence of expectations of the future while satisfaction is a consequence of past events (Carr, 2005). Huselid (1995) believes that if workers are not motivated, turnover will increase and employees will become frustrated and unproductive. Various other researchers who have investigated motivation and job satisfaction agree with this statement (Maidani, 1991; Tietjen & Myers, 1998; Robbins, 2001; Parsons & Broadbridge, 2006).

According to Ramayah, Jantan, and Tadisina (2001), Job satisfaction explains how employees are buoyant to come to work and how they get enforced to perform their jobs. What are the things who make happy an employee on doing work and not to leave the job? Other researchers narrate job satisfaction as being the outcome of the worker's appraisal of extent to which the work environment fulfillment the individuals needs (Dawis & Lofquist 1984).

Rao (2005) in his study discussed that satisfaction at the job for a employee acts as a motivation to work. In addition motivation leads people to their job satisfaction. It is not only self satisfaction and identity pleasure, but also blends of psychological and environmental effect of the people for their happiness with their work (Khan 2006).

Velnampy (2008), in his study on job attitude and employees performance concluded that job satisfaction has positive influence on the performance of the employees as it enhances job involvement and the higher performance also makes people feel more satisfied and committed to the organization. The satisfaction and performance of the employee works in a cycle and are interdependent. Job satisfaction and involvement of the employee leads him to have high levels of performance.

Data Analysis and Interpretation

Reliability of the Instrument

Table 1: Cronbach's Alpha

Dimension	Number of Items	Cronbach's Alpha
Motivation level	14	0.907
Job Satisfaction	20	0.914

Source: Primary Data

Table 1 presents the Cronbach's alpha of the instrument used in the current study. According to Herzberg's theory of motivation the following factors Sense of Achievement, Advancement, Work itself, Recognition and Growth leads to motivation of employees. So the same dimensions were used to measure the motivation of the employees. For Job satisfaction a standard tool Minnesota Satisfaction Questionnaire (1977) – Short form is used. To test the reliability of both the instruments Cronbach (1951) alpha relating to Level of Motivation and Job satisfaction is computed. The Cronbach's alpha of Motivation level and Job satisfaction was found to be 0.907

and 0.914 respectively. The alpha values of all the measures were greater than 0.7, indicating an acceptable level of consistency Henerson et al., (1987); Pedhazur and Schmelkin, (1991) and the cutoff recommended by Nunnally (1978) for the research. Hence, the reliability analysis predicted the trustworthiness of the data obtained from the questionnaire.

Demographic Profile of the respondents:

The following Table 2 presents the demographic profile of the respondents. 72 percent of the respondents were male and the rest were female respondents. Around 62 percent of the respondents belong to 25 years to 35 years age group. Majority of the respondents were married. 5 percent of the respondents were Post graduates.

Table 2: Demographic Profile of the Respondents

Demographic Variable	No. of Respondents	Percentage Gender
Male	49	72
Female	19	28
Age		
< 25 years	8	11.8
25-35 years	42	61.8
36-45 years	16	23.5
46-60 years	2	2.9
Marital Status		
Single	22	32.3
Married	46	67.7
Education		
Graduate	18	26.5
Post Graduate	44	64.7
CA	6	8.8
Designation		
Trainee	4	5.9
Junior Executive	2	2.9

Senior Executive	18	26.5
Executive	18	26.5
AM	12	17.6
AGM	3	4.4
Manager	6	8.8
Team Leader	1	1.4
Senior Manager	4	5.9
Tenure of Service		
< 2 years	22	32.4
2-5 years	17	25.0
6-10 years	23	33.8
Above 10 years	6	8.8
Annual Income		
Below 2.5 lakhs	9	13.2
2.5 - 6 lakhs	38	55.9
6-12 lakhs	14	20.6
above 12 lakhs	7	10.3
Total	68	100

Source: Primary Data

Level of Motivation of the Employees

To measure motivation the following dimensions Sense of Achievement, Advancement, Work itself, Recognition and Growth were used. The Sense of Achievement consists of 3 items, Advancement consists of 2 items, Work itself consists of 3 items, Recognition consists of 3 items and Growth consists of 3 items. The respondents were requested to use Likert's 5 point scale to rate each item which relates to the various dimension of motivation. The motivation Score of each employee is computed by using a cumulative score of all the 14 items. Higher the score of motivation higher is the level of motivation of the employee vice versa.

Based on the Motivation score the employees have been profiled in the three categories i.e., Highly Motivated, Moderately Motivated and low Motivation.

Table 3: Motivation level of Employees

Motivation Level	Low	Moderate	High	Total
Number of Employees	2	10	56	68
Percentage	3.2	14.7	82.1	100

Source: Primary Data

Based on the above table it can be concluded that very few employees (3.2%) were low motivated, 10(14.7%) were moderately motivated and most of the employees (82.1%) are highly motivated.

Ranking of Motivation Dimensions

The employees were asked to Rank the five dimensions (Sense of Achievement, Advancement, Work itself, Recognition and Growth) of motivation based on how highly they motivate them in their job. The following table presents the Weighted Mean Value (WMV) of five dimensions of motivation. Based on the following table it can be concluded that Recognition is considered as highly motivating factor to the employees. The next motivating variable is Growth followed by Sense of achievement. The less motivating factors are Advancement followed by Work itself.

Table 4: Ranking of factors of Motivation

Dimension of Motivation	WMV	Rank
Recognition	3.40	1
Growth	3.32	2
Sense of Achievement	3.12	3
Work itself	2.82	4
Advancement	2.34	5

Source: Primary Data

Job Satisfaction Level of Employees

To measure the job satisfaction level, the respondents were requested to use Likert's 5 point scale to rate each item which relates to the various dimension of job satisfaction. The job satisfaction Score of each employee is computed by using a cumulative score of all the 19 items. Higher the score of job satisfaction higher is the level of job satisfaction of the employee vice versa. Based on the job satisfaction score the employees have been profiled in the three categories i.e., High job satisfaction, Moderate job satisfaction and low job satisfaction.

Job Satisfaction	Frequency	Percent
Low	1	1.5
Moderate	11	16.2
High	56	82.4
Total	68	100.0

Based on the above table it can be concluded that very few employees 1 (1.5%) have low job satisfaction, 11(16.2%) were moderately satisfied with their job and most of the employees (82.4%) are highly satisfied with their job.

Table 5:Correlations

		Job Satisfaction Score	Motivation Score
Motivation Score	Pearson Correlation	.790**	1
	Sig. (2-tailed)	.000	
	N	68	68

**. Correlation is significant at the 0.01 level

Relationship between Motivation and Job satisfaction

To study the relationship between motivation and job satisfaction correlation was applied. The following table 5 presents the correlation coefficient of Job satisfaction score and Motivation score.

Based on the results presented in table 5 figures it can be concluded that there is a high degree of positive correlation between the Motivation score and Job satisfaction score. Highly motivated employees have high job satisfaction and less motivated employees are less satisfied with their job. It is also found that correlation between motivation and job satisfaction is significant at 1 percent level of significance.

Impact of Level of Motivation on Job satisfaction

To study the impact of motivation on job satisfaction Multi regression OLS is used. The four dimension of motivation Sense of Achievement (SAS), Advancement (AS), Work itself (WITS), Recognition (RS) and Growth (GS) are considered as the independent variables and Job satisfaction (Jscore) is considered as dependent variable.

Table 6: Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.825a	.680	.655	5.571	1.534
a. Predictors: (Constant), GS, SAS, RS, AS, WITS					
b. Dependent Variable: Jscore					

The table 6 is the model summary reports the strength of the relationship between the model and the dependent variable. R, the multiple correlation coefficients, is the linear correlation between the observed and model-predicted values of the dependent variable. Its large value indicates a strong relationship. R Square, the coefficient of determination, is the squared value of the multiple correlation coefficients. The value of R2 is 0.680; it shows that the model explains 68% of the variation. In other words the independent variables Sense of Achievement (SAS), Advancement (AS), Work itself (WITS), Recognition (RS) and Growth (GS) are able to explain around 68% the variation of the dependent variable Job satisfaction (Jscore). Durbin-Watson static informs us whether the assumption of independent errors is tenable. The closer to 2 the value is the better and for the data it was 1.534 which is close to the 2.

Table7: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4098.291	5	819.658	26.407	.000*
	Residual	1924.459	62	31.040		
	Total	6022.750	67			

*Significant at 5 percent level of significance

The ANOVA table 7, tests the acceptability of the model from a statistical perspective. The Regression row displays information about the variation accounted for by the model. The Residual row displays information about the variation that has not been accounted by the model. The regression much is less than residual sums of squares, which indicates that around 68% of the variation in job satisfaction is explained by the model. However, F statistic is found significant, since the p value (0.000) less than 0.05.

Table 8: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	24.233	5.870		4.128	.000		
	Sense of Achievement	.649	.526	.121	1.234	.222	.533	1.878
	Advancement	.340	.603	.060	.563	.576	.447	2.236
	Work Itself	.752	.618	.135	1.216	.229	.417	2.398
	Recognition	1.338	.514	.275	2.601	.012*	.460	2.174
	Growth	1.902	.433	.483	4.393	.000*	.426	2.347

*Significant at 5 percent level of significance

Testing for Collinearity in the data:

Table 8 presents the coefficients and collinearity statistics when multi regression is applied. The two Collinearity statistics are Tolerance and VIF. A value of VIF higher than 10, and tolerance less than 0.2 indicates a potential problem. For our current model the VIF values are all well below ten and the tolerance statistic is as well above 0.2 for all the independent variables. Hence, there is no problem of Collinearity among the variables used in the model and multi regression is appropriate.

Hypothesis Testing

Sense of achievement: The p-value of the variable is 0.222 is greater than 0.05, hence it is concluded that Sense of achievement does not have influence on job satisfaction of the employee.

Advancement: The p-value of the variable is 0.576 is greater than 0.05, hence it is concluded that Advancement of the employee does not have influence on job satisfaction of the employee.

Work itself: The p-value of the variable WITS is 0.229 is greater than 0.05, hence it is concluded that Work itself does not have influence on job satisfaction of the employee.

Recognition: The p-value of the variable is 0.021 is less than 0.05, hence it is concluded that Recognition influences job satisfaction of the employee.

Growth: The p-value of the variable is 0.000 is less than 0.05, hence it is concluded that Growth of the employee influences job satisfaction of the employee.

CONCLUSION

Motivation and Job Satisfaction have a great impact on the performance of an employee as well as the organization. An effective organization will make sure that there is a spirit of cooperation and sense of commitment and satisfaction within the sphere of its influence. Organizations understand and accept that there is a need for strong and effective motivation at the various levels, departments of the company so as to make employees satisfied and committed to their jobs in an organization. According to Herzberg's theory of motivation the following factors Sense of Achievement, Advancement, Work itself, Recognition and Growth leads to motivation of employees. So the same dimensions were used to measure the motivation of the employees.

The current study makes an attempt to identify what motivates IT employees and its impact on Job satisfaction using Herzberg's motivators. The results of the study conclude that there is High level of employee motivation. Majority of the IT employees opine that Recognition and Growth as their high motivating factors. Advancement and Work itself are listed last in the ranking of the motivating factors. There is a high degree of positive correlation between Motivation level and Job satisfaction level of employees. Multi Regression was applied to find the effect of various motivating factors such as Sense of Achievement, Advancement, Work itself, Recognition and Growth on Job Satisfaction. The statistical analysis confirms that motivating factors Recognition and Growth have influence on Job Satisfaction.

REFERENCES

1. Allen, N.J., & Meyer, J.P. (1990). The measurement and antecedents of affective, continuance, and normative commitment to the organization. Journal of Occupational Psychology, 63, 1-18.

2. Ali Shaemi Barzoki, Ali Attafar, AliRezaJannati, "An Analysis of Factors Affecting the Employees Motivation based on Herzberg's Hygiene Factors Theory (The study: Golpayegan City Saipa Corporation Industrial Complex's Staff)", Australian Journal of Basic and Applied Sciences, 6(8): 115-123, 2012ISSN 1991-8178.

3. Beer, M., Spector, B., Lawrence, P.R., Mills, D.Q., and Walton, R.E. (1984). Managing human assets. New York: The Free Press.

4. Cronbach L J (1951), "Coefficient Alpha and the Internal Structure of Tests", Psychometrika, Vol. 16, No. 3, pp. 297-334.

RISK MANAGEMENT IN BANKING: EMERGING HORIZONS

B.Radha Krishna,
SAS INDIA LTD

ABSTRACT

In the process of financial intermediation, banks face risks of different kinds which are financial and non –financial viz., credit, interest rate, foreign exchange rate, liquidity, equity price, legal, regulatory, reputational, operational etc. These risks are highly interdependent and events that affect one area of risk can have ramifications for a range of other risk categories. Thus, top management of the banks should attach considerable importance to improve the ability to identify measure, monitor and control the overall level of risks undertaken. For the purpose of risk management, banks also create suitable organizational structure and process which directly reports to top management in the bank. Following the internationally best practices, Reserve Bank of India (RBI) has directed the banks in the economy to adopt such procedures which includes capital adequacy, provisioning, and other steps vital to maintain and protect the banks in the event of crises. This research paper begins with explaining the need for risk management in the banks on account of various types of risks. The second part presents case studies of two leading commercial banks in India with their risk management structure and recent experience of non-performing assets (NPA) during 2011-14. Third part discusses RBI's efforts on risk management at the macro level and key macroeconomic factors regulatory and industry issues. The paper further attempts to develop early warning system (EWS) with a unique rating of stress and risky outcomes for a bank. Emerging horizons for the banks in the economy would form the Conclusion.

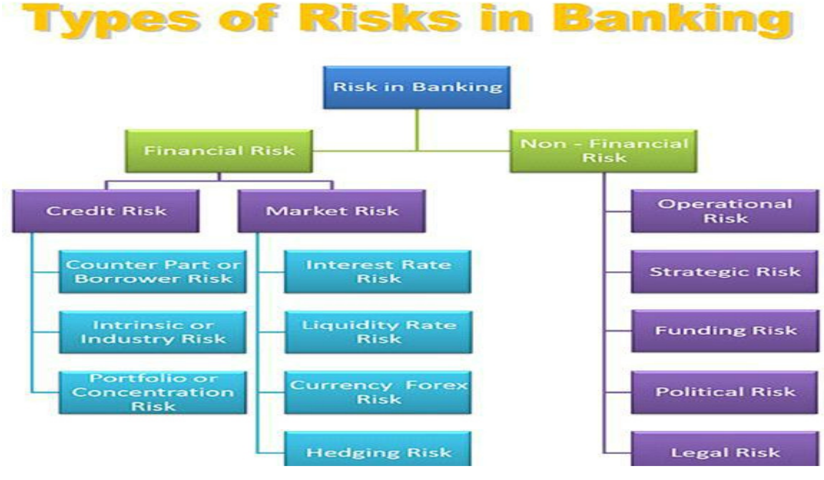
INTRODUCTION

Recent recession across the world and particularly in Indian economy highlighted the need for banks to incorporate the concept of Risk Management into their regular procedures. The various aspects of increasing global competition to Indian banks by foreign banks, increasing deregulation, introduction of innovative products, and have emphasized the need for Indian banks to be prepared in terms of risk management. Indian banks have started to expand and diversify at a rapid rate and have been making great advancements in technology and quality of performance. However, such expansion brings these banks into the context of risk especially at the onset of increasing Globalization and Liberalization Risk management in Indian banks is a relatively newer practice, but has already shown to increase efficiency in governing of these banks as such procedures tend to increase the corporate governance of a financial institution. In times of volatility and fluctuations in the market, financial institutions need to prove their strength by withstanding the market variations and achieve sustainability in terms of growth as well as have a stable share value. Hence, an essential component of risk management framework would be to mitigate all the risks and maximize rewards of the products and service offered by the bank. Thus the need for an efficient risk management framework is paramount in order to factor in internal and external risks. In banks and other financial institutions, risk plays a major part in the earnings of a bank. The higher the risk, the higher the return, hence, it is essential to maintain a parity between risk and return. Hence, management of financial risk incorporating a set systematic and professional methods especially those defined by the Basel norms becomes an essential requirement of banks.

The types of risks faced by banks: In the course of their operations, banks are invariably faced with different types of risks that may have a potentially negative effect on their business. Risk management in bank operations includes risk identification, measurement and assessment, and its objective is to minimize negative effects risks can have on the financial result and capital of a bank.

The following diagrams are meant to illustrate the risk management process and the types of risks faced by a bank.

Diagram 2



The types of risks to which a bank is particularly exposed in its operations are: liquidity risk, credit risk, market risks (interest rate risk, foreign exchange risk and risk from change in market price of securities, financial derivatives and commodities), exposure risks, investment risks, risks relating to the country of origin of the entity to which a bank is exposed, operational risk, legal risk, reputational risk and strategic risk.

Liquidity risk is the risk of negative effects on the financial result and capital of the bank caused by the bank's inability to meet all its due obligations. Credit risk is the risk of negative effects on the financial result and capital of the bank caused by borrower's default on its obligations to the bank. Market risk includes interest rate and foreign exchange risk. Interest rate risk is the risk of negative effects on the financial result and capital of the bank caused by changes in interest rates. Foreign exchange risk is the risk of negative effects on the financial result and capital of the bank caused by changes in exchange rates. A special type of market risk is the risk of change in the market price of securities, financial derivatives or commodities traded or tradable in the market. Exposure risks include risks of bank's exposure to a single entity or a group of related entities, and risks of banks' exposure to a single entity related with the bank. Investment risks include risks of bank's investments in entities that are not entities in the financial sector and in fixed assets. Risks relating to the country of origin of the entity to which a bank is exposed (country risk) is the risk of negative effects on the financial result and capital of the bank due to bank's inability to collect claims from such entity for reasons arising from political, economic or social conditions in such entity's country of origin. Country risk includes political and economic risk, and transfer risk. Operational risk is the risk of negative effects on the financial result and capital of the bank caused by omissions in the work of employees, inadequate internal procedures and processes, inadequate management of information and other systems, and unforeseeable external events. Legal risk is the risk of loss caused by penalties or sanctions originating from court disputes due to breach of contractual and legal obligations, and penalties and sanctions pronounced by a regulatory body. Reputational risk is the risk of loss caused by a negative impact on the market positioning of the bank. Strategic risk is the risk of loss caused by a lack of a long-term development component in the bank's management.

Case studies of major banks on risk management

After describing the types of risks faced by banks, here we present two case studies of leading Indian banks, one from public sector bank, State Bank of India and another one from private sector bank, ICICI Bank for their risk management processes and the related live data.

State Bank of India- SBI Risk Management Structure and process

A depressed macro-economic environment in 2013-14 led to increased loan defaults with deterioration in asset quality of Indian banks. Slippages have occurred across all sectors and today, resolution of NPAs is the single largest challenge before all banks. SBI has constituted a Stressed Assets Management Group [SAMG] is a dedicated and specialized vertical, headed by a Deputy Managing Director, created specially to efficiently resolve high value NPAs. Today SAMG has 16 SAMG branches and 43 stressed assets recovery units across the country. Currently, SAMG covers 23.79% and 54.33% of the Bank's Non Performing Assets (NPAs) and

Advances under Collection Account [AUCA] respectively. The recovery efforts of SAMG are supplemented by efforts put in by front line operating staff at 15,869 branches across the country. Besides, Account Tracking & Monitoring [AT & M] Centers have been operationalised in all Circles to contact retail Special mention Accounts (SMAs) NPAs. Business Correspondents/Business Facilitators and Self Help Groups are also involved in recovery of Agricultural NPAs.

Though the challenges of the environment were felt across the banking system, SBI displayed great resilience and could sustain a sound performance under most parameters due to strategic and market oriented initiativesThe Net interest Margin (NIM) for SBI is in line with the guidance and better than the average industry norm. Looking to the severe competition and NPA position, the NIM was under pressure. Though this is lower than that achieved the earlier years, SBI continued to rank high amongst peers.

Table – 1. SBI's NPA management Performance (Rs.in Crores)

	FY 2011-12	FY 2012-13	FY 2013-14
Gross NPAs at the end of the year	39,676	51,189	61,605
Gross NPA%	4.44	4.75	4.95
Net NPA%	1.82	2.10	2.57
Fresh Slippages	24,712	31,993	41,516
Cash Recoveries / Upgradation	9,618	14,885	17,924
Write Offs	744	5,594	13,176
Recoveries in Written Off Accounts	962	1,066	1,543

Source: SBI Annual Report & Accounts

The level of impaired assets has shown an upward bias, symptomatic of the state of the economy, and experienced an unprecedented level of delinquencies. The deterioration has occurred in the mid-corporate space in sectors under stress in the economy namely Paper and Plastic, Iron and Steel, Textiles, Engineering Goods, Transport, etc. Gross NPAs are currently at 4.75% with Net NPA level of 2.10%. Special efforts made during the course of the year, especially during Q4 2012-13, in the direction of NPA management paid good dividends which enabled control, significant improvement in the last quarter and prevented from declining further. SBI has done the requisite provisioning the provision for NPAs during the year at Rs.11, 368 crores. The provision Coverage ratio was at 66.58%. The total restructured assets book stood at Rs.43, 111 crores of which Rs.32, 228 crores are in the standard category and Rs.10, 883 crores in the NPA category for SBI.While macro factors had a large bearing on the growth of NPAs special efforts were made by SBI to contain the impact through stringent loan screening, close follow-up and interaction with the borrowers, setting up of special teams of recovery, re-structuring and re-scheduling on a case to case basis and merits, recourse to SARFAESI, real time monitoring through account tracking centers and related ground level resolution strategies. In fact in the last quarter of the 2012-13, there was a significant contraction of Gross NPAs from Rs.53, 458 crores (5.30%) in Q3FY12-13 to Rs.51, 189crores (4.75%) at the end of Q4FY12-13. Overall, the effort saw Up gradation of Rs.10, 119 crores and Cash Recovery of Rs.4, 766 crores in the NPA accounts. Recovery in Written Off accounts was to the tune of Rs.1066 crores during the year. In the times ahead and supported by the growth in the real economy, SBI would not to allow any let up in the efforts at resolving the impaired assets through timely and proactive measures.

The sale of final assets of assets recovery corporation (ARCs) has resulted in reduction of NPAs by Rs.3, 590 crores and debt reversal of Rs.1, 092 crores, different strategies were adopted for achieving optimum sales level and price.SBI resorts to various strategies to resolve stressed assets. Some of these are enumerated below:

- Restructuring of both Standard assets and NPAs, either though the corporate debt restricting mechanism or through a bilateral arrangement.
- Recovery through auction of assets using the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) route.
- Filing suits in Debt Recovery Tribunals and other Courts for recovery of dues.
- Identifying and engaging with strategic investors for takeover of stressed assets.
- Sale of NPAS to Asset

Reconstruction Companies.

- Entering into One-time Settlements with borrowers.
- Using Resolution Agents to take possession of properties mortgaged to the Bank and arranging for their auction.
- Using the e-auction platform to reach out to as many prospective bidders as possible.
- Considering debt Asset swaps in some cases.
- Engaging investigation agencies to tract out unencumbered promoter and guarantor assets and obtaining attachment before judgments over these properties.
- Identifying Companies and promoters as Willful Defaulters and arranging for display of their names on the websites of Credit Information Companies such as CIBIL. These names are also re-posted to the RBI.
- Publishing photographs of defaulters in newspapers when warranted.
- Persuading Large Corporate borrowers under stress to sell non-core assets dilute their shareholding and bring in strategic investors thus reducing debt and improving viability.

Despite a harsh environment last year, SBI achieved a deceleration in NPA accretion due to SAMG's relentless efforts along with the support of stressed assets recovery units.

The SAMG and other recovery outfits of the SBI are fully geared to meet the asset quality challenges of FY 2014-15, when near –term pressure is expected to continue. SBI is formulating an Early Warning System (EWS) to identify incipient sickness and stress in loan accounts so that we can take in advance corrective action, including timely restructuring in deserving cases and would prevent slippages and maintain good asset quality

2.2 ICICI Bank

ICICI Bank's Risk Management structure and process

Risk is an integral part of the banking business and ICICI aims at delivering superior shareholder value by achieving an appropriate trade-off between risk and return .ICICI Bank has constituted a Board Level

Committee which is empowered to review ICICI Bank's risk management policies pertaining to credit, market, liquidity, operational, outsourcing, reputation risks, business continuity and disaster recovery plan. The Committee is also empowered to review the Enterprise Risk Management (ERM) framework of the Bank, risk appetite, stress testing framework. Internal Capital Adequacy Assessment Process (ICAAP) and framework for capital allocation. The Committee is empowered to review the status of Basel II and Basel III implementation, risk return profile of the Bank, outsourcing activities, compliance with RBI guidelines pertaining to credit, market and operational risk management systems and the activities of Asset Liability Management Committee. The Committee also reviews the risk profile template and key risk indicators pertaining to various risks. In addition, the Committee has oversight on risks of subsidiaries covered under the Group Risk Management Framework. The Asset Liability Management Committee (ALCO) comprises whole time Directors and senior executives. ALCO meets periodically and reviews the Bank's business profile and its impact on asset liability management and determines the asset liability management strategy in light of the current and expected business environment. ALCO reviews the positions of the trading groups and the interest rate and liquidity gap positions on the banking book. ALCO also sets deposit and benchmark lending rates. The Market Risk Management Group recommends changes in risk policies and controls and the processes and methodologies for quantifying and assessing market risks. Risk limits including position limits and stop loss limits for the trading book are monitored by the Treasury Control and Services Group and reviewed periodically. Foreign exchange risk is monitored through the net overnight open position limit. Interest rate risk is measured through the use of re-pricing gap analysis and duration analysis. Interest rate risk is further monitored through interest rate risk limits approved by ALCO. ICICI Bank uses various tools for measurement of liquidity risk including the statement of structural liquidity, dynamic liquidity gap statements, liquidity ratios and stress testing. We maintain diverse sources of liquidity to facilitate flexibility in meeting funding requirements. Incremental operations in the domestic market are principally funded by accepting deposits from retail and corporate depositors. The deposits are augmented by borrowings in the short-term inter-bank market and through the bonds. Loan maturities and sale of investments also provide liquidity. International branches are primarily funded by debt capital market issuances, lines of financing from export credit agencies, syndicated loans, bilateral loans and bank lines, while ICICI'Bank's international subsidiaries raise deposits in their local markets.

The Board level committees that undertake supervision and review of operational risk aspects are the Risk Committee, Fraud Monitoring Committee, Audit Committee and Information Technology Strategy Committee. The Bank has also constituted an Operational Risk Management Committee (ORMC) to oversee the operational risk management in the Bank. The ORM Policy specifies the composition, roles and responsibilities of the ORMC.

Other executive level committees that oversee operational risk related aspects are Product and Process Approval Committee, Outsourcing Committee, information Security Committee and Business Continuity Management Steering Committee.

Some of ICICI's Focused Risk Management efforts are discussed briefly:

The Asset Liability Management Committee, which comprises whole time Directors and senior executives meets periodically and reviews the positions of trading groups, interest rate and liquidity gap positions on the banking book, sets deposit and benchmark lending rates, reviews the business profile and its impact on asset liability management and determines the asset liability management strategy, as deemed fit, in light of the current and expected business environment. The Market Risk Management Group recommends changes in risk policies and controls the processes, methodologies for quantifying and assessing market risks. Risk limits including position limits and stop loss limits for the trading book are monitored by the Treasury Middle Office Group and reviewed periodically. Foreign exchange risk is monitored through the net overnight open position limit. Interest rate risk is measured through the use of re-pricing gap analysis and duration analysis. Interest rate risk is further monitored through interest rate risk limits approved by the Asset Liability Management Committee. Risks on trading positions are monitored and managed by setting value-at-risk limits and stipulating daily and cumulative stop-loss-limits. ICICI Bank uses various tools for measurement of liquidity risk including the statement of structural liquidity, dynamic liquidity gap statements, liquidity ratios and stress testing. It maintains diverse sources of liquidity to facilitate flexibility in meeting funding requirements, incremental operations in the domestic market are principally funded by accepting deposits from

retail and corporate depositors. The deposits are augmented by borrowings in the short-term inter-bank market and through the issuance of bonds; Loan maturities and sale of investments also provide liquidity. Its international branches are primarily funded by debt capital market issuances, lines of financing from export credit agencies, syndicated loans, bilateral loans and bank lines, while the international subsidiaries raise deposits in their local markets. ICICI Bank seeks to ensure that our capital position is commensurate with the risks in our business and our future growth plans through a robust capital management framework. This includes a comprehensive internal capital adequacy assessment process conducted annually, which determines the adequate level of capitalization necessary to meet regulatory norms and current and future business needs, including under stress scenarios. ICICI Bank believes that the bank placed to comply with RBI's guidelines on the implementation of the Basel III framework in India. ICICI Bank is also working towards migration to the advanced approaches under the Basel II framework over the medium term, subject to applicable RBI guidelines and approvals.

The following table sets forth, at the dates indicated information regarding the asset classification of our gross non-performing assets (net of write-offs interest suspense and derivative income reversals):

Table 2: ICICI Bank NPA Management performance (Rs. in billions)

	2011 – 12	2012 - 13	2013 - 14
Non – performing assets			
Sub-standard assets	14.49	18.72	Rs.22.42
Doubtful assets	73.35	67.91	62.74
Loss assets	7.79	9.84	20.38
Total non-performing assets	Rs.95.63	Rs.96.97	Rs.105.54

Note:Include advances, lease receivables and credit substitutes like debentures and bonds. Exclude preference shares.

The following table sets forth, at the dates indicated, information regarding its non-performing assets (NPAs).

Table – 3: NPA and Net Customer Assets (Rs. in billion, except percentages)

Year ended	Gross NPA	Net NPA	Net customer assets	% of net NPA to net customer assets2
March 31, 2011	Rs.101.14	Rs.24.58	Rs.2,628.16	0.94%
March 31, 2012	Rs.95.63	Rs.18.94	Rs.3,059.84	0.62%
March 31, 2013	Rs.96.47	Rs.22.34	Rs.3,517.62	0.64%
March 31, 2014	Rs.105.54	Rs.33.01	Rs.4,037.08	0.82%

Notes:

1. Net of write-offs, interest suspense and derivatives income reversal.
2. Include advances, lease receivables and credit substitutes like debentures and bonds. Exclude preference shares.

3. All amounts have been rounded off to the nearest Rs.10.0 million.
Source: ICICI Bank Annual Reports & Accounts.

At March 31, 2013, the gross NPAs (net of write-offs, interest suspense and derivatives income reversal) were Rs.96.47 billion compared to Rs.95.63 billion at March 31, 2012. Net NPAs were Rs.22.34 billion at March 31, 2013 compared to Rs.18.94 billion at March 31, 2012. The ratio of net NPAs to net customer assets increased marginally from 0.62% at March 31, 2012 to 0.64% at March 31, 2013. During fiscal 2013, we wrote-off NPAs, including retail NPAs with an aggregate outstanding of Rs.16.46 billion compared to Rs.11.83 billion during fiscal 2012. However in the year 2013-14, the NPA has increased despite best efforts of the bank. ICICI Bank's provision coverage ratio (i.e. total provisions made against NPAs as a percentage of gross NPAs at March 31, 2013 were 76.8%. At March 31, 2013, total general provision held against standard assets was Rs.16.24 billion compared to Rs.14.80 billion at March 31, 2012. Due to stringent monitoring efforts, ICICI Bank has maintained NPA at low levels in 2013-14.

The following table sets forth, at March 31, 2012 to March 31, 2014, the composition of gross non - performing assets by industry sector.

Table – 4: ICICI Bank Industry – wise NPA (Rs. in billion)

	2011 - 12		2012 - 13		2013 - 14	
	Amount	%	Amount	%	Amount	%
Retail finance	Rs.76.73	80.2	Rs.58.14	60.3	Rs.41.17	39.0
Road, ports, telecom, urban development and other infrastructure	0.37	0.2	0.14	0.1	8.19	7.8
Services – non-finance	0.37	0.4	8.77	9.1	0.07	0.1
Power	0.09	0.1	0.09	0.1	15.18	14.4
Iron / steel and products	0.91	0.9	1.99	2.1	2.43	2.3
Services – finance	0.00	0.00	0.04	0.00	0.57	0.5
Crude petroleum / refining and petrochemicals	0.05	0.00	0.04	0.00	0.02	0.0
Mining	0.00	0.0	0.04	0.00	3.19	3.0
Construction	0.89	0.9	2.24	2.3	2.93	2.8
Food and beverage	1.54	1.6	1.94	2.0	0.30	0.3
Cement	-	-	-	-	3.68	3.5

Electronics and engineering	1.81	1.9	2.59	2.7	1.05	1.0
Wholesale / retail trade	1.15	1.2	4.16	4.3	4.07	3.9
Shipping	0.45	0.5	0.38	0.4	0.20	0.2
Metal & products (excluding iron & steel)	1.11	1.2	1.06	1.1	0.67	0.6
Chemical and fertilizers	1.52	1.6	1.33	1.4	1.25	1.2
Other industries	8.86	9.3	13.40	13.9	20.57	19.4
Total	Rs.95.63	100.0	Rs.96.47	100.0	Rs.105.54	100.0

Notes:

1. Includes home loans, commercial business loans, automobile loans, business banking, credit cards, personal loans, rural loans, loans against securities and dealer financing portfolio.
2. Other industries primarily include developer financing portfolio, automobiles, manufacturing products (excluding metal), textile, drugs and pharmaceuticals, gems and jewellery and FMCG.
3. From March 31, 2013, ICICI has changed the classification of the domestic loan portfolio to better reflect the nature of the underlying loans.

Source: ICICI Bank Annual Reports & Accounts.

At March 31, 2013, the net non-performing loans in the retail portfolio were 0.72% of net retail loans as compared with 1.22% at March 31, 2012. The decrease in the ratio was primarily on account of sharp decline in accretion to retail NPAs.RBI has issued guidelines revising the format of disclosures on restructured loans.(Annexure) The revised format requires banks to disclose the movement of the borrower level outstanding of borrowers whose loans were restricted. During fiscal 2013, standard loans of Rs.16.78 billion of major borrowers were restricted as compared to Rs.35.95 billion of 28 borrowers during fiscal 2012. Net principal outstanding of standard restructured borrowers increased from Rs.45.54 billion at March 31, 2012 to Rs.53.15 billion at March 31, 2013. Industry wise data illustrate certain specific factors which were due to external reasons.

Key macro – economic, regulatory and industry issues

In emerging economies, banks are more than mere agents of financial intermediation and carry the additional responsibility of achieving the government's social agenda also. Because of this close relationship between banking and economic development, the growth of the overall economy is intrinsically correlated to the health of the banking industry. During the high growth phase of the economy from 2002 to 2008, credit growth in the Indian banking sector was in excess of 22%. A slackening in the economic growth rate has resulted in both, a lower credit demand as well as a receding appetite on the part of the banking industry, to extend credit. Stressed assets (SAs) in India have almost doubled from 5.7% in FY08 to 10.2% in FY13, which has impacted the banking industry adversely.RBI understands that India is one of the fastest growing economies in the world and is set to remain on that path, backed by the growth in infrastructure, industry services and agriculture. To support this growth, credit flow to various sectors of the economy has been increasing. Strong and sustainable credit growth is almost synonymous with a healthy operating environment and strong economic growth. This trend by and large leads to healthy and profitable asset creation within the economy and the banking sector. However, high growth phases are also when SAs are generated within the banking sector. This is due to excess

capacity creation, easy availability of credit, less strict underwriting and easier monitoring during such a phase. This SA accumulation is however masked by strong credit growth. As a result, SAs look very low during this growth phase of the economy. A period of downturn reverses this trend of low SA levels and asset quality concern increases as the growth in SA outpaces credit growth in the banking system. As a result, growth in SA increased by 40.2% in 2013 as against a 15.1% credit growth.

Stressed assets: How big is the problem?

The problem is not only restricted to rising gross national products to assets (GNPA) ratios. The rise in the percentage of RA and security receipts (SRs) issued by asset reconstruction companies (ARCs) are also a cause for concern. Owing to the lack of detailed data we have on SRs, RBI has limited our definition of SA in India to only GNPAs and RAs. The true picture of SA can be depicted by combining the GNPA and recovered assets (RAas a percentage of total advances). This figure, as on March 2013 is as high as 10.2% of the total banking credit.

RBI’s efforts to contain NPA include a number of macro and various focused strategies. With regard to market risk, banks in India have been using the Standardized measurement Method (SMM) since March 2005. The guidelines for the advanced Internal Models Approach (IMA) to market risk assessment for regulatory capital calculation were issued by Reserve Bank in April 2010. Reserve Bank has already undertaken the process of validation of market risk models in respect of two banks. These banks have been suggested to upgrade their market risk management systems and processes before the migration to IMA is allowed. Provisions against loan losses can be broadly divided into two categories: general and specific. The present provisioning policy, consisting of general and specific provisions, has several limitations. First, the rate of provisions on standard assets is not based on any scientific analysis. Second, banks make floating provisions without any pre-determined rules. Third, the provisioning framework does not have cycle smoothening elements built into it. A need was, therefore, recognized for introducing a comprehensive provisioning framework that has dynamic and countercyclical elements.

Arising from the above discussions, an attempt is made to formulate an Early Warning System at the bank level:

Early Warning Systems can be an important tool to mitigate credit risks through proactive monitoring. A good early warning system can include key parameters indicative of 'hidden' problems as well as the solutions required. The benefits of EWS are:

- Definite process to govern credit monitoring, ensuring a standardized bank-wide approach to detect and escalate EWSs
- Implementation of a knowledge management system to retain the organization's learning of each type of customer
- Relationship manager's time freed up to make him or her capable to handle more responsibilities at the ground level
- Better compliance to regulatory requirements and audits

Emerging Horizons

- Across the globe, the banking sector acts as the catalyst for the country's economy. Banks play a vital role in providing financial resources especially to capital-intensive sectors such as infrastructure, automobiles, iron and steel, industrials and high-growth sectors such as pharmaceuticals, healthcare and consumer discretionary. In emerging economies, banks are more than mere agents of financial intermediation and carry the additional responsibility of achieving the government's social agenda also. Because of this close relationship between banking and economic development, the growth of the overall economy is intrinsically correlated to the health of the banking industry. Due to economy wide recession in recent years, from 2008 onwards stressed assets by- way of non-performing assets have affected the banking sector.
- RBI has taken a number of steps

which are pushing banks in India to be more proactive in recognition of stress and to take remedial steps so as to preserve the economic value of assets. As a part of such efforts, special mention accounts (SMAs) classification has been recently introduced coupled with defining a time bound procedure towards deciding the course and nature of remedial actions. The RBI, in addition, is also strengthening the NPA resolution eco-system in India including increase in foreign participation rules in ARCs in India and bringing a sunset clause to the regulatory forbearance accorded to restructured accounts up to March 2015.

- Over the last few years, the low interest rates, gave banks very little incentive to lend to projects, as the return did not compensate them for the risk involved. This led to the banks getting into the retail segment big time. It also led to a lot of banks playing it safe and putting in most of the deposits they collected into government bonds. Now with the bond party over and the bond yields starting to go up, the banks will have to concentrate on their core function of lending. The banking sector in India needs to tackle these challenges successfully to keep growing and strengthen the Indian financial system. These measures aim to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, improve risk management and governance and strengthen banks' transparency and disclosures.

REFERENCES:

1. ASSOCHAM: Growing NPAs in India: Efficacy of Credit rating Agencies in India, Price Water House , 2014
2. State Bank of India : Annual Reports & Accounts
3. ICICI Bank : Annual Report & Accounts
4. Reserve Bank of India : Reports on Trend and Progress of Banks in India

AN OVERVIEW OF BIG DATA, ISSUES AND CHALLENGES

Sunil Kumar. Rachmalle, Assistant Professor
Pragnya PG College

ABSTRACT

Innovations in technology, development of networking, greater affordability of digital devices and more use of internet have presided over today's Age of Big Data, big data refers to the explosion in terms of quantity, variety and diversity with high velocity digital data. Turning this big data collected from various sources like mobile-banking transactions, Call logs, online user-generated content such as tweets and blogs, satellite images etc. into an actionable form that can be for future sense refers as big data mining. But extracting knowledge from big data is not possible as huge form of complex data is generating. This paper gives overview of big data, its features, applications and address broad challenging issues while dealing with big data mining.

INTRODUCTION

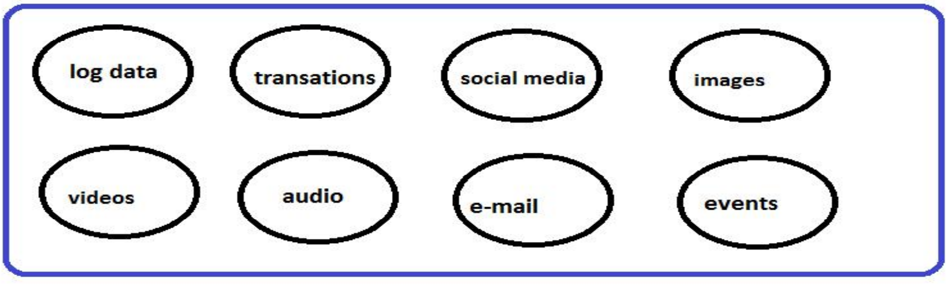
Data is the key factor today that includes professional, personal, social data and more types of data. As this is the digital universe as more of the world goes online, including the physical world and the use of different types of media this interconnectivity and the digitalization lead to an unexpected growth of data. this enormous form of data that is created from Social networking sites, search and retrieval engines, media sharing sites, stock trading sites, and news sources continuously increases the data day- by-day. This collection of large volumes of data refers to as Big Data .Big data nothing but available at heterogeneous, autonomous sources, in extremely huge amount, which get updated in fractions of seconds of time . consider an example of famous social networking site facebook as most of us regularly use it, we upload various information and photos that is stored at the data warehouses at the server of the face book this is nothing but the big data, a recent study estimated that every minute Face book has more than 800 million updates per day, YouTube has more than 4 billion views per day. Twitter has more than 250 million tweets per day, some sources are not obvious consider huge amount of data gathered from meteorological and climate systems, or data of patients from patient monitoring systems in the hospital, control systems and acquisition of data from cars, airplanes, health care industry is Inundated with data from patient records alone cell towers, and power plants, all collect

Unending streams of data, Insurance companies collect data after every claim; Health care industry is inundated with data from patient records alone. The data produced now a days is estimated in the order of zetta bytes, and it is growing around 40% every year[6].as Consider another example this is an era of Google ,thing which we want to know we Google it, within a fractions of seconds as the result of query we get number of links this is an processing big data. Big Data concern large-volume, complex, growing datasets with multiple data sources With the fast development of networking, data storage and data collection capacity, big data are now expanding in all science and engineering domains, including physical, biological and biomedical sciences .Data mining uses this data to uncover the hidden valuable information.

BIG DATA

Big Data [4],[1] concerns large-volume, complex, growing data sets with multiple, autonomous sources. Generally big data refers to a collection of large volumes of data and these data are generated from various sources such as internet, social media, business organizations etc., consider an example of flickr a public photos consider the size of each photo is 2 megabytes (MB),which resulted in 3.6 terabytes storage every single day. as "a picture is worth a thousand words", the billion of photos on Flickr are a treasure tank for us to explore the human society, social events, public affairs, disasters etc., only if we have the power to harness the enormous amount of data. sharing site ,which received, on average 1.8 million pictures per day, this gives an example of big data which increases data collection which grows tremendously and is beyond the ability of commonly used software tools to capture, manage, and process within a "tolerable elapsed time". Different types of data such as Social data – Customer feedback forms for Customer Relationship Management (CRM) in Social media sites such as Twitter, Face book, LinkedIn etc. Machine-generated data in sensor readings, satellite communication, Traditional enterprise data such as and ledger information, Employee information, customer information etc are referred as big data[8].

FIG 1 :Sources of big data



Characteristics of Big Data include 4 Vs. It contains Volume, Velocity, Variety and Veracity.

volume:Volume is the term used for vast amount of data generated in fractions of seconds. This volume data is in the form of rest state. An example of volume data is machine generated data. Now days volume of data enlarging exponentially.

velocity or speed: Velocity is the speed at which data generated. The streaming data may not be massive and its state is in motion. It should have high speed data. Social networking site is the best example of high velocity or speed data.

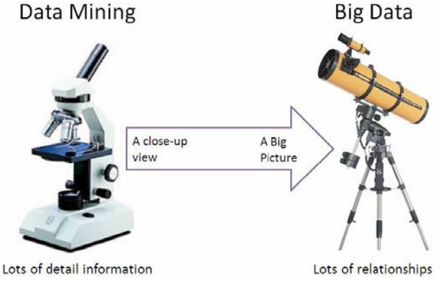
Variety: It is an important factor of big data. Various different formats ,types structure of data are referred as variety of data .it contains variety of Text, numerical, images, audio, video, sequences, time series, social media data, multi-dim arrays, etc ,also includes static and streaming data..

Veracity: Veracity means data which contain doubt. Unclear, uncertain data is found due to inconsistency and data in incomplete state. Abbreviation, colloquial speech etc may result in data veracity

BIG DATA AND DATA MINING

Data mining is the term used to describe the process of extracting value from a database, data mining also known as data or knowledge discovery is the process which analyses data from different perspectives and discover useful information from it. With these data some useful information can be extracted with the help of data mining.It extracts interesting patterns and relationships hidden in a large volume of raw data, and the results tapped out may help make valuable predictions or future observations in the real world[6]. Big data includes structured, semi-structured, and unstructured data.This unstructured or semi-structured data contains useful and valuable information that is hidden in it. Data mining is a technique for discovering interesting patterns as well as descriptive, understandable models from large scale data[2]. The goals of big data mining techniques go beyond fetching the requested information or even uncovering.

Fig 4. Data Mining with Big Data



The above figure 4 [2]relationship between big data with data mining where big data gives lots of relationship and data mining gives lots of information with closed view[2].

KEY FEATURE OF BIG DATA HACK THEOREM

Big Data starts with large-volume, heterogeneous, autonomous sources with distributed and decentralized control, and seeks to explore complex and evolving relationships among data[1].this characteristics of big data makes it as extreme challenge for useful knowledge discovery. For above consider the scenario we can imagine that a number of blind men are trying to size up a giant elephant, where blind people are asked to draw the picture of an of the elephant according to the part of information each collected during the process. As each persons view is limited to his region each can think that trunk of elephant as a wall, leg as a tree, body as a wall and tail as a rope[2]. Problem can be make more complicated by assuming that size of elephant growing rapidly and the pose also changing continually .Also blind men are exchanging information and learn on their respective feelings. This information may be biased[1]. So the results of each blind person's prediction is something different than actually what it is.

A. Vast data with heterogeneous and diverse sources

One of the fundamental characteristics of the Big Data is the huge volume of data represented by heterogeneous and diverse dimensionalities. Heterogeneity means same person having different representation and diverse means single information having variety of features Consider example in the biomedical filed a single human being is represented by various entities name, age, gender, family history etc., For X-ray and CT scan images and videos are used[2].

B. Autonomous with distributed and de-centralized control

This is the important characteristics of big data. Autonomous means information generated automatically without any central control. Like World Wide Web (WWW) as server provides information without depending on any other servers[1].

C. Complex and Evolving relationships

As size of data increases complexity and relationships of data also increases exponentially. Whenever there is small amount of data complexity is less but increasing data for example data from social sites and other networking sources complexity and evaluating relational knowledge is difficult [1].

DATA MINING FOR BIG DATA

Data mining contains several algorithms which falls into four categories.

Association: is used to search relationship between variables. It is applied in searching for most frequent visited items establish relationship among objects. Name of the Algorithm used for association is Apriori, Partition, FP growth, ECLAT[2].

Clustering: it discovers groups i.e. data belongs to which group and structures in the data. Classification deals with associating an unknown structure to a known structure. Clustering uses K-Means, Expectation Maximization, DBSCAN, fuzzy C Means algorithms, clustering has attracted a significant amount of research attention in past decades.

Classification uses Decision Trees, C4.5, KNN, Naïve Bayes, SVM. Algorithms

Regression finds a function to model the data. Name of the Algorithm For regression is Multivariate Linear regression [2].

Difference between Big Data and Data Mining

Big data	Data mining
Big data is a term for large data set.	Data mining refers to the activity of going through big data set to look for relevant information
Big data is the asset	Data mining is the handler which provide beneficial result.
Big data" varies depending on the capabilities of the organization managing the set,	Data mining refers to the operation that involve relatively sophisticated search operation
Finding interesting patterns	Involves large scale storage and processing of large data sets
Data size is smaller	Data size is Larger

APPLICATION OF BIG DATA IN DATA MINING

While talking about applications of Big Data [8] we have to consider that Data mining techniques can be used to find the characteristics of object evaluation or the trend of changes for objects in the database. this information may be useful for making decisions and for planning strategy. Big Data mining offers opportunities to go beyond their relational databases to rely on less structured data such that data of weblogs, data from social media, data from email, sensors, and data from photographs that can be mined to extract useful information. Many business intelligence companies, such Oracle, IBM, Teradata etc., have all featured that their own products and helps customers acquire and organize these diverse data sources and coordinate with customers' existing data to find new insights and capitalize on hidden relationships.

Following are the various applications of Big Data [9]:

- In Astronomy

- In Sensor networks
- In Government data
- In Web logs
- In social networking sites to find for useful patterns/personal data
- In Google search
- In Mobile phones
- In Scientific research
- In Natural disaster and resource management
- Health care
- Global personal location data (this is very common gives the rise of
- mobile devices)
- Manufacturing

CHALLENGES OF BIG DATA MINING AND DISCOVERY

As the rate at which speed the data is increasing the volume of enormous data also increases now a days. Furthermore variety of data and the veracity of data expanding it is difficult to deal with this data since current architecture, latest technologies, big data analysis are unable to deal with this data.

Following are the issues related to data mining un big data[4].

A. Variety of Data: Variety refers to the different form of data. as there is unlimited forms of sources that generate a information and forms big data. This heterogeneous form of data leads to variety of data and extracting useful information from this type of big data is a challenge.

B. Scalability of Data: Scalability is at the core of upcoming technologies, to meet an issues come from big data .it require more scalability for undefined huge form of data for its data management and tool management tools. When data mining applies for big data that are centered to parallelism and scalability.

C. Security: Cloud is used for large amount of data to be held and requires distributed processing across servers. As there is enormous increase of data more risk to the treat to the security of information.

D. Data Discovery :This is an important challenge that how to find out high quality knowledge that will be use for future scope which is out there on web.

E. Reliability: In traditional data mining systems are efficient and also reliable as there is limited and resources of data are well known. Enormous big data increases, data is not limited, countable and verified, this leads to big issue for reliability.

F. Mining & cleaning of unused data: As there is large environment of big data there is another issue that is presence of unused data.

The unused data acquires most of the useful space of memory but to have a durable & sustainable Big data mining system, mining & cleaning of unused garbage data is very essential & recommended.

G. Quality and Relevance: For a particular issue to determine quality of data sets and relevance is a challenge for handling with the big data

CONCLUSION

In this paper, WE have reviewed some insights about big data and big data mining. Big Data can be literally explain by the HACE theorem we focuses on several issues related to big data and overcoming those issues will result in better environment for knowledge discovery that no one has discovered it before. Big Data is becoming the new Final Frontier for research related to scientific domain and for other business applications as it is having tremendous wealth of information. Thus we conclude that big data will become an excellent Opportunity in the forth coming years.

REFERENCES

1. Xindong Wu, Xingquan Zhu, Gong Qing Wu,Wei Ding, „Data mining with Big data‟, IEEE, Volume 26, Issue 1, January 2014
2. Shobana.V, Maheshwari.S, Savithri.M “Study on Big data with Data Mining” April 2015
3. Rohit Pitre Vijay Kolekar “ A survey paper on data mining wiyh big data” International Journal of Innovative Research in Advanced Engineering (IJIRAE)Volume 1Issue 1 (April 2014).
4. Nibedita choudhary ,” Big Data and Big Data Mining: Study of Approaches, Issues and Future scope, International Journal of Engineering Trends and Technology(IJETT) –Volume 18 Number 5–Dec 2014
5. Bharti Takur ,Manish Mann,”data mining for big data : a review” may 2014
6. B R prakash ,Dr Hanumanthappa,” issues and challenges in the era of big data mining” International Journal of Emerging Trends & Technology in Computer Science (IJETTCS) August 2014
7. Qiang Yang, Xindong Wu ,”10 challenging problems in data mining research
8. SMITHA T,” Application of Big Data in Data Mining”, International Journal of Emerging Technology and Advanced Engineering, July 2013
9. Richa Gupta ,” Journey from Data Mining to Web Mining to Big Data “International Journal of Computer Trends and Technology (IJCTT) –volume 10 number 1–April 2014

10 Roberto V. Zicari ,” Big Data: Challenges and Opportunities”

AUTHOR GUIDELINES

1) Manuscript neatly typed in Times New Roman alone must be sent.
2) The Article must necessarily have following contents, Title, Author, His/ Her affiliation, Abstract, Key Words, Introduction, Main Message, Tables, Findings, Conclusion and References.
3) Font size of Title should be 14, Sub Headings 13, Text 12 of Times New Roman, with 1.5 space.
4) Number of References shall not exceed 15 and they are to be arranged in an Alphabetical order.
5) This is a peer reviewed quarterly Journal published in four issues in a year.
6) The Article should send between 1st and 15th of January, 1st and 15th of April, 1st and 15th of July, 1st and 15th of October. Of that particular respective issues.
7) The content used in the text as well as the figure and facts cited by the author have to be thoroughly checked to avoid plagiarism. The author/s is/are held totally responsible for any legal consequences that may arise in future after the publication of the said article in OJM.
8) The followings thrust areas are given preference for publication.
   - General management
   - Human resource management
   - Financial management
   - Marketing management
   - Commerce & Trade
   - E-commerce/ Online Marketing
   - Supply chain Management
   - Business Process Reengineering
   - Entrepreneurship
   - Investment Trends/ FDI's
   - Total Quality Management
9) The declaration should be sent in hard copy to the editor, after acceptance for publication, duly signed by author (s).
10) All the manuscript are sent to ojmdbmjournal@gmail.com.

For Further Communication

Dr Y.Jahangir

Executive Editor-OJM

Sr. Assistant Professor

Department of Business Management

Osmania University, Hyderabad. 500007.

SUBSCRIPTION INFORMATION

1. Subscription Rate:

   OJM-DBM Journal of Management is published quarterly in a year in English. Subscription rate is Rs. 1200/- per annum (Including postage and handling charges).

2. Subscription order should be addressed to

Dr Y.Jahangir
Executive Editor-OJM
Sr. Assistant Professor
Department of Business Management
Osmania University, Hyderabad. 500007.

3. Subscription order and Payment

   Subscription order should be accompanied by Account payee bankers cheque/ Demand Draft in favor of "Head, Department of Business Management, Osmania University" payable at Hyderabad.

SUBSCRIPTION ORDER FORM:

Subscriber Name / Insttute:……………...............……………………………………......

Desination ....……………………………...................…………………………

Organization Name:..………………………………………..................……………

Mailing Address …………................…………...........……………………………......

……………………………………………………………………………….….........……

…………...…………………………………………………………………………………

Phone (landline with STD) …………………………… Mobile ………………………...

Subscriber signature with seal.

ISSN No. 0976 - 4208

Department of Business Management
Osmania University

HYDERABAD - 500 007. INDIA

www.ou-mba.ac.in