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Dear Readers

We are at the cross roads in terms of corporate growth, career growth & development of employees, well being of the communities in the population, discriminations in the society, growing investments etc. The academicians and the researchers in their exploration try to find solutions to these discrepancies. Any extent of research and the literature would fall short as the corporate and societal changes challenge the existing systems and pose new challenges. This issue of MIJBR brings out interesting articles on the most talked about topics and brings out pragmatic solutions to them.

Dr. B. Venu Gopal & Dr. Ch. Rama Prasada Rao in their research study titled “**A Comparative Study on Depository and Depository Participants with Reference ROI and ROA**” observe that there is uniformity in Return on Investment (ROI) earning of CDSL and NSDL and it is not significant statistically. There is no significant difference in the Return on Assets (ROA) of IIFL, PCS, NSBL and KSBCL.

Dr. Y. Kesava Reddy in his Research Paper titled “**Growth and Development of Banking Sector with Inclusive Approach in India**” focused about Growth and development of Indian Banking System. After Independence, the Indian banking system has recorded rapid progress. This growth when coupled with the financial inclusion would pave way for a better and wider banking system. The author shows that this is possible with the planned economic growth, increase in money supply, and growth of banking habit, control and guidance by the RBI.

Prof. B. Krishna Reddy & H S. Abzal Basha in their paper titled “**Employee empowerment practices in Indian banking sector**” find that there is significant relationship among employee empowerment and selected research variables, and its impact on organisational performance. In current scenario both SBI and ICICI banks are practicing employee empowerment practices, but in prescribed areas each one of them are effective. The overall research analysis shows that public banks are ahead in practicing better communication and training where private banks ahead in autonomy, rewards and organisational culture practices

José G. Vargas-Hernández in this study titled “**Market Structure and export Furniture Sector of Jalisco**” observes that companies in the furniture industry in Jalisco compete in a perfectly competitive market. They have been forced to reduce their costs of production and transportation in order to survive in the market and to seek improvements in the production process to obtain minimal benefits that characterize this market structure. In addition, the entry to the furniture market mainly by ethnic Chinese forces leads to domestic producers to improve their production processes and acquire technology that allows them to reduce costs of production and distribution. Also, domestic

producers seek to enter new markets where they have to compete on price and must achieve product differentiation mainly with finished materials and high quality goods.

Prof. Ujjal Mukherjee in his paper entitled “**Women Employee Welfare –the Transition**” opines that managers at all levels need to develop the attitude and experience to make full use of their female managers and professionals. Women at lower organization levels need to be developed or groomed as often or as well as the men peers. The moves like the one made by Apple and Facebook are path breaking but whether they will have an impact in increasing the participation of women in the top level management will be keenly awaited.

Dr. D. Sreenivasulu & Dr. G. Vijaya Kumar in their article titled “**An Empirical Study of Women Empowerment through Self Help Groups in Kurnool District of AP**” highlight that women empowerment is the major goal for developing a nation like India, Woman empowerment is nothing but to achieve social and economic development of India and also recognizing one’s rights and responsibility. Self help groups establish a confidence and equality for women in society. This empowers women mostly residing in rural areas to have sustainability and counterfeited gender discrimination. Women are becoming entrepreneurs with the help of Self Help Groups which avoids the exploitation of women and helps empowering them.

Dr. K.V. Narasimha Murthy and S.Ismail in their research paper “**Stochastic Modelling for Prediction of Market Value of A Share**” critically comparing R^2 , adjusted and Mean Square Errors of company share Infosys Ltd., for 3-day and 5-day moving average models conclude that Predicted Values of 3-day Moving Average models is closer to Actual Values for the company share Infosys Ltd. Thus Company having 3-day Moving Average model is more appropriate than 5-day Moving Average model, which further means that future week behaviour of the Market Value is depending upon the present the 3 days behaviour. Similar exercise can also be extended to other Companies also. This type of work is a routine exercise and using the computer helps one to do this as a simple and routine job.

Dr. S. Krishnamurthy Naidu, G. Neelima and Dr. G.V. Subba Raju in their paper “**A Study on Consistency among AC, CC, and NC in a Teaching Hospital**” state that the present study is undertaken to examine the consistency among Affective Commitment (AC), Continuance Commitment (CC) and Normative Commitment (NC) in a teaching hospital. NC and AC are found to be almost same and greater than CC among all the respondents. Either alignment of value system between individual and organization or obligation to stay in the organization constitutes most of the employee commitment. The respondents stay in the organisation because of emotional attachment and a sense of obligation among themselves, not because of cost involved in leaving the organisation.

Dr. E. Jalaja in her paper titled “**Retention – Employee Point of View**” points out that Retaining the employees is not an easy task. It is clear from the study that employees have many expectations from the organizations. The paper further states that providing monetary benefits will not be sufficient to satisfy the employees along with them they also expect to have attractive non-financial rewards.

Kolla. Nagaraju & Prof. G.Vijaya Kumar in their paper titled “**A conceptual framework on brand loyalty of soft drinks**” express that customer loyalty lies at the heart of marketing science. The paper is aimed to formulate the conceptual framework to brand loyalty of soft drinks. A convenience sample of 352 respondents from the Kurnool district is selected for this research. Two factors emerged from the data to explain the brand loyalty of soft drinks. The factors include customer satisfaction and brand reputation. They conclude that soft drink companies need to consider customer satisfaction and brand reputation while formulating strategies to loyalty.

The thoughts and ideas we believe would trigger the further thought process, analysis and discussion. We wish the readers a happy reading and learning.

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A Comparative Study on Depository and Depository Participants with Reference ROI and ROA

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Abstract

Depository is an institution or a kind of organization which holds securities with it, in which trading is done among shares, debentures, mutual funds, derivatives, F&O and commodities. The intermediaries perform their actions in variety of securities at Depository on the behalf of their clients. These intermediaries are known as Depositories Participants. Fundamentally, there are two sorts of depositories in India. One is the National Securities Depository Limited (NSDL) and the other is the Central Depository Service (India) Limited (CDSL). In this research paper attempt to be made objectives (i) To analyze proportional study on ROI of CDSL and NSDL. (ii) To study return on assets of KBSL(Karvey), IIFL(Indiainfoline), PCS and NSBL(Net worth). that F-cal (0.006) is less than F-table (11.26) at 0.01 level of significance for degrees of freedom $\gamma_1 = 1$ and $\gamma_2 = 8$. Alternative hypothesis (H1) is rejected and hence, Ho is accepted. Therefore it is concluded that there is uniformity in Return on Investment (ROI) earning of CDSL and NSDL and it is not significant statistically. To test whether there is significance difference in the return on assets (ROA) of IIFL, PCS, NSBL and KSBCL or not. The F-test / Anova is conducted and result is given in the table 5.3 It reveals that F-cal (1.139) is less than F-table (7.59) at 0.01 level of significance for degrees of freedom $\gamma_1 = 3$ and $\gamma_2 = 8$. Alternative hypothesis (H1) is rejected and hence, Ho is accepted. Therefore it is concluded that there is no significant difference in the return on assets (ROA) of IIFL, PCS, NSBL and KSBCL.

Keywords: Depository, Depository Participants, ROI, ROA,

Introduction

A Depository is an organization where the securities of share holders are held in the electronic format the request of the share holder through the medium of a depository participant. In September, 1995 the Government have accepted in principle the proposed law for settling up of depositories and of a central depository for immobilization of physical certificates. The central depository is to be set up as trust to hold the physical custody of

shared and effect transfers by book entries without the need to deal and transfer the physical certificates between parties. This is to be sponsored by public financial institutions and banks and will have a minimum net worth of Rs. 50-100 Crores as proposed by the SEBI. A national securities depository corporation was set up in November, 1996. In the Depository system, the Depository extends its services to investors through intermediaries called depository participants (DP)

who as per SEBI regulations could be organizations implicated in the business of providing financial services like banks, broker, custodians and financial institutions. The admission of the DPs involve an evaluation by Depository of their capability to meet with the strict services standards of Depository and a further evaluation and approval by SEBI. Towards, the end of the twentieth century there were two interesting prognostications about India's potential. The first was by a professor of business management in the United States (Rosenweig, 1998). He estimated that by 2025, India would be the third largest economy in the world (After the US and China). The second projection was by a well-known Indian Economist (Parikh, 1999). It was projected that India would reach a per capita income of U.S. \$ 30,000 or higher by 2047, making it one of the fastest growing countries in the world. Indian capital market has been linked to the International Financial Market, and the standard has been increased in terms of efficiency and transparency through Dematerialization of the Indian Capital Market. In this context dematerialization is one of the right steps taken by the Government to make the share transfer process easier and on other hand the earlier demerits of the paper transfer process can be rectified. Dematerialization is a process in which the company takes the physical certificates of an investor back and equivalent number of shares is credited in the electronic holdings of the investor.

Review of Literature

This section covers the review of literature of some of the important studies, research papers and articles on the various aspects of depository system.

Shah (1996)¹ highlighted that resolution of the single vs. multiple depositories, immobilization vs. dematerialization and role of capital adequacy norms for the custodians which is helpful in quick implementation of depository system in India.

Aggarwal and Dixit (1996)² expressed their views about the legal framework for depository

system in India. They also explained the benefits of the paperless trading, responsibilities of depository or participants and eligibility criteria, etc.

Sarkar (1996)³ analyzed the implications of the scrip less trading and share transfer based on book entry merely due to the existence of the depository ordinance 1995.

George (1996)⁴ explained the role of the NSDL in revolutionizing the paperless stock settlement system of the country. He also examined the steps taken by the depository to ensure that the scrip less trading system is a success and stressed on the importance of the role of the regulator in making the depository system successful.

Gurusamy (1996)⁵ explained that the introduction of depository system would help in transfer of securities in the capital market by a mere book entry. He also pointed out the advantages of depository system such as delay in transfer, registration, fake certificates, soaring cost of transactions, more paper work, non availability of depositories in when the transfer of securities take place by physical delivery.

Hurkat and Ved (1999)⁶ discussed the role of depository system in many advanced countries in the stock and capital markets the world over. They also analyzed the services offered by NSDL, dematerialization, re-materialization, trading and fee or charges, comparison of a bank and a depository for the benefits of the depository.

Ravi Shah (2002)⁷ highlighted that NSDL and CDSL have changed the face of the Indian capital market. The move from an account period settlement in paper form only to a T+3 settlement in pure electronic form has been achieved in a record span of few years, whereas it took anywhere between 10-20 years in most of the developed countries.

Schmiedel et. al. (2006)⁸ analyzed the existence and extent of economies of scale in depository and

settlement systems. The study indicated the existence of significant economies of scale but degree of such economies differs by settlement, institution and region.

Kanan (2008)⁹ highlighted that dematerialization has certainly brought about lot of improvement in the investment habits in our country and is bane for the companies and has created havoc in maintaining the members register and in conducting the members meeting.

Sultan Sing (2011)¹⁰ tried to study the factors affecting the decision making of the investors in depository system. Most of the investors are of the view that shorter settlement period, safety of securities with the depositories, attitude of the staff available with the DPs, timely services provided by the DPs to the investors, reduction in transaction cost, repatriation of sales proceeds of shares/debentures by NRIs are some of the factors which affects the decision making of the investors in depository system.

Dr. Dhiraj jain,P.Mehta (2012)¹¹ The investors level of awareness about services offered by depository participants and about closing and termination of demat account is moderate through the vary in their education qualification will be a sort of feedback for the investor, brokers and regulatory bodies as to what extent have the investors educate programme reached.

The earlier studies covered the depository system and environment, which mainly pertain to depository legislation, how a viable alternative of depository, implications of depositories ordinance, internal audit of depository participants, an overview of the Depositories Act, responsibilities of auditing profession, role of depository in stock and capital market, SEBI guidelines in the depository system, services provided by different depositories or accessibility of depositories to retail investors. But it is very important to study the Role and performance of depositories itself. Therefore, the

present study is an attempt to fill this gap.

Need for the Study

Indian stock exchanges nowadays are following screen based trading and electronic settlement system. The market width are also enlarged, quantity of investors spread to various distance places from trading and settlement place. There are some problems arising in the settlement and transfer system, in stock and share trading. In this circumstance there are a limited number of studies in this area. Hence there is a need for evaluation of depository system with in the area of investor's perspective. The present study is in this direction of research analysis covering role and performance of depository participants and the factors affecting the decision making of investor towards depository participant.

Scope of the Study

The present study covers the role and performance of the DP's and investor's Factors, attitudes towards depository participants and the four listed depository participants with special reference to a Rayalaseema region of Andhra Pradesh. The scope of the study is very wide and deep of a role of depository participants and investors factors affecting and comparative analysis among listed four depository participants, impacts of concept as far as Indian Capital market is concerned. Further, globalization has given a new fillip into financial markets and varied financial competitive Environment.

Statement of the Problem

The studies have explored the various aspects in the depository system like cost aspects. Difficulties faced by the investor and others of the benefits available to the investor. The Indian capital market has witnessed numerous changes in the recent past as seen earlier. Traditionally stock market booms and decline have resulted in a number of problems for the lay investor. A close introspection

of these problems will reveal that most of them are due to intrinsic nature of the paper based trading and settlement system. The capital market exposed the limitation of handling and dealing in securities in physical/paper mode. The short learning's of the market became manifest in terms of bad deliveries, delays in transfer and irregular settlement. The remedial measure for this may be the system of dematerialization (also called demat) under depository system. Hence it is an attempt to study about The Role of Depository Participants and Present scenario Working Frame work of NSDL(national securities depository limited)and CDSL(central depository system limited), factors affecting to investors perception towards depository participants, performance, comparative analysis among listed depository participants in Rayalaseema Region.

The Objectives of the Study Are

- To analyze comparative study on ROI of CDSL and NSDL
- To study return on assets of KBSL (Karvey),IIFL(India infloline),PCS and NSBL(Net worth)

Research Hypotheses

The main hypotheses formulated for the study are as given below.

- **H8:** There is significance difference in the return on investment (ROI) of CDSL and NSDL.
- **H9:** There is significant difference in the return on assets (ROA) of KSBL (Karvy),

IIFL (India Info line), PCS and NSBL (Networth). .

Research Methodology

In order to achieve the objectives stated above data and information have been collected from both the primary and secondary sources. The primary data have been collected through two structured questionnaires to investors (Annexure-I) and

intermediaries (Annexure-II). Apart from the questionnaires, discussions have been undertaken with the stock market specialists to elicit their opinion on various matters relating to depository system and investment decisions. Secondary data have been collected from reports, bulletins of RBI, bulletins of SEBI, books, journals, magazines, conference papers etc.

Sampling

Four listed depository participant companies are selected purposively for the study via. 1. Karvy Securities Ltd. 2. India Infoline Finance Ltd. 3. PCS Securities Ltd. 4. Net Worth Securities Ltd. Rayalaseema region is taken for the study. All the four districts via. Anantapuramu, Kurnool, Kadapa and Chittoore districts are covered for the study. In order to understand the attitude of the investors towards depository system, depository participants and investment, a sample of 300 investors are taken for the study on the basis of simple random sampling method covering 160 investors in four urban areas, 100 investors in four semi urban areas and 40 investors in four rural areas in all the four districts of rayalaseema region. The places covred are Anantapuram, Dharmavaram, Kalyandurgam, Kurnool, Nandyal, Arlagadha, Kadapa, Prodhuture, Mydhukure, Tirupathi, Chittoore, and Madanapalli.

A sample of 50 branches and franchises of the select four depository participants in urban, semi-urban and rural areas are taken for the study to understand the attitude of DPs on depository system.

The data and information collected through questionnaire and from all the available sources are properly analyzed and inferred to identify the problems in depository system to the investors and stock brokers by using the following statistical tools.

Statistical Tools Used

The data is analyzed based on the following statistical Tools

- ANOVA, SD, Ratio, Covariance.

Limitations of the Study

Any research by its inherent nature is bound to have some limitations and this study is not an exception to that rule. The major limitation of the study is that it is restricted to the Rayalaseema Region only and the size of the sample is also limited. However an effort is being made to minimize the impact of this limitation by selecting investors from different areas of all the districts of rayalaseema region. As this study is based on the responses of the investors and intermediaries there is a possibility of personal bias. Care has taken to bring down the impact by asking cross reference questions. Some of the investors could not relate themselves to the role of depository participants, depository services as they were new entrants to the market. The investment activity is the outcome of innumerable factors. Where as in this study only a limited number of factors are considered. With all these limitations all the efforts are made to evaluate the situation as accurately and objectively as possible.

Return on Investment Ratio of CDSL and NSDL

This ratio shows the percentage return received by depositories on their total share holder's fund during the study period. This ratio helps to assess depositories' Profitability from the view point of share holder's fund. Higher ratio affects positively to the profitability of depositories' income earning capacity. Total share holder fund includes share capital and reserve and surplus during one financial year. The formula of the ratio is as under.

$$ROI = \frac{\text{Profit after Tax}}{\text{Total Share Holders Fund}} * 100$$

Table 1 Return on Investment Ratio of CDSL and NSDL

(Figures in %)

| Year | CDSL | NSDL |
|------------------------------|--------------|--------------|
| 2007-2008 | 20.83 | 20.36 |
| 2008-2009 | 17.17 | 9.54 |
| 2009-2010 | 20.58 | 22.01 |
| 2010-2011 | 18.16 | 19.51 |
| 2011-2012 | 16.16 | 20.52 |
| Average | 18.58 | 18.39 |
| Standard deviation | 1.85 | 4.49 |
| Co-efficient variance | 9.94 | 24.45 |

Source: calculated from the Published Annual Reports of the Depositories

Return on Investment is an important measure of performance of any organization. ROI is important for the owners of the organization. The table 1 shows that Return on Investment ratio of CDSL and NSDL during the period under review. This ratio reveals that returns earned by depositories on their investment during study period. The profit which is taken as post tax. It reveals from the above table that CDSL ratio represents fluctuating trend during the study period of 2007-12 except in 2008-09 which shows that its profitability was not stable. CDSL has achieved its highest level of 20.83 % in the financial year 2007-08. The average ROI of CDSL obtained during the study is 18.58%. The NSDL also registered fluctuating trend during the study period which also affects negatively to its profitability. The Return on Investment ratio recorded 9.54% which was the lowest during the period 2007-12 which affects negatively to company's operational efficiency. NSDL achieved highest ROI of 22.01 % in the year 2009-10 .Comparing the CV of CDSL and NSDL; the CDSL has registered with lower CV than NSDL which shows that NSDL has less stability in term of Return on Investment ratio during the study period. It is

found that both the depositories have almost earned equally to the extent of 18 % of ROI during the study from 2007-12 and more over CDSL has more consistency in ROI when compared with NSDL. NSDL has high business risk due to fluctuating trend in ROI and but its ROI is increased to 20.52 % in

2011-12 from 19.51 in 2010-11. In this regard, it is suggested to the depositories to improve their operating and other incomes and simultaneously control the total expenses and thus enhances the consistency in ROI.

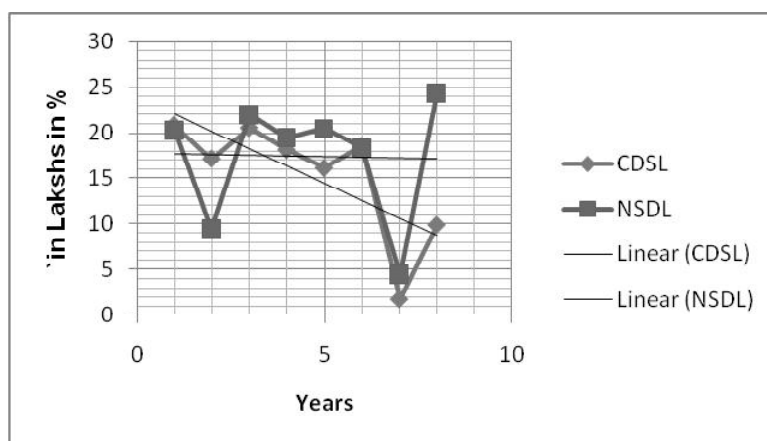


Fig 1 Return on Investment Ratio of CDSL and NSDL

- **H0:** There is no significance difference in the return on investment (ROI) of CDSL and NSDL.
- **H1:** There is no significance difference in the return on investment (ROI) of CDSL and NSDL.

Table 2: Return on Investment (One Way ANOVA)

| | Sum of Squares | Df | Mean Square | F-Cal | Sig. | F-table @0.01 L.O.S | Decision |
|----------------|----------------|----|-------------|-------|--------------------|---------------------|---|
| Between Groups | .092 | 1 | .92 | .006 | .939 ^{ns} | 11.26 | H ₀ is Accepted and H ₁ is Rejected |
| Within Groups | 118.182 | 8 | 14.773 | | | | |
| Total | 118.275 | 9 | | | | | |

Source: SPSS and ns- not significant at 0.01 level of significance.

The table 5.2 indicates that F-cal (0.006) is less than F-table (11.26) at 0.01 level of significance for degrees of freedom $\eta_1 = 1$ and $\eta_2 = 8$. Alternative hypothesis (H₁) is rejected and hence, H₀ is accepted. Therefore it is concluded that there is uniformity in Return on Investment (ROI) earning of CDSL and NSDL and it is not significant statistically. Both

the depositories have earned equally to the extent of 18 % only. It is suggested to depositories of CDSL and NSDL to enhance their efforts in improving the operating incomes and other incomes and by simultaneously the controlling expenses and that improves the consistency in Return on Investment ratio.

Table 3 Return on Assets (One Way ANOVA)

| Source | Sum of Squares | Df | Mean Square | F-Cal | Sig. | F-table @0.01 L.O.S | Decision |
|----------------|----------------|----|-------------|-------|--------------------|---------------------|---|
| Between Groups | 72.780 | 3 | 24.260 | 1.139 | .390 ^{ns} | 7.59 | H ₀ is Accepted and H ₁ is Rejected |
| Within Groups | 170.342 | 8 | 21.293 | | | | |
| Total | 243.122 | 11 | | | | | |

Source : SPSS and ns - not significant at 0.01 level of significance

- **H₀**: There is no significant difference in the return on assets (ROA) of KSBL, IIFL, PCS and NSBL.
- **H₁**: There is significant difference in the return on assets (ROA) of KSBL, IIFL, PCS and NSBL.

The return on total assets (ROA) / return on investment (ROI), measures the overall effectiveness of the management in generating profits with its available assets. The return on assets (ROA) ratio of IIFL and PCS were in fluctuating trend and the ROA ratio of NSBL and KSBCLs were in declining trend during the study from 2009-12. The average return on Assets (ROA) of IIFL, PCS, NSBL and KSBCL during the study were 1.44 %, 3.69, 8.2 % and 3.9 % respectively. All the depository participants have not earned satisfactory return on assets (ROA) / ROI. To test whether there is significance difference in the return on assets (ROA) of IIFL, PCS, NSBL and KSBL or not. The F-test / Anova is conducted and result is given in the table 5.3 It reveals that F-cal (1.139) is less than F-table (7.59) at 0.01 level of significance for degrees of freedom $\alpha=3$ and $\beta=8$ = Alternative hypothesis (H₁) is rejected and hence, H₀ is accepted. Therefore it is concluded that there is no significant difference in the return on assets (ROA) of IIFL, PCS, NSBL and KSBCL. It is suggested that all the depository participants have to optimize the utilization of assets and operating efficiency to achieve the satisfactory return on Assets (ROA) which satisfies

the shareholders of the company or enhances the market value of the company.

It can be concluded from the above that the depositories and select depository participants (IIFL, NSBL, PCS and KSBCL) are providing wide range of services. All are interested in knowing the financial performance of depositories, CDSL and NSDL and depository participants of IIFL, PCS, NSBL and KSBCL as earning returns from the services rendered is essential for survival in the market. Operating Income to Total Income ratio helps to assess the operational efficiency of the unit compare to total income of the depositories. It is found that NSDL is performing well when compared with CDSL as mean ratio of Other Income to TI (Total Income) is high and also CV is low. It is suggested to CDSL to reduce its business risk and enhance its operating efficiency so that it can achieve maximum Operating Income to Total Income ratio.

From the point of view of ratio of Other Income to Total Income earned, it is observed that CDSL is not performing its operations well even though it has high mean of OI/TI when compared with NSDL and more over NSDL has lesser business risk than CDSL. From the point of view of Total expenses to Total Income, it is found that CDSL is controlling its total expenses to total income consistently and its trend is in decreasing from 2008-12. The NSDL has high level of Total expenses to Total income as

its mean ratio is 70.14 and CV of 9.23. In this regard, it is suggested to the NSDL to control its total expenses effectively so that it can improve its consistency in total expenses to total income. It is found that both the depositories have almost earned equally to the extent of 18 % of ROI during the study from 2007-12 and more over CDSL has more consistency in ROI when compared with NSDL. It is also proved statistically that two depositories have same ROI. NSDL has high business risk due to fluctuating trend in ROI and but its ROI is increased to 20.52 % in 2011-12 from 19.51 in 2010-11.

Depository Participants are rendering wide range of services to investing community. It is necessary to understand the service charges charged by select depository participants as it has impact on the performance of the firms. It is observed that Network Stock Broking Ltd and Karvey Stock Broking Co.Ltd are charging less for various services offered to the investors when compared with other depository participants. The service charges charged by select depository participants for the services of security custody, equity transaction sale and transaction statement are competitive. Among select the depository participants, only PCS securities is charging to the extent of 170 rupees others are providing the accounting opening service for free of cost. IIFL is charging to the extent of 750 rupees for account maintenance service where as the remaining DP's are charging 450 rupees only..The average current ratios of IIFL, PCS, NSBL and KSBCL were 1.44, 2.24, 6.29 and 1.57 respectively. IIFL and KSBCL liquidity position is not satisfactory and PCS and NSBL maintained satisfactory liquidity position. When Anova / F-test is conducted to know whether there is significance difference in liquidity position of selected depository participants or not?. From result, it is concluded that the liquidity position of IIFL, PCS, NSBL and KSBCL or Current ratio position of IIFL, PCS, NSBL and KSBCL does not differ significantly. All the depository participants

have to maintain standard norm level of liquidity so that they remain competitive and can discharge their short term obligations effectively.

The return on total assets (ROA) / return on investment (ROI), measures the overall effectiveness of the management in generating profits with its available assets. The return on assets (ROA) ratio of IIFL and PCS were in fluctuating trend and the ROA ratio of NSBL and KSBCLs were in declining trend during the study from 2009-12. The average return on Assets (ROA) of IIFL, PCS, NSBL and KSBCL during the study were 1.44 %, 3.69, 8.2 % and 3.9 % respectively. All the depository participants have not earned satisfactory return on assets (ROA) / ROI. To test whether there is significance difference in the return on assets (ROA) of IIFL, PCS, NSBL and KSBCL or not. When F-test / Anova is conducted. From the result, it is concluded that there is no significant difference in the return on assets (ROA) of IIFL, PCS, NSBL and KSBCL. It is suggested that all the depository participants have to optimize the utilization of assets and operating efficiency to achieve the satisfactory return on Assets (ROA) which satisfies the shareholders of the company or enhances the market value of the company. From this it is clear that Net worth Stock Broking Company Ltd has performed well when compared with other depository participants.

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Growth and Development of Banking Sector with Inclusive Approach in India

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Abstract

Today's increasing complex and volatile business environment characterized by globalization, liberalization and transnational invasion ensures that managing in India would not be the same again. Enhancing competitiveness in the global market place presents the challenge to policy makers, business leaders and entrepreneurs in any industry including banking.

The world's second largest populated country, India, is the apple of the eye for the world now. The world economies are seeing it as their potential market. This has been going on since quite some time now, ever since 1991 reforms of liberalization, globalization and privatization. Indian markets in urban areas have grown appreciably and on the verge of saturation, so corporate have started tapping rural markets, since more than 60 percent of India's population lives in rural areas. Banking Industry in our Country is fast developing and it has been assigned a crucial role in countries economic development. Branch expansion and employment generation has touched new heights in the country. In view of its expanding role in the national economy and huge public funds at the disposal of banks, it is the need for the hour for banking sector to explore and adopt developmental aspects to meet the current challenges. Hence an attempt has been made to examine the progress of banking sector and adoption of development aspects to suit the needs of people in India. For this purpose the study covers a total period of 43 years from 1969 to 2012 with regard to the aspects of expansion in bank branches, deposit mobilization and priority sector lending both by the public and private sector banks in India.

Keywords: *Globalization, Liberalization, Banking sector, Branch expansion, Deposit mobilization, Inclusive growth.*

Introduction

Today's increasing complex and volatile business environment characterized by globalization, liberalization and transnational invasion ensures that managing in India would not be the same again. Enhancing competitiveness in the global market place presents the challenge to policy makers, business leaders and entrepreneurs in any industry including banking.

The world's second largest populated country

India is the apple of the eye for the world now. The world economies are seeing it as their potential market. This has been going on since quite some time now, ever since 1991 reforms of liberalization, globalization and privatization. Indian markets in urban areas have grown appreciably and on the verge of saturation, so corporate have started tapping rural markets, since more than 60 percent of India's population lives in rural areas. Banking Industry in our Country is fast developing and it has been assigned a crucial role in countries economic

development. Branch expansion and employment generation has touched new heights in the country. In view of its expanding role in the national economy and huge public funds at the disposal of banks, it is the need for the hour for banking sector to explore and adopt developmental aspects to meet the current challenges. Hence an attempt has been made to examine the progress of banking sector and adoption of development aspects to suit the needs of people in India.

Objectives

1. To analyze the growth and development of commercial banking in India.
2. To examine the public and private sector bank branches in India.
3. To examine deposit mobilization in public and private sector banks in India.
4. To examine the progress in priority sector lending by banking in India.
5. To analyze the inclusive approach of RBI and banking sector in India.

Period of the Study

The study covers a total period of 43 years 1969 to 2012 with regard to the aspects of expansion in bank branches, deposit mobilization and priority sector lending both by the public and private sector banks in India.

Growth of commercial banking in India

The beginning of Commercial Banking in India was made in the 17th century when the British established Agency Houses in the country. Before that some indigenous bankers were working. The bank called the bank of Hindustan was established in 1770. But the commercial banking in systematic form was initiated in the early part of 19th century when the presidency. Banks were established. The Banking Companies Act, 1860 encouraged the growth of joint stock banks in India. The

establishment of the Oudh commercial Bank in 1881 can be considered as the first Indian Bank. The Imperial Bank of India was set up in 1920 with the merger of three Presidency Banks, which was nationalized in 1955 to create the State Bank of India. At the time of independence India had 648 banks with 4,819 branch offices.

Phases of Commercial Banking Growth

The growth of commercial banking in India has passed through four distinct phases since independence. They are: I) Foundation phase, II) Expansion phase, III) Consolidation phase and IV) Reform phase

I) Foundation phase (1951-65)

During this phase (1951-65) formulation of necessary legislative framework for facilitating re-organization and consolidation of the banking system was undertaken.

II) Expansion phase (1965-85)

This phase had begun in mid 1960s and gained momentum after the nationalization of 14 top commercial banks in 1969. During this phase emphasis was laid on the expansion of banking services throughout the country.

III) Consolidation phase (1985-90)

During this phase (1985-90) attention was paid for improving efficiency in terms of staff productivity, profitability of banks, customer service, credit management, etc.

IV) Reform phase (1991 and after):

This is an important phase of commercial banking growth in India. With the introduction of banking sector reforms, in recent years, the composition of banking system has seen considerable change. Some important initiatives like new accounting and prudential norms relating to capital adequacy, income recognition, etc., are given due weightage during this period.

Trends in Commercial Banking Growth

The important trends in the growth of commercial banking in India, particularly since nationalization may be analyzed as given below.

Expansion of Bank Branches

Rapid economic development presupposes rapid expansion of commercial banks. Initially, the banks were conservative and opened branches mainly in metropolitan cities and other major cities. The public sector banks growth is quite impressive. There were only 7,015 public sector banks in 1969, accounting for nearly 85% of the total number of bank branches while the share of the private sector banks were 15% in India. The total number of public sector banks shot up to 47,359, accounting for 90% of the total number of banks while the share of the private sector banks stood at 10% in India by 2001. The New Economic policy introduced in July 1991 supplied the needed impetus to increase bank branches in the country. The public banking sector broke the all time record in 2011 with 71,065 bank branches accounting for slightly over 88% of the total number of bank branches under the public sector in India. Thus, public sector banking increased by more than ten fold over a period of four decades (Table -1) while the private sector banks stood at 9304 accounted for 11.6% of the total number bank branches in 2011 implying the fact that the private sector banking increased by more than seven fold while the public sector banks increased by more than ten fold over a period of forty years in India. As a result, the average population served per bank office was around 65000 in 1969 has comedown to 13888 in 2007 i.e. 7.20 bank branches for one lakhs population.

Rural Branches

Apart from the numerical increase in the branches of commercial banks, there has been a rural bias in branch expansion after nationalisation. This has resulted in an improved dispersal of banking

facilities. As against 22 per cent (1,860 branches) bank branches located in rural areas in June 1969, there were went to 35,206 (58.5 %) bank branches in 1991, but these were 31,554 (39.3 %) bank branches in 2009 and in 2012 these were 35,850 (36.9 %) branches.

Removal of Regional Imbalances

Another important development in the branch expansion of commercial banks during the last four decades is opening up of branches in backward areas. Branch expansion has been faster in the states like Assam, Orissa, Bihar, Madhya Pradesh and Uttar Pradesh than in developed states like Maharashtra, Gujarat and Tamil Nadu after nationalisation. This has progressively reduced regional inequalities in banking facilities in the country to some extent. Table 2 reveals the progress of branch expansion of commercial banks since nationalisation:

Deposit Mobilisation

Expansion of bank deposit has been an important feature in recent years. Planned economic development, deficit financing and increase in currency issue have led to increase in bank deposits. At the same time, banks have contributed greatly to the development of banking habit among people through sustained publicity, extensive branch banking and relatively prompt service to the customers. But nationalization gave a great fillip to deposit mobilization, due partly to the expansion of a network branches and partly to the incentives given to savers.

Table - 3 reveals that, there has been a substantial rise in the deposits of the banks during last four decades, from 1969-2012 the aggregate deposits of public sector banks have gone up from Rs 4823 crores in 1969 to Rs 56,13,195 crore in 2012 that is to say bank deposits have gone up by almost 1163 fold : whereas the deposits in the case of private sector banks from 1981 to 2012 has gone up by almost 8 times and the aggregate total deposits from 1981 to 2012 registered a growth of

deposits by about 131 fold . In addition, the share of rural deposits in total deposits has gone up significantly from 3 per cent in 1969 to about 15 per cent presently. At present, bank deposits have been growing at a rate faster than the rate of growth of national income. This tremendous growth in bank deposits is due to the following reasons.

- i) Rapid branch expansion
- ii) Growth of banking habits
- iii) Larger availability of cash with the banking system
- iv) Lower cash reserve ratio
- v) Favourable business conditions in the country
- vi) Greater confidence of people in the banking system
- vii) Higher rates of interest, etc.

Since 1950-51 deposit mobilization and supply of credit by banks were going at a rapid rate particularly after bank nationalization 1969. For instance, for growth of deposits in India of all Scheduled Commercial Banks was as under.

1951 - 1971 (20 Years) - 700% or 7 times.

1971 - 1991 (20 Years) - 3.260% or 33 times.

1991 - 2012 (21 Years) - 1990% or 20 times.

It is clear that, the most rapid deposit expansion was during 1971-1991 nearly 33 times. This was because of Nationalization and the tremendous expansion of banking. In general, there has been regular continuous rise in bank deposits indicating clearly that banking habit is growing in India more, and more people are keeping their cash with banks than with themselves.

Priority Sector Lending

The commercial banks have made a remarkable progress in priority sector lending during the last four decades. Before 1969, Agriculture, Small scale industries and other priority sectors were totally

neglected by banks. The share of these sectors in the total advances of banks was just 14.6% in June 1969. Therefore, channelization of more funds to priority sector was made one of the important objectives of bank nationalisation. Table - 4 shows that, the commercial banking system and particularly the public sector banks have extended by the public sector banks to priority sectors went up from Rs. 441 crore in June 1969 to Rs. 11,30,700 crore in March 2012 i.e., 37.5 per cent of total credit.

During the last four decades since nationalisation in July 1969, Indian Commercial banks have transformed themselves beyond recognition. Their major business before 1969 was to finance trade and industry. In accordance with the national plans, policies and priorities, banks have now taken up major responsibilities for developing and diversifying the Indian economy. They have come in a big way to help agriculture and hitherto neglected sectors. The new avenues for profits have made them enter the following new fields of activity. In addition, commercial banks are providing a lot of developmental inputs.

They include:

- i) Core banking services
- ii) Supply of venture capital
- iii) Merchant banking services
- iv) Supply of housing loans
- v) Insurance service
- vi) Supply to SHGs,
- vii) Supply of micro credit
- viii) Mutual fund business
- ix) Supply of credit and ATM Cards to customers etc.
- x) Educational loans

All the 10 items listed above are steered in the direction of achieving faster rate economic growth and development.

Foreign Banks

Apart from the 80,369 indigenous bank branches some of the foreign banks are also operation in India, which are commonly addressed as Foreign Exchange Banks. The foreign banks here refer to those banks which are incorporated in foreign countries, but have opened branches in India. They are mainly private sector foreign banks. Most foreign banks perform essentially the same range of services as local banks with a different focus. At present more than 40 foreign banks have opened their branches in India and as on June 30, 2008 there were 279 such branches. Some of the foreign banks are: Citi bank, Grindly's Bank, Federal Bank, Hong Kong Bank, Deautsche Bank etc.,

Inclusive approach adopted by the RBI and other Banks in India

The New Economic Reforms initiated in India on 24th July, 1991 significantly impacted the economy of India. The RBI adopted liberal approach in permitting the establishment of private commercial banks with a view to provide access to banking facilities to the people who were either to left out from participating in the nation building process and reap the benefits of development. To carry the mantel of inclusive philosophy, the RBI aimed to provide banking facility to all people. As a result of this, now here is a bank branch for every eleven thousand people in the country; which no mean achievement in the economic history of India.

This financial inclusiveness goes a long way in bringing tremendous economic prosperity in the country in the days to come. The forty years performance of progress achieved by the banking sector reflects the inclusive approach adopted by the banking sector in India.

Conclusion

The Indian Banking system had gone through a series of crises and consequent bank failures and thus its growth was quite slow during the first half of the 20th Century. But after Independence, the Indian Banking System was recorded rapid progress. This was due to planned economic growth, increase in money supply, growth of banking habit, control and guidance by the Reserve Bank of India and above all, nationalization of banks in July, 1969. Thus the banking sector particularly public sector banking played a tremendous role in providing the needed impetuous to meet the challenges from time to time. No one denies the fact that banking sector played a crucial role in achieving fast rate of economic growth in all sectors in the country. Even then there are new 5 lakh villages waiting for banking services. Further, in the banked areas also, new depositors have to be attracted and the existing depositors have to be motivated to increase their deposits to meet the investment requirements so that all the resources put to optimum use in the country.

Table: 1 Expansion of Public and Private Sector Bank Branches from 1969 to 2011 in India

| Year | Public Sector Banks | Private Sector Banks | Grand Total |
|------|---------------------|----------------------|-----------------|
| 1969 | 7015 (84.9) | 1,247 (15.1) | 8,262 (100.00) |
| 1981 | 26,408 (84.4) | 4,182 (13.6) | 30,590 (100.00) |
| 1991 | 41,282 (91.2) | 3,983 (8.8) | 45,265 (100.00) |
| 2001 | 47,359 (90.0) | 5,253 (10.0) | 52,612 (100.00) |
| 2011 | 71,065 (88.4) | 9,304 (11.6) | 80,369 (100.00) |

Source: RBI, Statistical Table relating to banks in India from 1969 to 2011, Bombay

Note: Figures in percentages indicate percentages to the total.

Table:2 - Expansion of rural commercial banks in India by june-2012

| As on June 30 | Total No. of Branches | Rural branches | Rural branches as percentage of the total |
|---------------|-----------------------|----------------|---|
| 1969 | 8,262 | 1,860 | 22 |
| 1991 | 60,220 | 35,206 | 58.5 |
| 2009 | 80,156 | 31,554 | 39.3 |
| 2012 | 97,111 | 35,850 | 36.9 |

Source: Economic Survey, 2003-04, 2004-05, 2006-07, 2007-08, 2008-09, 2012-13

Table-3 Deposit Mobilization by Public and Private Banks from 1969 to 2012 in India (Rupees in crore)

| Year | Public sector banks | Private Sector Banks | Grand Total |
|------|-------------------------|----------------------|------------------------|
| 1969 | 4823 | -- | -- |
| 1981 | 41,022.00 (90.8) | 41,182.4 (9.2) | 45,204.4 (100.00) |
| 1991 | 1,75,598.20 (90.3) | 18,732.6 (9.7) | 1,94,330.0 (100.00) |
| 2001 | 7,95,061.90 (86.0) | 1,29,871.5 (14.0) | 9,24,933.0 (100.00) |
| 2012 | 56,13,195.00 (94.69) | 3,14,870 (5.31) | 59,28,065 (100.00) |

Source: RBI, Statistical Table relating to banks in India from 1969 to 2012, Bombay

Note: Figures in percentages indicate percentages to the total

Table:4 Public sector banks' advances to priority sectors

| S. No | Priority Sectors | June 1969 | March, 2001 | March, 2003 | March, 2009 | March, 2012 |
|-------|---|-----------|-------------|-------------|------------------------|-------------|
| 1 | Agriculture | 162 | 45,296 | 88,143 | 2,98,211 | 4,78,600 |
| 2 | Small scale industries | 251 | 46,045 | 54,268 | 1,02,550 (March,07) | 3,96,600 |
| 3 | Other priority sectors | 20 | 130 | 125114 | 2,30,563 | 2,88,800 |
| 4 | Total priority sector advances | 441 | 1,27,478 | 1,71,485 | 7,20,083 | 11,30,700 |
| 5 | Total bank credit | 3017 | 3,16,427 | 3,94,064 | 16,93,437 | 30,18,500 |
| 6 | Percentage of priority sector advances to total bank credit | 14.6 | 40.3 | 43.5 | 42.5 | 37.5 |

Source: Economic Survey, 2009-10, 2012-13

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Employee Empowerment Practices in Indian Banking Sector

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Abstract

"Empowerment is not a verb. It is more a state of mind & way of working"

- Ken Gilliver

The Phenomenal Geopolitical Developments accompanied by a sweeping wave of economic reforms and liberalization during the dynamic decade of the 1990's have profoundly affected the business scenario, not just in India, but also across the globe. The breaking down of trade barriers and the easy flow of technology, funds, and manpower have helped in the globalization of business and put a heavy demand for the quality, range, cost, and reliability of products and services. Massive exercises are, therefore, started in a number of corporations to create flatter, learner, and smarter organizations, putting human resources at the core of the organization. Achieving excellence, it may be mentioned, is not a destination, but a journey. The chase for finding right answers to present and rising problems-and challenges-though long and complex has proved to be a very gratifying and pleasing experience. During the last two decades, amongst the gigantic concepts and strategies empowerment has evidently emerged as a winner. Confidence in employee's competence, commitment, and contributions to the organization are the core themes of this new mantra. And sharing information about current emerging problems as well as opportunities is not only helping in closing the existing wide gap between management and employees, also in optimizing employee commitment, motivation, and performance.

The aim of present study is to better understanding of employee empowerment practices in banking sector by the perspectives of employees working in SBI and ICICI bank, especially in the terms of employees' Job Autonomy, Communication, Training, Rewards and Organisational Culture and its impact on employee and organizational effectiveness. Researcher chosen banking sector because, an efficient, effective and disciplined banking system helps the process of economic development as per the national priorities. It functions as catalytic agent for bringing about economical, industrial and agriculture growth and prosperity of the country.

Keywords: *Employee Empowerment, Geopolitical, strategies, flatter, learner, smarter.*

Introduction

The astonishing development of the banking and financial services across the world lead to consider as one of the imperative contributor to the world's GDP. Unlike the developing nations, lots of people are employed in banking industry of developed countries. Today managing talent in banking sector is the most crucial Human Resource challenge all over the world, and it becomes as the main agenda of elite people in every aspect for the predictable future. The ability to achieve competitive advantage through people approach requires an overall HR approach.

In last 2 decades with rising Indian economy, a significant progress has taken place in Indian banking sector. In spite of development and opportunities in this industry, it also faces quite a lot of HR problems which admit key challenges for the sector in India. One of the major issues for banking sector is attract and retain high quality personnel. An analysis of secondary source reveals issues that can critically influence the high growth rate foreseen for this sector. These include problems such as increasing employee turnover, stressful work environment and poor career development. In addition, finding and retaining talented people, training, and career planning are pertinent areas which need to be addressed. Employees who are happy in their work place are more motivated to contribute and can do more effectively. This also transforms into better consumer experience and in turn, leads to stronger financial performance by the firm and overall economic growth.

Empowerment can be described by giving power to frontline personnel to meet the needs of the customers. Employee empowerment extremely influences the organizational activities concerning its growth because if the people will be satisfied, then automatically they fulfill the requirements of the organization as well as customers then cost will reduce and organization must grow.

"Encouraging and allowing individuals to take personal responsibility for improving the way they do their jobs and contribute to the organizational goals".

"The delegation of responsibility for decision making as far down the management line as possible"

Review of the Literature

There is a plethora of literature on the practices of HRD in the corporate world. Many attempts have been made to understand the practices of human resource development and empowerment in organizations. Here, an effort is made to review the various studies carried out both in India and abroad on the empowerment of employees and allied areas.

Gurvinder Kaur (2013)¹ in her inquisitive research work entitled "Employee Empowerment and Organizational Effectiveness: A Comparative Study of Public, Private and Foreign banks in Some North Indian States" tried to investigate the psychological and structural empowerment of employees and their impact on the organizational effectiveness. It is found that social structural characteristics like self-esteem, role clarity, autonomy, communication, reward system, organizational climate, skills and knowledge which constitute a positive factor in influencing empowerment in organization.

Abbas Ali Rastegar et al., (2013)² in their article titled "Studying and Identifying Affecting Factors on Employees' Empowerment: A Case Study- Mellat Bank" investigate the factors that affecting employee empowerment in banking sector and to determine the rate of the impact by each variable (organizational condition, managerial strategies and self-efficiency resources). It is found that open channels of information and information sharing among are the important factors that can increase trust in the organization.

Chandra Mohan Patnaik and Ashok Kumar Sahoo (2013)³ in their exploratory study found a

positive relationship between training and employee empowerment. From the analysis they found that training enabled an employee to perform better. According to the authors empowered employees are more motivated as compared to those who just follow the dotted lines. Employee empowerment finally created a sense of belongingness and ownership towards the parent organization among the employees.

Fernandez and Moldogaziov (2013)⁴ used the Self-determination theory to theorize about the effects of different empowerment practices on job satisfaction. Employee empowerment is conceptualized as a multi-facet approach that consisted of practices aims at sharing information, resources, rewards and authority with lower level employees. The results indicated that empowerment practices facilitated improvement in employees' self-determination (sharing information about goals and performances, providing access to job related knowledge and skills and granting discretion to change work processes) and shows positive effects on job satisfaction conversely, the practices that do not facilitate autonomy do not affect job satisfaction.

Zorah Abu Kassim et al., (2012)⁵ made a study entitled "Job Empowerment and Customer Orientation of Bank Employees in Kuching, Malaysia". The study was aimed to investigate the factors that influence employee's job empowerment. The findings showed that autonomy was significantly indicating that an employee with autonomy generates higher performance compared to those employees with little work autonomy.

Quratul-Ain Manzoor (2012)⁶ made an investigation to identify the factors that affect employee motivation and examined the relationship between organizational effectiveness and employee motivation. And he pointed out that the employees should be given necessary recognition and credit at the right time which increases the morale of the employees and also to create a sense of belonging in the minds of the employees.

Preeti Rawat (2011)⁷ in her survey examined the relationship between empowerment and commitment of employees towards their organizations. The study showed that psychological empowerment significantly influenced all the forms of commitment. Self determination was significantly related to affective and continuance commitment.

Angwenyi Callen Nyanchama (2009)⁸ made an attempt to study "Employee Empowerment Practices in Commercial banks in Kenya". The result revealed that employer should show a clear vision and goals to their employees, offer adequate autonomy, encourage regular communication, and provide constant employee training to develop their knowledge and skills which motivates to achieve self efficacy and organisational goal.

Peters Silvia Chigozirim and Elham Mazdarani (2008)⁹ in their exploratory research, revealed the impact of employee empowerment on service quality and customer satisfaction in service organizations. It was found that empowerment had a positive impact positive and motivate the employee to provide greater service and to create a greater sense of accomplishment or satisfaction in their jobs by reducing dependency, irresponsibility and encourages team work which overall leads to achieve organizational goals and objectives.

Bowen and Lawler (1994)¹⁰ in their paper "Employee Empowerment Approach to Service" wish-listed the importance of empowerment practices in service organizations. They opined that organizational policies, practices, and structures must be changed to create empowerment on substantial basis.

Gbalaham Gbadamosi (1995)¹¹ in his explanatory study tried to investigate the association among organizational commitment, communication and effectiveness. The result indicated that organizational commitment is strongly related to the behavioural measures of effectiveness and commitment of organizational members certainly

has a strong role to play in reinforcing organizational effectiveness.

Decotics and Summers (1987)¹² attempted to depict a linkage among organizational effectiveness, morale and commitment. Morale of an individual's claim results of an organizations achievement. They found the probability of organizational effectiveness indirectly influence commitment through morale. Thus, if effectiveness increases, morale must improve, and in turn, increase the level of organizational commitment.

Need for the Study

The need for Employee Empowerment gained great importance in service-oriented institutions like banks. As employees in a service organization have frequent contacts with the customer, they usually serve as representatives for both the organization and their products and services to the customer at contact point. When service interactions are not properly controlled and handled, the outcome is poor perception of service quality that leads to customer dissatisfaction. The quality of service and

satisfaction that the customer may derive will be an assessment of the entire service experience. The employees play a major role in determining whether a customer would enjoy the experience or turn to their competitors for better solutions.

Scope of the Study

The present study included to examine the extent of interrelation between the select variables and organisational effectiveness in banking professionals with respect to SBI and ICICI banks in Rayalaseema region of Andhra Pradesh only. Particularly, I select these two banks because they are giant in public and private sector in terms of operations, employees and turnover.

Among the various components, the present study is aimed at examining the following important elements which are highly relevant to employee empowerment:

1. Autonomy,
2. Communication,
3. Training,
4. Rewards, and
5. Organisational Culture.

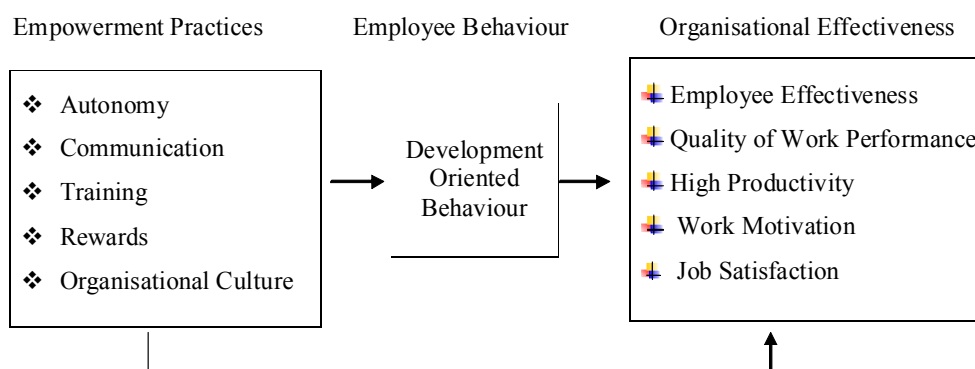


Figure 1: Employee Empowerment-Organisational Effectiveness

Source: Designed by Researcher

Objectives of the Study

1. To study the impact of Job Autonomy on Employee Effectiveness in SBI and ICICI banks.
2. To analyze the role of Employee Communication on Performance Quality in SBI and ICICI banks.
3. To examine the effect of Employee Training on Employee Productivity in SBI and ICICI banks.
4. To identify the role of Employee Rewards on Employee Motivation in SBI and ICICI banks.

5. To critically evaluate the affect of Organisational Culture on Employee Job Satisfaction in SBI and ICICI banks.

Hypotheses

Based on the objectives of the study the following hypotheses were formulated to examine "Employee Empowerment Practices in Indian Banks (SBI and ICICI)" respectively:

- **H1:** There is a significant difference between the two banks regarding the role of Job Autonomy that affect Organisational Effectiveness.
- **H2:** There is a significant difference between the two banks regarding the Communication System that affect Organisational Effectiveness.
- **H3:** There is a significant difference between the two banks regarding the Training Practice that effect Organisational Effectiveness.
- **H4:** There is a significant difference between the two banks regarding the Reward System that affect Organisational Effectiveness.
- **H5:** There is a significant difference between the two banks regarding the Organisational Culture that affect Organisational Effectiveness.

Study Design and Methodology

The present study is an empirical research in nature. The descriptive research procedure is also used for describing the current scenario in SBI and ICICI bank.

The main contribution of this research is to

critically analyse the current employee empowerment practices, to develop the new model, and to suggest various ways to improve overall effectiveness in the performance of organizations. This model presents the demonstrated relationship between the research variables. It also shows the clear insights for the both academic researchers and practitioners in the field.

Sources of Data

For the present study, the data has been collected from both primary and secondary sources. The primary data has been collected by administrating a structured questionnaire from the non-executive (Clerical Cadre i.e., Assistant, Senior Assistant, Special Assistant and Senior Special Assistant) of select public and private sector banks.

The secondary data has been gathered from Internet, books, research articles, survey reports, newsletters, various journals and magazines.

Sample Size and Design

The sample units have been selected by applying Simple Random Sampling Approach. And the respondents are selected by applying Purposive Sampling Technique.

Sample Universe: The sum of Non-executives level employees from select banks.

Sample Framework: The sample frame is categorized as Non-executives only.

Sample Units: The sample units are bank branches of SBI and ICICI bank.

Sampling

| District | State Bank of India | | ICICI Bank | |
|---------------|---------------------|-------------|-----------------|-------------|
| | No. of Branches | Respondents | No. of Branches | Respondents |
| Ananthapuramu | 48 | 43 | 6 | 45 |
| Chittoor | 46 | 42 | 3 | 22 |
| YSR Kadapa | 57 | 51 | 3 | 22 |
| Kurnool | 57 | 51 | 8 | 61 |
| Total | 208 | 187 | 20 | 150 |

Source: Primary Data

Data Collection Instruments

The technique adopted to collect primary data was through structured questionnaire and personal interviews. Based on the review of literature on empowerment and detailed discussion in the human resource consultants, Likert scale was constructed following the procedure developed by Rensis Likert. Initially, 77 statements consisting of five independent variables and one dependent variable (Organisational Effectiveness) are included in the questionnaire that reflects the various dimensions of employee empowerment.

Statistical Tolls and Techniques

The present study is a qualitative analysis of the responses and results based on observations. The collected data is analyzed and interpreted based on Weighted Averages, Correlation coefficient analysis and Independent t-test with the aid of Microsoft

Excel software and Statistical Package for Social Sciences (SPSS-20 Version).

Limitations of the Study

The present study has the normal limitations of time, finance and other facilities usually faced by all research scholars. Apart from this limitation some of the other limitations were as under;

1. This research study is limited to select commercial Public & Private Banks in Rayalaseema region only.
2. The results of the research cannot be generalized to other banks like rural, co-operative and foreign.
3. The accuracy of given information may owe to change by time, work place and individual factors.

Table 1: Profile of SBI and ICICI Bank Employees

| ELEMENTS | | Name of the Bank | |
|-------------------------|--------------------|------------------|----------------|
| | | SBI (%) | ICICI Bank (%) |
| Age | 20-25 years | 3.7 | 22.0 |
| | 26-30 years | 39.0 | 68.0 |
| | 31-35 years | 28.9 | 10.0 |
| | 40 years and above | 28.3 | 22.0 |
| | Total | 100 | 100 |
| Education Qualification | Intermediate | 2.7 | 0 |
| | Degree | 40.1 | 12.0 |
| | Post Graduation | 33.2 | 78.0 |
| | Professional | 24.1 | 10.0 |
| | Total | 100 | 100 |
| Marital Status | Married | 81.3 | 34.0 |
| | Unmarried | 18.7 | 66.0 |
| | Total | 100 | 100 |
| Experience | 0-5 years | 26.7 | 90.0 |
| | 5-10 years | 42.8 | 6.0 |
| | 10-15 years | 2.1 | 4.0 |
| | 15 years and above | 28.3 | 0 |
| | Total | 100 | 100 |

Source: Primary data

Table -1.1: Job Autonomy and its Results

| S.No. | STATEMENTS | SBI (MEANS) | ICICI Bank (MEANS) |
|-------|--|-------------|--------------------|
| 1 | Do you have Job Autonomy in your Bank | 2.22 | 2.72 |
| 2 | How many Decisions have you made Without Referring to Higher Authorities | 1.75 | 1.34 |
| 3 | How often you Participate in Problem Solving | 2.60 | 2.50 |
| 4 | Is your Bank effectively Utilizing the Bank's Staff Suggestion Scheme | 2.40 | 2.64 |
| 5 | Have you got any chance to Participate in Branch Strategy Preparations | 2.26 | 1.92 |
| 6 | Have you any Control over the Work Schedule | 2.29 | 2.82 |
| 7 | Is your Opinion is Asked before Changes are Made in the Way You Work | 2.56 | 2.68 |
| 8 | Is your Superior tries to Solve your Work Related Problems | 2.72 | 2.74 |
| 9 | Can you Promise the Customer on Behalf of Management | 2.71 | 2.08 |

Source: Primary Data

Table -1.2: Correlation Coefficient B/W Job Autonomy-Employee Effectiveness

| | Variables | Emp. Effectiveness | Job Autonomy |
|------------------------|---------------------|--------------------|--------------|
| Employee Effectiveness | Pearson Correlation | 1 | 0.056** |
| | Sig. (2-Tailed) | | 0.000 |
| | N | 337 | 337 |
| Job Autonomy | Pearson Correlation | 0.056** | 1 |
| | Sig. (2-Tailed) | 0.000 | |
| | N | 337 | 337 |

** . Correlation is significant at the 0.01 Level (2-Tailed).

Table -1.3: Job Autonomy Differences B/W SBI and ICICI Bank

| Group Statistics | | | | | |
|---|------------|-----|------|----------------|-----------------|
| | Bank Name | N | Mean | Std. Deviation | Std. Error Mean |
| Job Autonomy Differences Between SBI and ICICI Bank | SBI | 187 | 2.22 | .93903 | .06867 |
| | ICICI Bank | 150 | 2.72 | .66676 | .05444 |

Source: Primary data

Table- 2.1: Employee Communication and its Results

| S.No. | STATEMENTS | SBI (MEANS) | ICICI Bank (MEANS) |
|-------|--|-------------|--------------------|
| 1 | I am getting Prompt Information to make Quick and Suitable Decisions | 4.35 | 3.54 |
| 2 | I have Observed Boost-up in My Morale with Present Communication | 4.06 | 3.76 |
| 3 | If I have a Problem I can Speak Directly to My Superior | 4.21 | 4.32 |
| 4 | I am able to give an Open Feedback on My Subordinates and Superior | 3.23 | 4.10 |
| 5 | Employee’s Weaknesses are Communicated in a Smooth Manner | 3.80 | 3.74 |
| 6 | Hierarchy and Cross Culture are the Barriers in Communication | 2.99 | 3.34 |

Source: Primary Data

Table- 2.2: Correlation Coefficient B/W Communication -Performance Quality

| | Variables | Performance Quality | Communication |
|------------------------------|---------------------|---------------------|---------------|
| Employee Performance Quality | Pearson Correlation | 1 | 0.057** |
| | Sig. (2-Tailed) | | 0.000 |
| | N | 337 | 337 |
| Employee Communication | Pearson Correlation | 0.057** | 1 |
| | Sig. (2-Tailed) | 0.000 | |
| | N | 337 | 337 |

** . Correlation is significant at the 0.01 Level (2-Tailed).

Source: Primary data

Table- 2.3: Communication Differences B/W SBI and ICICI Bank

| Group Statistics | | | | | |
|--|------------|-----|--------|----------------|-----------------|
| | Bank Name | N | Mean | Std. Deviation | Std. Error Mean |
| Communication Differences Between SBI and ICICI Bank | SBI | 187 | 4.3529 | .72106 | .05273 |
| | ICICI Bank | 150 | 3.5400 | .90212 | .07366 |

Source: Primary data

Table- 3.1: Employees Training and its Outcome

| S.No. | STATEMENTS | SBI (MEANS) | ICICI Bank (MEANS) |
|-------|--|----------------|-----------------------|
| 1 | How many Training Programmes have you Attended in Your Career | 3.37 | 1.56 |
| 2 | I have Observed Enrichment in My Decision-Making Skills due to Training | 3.98 | 3.78 |
| 3 | Training Programmes has Improved My Performance Quality | 4.36 | 4.08 |
| 4 | Training increases My Confidence and helps to Tackle Conflict Situations | 4.11 | 4.08 |
| 5 | Training Programmes has Enhanced My Discipline | 3.73 | 4.14 |
| 6 | Bank provides Latest Training whenever New Technology Adopted | 3.32 | 3.86 |
| 7 | My work Relation with Peers has become Healthy due to Training | 4.00 | 3.76 |

Source: Primary Data

Table- 3.2: Correlation Coefficient B/W Employee Training - Productivity

| | Variables | Productivity | Training |
|-----------------------|---------------------|--------------|----------|
| Employee Productivity | Pearson Correlation | 1 | 0.018** |
| | Sig. (2-Tailed) | | 0.000 |
| | N | 337 | 337 |
| Employee Training | Pearson Correlation | 0.018** | 1 |
| | Sig. (2-Tailed) | 0.000 | |
| | N | 337 | 337 |

** Correlation is significant at the 0.01 Level (2-Tailed).

Table- 3.3: Employee Training Differences B/W SBI and ICICI Bank

| Group Statistics | | | | | |
|--|------------|-----|--------|----------------|-----------------|
| | Bank Name | N | Mean | Std. Deviation | Std. Error Mean |
| Employee Training Differences Between SBI and ICICI Bank | SBI | 187 | 4.3636 | .62765 | .04590 |
| | ICICI Bank | 150 | 4.0800 | .39323 | .03211 |

Source: Primary data

Table- 4.1: Employee Rewards and its Impact on Employee Performance

| S.No. | STATEMENTS | SBI (MEANS) | ICICI Bank (MEANS) |
|-------|---|-------------|--------------------|
| 1 | I believe Our bank is Practicing a Fair and Equitable Reward System | 3.56 | 3.98 |
| 2 | I Feel Satisfy, when My work is Recognized in the form of Rewards | 4.70 | 4.44 |
| 3 | Reward has creates My Unique Identity in Organization- “big picture” | 4.14 | 4.62 |
| 4 | I got more Opportunities for Personal Growth due to Rewards | 3.58 | 4.00 |
| 5 | Monetary and Non monetary Rewards help me to improve Morale | 3.86 | 3.96 |
| 6 | Rewards increase My Responsibility towards Organizational Goals | 3.53 | 4.20 |
| 7 | I am Satisfied with the Transparency, Quality and Quantity of My bank’s Reward system | 3.24 | 3.74 |

Source: Primary Data

Table- 4.2: Correlation Coefficient B/W Employee Reward -Work Motivation

| | Variables | Work Motivation | Rewards |
|-----------------|---------------------|-----------------|---------|
| Work Motivation | Pearson Correlation | 1 | 0.031** |
| | Sig. (2-Tailed) | | 0.000 |
| | N | 337 | 337 |
| Employee Reward | Pearson Correlation | 0.031** | 1 |
| | Sig. (2-Tailed) | 0.000 | |
| | N | 337 | 337 |

** . Correlation is significant at the 0.05 Level (2-Tailed).

Table- 4.3: Employee Reward Differences B/W SBI and ICICI Bank

| Group Statistics | | | | | |
|--|------------|-----|--------|----------------|-----------------|
| | Bank Name | N | Mean | Std. Deviation | Std. Error Mean |
| Employee Reward Differences Between SBI and ICICI Bank | SBI | 187 | 3.2353 | 1.0717 | .07837 |
| | ICICI Bank | 150 | 3.7400 | .65977 | .05387 |

Source: Primary data

Table- 5.1: Organisational Culture and its Results

| S.No. | STATEMENTS | SBI (MEANS) | ICICI Bank (MEANS) |
|-------|---|----------------|-----------------------|
| 1 | I believe Ethics and Honesty is the only Policy of our Bank's Culture | 4.55 | 3.72 |
| 2 | Customer Delight is our only Motive to Provide & Improve New Services | 4.22 | 4.22 |
| 3 | Conflicts are Resolved through Discussions & Control Interventions | 3.89 | 3.86 |
| 4 | Decisions are made on Prompt Facts and Information without Bias | 3.74 | 3.76 |
| 5 | Every Employee Ideas are Concerned while making Important Decisions | 3.17 | 4.02 |
| 6 | Our organizational Culture makes Employee to feel Pride be a part | 4.18 | 3.84 |
| 7 | I feel Positive & Fun workplace is the Sign of our Organizational Culture | 4.02 | 4.16 |

Source: Primary Data

Table- 5.2: Correlation Coefficient B/W Organisational Culture - Employee Job Satisfaction

| | Variables | Job Satisfaction | Organisational Culture |
|---------------------------|---------------------|------------------|------------------------|
| Employee Job Satisfaction | Pearson Correlation | 1 | 0.034** |
| | Sig. (2-Tailed) | | 0.000 |
| | N | 337 | 337 |
| Organisational Cultures | Pearson Correlation | 0.034** | 1 |
| | Sig. (2-Tailed) | 0.000 | |
| | N | 337 | 337 |

** . Correlation is significant at the 0.01 Level (2-Tailed).

Table- 5.3: Organisational Culture Differences B/W SBI and ICICI Bank

| Group Statistics | | | | | |
|---|------------|-----|--------|----------------|-----------------|
| | Bank Name | N | Mean | Std. Deviation | Std. Error Mean |
| Organisational Culture Differences Between SBI and ICICI Bank | SBI | 187 | 4.0214 | .65548 | .04793 |
| | ICICI Bank | 150 | 4.1600 | .41901 | .03421 |

Source: Primary data

Conclusion

The present study finds that there is significant relationship among employee empowerment and selected research variables, and its impact on organisational performance. In current scenario both SBI and ICICI banks are practicing employee empowerment practices, but in prescribed areas each one of them are effective. Here, ICICI bank is practicing better Autonomy practices, where SBI is ahead in practicing better Communication and Training. While in terms of Rewards and Organisational Culture ICICI bank is ahead comparing to SBI. Moreover, the overall research analysis shows that public banks are ahead in practicing better communication and training where private banks ahead in autonomy, rewards and organisational culture practices

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Market Structure and Export Furniture Sector of Jalisco

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Abstract

Currently the furniture industry in Mexico faces a crisis by falling exports, the entry of foreign goods into the country and delayed technological and processes, which has led to business closures and job losses. In this paper the stages of internationalization by which firms pass according to the gradualist theory or the internalization model of Uppsala are studied, the competition and structure of the furniture market in Mexico and Jalisco is evaluated using the Herfindahl - Hirschman index and discussed in which stage of the gradualist theory or model of internationalization of Uppsala are located the companies exporting furniture of the state.

Keywords: Competitiveness, export, market structure.

JEL: F200, F230, L220

Resumen

Actualmente la industria del mueble en México enfrenta una crisis por la caída de las exportaciones, la entrada de productos extranjeros al país y por la desactualización tecnológica y de procesos en el sector, lo que ha provocado el cierre de empresas y pérdida de empleos. En este trabajo se evalúa la competencia y la estructura del mercado mueblero en México y Jalisco utilizando el índice Herfindahl - Hirschman además se analiza en que etapa de exportación podemos ubicar a las empresas del ramo según la teoría gradualista o modelo de internacionalización de Uppsala.

Palabras clave: Competitividad, estructura de mercado, exportación.

1. Introduction

This paper analyzes the process of internationalization of companies in the furniture sector of Jalisco and the structure at state and national market levels. This will allow furniture companies to have an overview of the production process as seen from a microeconomic approach. In general, companies that are in this industry are

facing high operating costs, low sales and lack of productivity processes due to technological obsolescence and lack of current production systems.

2. Background of the Problem

The furniture industry in Mexico faces a crisis by falling exports. The entry of foreign goods into the country, technological and processes

obsolescence in the sector has led to business closures and job losses. According to the Bank for Foreign Trade (Bancomext, 2012) in the late 90s the sector contributed 2.6% of gross domestic product (GDP) but the furniture industry currently accounts for only 1.3%.

In the late 90s Mexico ranked third among countries with the highest number of furniture for sale worldwide but in recent years has been displaced by countries like China, Germany and Poland. According to figures from the World Trade Organization (WTO, 2013), Mexico ranks third countries with the highest number of trade agreements within the body, just behind the European Union and Chile, which is why the country should strengthen internationalization of domestic firms.

3. Delimitation of the Problem

For this study, furniture industry is defined as the manufacturing furniture except integrated kitchens, modular bathroom furniture, office furniture and shelving that falls under the category 337120 North American Industrial Classification System (INEGI, 2009). Also it is used strata and layering companies published on June 30, 2009 in the Official Gazette to mean micro, small, medium and large companies in the analysis of market structure by the Herfindahl index - Hirschman. Export is defined as the sale of goods or services in the foreign market. Enterprise internationalization is referred to the ongoing efforts of the company outside the domestic market to which it belongs.

According to data from the National Institute of Statistics and Geography (INEGI, 2009), the furniture sector in Jalisco is essentially formed by 87.01% of micro, small by 10.41%, 2.22% for medium and only 0.35% large. Jalisco is the leading producer of furniture in the country with 18.567% of the total gross of Mexico, employing 17,482 people in 1978 economic units in which only 3.2% are consolidated exporters (INEGI, 2009). However, it showed an increase in the number of

establishments in the furniture industry of the state corresponding to 23.9% with 1978 with economic units in 2009 compared to 1596 registered in 2004 (INEGI, 2004 and 2009).

According to the institute of statistical and geographical information of Jalisco (IEEG, 2014) from 2007 through 2011 the furniture sector averaged \$ 55 billion trade deficit and was until 2012 and 2013 that achieved an average surplus of only \$ 3.6 billion. These results worry entrepreneurs in the furniture industry of the state and show the positioning of products mainly from the USA, China and Canada, with the Chinese market alone tilts the trade balance in his favor according to data from International Trade Centre (2014).

According to the Association of Furniture Manufacturers de Jalisco (IEEG, 2014) recipient countries from exports Jalisco are essentially United States and Canada. The products most exported are bedrooms, dining rooms, entertainment centers and halls respectively. Municipalities where the increased production of the furniture industry in Jalisco focuses are: Zapopan, Guadalajara, Ocotlán, Tlajomulco de Zuñiga, Tlaquepaque and Tonalá.

The research questions are: What is the market structure of the furniture industry in Jalisco? What is stage of internationalization according to the Uppsala model most companies in the furniture sector in Jalisco is located?

4. Conceptual Theoretical Background

There are mainly two theoretical groups to try to explain the export behavior of small and medium companies that are domination the furniture industry in Jalisco. One focuses on the processes of accelerated internationalization and the other in the gradual development. It is intended to address from the study of the theories belonging to the second group because the furniture companies of the State first are established in the local market and then exported.

Among the studies that will serve as the theoretical framework, there are the works of Coase (1937), Rugman and Lorraine (1984) and Buckley and Casson (1976) on the theory of internationalization of the firm. This theory studies the expansion of the company as a strategy to reduce transaction costs that result from the use of the market, through the internationalization of activities. For a company deciding to invest abroad must have some advantages of locating certain activities abroad and organize within the company more efficient than sell them to others abroad.

In addition, the eclectic theory of Dunning (1973) suggests that companies decide to invest abroad if they hold competitive advantages over competitors in that particular market. It is more profitable to exploit the advantages that to lease or transfer the man should be most beneficial position part of its production plant in the foreign market rather than placing it in the local market.

The gradualist theory or Uppsala internationalization model of Johanson and Vahlne (1977) was developed from case studies of small multinational firms. This model considers the internationalization of business activities as a result of decisions taken by the company growth. This further suggests that this is a gradual process that is divided into four stages:

- A. Irregular exports.
- B. Exports through independent representatives.
- C. Establishment of commercial branches abroad.
- D. Establishment of productive units abroad.

The latest literature regarding the gradualist theory reviews the changes in business activities and theoretical developments since 1977, including that of relevant papers from Elango and Pattnaik (2011), which highlights the importance of the market particularities involved in the process of internationalization and the effects generated by the global environment on them.

5. Contextual Framework

Although the furniture industry in Jalisco is one of the most important on the national level, 40% of companies do not export because they do not know how to enter their products to other markets (IEEG, 2014).

A successful internationalization process of companies in the furniture sector in Jalisco depends on the assessment of the limitations and the determination of some factors that must be considered to do business in other countries. This would give furniture companies access to new markets, exploit the capacity and idle production, increase job creation, improve processes and technology, enhance industry competitiveness, diversify risks derived from only operating in Mexico and take advantage of scale economies.

6. Method

A quantitative method allows assessing the market structure from a micro economic approach based on Herfindahl - Hirschman Index (HHI). Further analysis of aggregated data in the furniture industry made by the government of Jalisco in the second half of 2010 are analyzed. It allows locating the step that most companies in the furniture sector using gradualist theory according to Johanson and Vahlne (1977).

7. Analysis Results

A. Market structure

The Herfindahl - Hirschman Index (HHI) is a measure of market power. It also shows the lack of competition in an industry sector. The higher the index, the less competitive the market, the range is from 0 for a perfectly competitive market to 1 for a one producer controlling a single market. It is calculated by summing the squares of the percentage market share of each of the companies involved.

Table 1: National level marketshares.

| Sector mueblero nacional | Estrato | Unidades económicas | Producción bruta total (miles de pesos) | Cuota de Mercado | Cuota de mercado al cuadrado (q) | Contribución al IHH | Contribución al cuadrado |
|--------------------------|---------------|---------------------|---|------------------|----------------------------------|---------------------|--------------------------|
| | De 0 a 2 | 14200 | 1,203,507 | 0.049 | 0.0024 | 0.0220 | 0.0005 |
| | De 3 a 5 | 6198 | 1,757,713 | 0.072 | 0.0052 | 0.0470 | 0.0022 |
| | De 6 a 10 | 1806 | 1,623,834 | 0.067 | 0.0044 | 0.0401 | 0.0016 |
| | De 11 a 15 | 486 | 1,176,423 | 0.048 | 0.0023 | 0.0210 | 0.0004 |
| | De 16 a 20 | 203 | 816,364 | 0.033 | 0.0011 | 0.0101 | 0.0001 |
| | De 21 a 30 | 188 | 1,177,887 | 0.048 | 0.0023 | 0.0211 | 0.0004 |
| | De 31 a 50 | 161 | 1,794,934 | 0.074 | 0.0054 | 0.0490 | 0.0024 |
| | De 51 a 100 | 132 | 2,923,121 | 0.120 | 0.0144 | 0.1299 | 0.0169 |
| | De 101 a 250 | 74 | 4,583,576 | 0.188 | 0.0354 | 0.3194 | 0.1020 |
| | De 251 a 500 | 25 | 4,137,462 | 0.170 | 0.0288 | 0.2602 | 0.0677 |
| | De 501 a 1000 | - | 1,927,833 | 0.079 | 0.0063 | 0.0565 | 0.0032 |
| | De 1001 y más | - | 1,250,295 | 0.051 | 0.0026 | 0.0238 | 0.0006 |
| 24,373,029 | | | 0.1107 | | 0.1980 | | |
| | | | IHH | | ID | | |

Source: Compiled from Economic Census 2009

Table 2: Market share on the sector of Jalisco

| Sector mueblero Jalisco | Estrato | Unidades económicas | Producción bruta total (miles de pesos) | Cuota de Mercado | Cuota de mercado al cuadrado (q) | Contribución al IHH | Contribución al cuadrado |
|-------------------------|---------------|---------------------|---|------------------|----------------------------------|---------------------|--------------------------|
| | De 0 a 2 | 720 | 91,476 | 0.020 | 0.0004 | 0.0033 | 0.0000 |
| | De 3 a 5 | 696 | 288,247 | 0.074 | 0.0041 | 0.0324 | 0.0010 |
| | De 6 a 10 | 207 | 286,288 | 0.063 | 0.0040 | 0.0319 | 0.0010 |
| | De 11 a 15 | 90 | 178,840 | 0.040 | 0.0016 | 0.0125 | 0.0002 |
| | De 16 a 20 | 39 | 242,418 | 0.064 | 0.0029 | 0.0229 | 0.0005 |
| | De 21 a 30 | 37 | 244,826 | 0.064 | 0.0029 | 0.0234 | 0.0005 |
| | De 31 a 50 | 40 | 440,207 | 0.097 | 0.0095 | 0.0755 | 0.0037 |
| | De 51 a 100 | 33 | 867,978 | 0.192 | 0.0366 | 0.2935 | 0.0861 |
| | De 101 a 250 | 11 | 718,950 | 0.159 | 0.0252 | 0.2014 | 0.0495 |
| | De 251 a 500 | 4 | 905,441 | 0.178 | 0.0317 | 0.2527 | 0.0639 |
| | De 501 a 1000 | 3 | 360,650 | 0.080 | 0.0064 | 0.0507 | 0.0026 |
| | De 1001 y más | - | - | 0.000 | 0.0000 | 0.0000 | 0.0000 |
| 4,525,301 | | | 0.1253 | | 0.2021 | | |
| | | | IHH | | ID | | |

Source: Own elaboration based on Censos Económicos (2009)

According to the values of the HHI and market characteristics where coexist a large number of suppliers and purchasers, the same products are offered, buyers and sellers are price takers and buyers and sellers can enter or exit the market without barriers, can be concluded that the national market and Jalisco mueblero belongs to a market structure of perfect competition, (Avalos, Esquivel and Parkin, 2006).

B. Analysis of the export of the furniture industry in Jalisco as the gradualist theory

With the data from the survey of juncture made by the government of Jalisco in 2010, it can be

observed that only the 5.6% average of companies have sales in countries other than Mexico but only 57.1% have consolidated their export process. Note that stages corresponding to the behavior of exporting firms in the furniture sector in the state correspond to the stage where I have irregular exports to 42.9% of the companies that were part of the study by the AFAMJAL. The rest of companies can be categorized to the type of behavior that is described in step II, which corresponds when the model is exported through independent representatives.



Figure 1: Percentage of furniture companies of the exporting sector of Jalisco

Source: Juncture study. Furniture industry. 2do. Semester 2010.



Figure 2: Percentage of consolidated export companies and incipient export companies of furniture industry of Jalisco

Source: Studyjuncture. Furniture industry. 2do. Semester 2010.

Table 1. Factors to Consider for exporting furniture enterprises of Jalisco.

| | |
|------------------|---|
| Economic | Companies must assess the economic conditions of the country where they intend to settle, as well as their internal resources and capabilities. |
| Cultural | Cultural aspects are difficult to measure but if you succeed you must make an effort to understand and respect the culture that is entered. |
| Political- Legal | The two main factors to evaluate are the political risk and trade regulations. |

Table 2. Reasons companies exported

| | | |
|---------------------|---|--|
| Reasons for exports | } | <ul style="list-style-type: none"> A. Find new markets for profit B. Diversification of risk C. Reduction of production costs D. Search export less competitive markets E. F. Tax and Employee Benefits G. Increased bargaining power H. Extending the life cycle of the product in other countries I. Increase efficiency by achieving economies of localization |
|---------------------|---|--|

Source: Prepared with information on reasons for internationalization (Dunning, 1973)

8. Conclusions

According to the data analyzed companies in the furniture industry in Jalisco compete in a perfectly competitive market. Because of this, they have been forced to reduce their costs of production and transportation in order to survive in the market and to seek improvements in the production process to obtain minimal benefits that characterize this market structure. In addition, the entry to the furniture market mainly by ethnic Chinese forces leads to domestic producers to improve their production processes and acquire technology that allows them to reduce costs of production and distribution. Also, domestic producers seek to enter new markets where they have to compete on price and must achieve product differentiation mainly with finished materials and high quality goods.

Projecting the furniture companies from the State of Jalisco aimed to remain on the market as long as they achieve lower operating and production costs, the production of goods in the same industry does not entail many benefits as the producers compete in a saturated market where differentiation becomes harder every day. As the export option of goods, the Jalisco 's companies are still in an embryonic stage in regard to this area and overseas sales are sporadic operations that must still rely on own distributors located in the country to which they are entering.

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Women Employee Welfare - The Transition

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Abstract

Companies are putting in a lot of effort to recruit and retain potential female employees. New strategies are being worked upon to make it sure that these potential employees do not leave the company midlife. The wage world was different for this gender and has dramatically changed in the last few decades. Two decades ago, a crèche facility or a flexible work time benefit was considered to be a big deal. But now with companies facing the crunch of skilled workforce, they are coming out with innovative and path breaking ideas. The biggest problem with the organizations like Apple and Facebook is the ever dwindling number of female workforce. One big reason behind this phenomenon has been the fact that the female workforce in their midlife prefer family above jobs. This is the age when the employee is challenged with different assignments so that the leadership abilities can be checked and groomed. But unfortunately this workforce prefers to move out of the working arena so that they can contribute to the future workforce.

This paper goes back into the working women's history pages and tries to unravel the stories which has led to the current situation.

This paper searches the American history and literature to understand the resolution of women to work and earn. It starts from the early 17th century when women wage earners were only used to be the domestic servants and it takes us through the centuries to the point where Apple and Facebook announce "egg freezing" as female employee benefit.

Objective

To understand the history of Working Women Welfare and understand the modern welfare moves by the different organizations.

Keywords: *Working women welfare, domestic servants, workforce, maternity leave, crèche, Egg freezing*

Introduction

A good HR policy tries to ensure that women employees should not give up their otherwise aspiring career to fulfil their role as a mother. A woman becoming the mother fulfils her duties just not for her family but for society as well. Corporate Sector is coming up with various beneficial schemes for the welfare of the Women Employees who are

now the driving force in the working community. Until modern times, legal and cultural practices, combined with the inertia of longstanding religious and educational conventions, restricted women's entry and participation in the workforce.

Let us rewind with the various policies benefiting to Women. Maternity Leave is one key area where Welfare of Women is considered, most of the

Companies grant leave ranging from minimum 6 weeks to maximum of 12 weeks this benefits the Women employees to take rest as well as their salary was not deducted.

Next came the phase of binding Working Women with their motherhood, this led to the emergence of Crèche, a child care centre where working women could leave their kids within the company premises. This facility was followed by an era where the Intranet sites in Corporate Organizations had matrimonial sites that assisted employees to find their Mr. Right person. Companies have stretched their boundaries to think on the Welfare of the Women employees. Several organization particularly in IT practice this strategy whereby women employees can concentrate more on their productive work and reducing their stress levels as whenever they want they can go visit their kids at the Child Care. This Policy reduced the attrition level in Women employees in major IT Organizations.

Face book is known for giving new parents USD 4,000 which is famously called "baby cash". The interesting part of this grant is that the parents can use this cash for whatever they'd like.

In spite of all these efforts, big companies like Apple and Face book are facing the problem of ever dwindling number of female workforce. After analysis it was found that in order to raise a family, women sometimes have to take time off. This may be a hassle to companies that have to find temporary replacements and guarantee the position once the woman is ready to return. This move by the women employees also affects their career prospects.

So to address this issue, the two giants of hardware and social media, Apple and Face book have announced that they will present elective freezing as a component of their employees' benefits package. This choice of freezing their eggs would give women employees the suppleness to put their motherhood worries on hold while they focus on moving up the ladder and leaving aside the worry

about the ever disturbing natural clock. The firms come into view to be the first major employers to provide this facility for non-medical reasons.

Even Indri Nooyi, CEO, PepsiCo underlines the challenges that a working mom faces in her career. As she pointed out in one of her interviews, where she says "you have to co-opt a lot of people to help you". When the company in which you are working is helping (co-opt) you to pursue your professional dreams and also spends money on you to keep alive your personal dreams which they believe can be achieved in course of time, then obviously the employer gets loyal to the company and that is what they want.

History of Working Women Welfare

In the early settlements of 17th century America, only one group of women- domestic servants- could properly be called wage earners. By the end of the colonial period, the stage had been set for women to take their places in the 19th century movement of people into the wage labour force. Women's transition from paid and unpaid family centred roles to wage labour began early in the American past.

From a community's viewpoint, marriage was the natural and desirable role for women and their economic subordination assured the colonists that most women would follow this part.

In the division of responsibility, women got the bulk of internal chores. Normally they took care of the house -including the preparation of food, cloth, candles and soaps - and supervised farm animals and kitchen garden. But wives routinely developed competency in their husband's businesses, they could and did inherit them when death demanded it.

For a brief period in the 1820's and 1830's, the Waltham style mills offered women a vision of economic independence. In opening up the possibility of decent and well paid wage work, they made plausible, even to large numbers who did not

work in them, life outside the confines of a restrictive home environment. They satisfied some of the need of those operatives who, as exclaimed in 1843, "do not believe in matrimony." But the 1837 depression ushered in a period that threatened to reduce even the most privileged female wage earners to the ranks of the oppressed. Thereafter, a woman who had "no one to depend upon" found making a living more difficult.

The benefits of education did not extend to greater job opportunity for women. Girls whose parents had no pressing need of income often stayed on. They were not, after all, expected to go out into the world to make their livings, and as long as the major function of schooling was seen as socialization, not vocational preparation, it posed no threat. Of course, colleges that offered community lectures remained adamantly closed to female until the 1860's when the pressure of feminism opened them. Yet the moral code that denied the legitimacy of wage work provided justification for opening up educational institutions on the grounds that educated woman made better mothers. And also it offered a rationale for women to become teachers, missionaries, and writers. Women had, of course, always taught children within the family and in small dame schools. That job remained compatible with subsequent marriage and promised to enhance the woman's moral responsibilities. For a salary of little more than a dollar week - she could work an annual term of twelve to sixteen weeks and face idleness for the rest of the year. If she took in sewing or eked out her salary with occasional piecework, she might survive quite nicely.

The teacher's plight became less desperate as the century wore on. In the early part of the 19th century, schools hired women only for summer terms, when girls were most likely to be in attendance. By the 1830's and 40's, however the spread of compulsory public education and lengthening school terms encouraged more and more

towns to employ women year-round to fill their expanding classrooms.

In the meantime sustained female activity to improve upon the wages, continued. The Knights, organized in 1869 as secret society, advocated equal pay for women in 1878, and a year later voted to open the doors to women.

Even in the late 19th century, hand cranked washing machine wringers and boilers were as close as the average household came to mechanical help with the laundry. Sending the family wash out to commercial laundries became a common practice for middle class urban household between 1870 and 1910. The number of woman employed in these establishments multiplied by 50 to 100 percent in each decade of those 40 years, far outstripping population growth and providing a laundry worker for every 152 people in the population by 1910. Thereafter the growth of laundries was offset by the development of electrically powered automatic washing machines.

For every 16000 people in the population if 1870, only one woman was employed in commercial food production. By 1900, one woman for every 3,813 people earned a livelihood producing food- a proportional increase of 400 percent. And by the end of the First World War, the figure jumped to one out of every 1,116 persons, another jump of nearly equivalent dimension.

In entering new fields, women challenged the physiological and social assumptions that justified discrimination against them. Employers registered surprise at women's ability to do jobs previously denied them. From a structural prospective, job shifts during the immediate pre war and post years appear insignificant. The Federal Civil Service opened new categories of jobs to women, but continued to pay them less than men. Some women moved into men's jobs in chemicals, automobile manufacture, iron and steel. Others lower on the scale, moved into jobs vacated by women moving

up. Still others, who had never worked, entered wage work often as menial labourers. or on office jobs, vacated by men. The women's Bureau estimated that less than 5% of all women workers in these years were new in the labour force. Though women at first welcomed the income generated by these jobs, they soon found themselves caught in a collective nightmare. Wages, initially high enough to attract workers, were continually reduced as families became dependent on the extra income. Employers, who paid by the piece, rotated their workers so that a person who acquired skills at one job and could earn reasonable pay was transferred to another area where she had to learn a new process before her pay once again increased. To earn even a pittance required cruelly long hours of labour, and to support a family on factory or mill wages meant sending every child to work.

In the meantime the new summer schools offered training programs for women wage earners by removing them from their jobs for several weeks of serious education in areas such as economics, politics and trade union history. These colleges offered a residential programs lasting six to eight weeks each summer to sixty or more wage earning women selected for their already demonstrated commitment to trade union principles. A few students ended up losing their jobs as they moved out to study.

The women who went who went to work during the depression were more often married, they tended to be slightly older and they were probably better educated than wage earning women as a group in 1929. This statistical shift reflects the need to maintain family incomes during hard times by sending a second wage earner out to work. Changes such as having fewer children and doubling up of households provided opportunities for shared household and child care and sustained and child care and sustained the search for work.

Soon a debate cantered on whether the wage work of married women inevitably jeopardised the

family, an old issue that now prickled with new thorns. Wage work, argued some, denied women sufficient time to cultivate the womanly arts: leisure, gracious living, gardening, and social contracts. Children were all but abandoned; their anti-social behaviour was laid on the conscience of the working mother. And the very existence of job opportunities encouraged women to feel independent and therefore contributed to marital unhappiness. Women as well as men, it was said, would have to develop new personalities in families where wives held down jobs.

Interestingly, when the famous "Ladies Home Journal" Magazine asked its readers if a woman who held "an important position in business" would lose her feminine qualities, more than a third of those who responded feared that she would. According to another reputed magazine "Good Housekeeping", a brilliant career was obtained only by sacrificing husband and family. Ninety percent of the women scientists were single. Eight of twelve women "greatest living women" had never been married. Only two were mothers. The seven famous women interviewed during this period - which included an astronomer, an illustrator, a political activist, a college student- all noted that they lived happy, fulfilled lives. Yet each added a qualifier: "To marry and have children is the ideal life for a woman."

During this period also, not everyone thought work for women is bad for the family. There were those who believed that by forcing members to share tasks and thus contributing to less authoritarian child-rearing methods, women's wage would strengthen the democratic personality. Boys and men might benefit from study and practice in homemaking.

Women participation in workforce gradually increased. It was 29 percent in 1950, 35 percent in 1965 and 40 percent by 1975, a percentage increase equal to that of entire sixty years preceding 1950. And where earlier wage work had been merely a short phase in many women's lives, in the fifties it began to assume a more central position. Instead

of quitting work after marriage, even women with adequate incomes stayed on. And women who stopped working when they began having children tended to return to jobs after the youngest child began school. Instead of choosing part time jobs to fit family styles, more women worked full time. A third of all women who worked in 1950- only half of them worked full time. By 1975, nearly half worked, more than 70 percent at full time jobs.

The new climate of women independence encouraged women employees to raise again the question of equal pay. By 1960's , the median annual earnings of full time women workers had fallen to 60 percent of the rate of male workers- a figure that reflected their increasing occupation segregation.

By 1970, pushes by several unions and women's bureaus, produced statistically visible changes. The number of women in skilled, predominantly male, trades rose to almost half a million: an increase of nearly 80 percent over 1960, twice that for women in all occupations, and eight times that for men in the skilled trades.

During the last few decades there has been a dramatic increase in the number of women who have entered the workplace. One contributing factor is the increase in the amount of education women have pursued, coupled with increasing numbers of women undertaking professional studies. This resulted in greater number of women pursuing managerial and professional careers. The world has witnessed a revolution in women's role in society, particularly in the workplace, during this time. However, this revolution has not resulted in increases in women's participation at the top levels of the corporations. Few women are chief executives officers (CEO) of large organizations and few occupy seats on the board of directors of private sector organizations. The existence of "glass ceiling" artificially limiting women's advancement appears to be a worldwide phenomenon.

In 2012, there were almost 67 million working

women in the U.S. While women were close to half of the general workforce (47 percent), this counts for a majority of work population in professional and technical occupations (57 percent). The ratio of women to men in the labor force changed dramatically from only a generation ago. In 1972, women represented just 38 percent of the workforce. After years of stable growth, the number flattened off in the mid-1990s about these numbers and has remained near to the recent percentage for the last two decades.

In August 2014, of the Apple's 98,000 employees across the globe, counting those in non-technical positions and those employed at Apple Stores, 70 percent were male. Only 28 percent of Apple's global leadership team were female, and it is even worse in tech positions where only 20 percent of Apple's worldwide workers were female. Apple CEO has expressed his displeasure on these numbers and he also stated the numbers were not new to them and they have been working hard to improve them.

Apple's report tailed similar reports from other tech heavyweights including Face book, Google and Twitter. In all these four companies, the ratio between female and male workers is 10 to 7. Tech companies are progressively being pressured to the number of female employees in the workforce. Apple has been under fire for having little diversity on its board, and Twitter also faced blame for having no female board members right before it went public late last year.

While these tech firms have improved the number of female hires in the recent years but the roles are not usually at the executive level. A study last year revealed that women in tech generally were generally clerical workers, unskilled and skilled labourers that was mainly a part of the "Administrative" category but were significantly less in numbers as officers or managers.

A challenge that organisations face nowadays is to retain women employees at mid-and senior levels,

as these "ready to move to the next level" employees get tied down to domestic responsibilities. Companies are now rolling out several women-friendly initiatives - from the option of work-from-home to crèche to relaxation rooms - to stop this trend.

Companies are taking several measures to retain women workforce. Some interesting facilities like the adoption leave, which enables employees to avail of three months' paid leave when they adopt a child. Other options are telecommuting, which allows staffers to work for one or two days a week from home, baby feeding room and car parking for mothers-to-be.

According to the University of Denver, today women hold less than 20% of leadership positions in the corporate world of America. Only 5% of Fortune 500 companies have women as CEO. There is no other reason behind these numbers like the companies having less women workforce or less women graduate from colleges, but the fact that there is an inherent bias in corporate America that favours men.

According to several researches on similar topic revealed some of the reasons behind this phenomenon are male stereotyping, preconceptions of women's roles and abilities and exclusion of informal network as barriers

The biggest problem for women is that the age when they reach the peak of their career is almost the age when the biological clock demands motherhood and then she has to make a choice whether to go family way or pursue the "career" which she always wanted and probably deserves in the next couple of years. She very well knows that once she goes "Family ways" and then returns, the equations will change and then she has to start all over again. And so in corporate America, the working professional considers motherhood is still

regarded as a liability. This is probably the reason the tech giants Apple and Facebook have decided to offer "Egg Freezing" benefits to their female employees. The companies are set to spend \$20,000 per employee for this process.

Conclusion

Managers at all levels need to develop the attitude and experience to make full use of their female managers and professionals. Women at lower organization levels need to be developed or groomed as often or as well as the men peers. The moves like the one made by Apple and Facebook are path breaking but whether they will have an impact in increasing the participation of women in the top level management will be keenly awaited.

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An Empirical Study of Women Empowerment through Self Help Groups in Kurnool District of AP

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Abstract

The role of women empowerment is a process in which women challenge the existing norms, traditional beliefs and culture, to effectively promote their well being in present circumstances. The participation and habits of women in Self Help Groups (SHGs) made a significant impact on their empowerment both in social and economical aspects. The present study addresses women empowerment through self help groups in Kurnool district of Andhra Pradesh. The information required for the study has been collected from both the primary and secondary sources. The results of the study revealed that the SHGs have had greater impact and significant role on both economic and social aspects of the beneficiaries.

Keywords: Women Empowerment, SHG's, SHG Beneficiaries, Women Saving Habits, and Women development through SHG's.

Introduction

The concept of Self Help Groups serves to underline the principle "for the people, by the people and of the people". The Self Help Groups is the brain child of Grameen Bank of Bangladesh, which was founded by Prof. Mohammed Yunas of Chittagong University in the year 1975. The Self Help Groups scheme was introduced in Tamil nadu in 1989. Self-reliance among women is of importance as their subordination is seen not only as a problem of men but also of colonialism and neocolonialism. This approach focuses on overall development and particularly on enhancing social and economic capabilities. In this task, a number of non-governmental organizations are playing a crucial role since government is seeking partnership to ensure sustainable, people centered and decentralized development and governance. It is also well accepted that women's active role in ecological and environmental programmes may ensure sustainable development, since increasing ecological

and environmental degradation has caused environmental crisis when women belonging to weaker sections of society are protesting against government policies and programmes which are causing development induced displacement, loss of sustainable livelihood and natural resources.

The present paradigm for empowerment of women is not on woman and development but on gender and development factors. The woman in development paradigm assumes that women have been left out in the development process and hence need to be integrated to give benefit. Gender and development paradigm recognizes women's triple role i.e. in reproduction, production and community management. Therefore, the main objectives of development programmes in this context may be categorized as (i) initiate income generating programmes, (ii) sensitize women about their rights, entitlements and legal framework; and (iii) take up capacity building measures.

Self-Help Groups

The two concepts, "Self-realization and Self-initiative are the most powerful weapons to remove poverty out from the world map". This dynamic quotation drawn from the world's greatest economist Chanakya, has been translated to one word i.e. SHG. Micro-finance through SHG has become a ladder for the poor to bring them up not only economically but also socially, mentally and attitudinally.

The rural poor, with the intermediation of voluntary organizations also join together for self-help to secure better economic growth. This has resulted in the formation of a large number of SHGs in the country, which mobilize savings and recycle the resources generated among members. The organization of SHGs has been recognized as possible and practical alternatives to provide credit to the weaker sections particularly, the poor women engaged in the informal sector. The success of the concept of the SHGs is particularly based on channelizing their efforts constructively through motivation and inspiration to the field workers.

The concept of SHGs has been emerging as a major approach for development and empowerment of weaker sections in the third world. In India since the beginning of the Ninth five year plan, most of the development programmes are channelized through SHGs. In most parts of the country, self-help groups are organized by governmental and non-governmental organizations. The government, banks and non-governmental organizations facilitate them by providing revolving fund, organizational base and training, credit etc. It is worthwhile to call SHGs a mass movement on a national scale for development and empowerment of the poor and downtrodden in the country.

Objectives of the Study

The objectives of the present study are proposed the following objectives.

1. To understand the concept of women empowerment, dimensions and possible goals.
2. To study the socio-economic background of the women beneficiaries and their family.
3. To analyses the income, expenditure and savings habits pattern of the Self Help Groups.
4. To assess the impact of SHG programme on various facets of empowerment of the selected beneficiaries.
5. To find out the benefits through Self Help Group.

Sampling Design

The present study used primary and secondary data for analysis according to the objective set out in the study. The detailed study covered the entire district of Kurnool is selected for analysis. The district is divided into three revenue divisions viz., Nandyal, Adoni and Kurnool. In all these three divisions there are 54 revenue mandals. As on 31st May 2011, there are 17,301 groups in Kurnool, 19,875 groups in Nandyal and 16,294 groups in the Adoni division. Thus, altogether 53,470 SHGs are working in the district. To select the universe for the study, a multistage and purposive sampling technique has been adopted in selecting the mandals and the groups. In the first stage three divisions were selected. In the second stage five mandals from each Revenue Division were selected. From each mandal, 30 SHG beneficiaries, who have been linked to the bank at least, one time, were selected. Finally, altogether, from three divisions, fifteen mandals and 450 beneficiaries were selected. Thus, the total universe for the study constitutes 450 respondents.

Review of Literature

According to Agarwal & Deepti (2001) "Women need to be viewed not as beneficiaries but as active participants in the progress of development and change empowerment of women could be organized

into groups for community participation as well as for assertion of their rights in various services related to their economic and social well being". Manimekalai & Rajeswari (2002) conducted a study on "Grass roots entrepreneurship through Self Help Groups (SHGs)", with the objective to find out the factors which have motivated women to become Self Help Group members. Jaya S.Anand (2002), in her discussion paper titled "Self Help Groups in empowering women; case study of selected Self Help Groups and Neighbor Hood Groups(NHGs)", gives a review of progress of Self Help Groups. Vasudeva Rao (2003) conducted a study on "Self Help Groups and Social change" with the objective to study the improved status and quality of life of poor women and children in the rural areas and the involvement of community in planning. Mahendra Varman.P(2005), in a paper title, "Impact of Self Help Groups on formal banking Habits", makes a model

attempt to examine whether there is any association between the growth of SHG and the increase in female bank deposit accounts. Dr.S.Rajamohan, in his study "opinion of the members of self help groups (2005) reveals that Self Help Group helps them to increase their status and aids to raise the standard of living. Mr.B.vijayachandra pillai & V.Harikumar (2006), In their research "SHGs is highly relevant to make the people of below poverty line " says the very existence of SHGs is highly relevant to make the people of below poverty line hopeful and self reliant.

Results and Discussion

Freedom from Money Lenders: One of the important objectives of promoting SHG groups is to free the rural women from the clutches of money-lenders, who collect exorbitant rates of interest and spoils the rural economy. The rural credit scenario is deplorable.

Table 1: Comparative Analysis of Amount of Freedom from Money-lenders of SHG Beneficiaries at the District Level

| S.No | Amount of Change | No. of Respondents Covered in each Revenue Division | | | Total |
|-------------|--------------------|---|-----------------|-----------------|-----------------|
| | | Kurnool | Nandyal | Adoni | |
| 1 | No change | 7 (4.67) | 11 (7.33) | 18 (12.00) | 36 (8.00) |
| 2 | Little change | 63 (42.00) | 67 (44.67) | 46 (30.67) | 176 (39.11) |
| 3 | Moderate change | 65 (43.33) | 52 (34.67) | 45 (30.00) | 162 (36.00) |
| 4 | Significant change | 15 (10.00) | 17 (11.33) | 22 (14.67) | 54 (12.00) |
| 5 | Change for worse | | 3 (2.00) | 19 (12.67) | 22 (4.89) |
| Grand Total | | 150 (100.00) | 150 (100.00) | 150 (100.00) | 450 (100.00) |

Source: Field Survey.

A large number of rural masses avails loans from non-institutional sources such as money lenders, friends, relatives etc. For such loans lenders collect exorbitant interest rates. So they remain in the clutches of debts for years together which often force them to take the extreme step of suicide. The

availability of institutional loans is very limited, which is truer in the case of rural women. At this juncture, the formation of women Self Help Groups (SHGs) and motivating them for savings and availing loans from such groups in times of need changed the whole rural credit scenario. The present study

reveals that almost all the sample beneficiaries have access to loans from three Revenue Divisions of Kurnool district. But the frequency of availing such loans is not uniform in the case of all beneficiaries. The Table 1 gives the particulars.

A glance at the Table 1 makes it clear that the rural women were not free from the clutches of money lenders inspite of several efforts made by the government and voluntary agencies under different schemes. Around 12 percent of beneficiaries (52) in Nandyal Division reported no change or insignificant change in their amount of freedom from the clutches of money-lenders even after joining SHGs. In Adoni and Kurnool Divisions 4.67 percent and 7.33 percent of beneficiaries reported no change with regard to freedom from money-lenders respectively. The highest number of beneficiaries (44.67 percent) in Adoni Division expressed small amount of change and it is followed by Kurnool (42 percent) and Nandyal (30.67 percent) Divisions. With regard to moderate change Kurnool Division tops the list with 43.33 percent. It is followed by Adoni and Nandyal Divisions with 34.67 percent and 30 percent respectively. It is quite

astonishing to note that Nandyal Division stands at the top of the ladder, in the case of significant change as well as negative change in their freedom from the clutches of money-lenders. In the case of negative trend, Nandyal Division is followed by Adoni Divisions with 2 percent. None of the beneficiaries from Kurnool Division reported negative impact.

At the district level around 85 percent of beneficiaries expressed some impact of the SHG programme on their freedom from money lenders. Nearly 8 percent expressed neither positive nor negative impact. Negative change has been registered by 4.89 percent of beneficiaries in the district. It is reported that negative change is not due to the result of the failure of the SHG programme. But it is dependent on various other economic factors like; droughts, family functions, chronic diseases etc.

Impact on Habit of saving: The SHG programme was initiated to inculcate the habit of savings among the rural poor women. The amount of changes in the habit of savings of women was registered in the table 2.

Table - 2: Habit of savings among SHG beneficiaries at the District Level

| S. No | Amount of Change | No. of Respondents Covered in each Revenue Division | | | Total |
|-------------|--------------------|---|---------------|---------------|----------------|
| | | Kurnool | Nandyal | Adoni | |
| 1 | No change | 6 (4.00) | 7 (4.67) | 7 (4.67) | 20 (4.44) |
| 2 | Little change | 52 (34.67) | 69 (46.00) | 65 (43.33) | 186 (41.33) |
| 3 | Moderate change | 65 (43.33) | 54 (36.00) | 59 (39.33) | 178 (39.56) |
| 4 | Significant change | 22 (14.67) | 20 (13.3) | 19 (12.67) | 61 (13.56) |
| 5 | Change for worse | 5 (3.33) | - | - | 5 (1.11) |
| Grand Total | | 150 (100) | 150 (100) | 150 (100) | 450 (100) |

Source: Field Survey.

It is evident from the Table 2 that positive change has been registered in almost all sample Divisions. Among 450 respondents, only five respondents in Kurnool Division expressed negative impact on their savings. In Nandyal Division and Adoni Division 4.67 percent of respondents, and in Kurnool Division 4 percent of the sample beneficiaries expressed neither positive nor negative impact of the SHG on their habit of savings. In Kurnool Division around 92.67 percent (see rows 2 to 4) of beneficiaries, in Adoni Division 95.33 percent (see rows 2 to 4) beneficiaries and Nandyal Division another 95.33 percent (see rows 2 to 4) beneficiaries reported small amount of change to significant change in

their habit of savings. In all, around 94.45 percent of beneficiaries expressed the positive impact of SHG programme on their habit of savings while around 4.44 percent beneficiaries expressed neither positive nor negative impact of the SHG programme on their habit of savings.

Impact on Access to Pro-Poor Programmes:

The SHGs, apart from being linked to banks, were also expected to help poor rural women gain access to pro-poor governmental programmes, and benefit from them. Table 3 gives the details of the impact of SHG programme on sample women beneficiaries' access to pro-poor programmes.

Table -3: Access to Pro-Poor Programmes and the Respondents

| S. No | Amount of Change | No. of Respondents Covered in each Revenue Division | | | Total |
|-------------|--------------------|---|---------------|---------------|----------------|
| | | Kurnool | Nandyal | Adoni | |
| 1 | No change | 15 (10.00) | 13 (8.67) | 19 (12.67) | 47 (10.44) |
| 2 | Little change | 49 (32.67) | 61 (40.67) | 58 (38.67) | 168 (37.33) |
| 3 | Moderate change | 59 (39.33) | 56 (37.33) | 55 (36.67) | 170 (37.78) |
| 4 | Significant change | 19 (12.67) | 20 (13.33) | 18 (12.00) | 57 (12.67) |
| 5 | Change for worse | 8 (5.33) | - | - | 8 (1.78) |
| Grand Total | | 150 (100) | 150 (100) | 150 (100) | 450 (100) |

Source: Field Survey

The data in the table 3 shows that the impact of SHGs is high on access to pro-poor programmes in Adoni Division, as 91.33 percent of beneficiaries in this Division reported some amount of change. To be more precise, 40.67 percent and 37.33 percent in this Division reported little change and moderate changes respectively. Significant change was reported by 13.33 percent. In Kurnool Division

84.67 percent of beneficiaries reported positive changes in their access to pro-poor programmes as a result of being members in SHGs. It is pertinent to note that only from Kurnool Division 5.33 percent of beneficiaries reported negative impact and none reported negative impact in the remaining two Divisions. In Nandyal Division 38.67 percent reported little change, 36.67 percent reported

moderate change and 12 percent reported significant change. In all 87.78 percent reported some kind of positive change on their access to pro-poor programmes as a result of help and awareness created by DRDA promoted SHGs. Status quo was reported by 10.44 percent and negative change was reported by another 1.78 percent.

Impact on Expenditure of Food Items

Increased access to credit and proper utilization

of that credit was expected to increase the expenditure on food items, which in turn increases the nutritional levels of women, who are reported to be prone to anemia in the district. The increase in income was expected to be translated into better food for the family, and an increase in expenditure on food. The impact of SHGs on expenditure of sample respondents is given in table 4.

Table - 4: Impact on Food Expenditure

| S.No | Amount of Change | No. of Respondents Covered in each Revenue Division | | | Total |
|-------------|--------------------|---|-----------------|-----------------|-----------------|
| | | Kurnool | Nandyal | Adoni | |
| 1 | No change | 8 (5.33) | 11 (7.33) | 11 (7.33) | 30 (6.67) |
| 2 | Little change | 64 (42.67) | 56 (37.33) | 59 (39.33) | 179 (39.78) |
| 3 | Moderate change | 59 (39.33) | 57 (38.00) | 51 (34.00) | 167 (37.11) |
| 4 | Significant change | 16 (10.67) | 21 (14.00) | 25 (16.67) | 62 (13.78) |
| 5 | Change for worse | 3 (2.00) | 5 (3.33) | 4 (2.67) | 12 (2.67) |
| Grand Total | | 150 (100.00) | 150 (100.00) | 150 (100.00) | 450 (100.00) |

Source: Field Survey.

*Figures in Parenthesis are percentages to the total

It is evident from the table 4 that equal number (11) of respondents from Adoni and Nandyal Divisions reported no change on their food expenditure. In Kurnool Division 8 respondents constituting 5.33 percent also reported status quo. In case of small change Kurnool Division tops the list with 42.67 percent. It is followed by Nandyal and Adoni Divisions with 39.33 percent and 37.33 percent respectively. Again, with regard to moderate change also Kurnool Division stood at the top of the ladder with 39.33 percent and it is followed by Adoni and Nandyal Divisions with 38 percent and

34 percent respectively. Significant change is reported by 16.67 percent of respondents of Nandyal Division and it is immediately followed by Adoni and Kurnool Divisions with 14 percent and 10.67 percent respectively. Negative change was reported by 3, 4 and 5 beneficiaries from Kurnool, Adoni and Nandyal Divisions.

In all, 90.66 percent of respondents reported positively in three Divisions of the Kurnool district. Nearly 6.67 percent reported either a negative or positive change. On the other hand 12 beneficiaries

constituting 2.67 percent reported negative impact from the SHG membership on their expenses on food items.

Impact on Health

Under the SHG programme women members have access to borrow for their own health needs,

apart from all other occupational and family needs. In the case of the poor, personal health management reflects directly on earnings, as the poor depend significantly on physical energy for their income. Women tend to put their own health need last, but membership in the SHGs provides them with the opportunity to invest for their own well being.

Table - 5: Impact on Health Expenditure

| S.No | Amount of Change | No. of Respondents Covered in each Revenue Division | | | Total |
|-------------|--------------------|---|-----------------|-----------------|-----------------|
| | | Kurnool | Nandyal | Adoni | |
| 1 | No change | 21 (14.00) | 15 (10.00) | 22 (14.67) | 58 (12.89) |
| 2 | Little change | 62 (41.33) | 57 (38.00) | 52 (34.67) | 171 (38.00) |
| 3 | Moderate change | 51 (34.00) | 52 (34.67) | 53 (35.33) | 156 (34.67) |
| 4 | Significant change | 14 (9.33) | 21 (14.00) | 19 (12.67) | 54 (12.00) |
| 5 | Change for worse | 2 (1.33) | 5 (3.33) | 4 (2.67) | 11 (2.44) |
| Grand Total | | 150 (100.00) | 150 (100.00) | 150 (100.00) | 450 (100.00) |

Source: Field Survey.

*Figures in Parenthesis are percentages to the total

The impact of SHGs on the expenditure on health problems of sample women respondents is presented in table 5. As per the table 5 no change is reported by 14.67 percent of beneficiaries of Nandyal Division and it is immediately followed by Kurnool Division with 14 percent. In Adoni Division 10 percent reported status quo. In Adoni Division 86.67 percent reported little to significant change on health expenditure. In Kurnool Division 84.67 percent reported some kind of positive variations on their expenditure on health. The positive impacts are further reduced in the case of Nandyal Division, where nearly 82.66 percent reported positive changes. In Adoni Division 5 out of 150 respondents

reported negative change and it is followed by Nandyal and Kurnool Divisions in that order. In all 38 percent reported little changes, 34.67 percent reported moderate change and 12 percent reported significant change. Around 84.67 percent in all three Divisions reported positive change. Around 12.89 percent reported no change or status quo and the remaining 2.44 percent reported a negative change.

Conclusion

Women empowerment is the major goal for development in India, Empowering poor rural women through micro credit and micro finance schemes. For empowering poor women schemes are launched by Government and NGOs. Woman

empowerment is nothing but to achieve social and economic development of India and also recognizing one's rights and responsibility. In present Indian scenario these self help groups establish a confidence and equality for women in society. This empowers women mostly residing in rural areas to have sustainability and counterfeit gender discrimination. Women are becoming entrepreneurs with the help of Self Help Groups which avoids the exploitation of women and helps empowering them. Women participation in the SHG enabled them to discover inner strength, gain self confidence, self reliance, self esteem, self respect, social, economical and political capacity building.

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Stochastic Modelling for Prediction of Market Value of a Share

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Abstract

Market value of a Share is very sensitive and is affected by many concomitant variables like Fiscal policies of Governments, Financial position of the Company, Demand & supply position, Bank rate, National & International political scenario, Industrial relations, Trade cycles, Climatic conditions, Natural calamities, like floods, draughts, earthquakes and so on. Thus determination of Market value of a share is complex problem and many variables are to be studied at a time, which are changing at different time points, hence Market value of a share is a stochastic variable and model proposed should include many influencing variables and solutions to such models are complicated. To overcome this difficulty an easiest method to be predicts Market Value of a Share using Moving Averages Method. 3-day and 5- moving average models are proposed in this paper and suitability of model can be determined by Mean Square Error Concept (M.S.E.). For this purpose we collected Market values from 1st Jan 2013 to 19th November 2014 for the share Infosys Ltd., on working days BSE.

Keywords: Stochastic variable, Market value of a Share, Moving Averages Method, Mean Square Error.

Introduction

Investments in share market have attractive returns, but at the same time it involves hidden risk factors. Hence one has to think properly before investing (or) purchasing a company share. A well experienced investor can predict the prosperity of a share based on the company's past history, fiscal policies of the Government, investment patterns in the past and in the future. This type of prediction is not a scientific one and often may go wrong because the decision taken is based on the past experience of the investor, but not done using scientific methods of predictions. Scientific predictions are also based on collection of the past data and analysis of the same through sophisticated techniques. Here also, there is a

possibility of the decisions failing but the chances are very remote say 5% (or) 1% (or) still less, based on the techniques used. In this connection it is worth to mention that use of more recent Statistical techniques is very useful and helpful to take appropriate decisions by a common investor. Thus there is a necessity to apply Statistical techniques to analyze the share market data collected through proper resources. This leads to a new research field known as "Market Research".

Market Research, now-a-days, occupies a vital place in modern research because it provides solutions to business problems through an appropriate model. A model is a replica of the real situation. If a business problem is represented through a mathematical equation then it is called

'Business Mathematical Model (B.M.M)'. Thus Business Mathematical Models play an important role in Market Research and are mainly based on the assumptions considered by the researcher. Such assumptions are necessary and inevitable to apply well known Mathematical tools and techniques, through which one can get solutions to the model proposed. Hence, the proposed model is to be modified by incorporating such new assumptions into the model, so that the modified model is closer to the reality. In Market Research probabilistic models proposed by Researchers are to be updated, because the variables under consideration inherently have stochastic nature. Thus stochastic models are more appropriate to deal with problems arising in Market Research than probabilistic models. This is very essential particularly to determine the behaviour of the Market Value of a Share. Market value of a share is very sensitive and depends on many factors, their interrelationships, and fiscal policies taken by the Government/ Reserve Bank of India (RBI)/ Stock Exchange Board of India (SEBI) and so on. Thus stochastic modelling is very essential in Market Research to detect the behaviour of the market value of a share. In stochastic modelling, we assume that the parameters of the distribution under study are functions of time variable 't', whereas; these parameters are assumed as constants in 'Probabilistic models'.

In this paper, a Moving Average Model is proposed to predict the market value of the share by considering the market values of a share as 'Time Series'. A 3- day and a 5- day Moving Average models are fitted using Method of Least Squares and predictions are made using these fitted models. Closeness between the actual values and predicted values are calculated by using Mean Square Error (M.S.E.) concept and conclusions are drawn about the closeness of the model proposed and the reality. For this purpose we collected Market values from 1st Jan 2013 to 19th November 2014 for the share Infosys Ltd. on working days BSE.

Approach

Let (ω, t) denote the random variable representing the market value of a share at time t , $\omega \in \Omega$ is the state space, measured in Rupees and $t \in T$ is the parametric space, where 't' represents a working day of the share market. Thus $X(\omega, t)$ is a Stochastic Variable with continuous state space and discrete Index Set.

In particular, Linear form of the 3-day Moving Averages model is $X_t = a_0 + a_1 X_{t-1} + a_2 X_{t-2} + a_3 X_{t-3}$; Where a_0, a_1, a_2, a_3 are parameters and determined by using the principle of Least squares to the proposed data. Then the fitted 3-day moving average model to the proposed data is

$$\hat{X}_t = \hat{a}_0 + \hat{a}_1 X_{t-1} + \hat{a}_2 X_{t-2} + \hat{a}_3 X_{t-3}$$

Linear form of the 5-day Moving Averages model is

$$X_t = a_0 + a_1 X_{t-1} + a_2 X_{t-2} + a_3 X_{t-3} + a_4 X_{t-4} + a_5 X_{t-5}$$

Where $a_0, a_1, a_2, a_3, a_4, a_5$ are parameters and determined by using the principle of Least squares to the proposed data. Therefore, the fitted 5-day moving average model to the proposed data is

$$\hat{X}_t = \hat{a}_0 + \hat{a}_1 X_{t-1} + \hat{a}_2 X_{t-2} + \hat{a}_3 X_{t-3} + \hat{a}_4 X_{t-4} + \hat{a}_5 X_{t-5}$$

The suitability of the model can be identified by using R^2 , adjusted R^2 and Root Mean Square Error (M.S.E.)

$$MSE(\hat{X}_t) = E\left(\hat{X}_t - X_t\right)^2 = \frac{1}{n} \sum_{i=1}^n (\hat{X}_t - X_t)^2$$

Use of the M.S.E. as a criterion of accuracy of an estimator amounts to regarding two estimates that have the same MSE as equivalent. This is not strictly correct because the frequency distributions of errors $(\hat{X}_t - X_t)$ of different sizes will not be the same for the two estimates if they have different amounts of bias.

Implementation

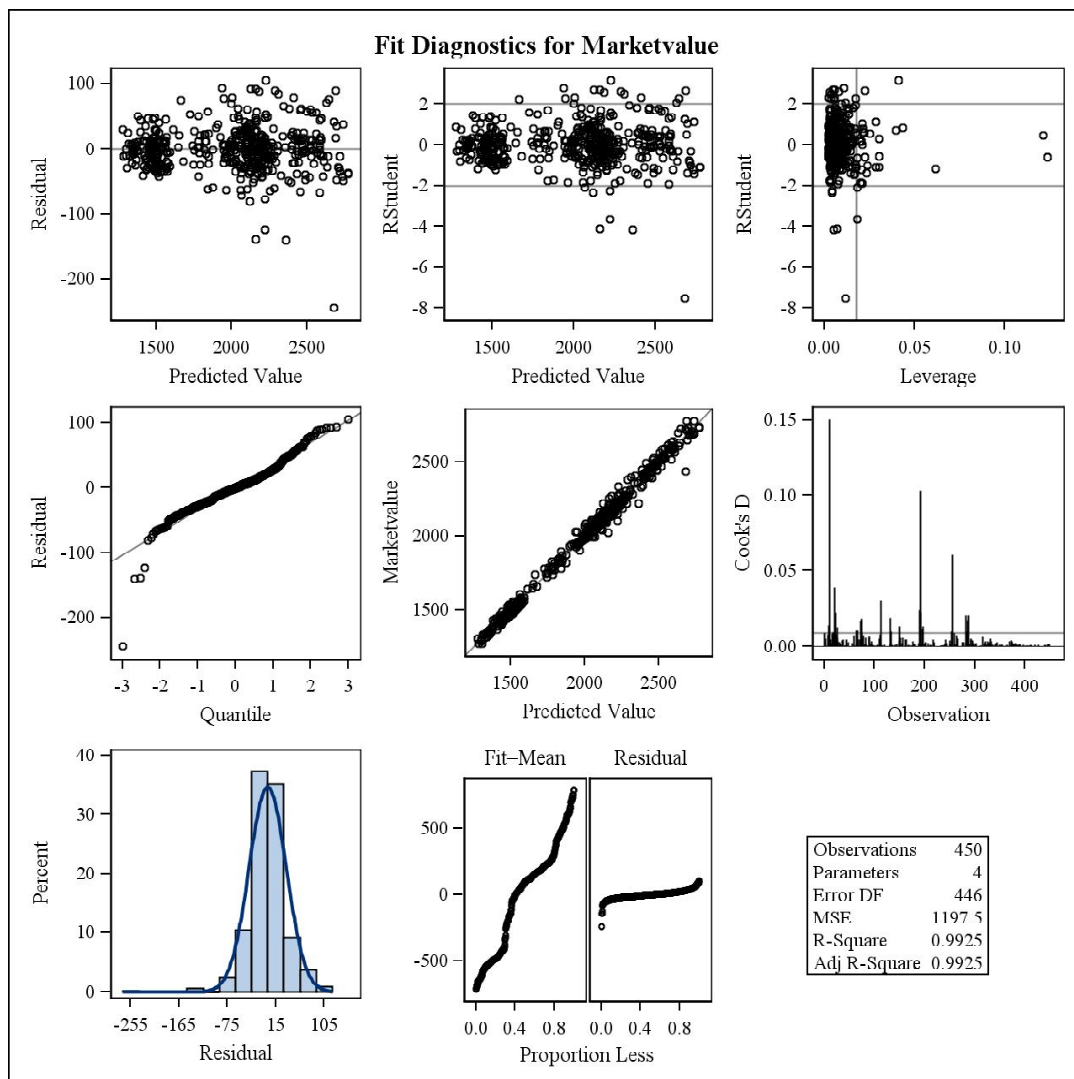
Fitting of 3-day Moving Average Model: Here we assume that the Stochastic Variable 'X_t' depends on the Market value of the past '3' working days. In the first step we have calculated 3-day Moving Averages for companyShare Infosys Ltd., and then we propose to fit a 3-day Moving Average model is as $X_t = a_0 + a_1X_{t-1} + a_2X_{t-2} + a_3X_{t-3}$; Where a_1, a_2, a_3 are unknown constants and 'X_t' represents the Market Value of a share on the 'tth' working day.

| | | | |
|----------------|------------|----------|--------|
| Root MSE | 34.60529 | R-Square | 0.9925 |
| Dependent Mean | 1985.19589 | Adj R-Sq | 0.9925 |
| CoeffVar | 1.74317 | | |

| Parameter Estimates | | | | | |
|---------------------|----|--------------------|----------------|---------|---------|
| Variable | DF | Parameter Estimate | Standard Error | t Value | Pr > t |
| Intercept | 1 | 11.38334 | 8.28431 | 1.37 | 0.1701 |
| priceday1 | 1 | 0.95384 | 0.04743 | 20.11 | <.0001 |
| priceday2 | 1 | 0.07720 | 0.06534 | 1.18 | 0.2380 |
| priceday3 | 1 | -0.03530 | 0.04750 | -0.74 | 0.4578 |

The fitted 3-day moving average model for the Company share Infosys Ltd., to the observed data is

$$X_t = 11.3833 + 0.9538X_{t-1} + 0.0772X_{t-2} - 0.0353X_{t-3}$$



From the above 3-day moving average model and it can be shown that $R^2 = 0.9925$ & Adjusted $R^2 = 0.9925$. Thus 99.25% of the variability in present market value of a company share (x_t) by the 3-day moving average model. Mean Square Error (M.S.E.) of the 3-day moving average model is 1197.5 and Root Mean Square Error is 34.6053.

Fitting of 5-Day Moving Average Model: Usually our common sense says that future weekprices are depending upon present week prices and in a week usually we get '5' working days on an average (leaving apart holidays and Sundays for the Share market). Thus it is more appropriate to calculate '5' day trend values than '3' day trend values. Hence '5' day trend values are calculated from the data. Now we propose to fit a 5-day Moving Average model is as

$$X_t = a_1X_{t-1} + a_2X_{t-2} + a_3X_{t-3} + a_4X_{t-4} + a_5X_{t-5};$$

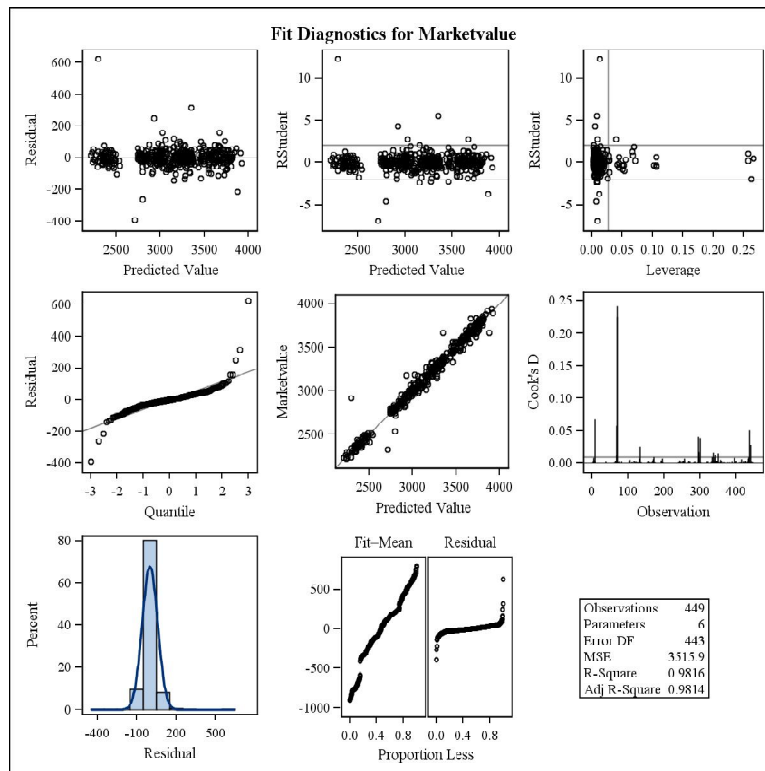
Where a_1, a_2, a_3, a_4, a_5 are unknown constants and represents the Market Value of a

| | | | |
|----------------|------------|----------|--------|
| Root MSE | 59.29503 | R-Square | 0.9816 |
| Dependent Mean | 3123.40178 | Adj R-Sq | 0.9814 |
| CoeffVar | 1.89841 | | |

| Parameter Estimates | | | | | |
|---------------------|----|--------------------|----------------|---------|---------|
| Variable | DF | Parameter Estimate | Standard Error | t Value | Pr > t |
| Intercept | 1 | 18.46738 | 20.58578 | 0.90 | 0.3702 |
| priceday1 | 1 | 0.97939 | 0.04751 | 20.62 | <.0001 |
| priceday2 | 1 | -0.09849 | 0.06639 | -1.48 | 0.1387 |
| priceday3 | 1 | 0.12463 | 0.06629 | 1.88 | 0.0608 |
| priceday4 | 1 | -0.00211 | 0.06635 | -0.03 | 0.9747 |
| priceday5 | 1 | -0.01050 | 0.04717 | -0.22 | 0.8239 |

The fitted 5-day moving average model for the Company share Infosys Ltd., to the observed data is

$$X_t = 18.4674 + 0.9794X_{t-1} - 0.0985X_{t-2} + 0.1246X_{t-3} - 0.0021X_{t-4} - 0.0105X_{t-5}$$



From the above 5-day moving average model and it can be shown that $R^2 = 0.9816$ & Adjusted $R^2 = 0.9816$. Thus 98.16% of the variability in present market value of a company share (x_t) by the 5-day moving average model. Mean Square Error (M.S.E.) of the 5-day moving average model is 3515.9 and Root Mean Square Error is 59.2950.

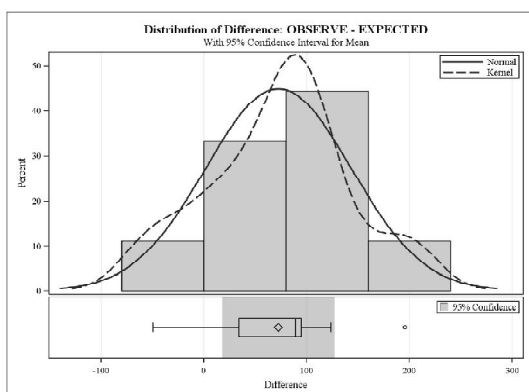
Prediction of the Market Value of a Share through the above Models

Using the 3-day and 5-day Moving Average models in the previous sections, now we proceed to predict the Market Value of a given Share and predicted values through these two models for Company share Infosys Ltd., and by using t-test we test the statistical significance of observed market values and predicted market values of the Company share Infosys Ltd., for 3-day and 5-day moving averages models are as follows:

Statistical significance for 3-Day Moving Average Model

| DF | t Value | Pr > t |
|----|---------|---------|
| 8 | 3.07 | 0.0154 |

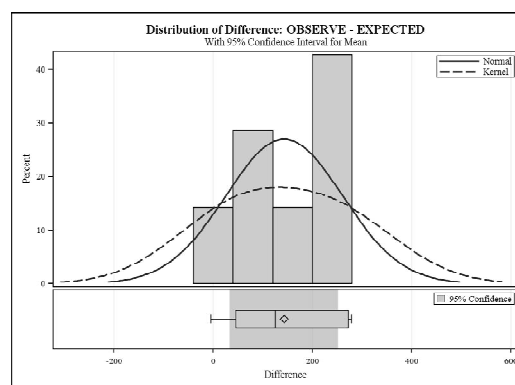
From the above table there is no significant difference between observed market values and predicted 3-day moving averages model for Company share Infosys Ltd.



Statistical significance for 5-Day Moving Average Model

| DF | t Value | Pr > t |
|----|---------|---------|
| 6 | 3.20 | 0.0187 |

From the above table there is no significant difference between observed market values and predicted 5-day moving averages model for Company share Infosys Ltd.



From the above distribution of difference between 3-day moving averages model and 5-day moving averages model, we conclude the predicted 3-day moving averages close to the reality when compared to 5-day moving averages model for Company share Infosys Ltd.

Concluding Remarks

Critically comparing R^2 , adjusted R^2 and Mean Square Errors of company share Infosys Ltd., for 3-day and 5-day moving average models we conclude that Predicted Values of 3-day Moving Average models is closer to Actual Values for the company share Infosys Ltd. Thus for this Company has 3-day Moving Average model is more appropriate than 5-day Moving Average model, which further means that future week behaviour of the Market Value is depending upon the present the 3 days behaviour. Similar exercise can also be extended to other Companies also. This type of work is a routine exercise and using the computer helps one can do this as a simple and routine job. But there is

a necessity to develop Programs for different models under consideration. So that a common investor can analyse the behaviour of different Company Market Values of their Shares using such "computer packages". This type of analysis will help him to invest his savings in appropriate and more profitable Companies so that the returns from the investments are optimum.

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A Study on Consistency among AC, CC and NC in a Teaching Hospital

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Abstract

The concept organizational commitment has grown in popularity in the literature on industrial and organizational psychology. Early studies on organizational commitment viewed the concept as a single dimension, based on an attitudinal perspective, embracing identification, involvement and loyalty. Organisational commitment is understood as an attachment to the organisation and willingness to remain a member of the organisation. However, an employee can remain member of the organisation for variety of reasons. Allen & Meyer felt that organisational commitment is tri-dimensional viz., Affective, Continuance and Normative Commitment. The tri-dimensional theory has given new direction to the researchers to measure commitment in the three dimensions. To make this easier, Affective Commitment (AC) is "want to stay", Continuance Commitment (CC) is "have to stay" and Normative Commitment (NC) is "ought to stay". The three dimensions can be seen as three mind sets of employees.

The present study intended to know the consistency among AC, CC and NC in a teaching hospital, also to reveal the correlation among three dimensions of the employee commitment.

In this study Convenience sampling has been used for selection of the respondents. correlation and One way- Anova test statistical techniques were used for data analysis and interpretation. For data collection NRI medical college and Hospital, Guntur has been selected based on convenience and accessibility.

The present study identified that respondents possess more Affective commitment and Normative commitment than continuance commitment with respect to Occupation, Age, Experience, Gender. Correlation between CC And NC is found to be positive. Correlations between CC and AC, NC and AC are found to be negative.

Key words: *Organisational Commitment, Affective Commitment (AC), Continuance Commitment (CC) and Normative Commitment (NC).*

Introduction

Meyer and Allen (1984) initially viewed organizational commitment as two-dimensional namely, affective and continuance. Meyer and Allen (1984), defined the first dimension, namely affective commitment as "positive feelings of identification with, attachment to and involvement in the work organization", and they defined the second dimension, namely continuance commitment as "the extent which employees feel committed to their organization by virtue of the costs that they feel are associated with leaving". After further research, Allen and Meyer (1990) added a third dimension, namely normative commitment.

Allen and Meyer (1990) define normative commitment as "the employee's feelings of obligation to remain with the organization". Consequently, the concept organizational commitment is described as a tri-dimensional concept, characterized by the affective, continuance and normative dimensions.

Common to the three dimensions of organizational commitment is the view that organizational commitment is a psychological state that characterizes organizational members' relationship with the organization and has implications for the decision to continue or discontinue membership in the organization.

Definition of organisational commitment

Definitions of the concept organizational commitment include the description by O'Reilly (1989), "an individual's psychological bond to the organization, including a sense of job involvement, loyalty and belief in the values of the organization". Organizational commitment from this point of view is characterized by employee's acceptance of organizational goals and their willingness to exert effort on behalf of the organization (Miller & Lee, 2001).

Cohen (2003) states that, "commitment is a force that binds an individual to a course of action of relevance to one or more targets". This general

description of commitment relates to the definition of organizational commitment by Arnold (2005) namely that it is "the relative strength of an individual's identification with and involvement in an organization".

Miller (2003) also states that organizational commitment is "a state in which an employee identifies with a particular organization and its goals, and wishes to maintain membership in the organization". Organizational commitment is therefore, the degree in which an employee is willing to maintain membership due to interest and association with the organization's goals and values.

Theoretical Framework of commitment

Affective Commitment dimension (AC)

In organisational commitment the primary aspect in the model, proposed by Meyer and Allen, is affective commitment, which indicates the emotional attachment of an individual to the organisation. Meyer and Allen (1997, p 11) says affective commitment is an employee's emotional attachment to the organizational values. Employees with affective commitment identify themselves with the organizational philosophy. Therefore, AC prompts an employee's involvement in the organisational activities. Employees with affective commitment of an organisation would like to continue with the same organisation because they wish to continue. Employees committed on an affective level are loyal to the organisation because from their point of view 'personal employment relationship' and 'organisational goals & values' both are same.

Continuance Commitment dimension (CC)

Continuance commitment is the second aspect in the tri-dimensional model of organisational commitment. According to Meyer and Allen (1997), "Employees alertness about costs allied with leaving the organisation" is known as continuance

commitment. Its nature is calculative because of the employee's insight or weighing of risks and costs related to leaving the present organisation. Meyer and Allen (1991, p 67) further states that "Employees whose primary link to the organisation is based on continuance commitment remain with the organization because they need to ". It is clear that there is a difference between continuance and affective commitment. The latter involve that employee's continue in the organisation because they want to.

Normative Commitment dimension (NC)

In organisational commitment model final aspect is normative commitment. According to Meyer and Allen (1997) normative commitment is " a sense of obligation to continue employment". Internal normative view point of duty and requirement make employees obliged to maintain employment in the organisation. Meyer and Allen (1991, p 67) says that, Individuals with normative commitment believe that they have to remain with the firm". In terms of the normative commitment, the individuals sustain in organisation because they ought to do so or it is appropriate thing to do.

The combined influence of AC, CC and NC

Somers (2009) suggest research in commitment should focus on the combined influence of commitment on work outcomes. In his study, a sample of 288 hospital nurses, commitment profiles are compared to turnover intentions, job search behaviour, work withdrawal and job stress. Five empirically-derived commitment profiles emerged: highly committed, affective- normative dominant, continuance-normative dominant, continuance dominant and uncommitted. Outcomes of the study indicate that the most positive work outcomes are associated with the affective normative dominant profile which results in lower turnover intentions and lower levels of psychological stress.

Eight types of commitment profiles in organisation, which identified in hypothesis of somers they are: affective dominant, continuance dominant, normative dominant, highly committed, AC - CC dominant, AC - NC dominant, CC - NC dominant and uncommitted, five of the eight commitment profiles were reproduced using empirical clustering methods (In his study, the AC dominant, AC CC dominant and NC dominant profiles did not emerge). Somers says that commitment processes is very complex than earlier thought. It shows that the comparative levels of commitment for every individual influence how general state of psychological commitment is experienced. For instance, when affective commitment and normative commitment are high, the possibly negative consequences of Continuance commitment are soothed possibly because individuals don't feel immovable in their firms, but rather invested in them.

Possible negative effects of Continuance Commitment seem to be diminish when AC and NC are at high level at least for employee withholding. While developing beneficial models of commitment to organizations may increases beyond affective commitment. Somers (2009) studies focused on how combined dimensions of commitment influencing outcome variabels. And these outcome variables related to sustaining employees and citizenship behaviour.

Methodology

Population and sampling for the study:

There are 38 teaching hospitals (medical college cum hospital) have been found in Andhra Pradesh. Among them NRI Medical college and hospital, Guntur has been selected based on convenience and accessibility. Though the hospital comprises doctors, nurses, technicians, para-medical staff and office staff, the researcher decided to study commitment of doctors and nurses only with the basic assumption that doctors and nurses commitment is very critical to the success of the hospital.

Table-1. Population and sampling for the study

| | PRESENT | QUESTIONNAIRES ADMINISTERED | QUESTIONNAIRES RECEIVED | Frequency | Percent |
|--------------|---------|-----------------------------|-------------------------|-----------|---------|
| DOCTORS | 41 | 22 | 12 | 12 | 27.2 |
| STAFF NURSES | 95 | 58 | 32 | 32 | 72.72 |
| Total | 136 | 80 | 44 | 44 | 100 |

Source: primary data through questionnaire

The table-1 shows the doctors and nurses present in the hospital. In the hospital there 41 doctors and 95 staff nurses are present. The questionnaire has been administered to those who are willing to participate in the study and available at the time of data collection. Out of 22 questionnaires administered to doctors, 12 have been received with complete response. Out of 58 questionnaires administered to nurses, 32 have been received for the process of the data. Forty four (44) respondents, includes doctors and nurses, have been studied in the present study.

Data collection

To study consistency among AC, CC and NC in NRI general hospital, primary and secondary data have been gathered. Primary data has been collected through a structured questionnaire developed by Allen and Meyer (1991) and personal observation. Secondary data has been collected through hospital manuals, website and the like.

Results and discussion

Table 2 : Mean values of CC, NC and AC with respect to occupation

| Occupation | | CC | NC | AC |
|-------------|----------------|--------|-------|-------|
| DOCTOR | Mean | 60.21 | 72.71 | 76.25 |
| | N | 16 | 16 | 16 |
| | Std. Deviation | 16.215 | 4.255 | 5.693 |
| STAFF NURSE | Mean | 48.75 | 74.17 | 76.35 |
| | N | 32 | 32 | 32 |
| | Std. Deviation | 5.727 | 4.06 | 6.468 |
| Total | Mean | 52.57 | 73.68 | 76.32 |
| | N | 48 | 48 | 48 |
| | Std. Deviation | 11.633 | 4.139 | 6.159 |

Source: primary data through questionnaire

Table-2 shows mean values of CC, NC and AC with respect to occupation of the NRI hospital respondents. From the above table it is apparent that in NRI hospitals doctors are having much continuance commitment than staff Nurse. Mean value of CC with respect to Doctors is 60.21 and staff nurse is 48.75, whereas normative commitment and affective commitment are almost same to both doctors and staff nurse.

Table: 3 Mean values of CC, NC and AC with respect to Gender

| Gender | | CC | NC | AC |
|--------|----------------|--------|-------|-------|
| MALE | Mean | 58.89 | 72.22 | 76.67 |
| | N | 15 | 15 | 15 |
| | Std. Deviation | 15.87 | 3.917 | 5.634 |
| FEMALE | Mean | 49.7 | 74.34 | 76.16 |
| | N | 33 | 33 | 33 |
| | Std. Deviation | 7.833 | 4.124 | 6.461 |
| Total | Mean | 52.57 | 73.68 | 76.32 |
| | N | 48 | 48 | 48 |
| | Std. Deviation | 11.633 | 4.139 | 6.159 |

Table 3 shows mean values of CC, NC and AC with respect to Gender of the NRI hospital respondents. For Gender factor the above table disclose that male (58.89) respondents possess more continuance commitment than female (49.70). this implies that the male respondents feel more 'has to stay' in the organisation than the female respondents.

Table : 4 Mean values of CC, NC and AC with respect to Age

| Age | | CC | NC | AC |
|-------|--------|--------|-------|-------|
| 20-30 | Mean | 55.19 | 72.41 | 76.67 |
| | N | 18 | 18 | 18 |
| | Std. D | 13.047 | 3.58 | 5.717 |
| 31-40 | Mean | 50.17 | 75.17 | 76.67 |
| | N | 20 | 20 | 20 |
| | Std. D | 11.621 | 4.254 | 6.398 |
| 41-50 | Mean | 50.67 | 74 | 73.33 |
| | N | 5 | 5 | 5 |
| | Std. D | 5.477 | 2.789 | 7.817 |
| 51-60 | Mean | 53.33 | 70 | 80 |
| | N | 2 | 2 | 2 |
| | Std. D | 4.714 | 4.714 | 4.714 |
| >60 | Mean | 55.56 | 73.33 | 74.44 |
| | N | 3 | 3 | 3 |
| | Std. D | 15.396 | 6.667 | 6.939 |
| Total | Mean | 52.57 | 73.68 | 76.32 |
| | N | 48 | 48 | 48 |
| | Std. D | 11.633 | 4.139 | 6.159 |

Source: primary data through questionnaire

Table-4 shows mean values of CC, NC and AC with respect to Age of the respondents. From the above table it is clear that people, whose age in between 20 to 30 and above 60 aged people have much continuance commitment than others. And mean values of CC with respect to them are 55.19 and 55.56 respectively. Respondents with age between 31-40 and 41-50 are likely to have greater normative commitment than others. Respondents of age between 51-60 years, demonstrates greater affective commitment than others with the mean value of 80.

Table-5 shows mean values of CC, NC and AC with respect to Experience of the respondents. All the respondents with varied experiences share almost equal degree of AC and NC. However, CC is found to be relatively low for all the respondents.

Table-5 Mean values of CC, NC and AC with respect to Experience

| Experience | | CC | NC | AC |
|------------|--------|--------|-------|-------|
| 0-5 | Mean | 56.67 | 72.42 | 76.67 |
| | N | 11 | 11 | 11 |
| | Std. D | 15.986 | 3.363 | 4.472 |
| 5-10 yrs | Mean | 52.22 | 74.92 | 75.87 |
| | N | 21 | 21 | 21 |
| | Std. D | 11.172 | 4.548 | 6.984 |
| 10-15 yrs | Mean | 47.67 | 73 | 76.67 |
| | N | 10 | 10 | 10 |
| | Std. D | 6.295 | 2.919 | 7.027 |
| 16-20 | Mean | 53.33 | 76.67 | 76.67 |
| | N | 1 | 1 | 1 |
| | Std. D | . | . | . |
| >21 | Mean | 54.67 | 72 | 76.67 |
| | N | 5 | 5 | 5 |
| | Std. D | 11.205 | 5.578 | 6.236 |
| Total | Mean | 52.57 | 73.68 | 76.32 |
| | N | 48 | 48 | 48 |
| | Std. D | 11.633 | 4.139 | 6.159 |

Table-6 Correlations of CC, AC and NC

| | | CC | NC | AC |
|----|---------------------|--------|-------|--------|
| CC | Pearson Correlation | 1 | 0.202 | -0.218 |
| | Sig. (2-tailed) | | 0.169 | 0.136 |
| | N | 48 | 48 | 48 |
| NC | Pearson Correlation | 0.202 | 1 | -0.19 |
| | Sig. (2-tailed) | 0.169 | | 0.196 |
| | N | 48 | 48 | 48 |
| AC | Pearson Correlation | -0.218 | -0.19 | 1 |
| | Sig. (2-tailed) | 0.136 | 0.196 | |
| | N | 48 | 48 | 48 |

Source: primary data through questionnaire

Table-6 represent values of correlations between CC, NC and AC. Correlation between CC And NC is found to be positive. Correlations between CC

and AC, NC and AC are found to be negative. However, the negative correlation is found to be very weak. Increase in NC lead to corresponding increase in CC as well and vice versa. Increase in

AC, want to stay, may lead to decrease in CC 'has to stay'.

Ho:- There is no significant difference between commitment and gender.

Table 7 : ANOVA

| | | Sum of Squares | df | Mean Square | F | Sig. |
|----|----------------|----------------|----|-------------|-------|-------------|
| CC | Between Groups | 871.317 | 1 | 871.317 | 7.301 | 0.01 |
| | Within Groups | 5489.562 | 46 | 119.338 | | |
| | Total | 6360.88 | 47 | | | |
| NC | Between Groups | 46.402 | 1 | 46.402 | 2.813 | 0.1 |
| | Within Groups | 758.923 | 46 | 16.498 | | |
| | Total | 805.324 | 47 | | | |
| AC | Between Groups | 2.63 | 1 | 2.63 | 0.068 | 0.795 |
| | Within Groups | 1780.471 | 46 | 38.706 | | |
| | Total | 1783.102 | 47 | | | |

Source: primary data through questionnaire

Table-7 shows values of gender and commitment through One-Way ANOVA test. From the table it is found that the 'p' value for NC (0.1) and AC (0.795) are greater than 0.05. But 'p' value of CC (0.01) is less than 0.05. Hence it is understood that there is significant difference between gender and CC. Therefore, Ho: There is no significant difference between gender and commitment has been accepted with respect to AC and NC while the hypothesis has been rejected with respect to CC. From the mean scores it is observed that male respondents possess greater CC than female respondents. However, the difference is not very significant.

Conclusion

The present study is undertaken to examine the consistency among AC, CC and NC in a teaching hospital. NC and AC are found to be almost same and greater than CC among all the respondents. Either alignment of value system between individual and organization or obligation to stay in the organization constitutes most of the employee commitment. Though it is found that the correlation between AC and CC is negative, it is almost negligible.

Somers suggests there are eight commitment profiles in organizations that include: highly committed, affective dominant, continuance dominant, normative dominant, AC-CC dominant, AC-NC dominant, CC-NC dominant and uncommitted. In this study, respondents of NRI are found to be AC-NC dominant. When AC and NC are high, the potentially negative effects of CC are weaken possibly because employees do not feel stuck in their organizations, but rather invested in them.

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Retention - Employee Point of View

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Abstract

Employee Retention is a critical factor and the most unavoidable issues for the present HR managers. It will be a foolish act to neglect employee retention in the organizations as it helps to retain the good people who are responsible for the development of the organization. Retention of key employees is very much useful for the long-term survival of the company. It is a well known fact that retention of best employees ensures higher productivity, increased employee and customer satisfaction, effective knowledge sharing and better learning.

Strong retention strategies will help the organization in providing a better working environment for the employees, they will increase the confidence levels and commitment levels of the employees towards the organization. In the Indian scenario retention is never a big issue. Especially, in the recent past the attrition levels were not much. But the things have changed a lot in recent years. With the increase of business opportunities employees are findings many more alternatives. Because of this the organizations are facing employee poaching from the other firms which in turn increases employee attrition.

This paper aims to know which variables will influence the employees to be with the organization or not. This paper is concerned about the relationship between the personal variables and organizational variables. It is even observed that many employees are having work life balance problems. Even in few cases monetary rewards and non monetary rewards will have a direct impact on the retention of employees.

Keywords: *Employee Retention, organization, monetary rewards, non monetary rewards, commitment, Human resources, sustainability, retention strategies.*

Introduction

In the present competitive business environment, when all the other resources are so prone to imitation and adoption by the competitors, Human Resources is the only resource, which if selected, developed and retained keeping in view the organizational goals, can prove to be a reliable differentiating factor. With the help of this differentiating factor organizations can strategically position themselves and sustain that position for the competitive advantage in the longer run. To successfully derive maximum out of the pool of human skills existing in the organizations,

one of the greatest business challenges that exist is to retain the valuable employees in the organization (Hom and Griffith, 1998).

The new age economy, with its attendant paradigm shifts in relation to the human capital, in terms of its acquisition, utilization, development and retention, has placed a heavy demand on today's HR professionals. At present HR is expected to implement and sustain relevant strategies and has to contribute effectively towards giving the corporate its winning edge (Janet Cheng Lian Chew, (2001). Attracting and retaining the top talent is

becoming pivotal for the company's survival as there is cut throat competition irrespective of boundaries. There is a need to set everything right in order to attract and retain the employees.

In the present scenario of business, employee commitment towards the organization is very less. No employer can guarantee the stability of tenure of the employees. They can't even guarantee the career paths of their employees. There is lot of changes in the present employment contract, employer can't guarantee the job security, and in turn employee never guarantees his continuity in the organization. In Olden day's employee loyalty was exchanged with job security. But now the trend has changed. These days all are very much concerned about their career portfolios and the employees are concentrating in developing required skills based on the employer requirements. It is evident from the present organizational scenario that organizational loyalty has been replaced by one's own professional loyalty. Traditional psychological contract existing between the employers and employees is now dissolved; which has resulted in the decreased employee loyalty and commitment and increased attrition levels of the employees.

Organizations are concentrating on retention as there is more job mobility throughout the global. Employees never mind in shifting their jobs so frequently, even because of small issues they shift their jobs. Normally loyalty means sticking to the organizations for a long duration, but these days the meaning for loyalty has changed and now people feel loyalty is working with commitment till they stay. So how to retain is the biggest challenge. When we look at the retention issue, it is evident that money is the major luring factor. In reality many research studies proved that it is not the only reason for shifting the job. No employee will leave unless the pressure is unbearable. If the conditions are favorable, employees tend to stay, and if the conditions are unfavorable, then almost any good carrot will tempt them to move away.

While recruiting the employees, organizations have a false opinion that money will bring the best employees to the organization. Because people tend to discuss about salary while joining based on their experience and education levels. But at the end of the day it is the non-financial rewards which will attract the employees towards the organization.

Need for the Study

Now a day's attrition is not just an internal issue of the organization. It is creating a sort of insomnia among the overseas clients who offer critical operations to Indian vendors. Overseas clients are not at all willing to accept any sort of excuses regarding the delays in completion of the projects. They are not ready to accept the reason of attrition as one of the cause for delay. Because of this delay they have to tolerate financial losses, for which they are saying a huge no. So clients are now introducing certain clause related to retention in their contracts. This will make the organizations responsible for retaining people/teams working on the client's projects. Failing which may attract a financial penalty (Mohit, 2008). With this, the internal-poaching system is under control. So retention is becoming the need of the day for the organizations.

People quit because of the incompatibility they have with the environment, or with their bosses, or with peer group or may be some other reason. So what the organizations are concentrating is how to make employees happy. Because, organizations have identified one big truth that only happy employees tend to do work more efficiently.

Now the organizations are identifying the satisfying factors of the employees. What employees prefer most? What their needs comprise of? They are in search of all such factors which will satisfy the employees at most. They cannot depend on only one or two factors, as people and their needs differ from one to one. Even it is not possible for all companies to provide the same work life to their employees. Things may differ from company to company. So the present study was undertaken.

Objectives

1. Examining the factors influencing Employee's intentions of persisting with their organization.
2. Identifying the key drivers that have the most important impact upon retention.

Hypothesis

Hypothesis - I

H_0 = Monetary and Non-Monetary incentives have no significant impact in retaining the employees.

H_1 = Monetary and Non-Monetary incentives have significant impact in retaining the employees.

Research Design and Methodology

Research Design adopted for this study is Exploratory and analytical in nature.

Data Collection:

The Primary data is gathered by discussions with the HR Managers and also by distributing the Questionnaire to the employees of IT and ITES companies in the metropolitan cities of South Indian organizations'. The Questionnaire is having 56 questions in total. Out of which 52 questions are designed with Likert's Five Point scale.

The Secondary data is gathered from the different Journals, books, articles, web sites, internet and even an effort has been made to gather the information from the doctoral works.

Sampling

- **Sample Population:** The sample chosen for this study are the employees of IT and ITES Companies of South Indian Metropolis.
- **Sampling method:** The sampling method adopted for this study is Non-Probability sampling method in which Judgment sampling and Convenience sampling methods are used. The researcher has chosen the companies as per her convenience and availability of permissions, contacts of the HR managers and employees.

- **Sample Size:** Out of 1200 distributed questionnaires the researcher could collect 775 completely filled in questionnaires.
- **Sampling Instrument:** Questionnaire method was adopted to get the responses. The sample questionnaire was electronically mailed, and for some personally visited.

Interpretation of data

The Statistical Package for Social Sciences (SPSS) was used to analysis the quantitative data.

Analysis

Factors responsible for staying in the organization

The survey questionnaire has the following questions regarding the factors influencing the employees to stay in the organization.

Table 1: Factors which influence employees to stay

| Sl.No. | Factor | Percentage |
|--------|------------------------------|------------|
| 1. | Challenging Job | 80% |
| 2. | Payment of Salary | 89% |
| 3. | Existing Work | 83% |
| 4. | Benefits received | 82% |
| 5. | Flexible Working Hours | 87% |
| 6. | Attitude of the Boss | 83% |
| 7. | Child and Elder care centers | 55% |
| 8. | Work Assignments | 67% |
| 9. | Feeling of Pride | 62% |
| 10. | Location convenience | 78% |
| 11. | Appreciation | 83% |
| 12. | Growth Prospects | 84% |
| 13. | Feel Good | 47% |
| 14. | Relations with team | 81% |
| 15. | Organization Culture | 74% |
| 16. | Freedom | 63% |
| 17. | Job Security | 67% |
| 18. | Interest in Travelling | 71% |
| 19. | No time to look for new job | 60% |
| 20. | Bringing pets to work | 23% |
| 21. | Other reasons for staying | 59% |

Source: Primary source

With the above statistics it is clear that every employee has certain specific reasons for staying in the organization. He/she will look for certain

things which suit their requirements. If they are not finding the required things to the required extent they are thinking to quit the present organization and wants to look for some other.

Retention Improvement

The same employees were also asked to rate which factors the organizations have to improve to increase the retention rate of the organization. The responses were

Table 2: Retention Improvement factors

| Sl.No. | Factor for Improvement | Percentage |
|--------|--------------------------------|------------|
| 1. | Training to the managers | 16% |
| 2. | Preference for employees ideas | 15% |
| 3. | Appreciation for innovation | 3% |
| 4. | Pay more | 23% |
| 5. | Selection of managers | 17% |
| 6. | Benchmarking | 4% |
| 7. | Recruitment Criteria | 8% |
| 8. | Benefits Offered | 15% |

Source: Primary source

Most of the employees felt that the payment should be more, and many even felt that the organizations has to train up the managers, in handling the issues of teams. They even expressed that at the selection time itself proper care is to be taken while selecting the managers. They felt that if the managers are not good, then best employees also may not give his best to the organization. Next most of the employees felt that their opinions are not considered in decision making. Decisions are taken autocratically; no participative system is implemented in the organizations, which employees are dissatisfied with. Even though many benefits are offered to the IT & ITES employees still they are expecting some benefits in to their baskets. So the organizations have to think about all these issues which may increase the percentage of retention in the organization.

Testing the Hypotheses

Impact of Monetary and Non-Monetary Benefits on Retention

It is a known truth that monetary and non-monetary benefits are the major influencers in retaining the employees, as one will work in the organization for the sake of money. Even though money is the primary criteria for working, employees also give prominence to other factors like non-monetary benefits, facilities, working conditions, respect etc. Non-monetary recognition will motivate the employees in building the confidence and satisfaction levels of employees. In a report of American Society for Training and Development (ASTD) it is even mentioned that employee retention research identified consistent employee recognition as a key factor in retaining top-performing workers. So, there is a need for the organizations' to balance both the monetary and non-monetary benefits in the organization.

Maslow's need hierarchy theory better explains this scenario. Once the basic needs are satisfied without any problem then the next will be the motivator. So every person wants money to lead his/her life, but once this is met sufficiently, money is never a motivator for an employee. In such situations, organizations can use the non-monetary benefits as the motivators. Literature reveals that today the employees are giving preference to more non-monetary benefits. So, successful organizations in retaining the employees are those who are concentrating on non-monetary benefits, by not neglecting the monetary benefits.

With this assumption a hypothesis is framed that both monetary and non-monetary benefits will have an impact on retention. To prove both monetary and non-monetary benefits will influence the employees to stay in the organization, the below analysis has been done. For the analysis purpose cross tabulation method is used. Along with the cross tabulation, chi-square method is used to analyze the data.

Hypothesis - III

H0 = Monetary and Non-Monetary incentives have no significant impact in retaining the employees.

H1 = Monetary and Non-Monetary incentives have significant impact in retaining the employees.

Table 3: Impact of Monetary Benefits on Retention

Crosstab

| | | | retention | | | Total |
|----------|----------------|----------------|-----------|-------|-------|-------|
| | | | 2 | 3 | 4 | |
| Monetary | 1 | Count | 2 | 1 | 0 | 3 |
| | | Expected Count | .3 | 2.0 | .7 | 3.0 |
| | 2 | Count | 7 | 27 | 0 | 34 |
| | | Expected Count | 3.0 | 23.0 | 8.0 | 34.0 |
| | 3 | Count | 16 | 181 | 72 | 269 |
| | | Expected Count | 23.9 | 181.9 | 63.2 | 269.0 |
| | 4 | Count | 34 | 220 | 63 | 317 |
| | | Expected Count | 28.2 | 214.3 | 74.4 | 317.0 |
| | 5 | Count | 10 | 95 | 47 | 152 |
| | | Expected Count | 13.5 | 102.8 | 35.7 | 152.0 |
| Total | Count | 69 | 524 | 182 | 775 | |
| | Expected Count | 69.0 | 524.0 | 182.0 | 775.0 | |

Chi-Square Tests

| | Value | df | Asymp. Sig. (2-sided) |
|------------------------------|---------------------|----|-----------------------|
| Pearson Chi-Square | 38.426 ^a | 8 | .000 |
| Likelihood Ratio | 39.222 | 8 | .000 |
| Linear-by-Linear Association | 5.287 | 1 | .021 |
| N of Valid Cases | 775 | | |

a. 4 cells (26.7%) have expected count less than 5. The minimum expected count is .27.

Symmetric Measures

| | | Value | Approx. Sig. |
|--------------------|-------------------------|-------|--------------|
| Nominal by Nominal | Phi | .223 | .000 |
| | Cramer's V | .157 | .000 |
| | Contingency Coefficient | .217 | .000 |
| N of Valid Cases | | 775 | |

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

The above analysis clearly shows that there is an Impact of monetary benefits on retention as the chi-square table is showing an asymptotic significance value less than 0.05. So we can interpret that money is definitely a motivator for an employee to stay in the organization.

Table 4: Impact of Non-Monetary Benefits on Retention

Crosstab

| | | | retention | | | Total |
|--------------|----------------|----------------|-----------|-------|-------|-------|
| | | | 2 | 3 | 4 | |
| Non-monetary | 0 | Count | 13 | 80 | 44 | 137 |
| | | Expected Count | 12.2 | 92.6 | 32.2 | 137.0 |
| | 1 | Count | 56 | 444 | 138 | 638 |
| | | Expected Count | 56.8 | 431.4 | 149.8 | 638.0 |
| Total | Count | 69 | 524 | 182 | 775 | |
| | Expected Count | 69.0 | 524.0 | 182.0 | 775.0 | |

Chi-Square Tests

| | Value | df | Asymp. Sig. (2-sided) |
|------------------------------|--------------------|----|-----------------------|
| Pearson Chi-Square | 7.437 ^a | 2 | .024 |
| Likelihood Ratio | 7.090 | 2 | .029 |
| Linear-by-Linear Association | 3.557 | 1 | .059 |
| N of Valid Cases | 775 | | |

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 12.20.

Symmetric Measures

| | | Value | Approx. Sig. |
|--------------------|-------------------------|-------|--------------|
| Nominal by Nominal | Phi | .098 | .024 |
| | Cramer's V | .098 | .024 |
| | Contingency Coefficient | .097 | .024 |
| N of Valid Cases | | 775 | |

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

Coming to the non-monetary benefits the above chi-square table values (Chi-square value = 7.437, asymptotic value = 0.24, which is less than 0.05) clearly depicts that even the non-monetary benefits have an influence on retention.

So from the above analysis we can conclude that both monetary and non-monetary benefits are having an influence on retention of employees in the organizations. So the organizations should not neglect any of the things. Many organizations may be mistaken that providing monetary benefits is more than enough to retain. They should know that non-monetary benefits are equally important.

Suggestions

Retention Improvement

- Maximum number of employees said that the organizations should pay them more. Almost all the employees opined that Indian organizations are paying them less when compared to other countries.
- For retention improvement most of the employees asked the organizations to concentrate on the managers and leaders. If most eligible

managers are there to supervise the work, employees will be satisfied, and they like to work with the organization. According to the study the most preferred factors regarding the managers are selecting the managers better, giving good training to the managers in handling the work and teams, and asking the managers to listen to his subordinates.

- A considerable number of the employees even felt that for increase in the retention rate the organizations have to concentrate on the hiring process. It should recruit right and better people, should try something new, and must set an example first. Most of managers responded to this one differently. They said that every organization will be interested in recruiting good people, and always feels that it is different from others.

Impact of Monetary and Non-Monetary Benefits on Retention

- The results have shown that both the monetary and non-monetary benefits are having an influence in retaining the employees. They are the factors which are responsible for attracting the employees and they are the factors which

are responsible for the employee's increased tenure.

- According to the managers if the organization is paying prompt salaries, regular increments, and even if the benefits are good and are satisfactory to the employees then they won't leave the organizations until a better offer is given, but along with these things if other aspects are provided they are responsible for the retention of employees along with the monetary and non-monetary benefits.

Summary and Conclusion

Retaining the employees is not an easy task. It is clear from the study that employees have many expectations from the organizations. They expect challenging work, better salary, recognition, preference to their ideas, a friendly manager, better benefits, convenient working time, etc. From the study it is evident that providing monetary benefits will not be sufficient to satisfy the employees along with them they also expect to have many more attractive non-financial rewards. Organizations also have to concentrate on the retention improvement programmes by taking appropriate feedback from the employees of the organizations. Not just the existing staff but also from the exit staff. In the study many of the respondents felt that they don't have good managers. They must be given proper training regards, people management issues. Even the study has proved that both monetary and non monetary

benefits will have an impact on retention rate. So they should provide something extra which no organizations can provide, where employees should be proud to be associated with this organization.

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A Conceptual Framework on Brand Loyalty of Soft Drinks

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Abstract

Customer loyalty lies at the heart of marketing science. The present paper is aimed to formulate the conceptual framework to brand loyalty of soft drinks. A convenience sample of 352 respondents from the Kurnool district is selected for this research. Collected data analyzed by regression analysis, factor analysis and reliability test. Two factors emerged from the data to explain the brand loyalty of soft drinks. The factors include customer satisfaction and brand reputation.

Keywords : Brand loyalty Brand reputation Customer satisfaction Factor analysis Regression analysis Reliability test

Introduction

The concept of brand loyalty has a long history. Perhaps the most elaborate conceptual definition of brand loyalty was presented by Jacoby and Chestnut. According to Jacoby and Chestnut brand loyalty is: "The (a) biased, (b) behavioral response, (c) expressed over time, (d) by some decision-making unit, (e) with respect to one or more alternative brands out of a set of such brands, and (f) is a function of psychological (decision-making, evaluative) processes". To, Newman and Werbel loyal customers are those a) who rebuy a brand; b) think before buying one brand;c) do not search any information about brand. Hammond et.al defined brand loyalty as Customer's tendency to repurchase a brand revealed through behavior which can be measured and which impacts directly on brand sales. Schiffman defined loyalty as consistent preference and purchase of one brand in a specific product or service category. Further, Oliver defined brand loyalty as deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand

or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.

The 50-bn-rupee soft drink industry is growing now at 6 to 7% annually. In India, Coke and Pepsi have a combined market share of around 95% directly or through franchisees. Campa Cola has a 1% share, and the rest is divided among local players. There are about 110 soft drink producing units (60% being owned by Indian bottlers) in the country, employing about 125,000 people. There are two distinct segments of the market, cola and non-cola drinks. The cola segment claims a share of 62%, while the non-cola segment includes soda, clear lime, cloudy lime and drinks with orange and mango flavours. The per capita consumption of soft drinks in India is around 5 to 6 bottles (same as Nepal's) compared to Pakistan's 17 bottles, Sri Lanka's 21, Thailand's 73, the Philippines 173 and Mexico 605. The industry contributes over Rs 12 bn to the exchequer and exports goods worth Rs 2 bn. It also supports growth of industries like glass, refrigeration, transportation, paper and sugar. The

Department of Food Processing Industries had stipulated that 'contains-no-fruit-juice' labels be pasted on returnable glass bottles. About 85% of the soft drinks are currently sold in returnable bottles.

Review of literature

Nagaraju Kolla and Krishna Reddy. B has examined the antecedents of FMCG brand loyalty in rural markets. The size of the sample is 799 respondents from villages of Anantapur, Chittoor, Kadapa and Kurnool. The study had suggested overall customer satisfaction, perceived switching costs, reputation, relationship proneness and trust as antecedents of rural brand loyalty. This resembles Schijns brand loyalty model. Krishan and Harvinder Singh in their study entitled "Customer Loyalty and its Antecedents: Conceptual Framework" have analyzed the determinants of brand loyalty. Later, they described brand loyalty as customer satisfaction, communication, commitment, trust and conflict handling. Ahmed Ismail Moolla in his research entitled "A conceptual framework to measure the brand loyalty" described FMCG brand loyalty as switching costs/risk, customer satisfaction, aversion, brand relationship proneness, trust, involvement, perceived value, commitment, brand affect, brand relevance, brand performance, and culture. Aaron Lekatjo Mazibuko in his thesis described cereal product's brand loyalty as switching costs/risk, customer satisfaction, aversion, brand relationship, proneness and trust, involvement, perceived value, commitment, brand affect, brand relevance, brand performance and culture. Nida Aslam Khan has tried in his paper to create a model for brand loyalty. The first part of the model explains about antecedents of true brand loyalty. The second part of the model explains the chain effects from brand trust and brand affect to brand performance. Venkata Sai Srinivasa Rao has examined relationship between brand attributes and loyalty. The results indicate that brand loyalty was positively related to brand attributes. The study of Khansa Zaman et.al has examined the factors that influence FMCG brand

loyalty in Pakistan. Three factors emerged from the data to explain the brand loyalty. The factors include customer satisfaction, trust and corporate reputation.

Objectives of the study

The main objective of the study is to examine factors of soft drink brand loyalty.

Hypothesis

H1: Customer satisfaction influence soft drink brand loyalty

H2: Brand reputation influence soft drink brand loyalty (see fig.no-1)

Study design

- Sampling Method : Convenience
- Sample Size : 352
- Sampling Error : Response-352,
Non-response - 8
- Primary Data : Questionnaire.
- Secondary Data : Journals, Magazines,
Books, Websites.
- Data analysis : Regression analysis,
Factor analysis and
Reliability test

Data analysis

The responses of customer satisfaction are given in Table 1. A look at the Table shows that reliability of satisfaction is .782 and brand reputation is .703. Reliability values are more than .700 so satisfaction and brand reputation scale are good enough to further analysis. Factor analysis extracted two factors. The factors are named as 'customer satisfaction and brand reputation'. The factor analysis details are furnished in the Table1. Regression is performed by inserting independent variable as customer satisfaction and brand reputation and dependent variable as brand loyalty in SPSS. Customer satisfaction and brand reputation influence on brand loyalty is reported in the form

of R-square (Regression output) per cent. R-square value is 63 per cent means two factors collectively explain 63 per cent variance of soft drink loyalty.

Conclusion

Two factors emerged from the data to explain the brand loyalty of soft drinks. The factors include customer satisfaction and brand reputation. Hence, soft drink companies need to consider customer satisfaction and brand reputation while formulating strategies to loyalty.

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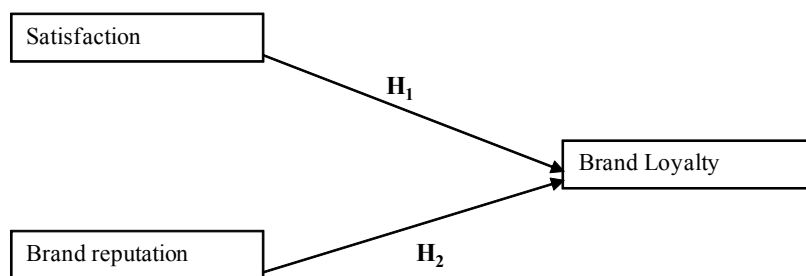


Figure No-1

Source: Author research

Table -1: Statistical tests

| | Indicator | Reliability Test | Factor Analysis | | | Regression analysis | |
|------------------|-----------|------------------|------------------|------|-------|---------------------|------------|
| | | | Matrix Component | KMO | B.T.S | R Square | ANOVA Sig. |
| Satisfaction | CS-1 | .782 | .801 | .721 | 0.00 | 63.0 % | 0.00 |
| | CS-2 | | .789 | | | | |
| | CS-3 | | .812 | | | | |
| | CS-4 | | .803 | | | | |
| | CS-5 | | .798 | | | | |
| Brand reputation | CS-1 | .703 | .836 | .741 | 0.00 | 63.0 % | 0.00 |
| | CS-2 | | .847 | | | | |
| | CS-3 | | .822 | | | | |
| | CS-4 | | .857 | | | | |
| | CS-5 | | .793 | | | | |

Source: Primary data

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