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## DIGITAL INDIA IMPLICATIONS IN EDUCATION SECTOR

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### Abstract

India is already home to the 2nd largest number of Internet users globally with nearly 462 million users as of December 2017. There are more than a billion people who will need to be brought online for India to realise the vision of a digitally connected, knowledge economy. Government's Digital India programme will play a transformational role in achieving this. Digital India is an umbrella programme which covers many departments. It aims at ensuring the government services are made available to citizens electronically by reducing paperwork.

**Keywords:** Digital India, Education, Digital Programmes.

### Introduction

Throughout the world, Information and Communication Technologies (ICT) continue to proliferate at incredible speed. Digitalization is one of the most fundamental period of transformation we have ever witnessed. Digital India was a flagship programme launched by the Prime Minister of India Narendra Modi on 1 July 2015 - with an objective of connecting rural areas with high-speed internet networks and improving digital literacy. The vision of this programme is to transform India into a digitally empowered society and knowledge economy. It is one of the biggest step by our Government of India to motivate the citizen of the country and connect Indian economy to knowledge savvy world.

### Vision of Digital India: Initiative of Dream Project

**Digital Infrastructure as a Utility to Every Citizen:** This initiative brings together to deliver high speed communication technologies and digital services that will reach to the remotest villages, round the clock. Public services like land records, certificates and many more will be made available online or public cloud.

**Governance and Services on Demand:** This vision will provide single window access to every individual. Every government services or information is available online and on mobile platforms with a single touch.

**Digital Empowerment of Citizens:** Under this vision, every citizen will empower through digital literacy and universal

access to digital resources. All documents and certificates to be available on cloud and in Indian languages.

From smart phones to lightning-fast laptops to GPS devices, it's hard to imagine life without technology. This facility will aim to lessen the usage of physical documents and enable sharing of e-documents across organizations. Today, the world has transformed from knowledge savvy to tech savvy. Think of something and it's available in one click. So digital India is a step by the government to inspire and connect Indian economy to such a knowledge savvy world. It brings out various schemes like E-health digital locker, E-Sign, E-Education etc.

### **Review of Literature**

Digital India" initiative has been an intriguing subject matter of numerous researches from various disciplines because of its great significance and influence on the economy as a whole and particularly the technological sector. Being a recent move, there have been various researches on different aspects of the initiative ranging from the economical to social and ethical dimensions. Some of these researches retrieved through internet searches have been reviewed here.

Prof.Singh began with the basic overview of what Digital India entails and led a discussion of conceptual structure of the program and examined the impact of "Digital India" initiative on the technological sector of India. He concluded that this initiative has to be supplemented with amendments in labor laws of India to make it a successful campaign.

SundarPichai, SatyaNadella, Elon Musk researched about Digital India and its preparedness to create jobs opportunities in the information sector. He concluded that creating new jobs should be continued with shifting more workers into high productivity jobs in order to provide long term push to the technological sector in India. Microsoft CEO, SatyaNadella intends to become India's partner in

Digital India program. He said that his company will set up low cost broadband technology services to 5lakhs villages across the country.

Arvind Gupta intends to say that Digital India movement will play an important role in effective delivery of services, monitoring performance managing projects, and improving governance. An Integrated Office of Innovation & Technology to achieve the same and for problem solving, sharing applications and knowledge management will be the key to rapid results, given that most departments work on their own silos.

Tracking and managing the projects assume significance because India has been busy spending money in buying technology that we have not used effectively or in some cases not even reached its implementation stage. Sharing, learning's need to be best practices across departments Tracking and managing the projects assumes significance because India has been busy spending money in buying technology that we have not used effectively or in some cases not even reached implementation stage. Sharing learning's and best practices across departments needs to be driven by this Office of Technology.

A study by Zinnov mentioned that increased access to enabling infrastructure such as increased use of smartphones and easy access to Internet will result in greater adoption of technology by small businesses. Accordingly, the Digital India project will be an exponential driver for massive growth in IT adoption. The estimated budget of Digital India is going to be \$19 billion between 2014-2018.

### **Objectives of the Study**

The main objective of the study is to know about the application of Digital India plan and its impact on educational sector.

### **Transformation of Educational Sector with the Intrusion of Digital India**

Digital technology in India has been evolving over the last few years,

changing the way students learn concepts in school. The traditional chalk and talk method has paved the way for more interactive teaching methods as schools are increasingly adopting digital solutions to keep themselves abreast with the technological changes. As the current generation of students is well-versed with laptops, i-pads, and smartphones, these innovative methods of teaching guarantee more participation from students.

To cater to the school students' needs, education providers such as Educomp, Tata Class Edge, Pearson, and Teach Next have been coming up with interactive software to aid teachers in classroom teaching. However, usage of digital technologies in institutes of higher education is still in its nascent stages and efforts are being made to fine-tune these technologies to adapt to the needs of University students. In short, content development is yet to mature in colleges and universities across India.

Right from K-12 schooling to higher education programs, every level of our education system is affected by technology. With increased connectivity, speed and cloud-based storage capabilities, schools and colleges have an enhanced communication network that makes way for improved knowledge sharing. Digital portfolios are becoming quite a rage among high school students who use it to demonstrate their knowledge and achievements and are now being widely used as a strong tool for their admission procedure to college.

Coming to higher education institutions, most of them provide students with digitalized learning materials managed through online learning/knowledge management systems. Some universities are also experimenting with virtual learning spaces and have been providing free courses and learning material online.

India's vibrant economy with a burgeoning middle class and more than 200 million Internet users has made the

country the third largest online market after China and the United States. With this kind of far-reaching impact, there is hope for an increase in the use of digital technologies in the education field. However, lack of infrastructure, poor electricity access and low Internet penetration in the semi-urban and rural areas have held back development of digital services in schools. Needless to say, this calls for government participation to address these challenges and develop a sound ecosystem that can boost the usage of digital technologies.

Despite the aforementioned challenges, India's booming urban areas provide an excellent opportunity for digitalization of educational services. To increase the quality of education with the latest digital technological know-how, majority of the schools and universities are trying to keep pace with the digital changes by implementing them. Thus, by empowering educators, digital technology holds the key to India's educational challenges.

#### ***Digital Education in Indian Universities***

The quality of higher education is top-notch in the tier-one universities such as the Indian Institute of Technologies (IIT), Birla Institute of Technological Sciences, and the National Institute of Technologies. The same quality of education is not maintained in tier-3 schools and universities in both rural and urban areas. For this reason, IIT has introduced the National Programme on Technology Enhanced Learning (NPTEL), a government funded initiative, to help students across the world learn concepts providing free access to videos on YouTube.com "Professors record lectures and upload them online for the benefit of students in the rural and urban areas. In this way, students have access to quality educational videos at free of cost," says an Assistant Professor at the Indian Institute of Technology (IIT), Madras. The main aim of the Government is to make sure that people have access to the latest

curriculum being offered at the IIT and this is where NPTEL is used effectively and about 60% of our viewers are from the North-Eastern states and other states.

In India, among colleges digital Technologies are being used in a few colleges, whereas in many others it has still not been implemented. Moreover, there are many reasons for the irregular use of digital mode of education. The main problem is lack of funds. Hence, certain colleges are able to digitalize their teaching and a few others are not able to however, most of the regular colleges follow the traditional learning methods. In India most of the University's distance education modules have access to all the learning material through the digital medium. Most of the universities are in the process of recording lectures and uploading them online for students to view the videos at their convenience as well as engage in a discussion during the class."

#### **Digital Tools Used and Impact of Learning Outcomes in the Indian Schools**

Primary and Secondary schools across the country appear to be more advanced in the adoption of technology. Teachers in primary schools use smart boards and LCD screens to teach concepts in Mathematics, Science, and English Grammar. Schools across the country are using technology seamlessly to engage with students and achieve desired results through well-planned learning methods. Most schools utilize digital tools such as smart boards, LCD screens, audio-visual videos, digital recordings of older lectures and so on to teach children difficult as well as easy concepts. Moreover, the role of a teacher has always been to impart knowledge to students and become facilitators using digital tools. However, many school heads concur that these technologies will never replace the physical presence of a teacher, instead complement the entire teaching process.

In India, most of the schools teachers are conducting 'Smart Classes'

for 6-12th standard and teachers have been trained with the software to use it for main subjects (Maths, Science, History and Geography). The teachers are using it extensively in all the classes; and they plan ahead. They go by what they have to relate to using the software and add it to their power point presentation (if needed). If it is a biology/math class, everything would be shown in the software while the teacher explains.

The schools will soon be a place where the students will learn to study on their own with the help of computers while the teacher being a mere facilitator. This concept of blended learning where teachers oversee students' participation while watching online lectures is proving to be effective. The teachers always try innovative things in our pedagogy and do not rely on textbook knowledge.

For a Digital India to succeed in impacting education, it needs a vision and mission to integrate technology as an important part of our large and complex school system. It must have a targeted approach to improve education through digitalization and by providing better teachers and with a comprehensive vision to provide benefit to a large extent of children.

Some of the techniques that can be incorporated in schools-Introduce benefits of technology in education-The very basic thing is to teach children how to incorporate technology with their education, to gain benefit and to use it as a tool to compete with the ever-growing world. This is mainly required in rural areas where children are very far away from this piece of knowledge.

E learning apps- After this some innovative tools can be introduced for providing notes, books, resolving queries of student, practicing question etc. There are 100's of app and software available for students to learn.

Smart schools Government should try to incorporate technology from the ground level that is school, more smart

school should be open, public schools must be digitalized, classes must be provided to teach student and teachers about the benefits of digital world and everybody must have basic computer proficiency.

Smart tools-Schools should be digitalized and must use smart tool to provide education to students like smart board, visual/audio education, school management software for management of school data.

### **Training the Teachers for Digital Teaching**

Frost & Sullivan found through its conversations with school heads and professors that there are varying degrees of comfort among educators with respect to use of technology. Leveraging such tools requires specific training and orientation in not just the application of curriculum in digital formats, but also other related tasks, such as evaluation, peer feedback, group project work, and so on.

For the last few years, we have teachers being trained on the curriculum and also MS Office. The teachers were divided into small groups subject-wise and train them accordingly. It is not a 100 percent substitution for in-person class coaching. The teachers work on lesson planners. In the planner, the teacher explains what needs to be taken from the software and all concepts are taught accordingly through PowerPoint presentation as well as the digital software. College professors, on the other hand, have been more reticent towards using digital tools for conducting classes. Among those who use tools such as PowerPoint presentations, most are ill-equipped with knowledge to use the format and hence get rated poorly by students.

### **Digital Tools for Evaluation of Students**

Education providers that provide digital software solutions to schools have built-in software assessing students' performance over the years. The data give teachers an insight into a student's

performance for evaluation of classroom lessons and conceptual understanding of subjects taught through the digital medium. Looking at it another way, the data help teachers analyze a student's performance from first grade to tenth grade by observing his or her strengths as well as shortcomings and guiding him or her accordingly. These facilities are not available in the Indian Universities though.

### **Challenges in the Implementation of Digital India**

More than a year has been passed since Digital India mission has been announced but it is facing multiple challenges in successful implementation. Few of the challenges are –

1. High level of digital illiteracy is the biggest challenge in the success of digital India programme. Low digital literacy is key hindrance in adaptation of technologies. According to ASSOCHAM- Deloitte report on Digital India around 950 million Indians are still not on internet. So, there is still to do more to connect people in digital India.
2. Making Digital India is a scheme known and creating awareness among common masses about its benefits is also a great challenge. Participation to digital kranti needs peoples wish, capacity to have mobiles and needs money for continuity.
3. It is not easy to ensure each panchayat of India to connect with functional broad band with optical fibre network. It is a mammoth task to have connectivity with each and every village, town and city. There are 2.5 lakhs Gram Panchayats in India and connecting all is not an easy task. The recurring repairing process is also a great challenge.
4. The issue pertaining to taxation and regulatory guidelines have proved to road block in realizing the vision of Digital India. Some of the common policy hurdles include lack of clarity in

- FDI policies have impacted the growth of ecommerce (ASSOCHOM).
5. The biggest challenge faced by Digital India programme is slow and delayed infrastructure development. India's digital infrastructure is comprehensively inadequate to tackle growing increase in digital transactions. India needs over 80 lakh hotspots as against the availability of about 31000 hotspot at present to reach global level (ASSOCHOM).
  6. The private participation in government projects in India is poor because of long and complex regulatory processes.
  7. Many request proposals issued by government are not picked up by competent private sector organizations since they are not commercially viable.
  8. There is a wide digital divide between urban and rural India. Till now funds have not been deployed effectively to meet the cost of infrastructure creation in rural areas.

### Suggestions

Digital India campaign can't be successful on its own. Policy changes are needed to make digital India a reality.

1. Digital literacy is first step in empowering citizens. People should know how to secure their online data.
2. To make this programme successful, a massive awareness programme has to be conducted. There is pressing need to educate and inform the citizens, especially in rural and remote areas, about the benefits of internet services to increase the growth of internet usage.
3. Digital divide needs to be addressed.
4. Manufacturing content is not government's strength. This mission needs content and service partnerships with telecom companies and other firms.
5. PPP models must be explored for sustainable development of digital infrastructure.
6. Private sector should be encouraged for development of last mile infrastructure in rural and remote areas. To encourage

private sector, must be favourable taxation policies.

7. The success of digital India project depends upon maximum connectivity with minimum cyber security risks. For this we need a strong anti-cybercrime team which maintains the database and protects it round the clock.
8. To improve skill in cyber security, we need to introduce cyber security course at graduate level and encourage international certification bodies to introduce various skill based cyber security courses.
9. There is need for effective participation of various departments and demanding commitment and efforts. Various policies in different areas should support this goal.
10. For successful implementation, there must be amendments in various legislations that have for long hindered the growth of technology in India.

### Conclusion

Digital India will open up greater possibilities than ever before. A powerful set of forces is accelerating the speed of social change throughout the world. These include a rapid rise in the levels of education, high rates of technological innovation and application – ever faster and cheaper communication that dissolves physical and social barriers, both within country and internationally, an easier access to information and the further opening up of global markets. It is here that IT plays a pivotal role. We have to take Digital India as a business transformation and proactively identify opportunities in advance and invest in it before demand actually arises.

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## RURAL ENTREPRENEURSHIP IN INDIA

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### Abstract

*The word entrepreneur originates from the French word, entrepreneur, which means “to undertake”. In a business context, it means to start a business. The Merriam-Webster Dictionary presents the definition of an entrepreneur as one who organizes, manages, and assumes the risk of a business or enterprise. Rural entrepreneurship is now a days a major opportunity for the people who migrate from rural areas or semi - urban areas to Urban areas. It is also a fact on the contrary that the majority of rural entrepreneurs are facing many problems due to non-availability of primary amenities in rural areas like India. Financial problems, Lack of education, insufficient technical and conceptual ability at present it is too difficult for the rural entrepreneurs to establish industries in rural areas. Certainly the economic development of our country largely depends on the development of rural areas and also the standard of living in its rural mass. The paper also makes an attempt to find out the challenges and problems for the potentiality of rural entrepreneurship. It also tries to focus on the major problems faced by entrepreneurs especially in the field of marketing of products, other primary amenities like water supply, availability of electricity, transport facilities, required energy and financial amenities. In the light of this research paper focuses on the major challenges and problems available in the Indian market by en-cashing the possibilities and prospects of the same to be an able and successful entrepreneur.*

**Keywords:** Rural entrepreneurs, Innovator, economic development, conceptual ability.

### Introduction

India is a country of villages. About three-fourth of India's population are living in rural areas out of which 75% of the labour force is still earning its livelihood from agriculture and its allied activities. Land being limited is unable to absorb the labour force in agriculture. Therefore, there is a need to develop rural industries to solve rural unemployment and rural migration to cities. Growth and

development of rural economy is an essential pre-condition to development of the nation as a whole. The gap between rural urban disparities should be lessened. The standard of living of the rural people should be increased. Entrepreneurship in rural sector provides an answer to the above problems. Indian rural sector is no longer primitive and isolated. Therefore, entrepreneurship in the rural and tribal areas looms large to solve the problems of

poverty, unemployment and backwardness of Indian economy. Rural industrialization is viewed as an effective means of accelerating the process of rural development. Government of India has been continuously assigning increasing importance and support for the promotion and growth of rural entrepreneurship.

Today rural entrepreneurship has emerged as a dynamic concept. In general parlance rural entrepreneurship is defined as “entrepreneurship emerging at village level which can take place in a variety of fields of Endeavour such as industry, business, agriculture and act as a potent factor for overall economic development. Compared to earlier days development of rural areas have been linked to entrepreneurship.

Defining entrepreneurship is not an easy task. Entrepreneurship means primarily innovation to some, to others it means risk taking? To others a market stabilizing force and to some others it means starting, managing a owning a small business. An entrepreneur is a person who either creates new combination of production factors such as new products, new methods of production, new markets, finds new sources of supply and new products and new organizational forms or as a person who is necessarily willing to take risks or a person who by exploiting market opportunities, eliminates disequilibrium between aggregate demand and aggregate supply or as one who owns and operates a business.

#### **What is Rural Entrepreneurship?**

In simple terms “entrepreneurship” is the act of being an entrepreneur, which can be defined as “one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods”. The problem is essentially lopsided development which is a development of one area at the cost of development of some other place, with concomitant associated problems of underdevelopment. For instance, we have seen underemployment or unemployment

in the villages that has led to major influx of rural population to the cities. At present what is needed is to create a situation wherein the migration from rural areas to urban areas comes down. Migration per se is not always undesirable but it should be minimum as far as employment is concerned. Indeed the situation should be such that people should find it worthwhile to shift themselves from towns and cities to rural areas because of realization of better amenities and opportunities there.

#### **Major objectives of study:**

1. To analyze the roles of rural entrepreneurs in economic development
2. To know the major benefits from rural entrepreneurship
3. To study the problems in rural entrepreneurship
4. To suggest some remedial measures to solve the problems faced by rural entrepreneurs
5. To study the major challenges faced by rural entrepreneurship in India

#### **Research methodology**

The study used both primary and secondary data sources. The primary data include data collected from various entrepreneurs. Secondary data was collected from internet and online database.

#### **Rural Entrepreneurship in India:**

Who should necessarily be capable of making use of the government schemes and policies for the betterment of rural people? Some individuals who happen to be NGO’s and local leaders and also who are committed to the cause of the rural people have certainly been the catalytic agents for development. Though their efforts need to be recognized and lauded, yet much more needs to be done to reverse the direction of movement of people i.e., to attract people to rural areas which means not only stopping the outflow of rural people but also attracting them back from towns and cities where they had migrated. This can be made possible only when young people consider rural areas as

places of opportunities. Despite all the inadequacies and in competencies in rural areas one should assess their strengths and also build upon them to make rural areas places of opportunities. But due to various complications they change their minds and join the bandwagon of job seekers. Enabling the public to think positively, creatively and engaging them purposefully in entrepreneurship activities is most important for the development of rural areas. Young people with such perspective and also with the help of rightly channelized efforts would certainly usher in an era of rural entrepreneurship.

Some of the basic principles of entrepreneur which can be applied to rural development are:

- Optimum and full utilization of local resources in an entrepreneurial venture by rural population
- Better distributions of the farm produce results in rural prosperity
- Entrepreneurial occupation opportunities for rural population to reduce discrimination and also providing alternative occupations as against the rural migration
- To activate such system as to provide basic Manpower, money, materials, management, machinery and market to rural population.

### **Rural Entrepreneurship and development of villages:**

Rural entrepreneurship certainly implies entrepreneurship emerging in rural areas. In other words establishing the industry in rural areas is referred to as rural entrepreneurship. This means that rural entrepreneurship is synonymous with rural industrialization. Many such examples of successful rural entrepreneurship can already be found in literature. Diversification into non-agricultural uses of available resources such as blacksmithing, catering for tourists, carpentry, spinning etc as well as diversification into activities other than those solely related to agricultural usage like use of resources other than land such

as water, woodlands, buildings, local features and available skills all fit into rural entrepreneurship. The entrepreneurial combinations of these resources are for example tourism, sport and recreation facilities, professional and technical training, retailing and wholesaling, industrial applications (engineering, crafts), servicing (consultancy), value added (products from meat, milk, wood etc) and the possibility of off-farm work. Equally entrepreneurial are new uses of land resources that which enable a reduction in the intensity of agricultural production, for example, organic production. Some of the major opportunities in rural entrepreneurship are:

- A. Better distribution of farm produce which results in rural prosperity
- B. Entrepreneurial occupation for rural youth resulting in reduction of disguised employment opportunities and alternative occupations for rural youth
- C. For optimum and maximum utilization of farm produce formation of big co-operatives like Amul
- D. Optimum utilization of local resource in entrepreneurial venture by rural youth

On the contrary, Indian agriculture is characterized by low productivity, flood, and exposure for vagaries of nature like drought, other natural disasters and weaknesses like mismatch between agricultural and cash crops, inadequate infrastructure to provide for value addition, wide disparity which exists between private partnership in agricultural development. Land being limited is unable to absorb the entire labour force throughout the year leading to large scale underemployment and unemployment. Rural people, in search of jobs and better livelihood opportunities often migrate to urban centers creating unwanted slums and also live in unhygienic conditions of living. In the above mentioned trend if employment opportunities are made available in rural areas along with basic amenities of life. Peter Drucker had proposed that, "entrepreneurship" as such

is a practice. He says entrepreneurship is not a state of being not is it characterized by making plans that are not acted upon. Entrepreneurship certainly begins with action and creation of new organization. This organization in the long run may or may not become self-sustaining and in fact, may never earn significant revenues. But, when individuals create a new organization they have truly entered the entrepreneurship paradigm. Balanced and sustainable development is certainly the need of the hour and it can be made possible only when rural areas flourish. Growth of rural entrepreneurship may lead to reduction in poverty, pollution in cities, growth of slums and ignorance of inhabitants. It also helps in improving the literacy rate and improving standard of rural people. Rural industries include traditional sector and modern sector. Former consists of khadi and village industries, sericulture, handloom and coir industries while the latter includes power loom and small scale industries.

### **Problems in Rural Entrepreneurship**

Entrepreneurs certainly play very important role in the development of economy thus contributing to overall Gross Domestic Product of the nation. They face various problems in day to day life and work. As thorns are part of roses, in the same way flourishing business has its own kind of problems. Some of the major problems faced by rural entrepreneurs are as under:

1. **Financial Problems:** Some of the major financial problems faced by rural entrepreneurs as follows:

a. **Paucity of funds:** Due to absence of tangible security and credit in the market most of the rural entrepreneurs fail to get external funds. Also the procedure to avail the loan facility from the banks is too time consuming that its delay often disappoints the rural entrepreneurs. Lack of finance available to rural entrepreneurs is by far one of the biggest problems faced by rural entrepreneurs nowadays especially due to global recession.

b. **Lack of Infrastructural facilities:** In spite of efforts made by government the growth of rural entrepreneurs is not very healthy due to lack of proper and adequate infrastructural facilities.

c. **Rise Element:** Rural Entrepreneurs have very less risk bearing capacity due to lack of financial resources and external support.

2. **Marketing Problems:** Some of the major marketing problems faced by rural entrepreneurs are as follows:

a. **Competition:** Rural entrepreneurs face stiff and severe competition from large sized organizations and urban entrepreneurs. They incur high cost of production due to high input cost. Problem of standardization and competition from large scale units are some of the major problems faced by marketers. New ventures have limited financial resources and hence cannot afford to spend more on sales promotion and advertising.

b. **Middlemen:** Middlemen exploit rural entrepreneurs. Rural entrepreneurs are heavily dependent on middlemen for marketing of their products who necessarily pocket large amount of profit. Poor means of transportation facilities and storage facilities are also other marketing problems in rural areas.

3. **Management Problems:** Some of the major management problems are as follows:

a. **Lack of Knowledge of I.T:** Information technology as such is not very common in rural areas. Entrepreneurs rely on internal linkages that which encourage the flow of services, goods, ideas and information.

b. **Legal formalities:** In complying with various legal formalities and in obtaining licenses rural entrepreneurs find it extremely difficult due to ignorance and illiteracy. Also procurement of raw materials is really a tough task for many rural entrepreneurs. They may also end up with poor quality raw materials, which may also face the problem of storage and warehousing.

c. **Lack of technical knowledge:** Rural entrepreneurs to a major extent suffer a

severe problem of lack of technical knowledge. Lack of training facilities and other extensive services create a hurdle for the development of rural entrepreneurship.

d. **Poor quality products:** Another important problem is growth of rural entrepreneurship is the inferior quality of products produced due to lack of availability of standard tools and other equipments as well as poor quality of raw materials.

4. **Human resource Problems:** Some of the major human resource problems found in organization are as follows:

a. **Low skill level of workers:** Most of the entrepreneurs working in rural areas are unable to find workers with high skills. They have to be provided with on the job training and their training too generally is a serious problem for entrepreneur as they are mostly uneducated and the training should be imparted in local language which they can understand easily.

b. **Negative attitude:** Sometimes environment in the family, society and support system is not much conducive enough to encourage rural people to take up entrepreneurship as a career. It may be certainly due to lack of awareness and knowledge of entrepreneurial opportunities. Young and mostly well educated youths mostly tend to leave.

#### **Remedial measures to solve the problems faced by rural entrepreneurs**

Different organizations like IFCI, SIDBI, ICICI, NABARD etc are trying to sort the major problems faced by rural entrepreneurs. Marketing problems are mainly related with pricing, distribution channels, product promotion etc. In order to make the rural entrepreneurs to state the business venture, following measures may be adopted:

a. **Creation of finance cells:** Banks and financial institutions which provide finances to entrepreneurs must create special cells for providing easy finance to rural entrepreneurs

b. **Concessional rates of Interest:** On easy repayment basis and at concessional rates

of interest the rural entrepreneurs should be provided finances. The cumbersome formalities should necessarily be avoided in sanctioning the loans to rural entrepreneurs.

c. **Offering training facilities:** Training is essential for the overall development of entrepreneurs. It also enables the rural entrepreneurs to undertake the venture successfully as it certainly imparts required skills to run the enterprise. At present the economically weaker entrepreneurs of the society are necessarily offered such training facility by government of India regarding skill development of the existing entrepreneurs so that rural entrepreneurs can indeed generate income as well as employment opportunities in rural area.

d. **Power supply of raw materials:** Rural entrepreneurs should be surely ensured of proper supply of scarce raw materials on a priority basis. Subsidy may also be offered at times to make the products manufactured by rural entrepreneurs reasonable and cost competitive.

e. **Setting up marketing co-operatives:** Proper assistance and encouragement should be provided to rural entrepreneurs for setting up marketing co-operatives. These co-operatives shall help in getting various inputs at reasonable rate and they are helpful in selling their products at remuneration prices. Thus comprehensive training, proper education, setting up of separate financial Institutions, development of marketing co-operatives to a large extent help to flourish the rural entrepreneurs in India.

#### **Conclusion**

Rural entrepreneurs are certainly act as a key figure in economic progress of India. They play a vital role in converting developing country into developed nation. In today's global market a country's economic policy environment must always be favourable for an organization to achieve efficiency. Economic policy of a country should also enable entrepreneurs to provide magical touch to an

organization irrespective of public, private or joint sector in achieving innovativeness, speed, flexibility and also strong sense of self determination. Rural entrepreneurship however is the best answer for removal of rural poverty in India. Hence government should stress and emphasize more on integrated rural development programs. Also majority of the rural youths do not think of entrepreneurship as a career option.

Hence organizations and government should come with training and sustaining support systems providing all necessary assistance so that rural youth can be motivated to take up entrepreneurship as a career. Besides there should also be efficient regulated markets and governments should also lend its helping hand in this context. Standardization and grading should be promoted and also promotional activities should be enhanced to encourage rural entrepreneurs. NGO's should also be provided full support by the government. In the present context study of entrepreneurship helps entrepreneurs not only to fulfill their personal needs but also help in economic contribution of new ventures. More than increasing the national income by creating new jobs, rural entrepreneurship also acts a force in economic growth by serving as a major bridge between innovation and marketplace. To conclude to bring change institutions need to focus on synergies between education, innovation and entrepreneurship.

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## CONSUMER PERCEPTION TOWARDS DIGITAL PAYMENT MODE WITH SPECIAL REFERENCE TO DIGITAL WALLETS

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### *Abstract*

*The demonetization resulted in unprecedented growth in digital payment. By February this year, digital wallet companies had shown a growth of 271 percent for a total value of US\$2.8 billion (Rs. 191 crores), Indian government and private sector companies such as Paytm, Freecharge and Mobikwik had been aggressively pushing several digital payment applications, including the Aadhaar Payment app, the UPI app, and the National Payments Corporation of India (NPCI) developed the Bharat Interface for Money (BHIM) app. Digital transfers using apps has brought behavioural change and helped in the adoption of digital payment. This has resulted in ease of transfer of money in rural areas which was not touched earlier by the digital payment method.*

**Keywords:** *Demonetization, Consumer Perception, Digital Payment, Digital Wallet.*

### **Introduction**

It has been said that every disruption creates opportunities and one such disruption was the announcement of demonetization by Prime Minister Mr.NarendraModi on 08 November 2016. Demonetization created huge growth opportunity for digital payment in India and the digital wallet companies garbed the opportunities with both the hands to expand their market share. Demonetization has presented a unique platform for adoption of digital payment, as an alternative to cash for Indian consumers.

Adoption of cashless transaction has been significantly pushed by Prime Minister Mr.NarendraModi as part of

government reforms after demonetization of high value currency of Rs. 500 and 1000 (86% of cash circulation). The demonetization resulted in unprecedented growth in digital payment. By February this year, digital wallet companies had shown a growth of 271 percent for a total value of US\$2.8 billion (Rs. 191 crores), Indian government and private sector companies such as Paytm, Freecharge and Mobikwik had been aggressively pushing several digital payment applications, including the Aadhaar Payment app, the UPI app, and the National Payments Corporation of India (NPCI) developed the Bharat Interface for Money(BHIM) app. Digital transfers using apps has brought behavioural change and helped in



the adoption of digital payment. This has resulted in ease of transfer of money in rural areas which was not touched earlier by the digital payment method. Now many foreign investors want to invest in digital payment industry which is new attractive destinations because of scope of tremendous expansion in India.

There are number of facilitators which are leading to the growth of digital payment and transition from cash economy to less cash economy. These facilitators include penetration of internet connectivity on smart phones, non-banking financial institution facilitating digital payment, one touch payment, rise of financial technology sector and push by Government either by giving incentives or tax breaks. These all factors are creating positive atmosphere for growth of digital payment in India.

#### **Digital Payment Modes in India**

There are several mode of digital payment available in India. These are:

**Digital or mobile wallets:** They are used via the internet and through smartphone applications. Money can be stored on the app via recharge by debit or credit cards or net-banking. Consumer wallet limit is Rs. 20,000 per month and the merchant wallet limit is Rs. 50,000 per month after self-declaration and Rs. 100,000 after KYC verification.

**Prepaid credit cards:** Pre-loaded to individual's bank account. It is similar to a giftcard; customers can make purchases using funds available on the card -and not on borrowed credit from the bank. Can be recharged like a mobile phone recharge, up to a prescribed limit.

**Debit/RuPay cards:** These are linked to an individual's bank account. Can be used at shops, ATMs, online wallets, micro-ATMs, and for e-commerce purchases. Debit cards have overtaken credit cards in India.

**AEPS:** The Aadhaar Enabled Payment System uses the 12-digit unique Aadhaar identification number to allow bank-to-bank transactions at PoS. AEPS

services include balance enquiry, cash withdrawal, cash deposit, and Aadhaar to Aadhaar fund transfers.

**USSD:** Stands for Unstructured Supplementary Service Data based mobile banking. It is linked to merchant's bank account and used via mobile phone on GSM network for payments up to Rs. 5,000 per day per customer.

**UPI:** The United Payments Interface (UPI) envisages being a system that powers multiple bank accounts onto a single mobile application platform (of any participating bank). Merges multiple banking features, ensures seamless fund routing, and merchant payments. It facilitates P2P fund transfers.

Digital payments in India have been experiencing exponential growth and with growth of internet and mobile penetration, in coming years the country is ready to witness a huge rush in the adoption of digital payments. According to Ratan Watal, principal advisor Niti Aayog and former finance secretary, digital payments grew 55% by volume and 24.2% by value in 2016-17 over the previous year. Data from the Reserve Bank of India (RBI) indicates that the rate of adoption of digital payments had accelerated following demonetization last year but has slowed in recent months of 2017. Total digital transactions in April 2017 of Rs109.58 trillion are 26.78 lower from Rs149.58 trillion in March 2017.

The volume of digital transaction has witnessed exponential growth in volume and value whether it is digital wallet, interbank transfer or transaction by debit or credit card. At merchant places the number of card transaction at point of sale (PoS) terminal have witnessed a huge surge which reflects that people have started making payment by debit card instead of withdrawing cash from ATM to make payment. In January 2017 the number of transaction of debit card increased to one billion from 817 million in previous year. It has been observed that ATM transaction are more

or less same at 700 million, the transaction at PoS terminal has increased three times from 109million in January 2016 to 328 million in Jan 2017.

India is heading on the path of a major digital revolution. The future economy will be driven by cashless transaction which will be possible only though digitalization of payment mechanism at different location such as smart phone, internet banking, card

transaction etc. The focus of present study is to find how respondents are adopting digital payment. The study collected response from 150 respondents and analyzed their perception, preferences and satisfaction level of digital payment. It further identifies the barriers and challenges to the adoption of digital payment. The Table 1 gives the top five mobile payment wallet of India.

**Table 1: Top five digital wallets in India**

Wallet Name	Key Features
Paytm	Transferring money instantly to the bank from Paytm account Safe to store customer’s CVV number. Paytm has launched an app password feature for Paytm Wallet in order to ensure the money is safe even if the customer lose or misplace his/her phone. A customer can use Paytm even without a Smartphone.
Mobikwik	Introduction of M-Wallet for easy storing and transaction of money. Instant recharge without sign-up. Encrypted and highly secured transactions. User friendly mobile application.
PayUmoney	Auto read of OTP. Picking up the transaction where it dropped. Risk monitoring
Citrus	Fastest among all the digital wallets. Citrus Pay wallet offers and discounts,
Oxigen	Send money to other mobile phones Shows transaction history

Source: <http://www.socialbeat.in/2015/09/29/top-10-mobile-wallets-in-india/>

**Literature Review**

Bamasak carried out study in Saudi Arabia found that there is a bright future for m-payment. Security of mobile payment transactions and the unauthorized use of mobile phones to make a payment were found to be of great concerns to the mobile phone users. Security and privacy were the major concerns for the consumers which affect the adoption of digital payment solutions. Doan illustrated the adoption of mobile wallet among consumers in Finland as only at the beginning stages of the Innovation-Decision Process.

Doing payments via mobile phones has been in use for many years and is now set to explode. Also mobiles are increasingly being used by consumers for making payments. “Digital Wallet “has become a part of consumers which are nothing but smart phones which can function as leather wallets. Digital wallet offered many benefits while transferring

money such as convenience, security and affordability. Growth in technology has opened many modes of payments through which consumers can do transactions which are more convenient, accessible and acceptable, consumers have an inclination towards mobile payment apps usage. Offering various benefits such as flexi payment digital wallet brands are providing extra convenience to consumers. Major factor in adoption of digital wallet is convenience in buying products online without physically going from one location to another locatio. There has been many studies conducted in past on mobile payment application to find consumer interest and they found consumer has positive inclination for the same.

The factors such as perceived ease of use, expressiveness and trust affect adoption of digital wallet as payment method. These factors are termed as facilitators and plays crucial role in

adoption of digital payment solution. Usage of digital wallet among youth in the state of Punjab was found to be associated with societal influence and usefulness, controllability and security, and need for performance enhancement. Premium pricing, complexity, a lack of critical mass, and perceived risks are the barriers to adoption of digital payment systems.

A comprehensive model 'Payment Mode Influencing Consumer Purchase Model' was proposed by Braga and Mazzon. This model considered factors such as temporal orientation and separation, self-control and pain of payment constructs for digital wallet as a new payment mode. Consumer perspective of mobile payments and mobile payment technologies are two most important factors of mobile payments research. Mallat studied consumer adoption of mobile payments in Finland. Study found that mobile payment is dynamic and its adoption depends on lack of other payments methods and certain situational factors. Digital wallet payments bring extra convenience to shoppers by offering flexible payment additions and accelerating exchanges. Shin and Ziderman tested a comprehensive model of consumer acceptance in the context of mobile payment. It used the unified theory of acceptance and use of technology (UTAUT) model with constructs of security, trust, social influence, and self-efficacy. The model confirmed the classical role of technology acceptance factors (i.e., perceived to users' attitude), the results also showed that users' attitudes and intentions are influenced by perceived security and trust. In the extended model, the moderating effects of demographics on the relations among the variables were found to be significant. Digital wallets offer the consumers the convenience of payments without swiping their debit or credit cards. Instant Cash availability and renders seamless mobility is also a unique

feature of these digital apps, for instance the balance in your Paytm wallet can be very easily transferred to your bank account as and when you want.

#### **Advantages of Cashless Transactions**

- Convenience
- Discounts
- Tracking spends
- Budget discipline
- Lower risk
- Small gains

#### **Objectives and Hypothesis**

The objective of the study was to find out the customer perception and impact of demographic factors on adoption of digital mode of payment:

In pursuance of the above objectives, the following hypotheses were formulated for testing:

**H<sub>01</sub>**: There is no significant difference is perceived by respondents for various attributes of digital payment on the basis of gender of respondents.

**H<sub>02</sub>**: There is no significant difference is perceived by respondents for various attributes of digital payment on the basis of age of respondents.

**H<sub>03</sub>**: There is no significant difference is perceived by respondents for various attributes of digital payment on the basis of education of the respondents.

**H<sub>04</sub>**: There is no significant difference is perceived by respondents for various attributes of digital payment on the basis of profession of the respondents.

**H<sub>05</sub>**: There is no significant difference is perceived by respondents for various attributes of digital payment on the basis of annual income of the respondents.

#### **Research Methodology**

The current study is based on primary data collected from 150 respondents from the different parts of Virudhunagar District. A well-structured questionnaire was designed to collect the information from the respondents the questionnaire was designed to study perception of customer towards adoption

of digital payment mode. Likert five point scales were used for obtaining responses. The responses have been collected by means of face-to-face interviews by authors.

**Sampling unit & size:** This call is for defining the target population to be surveyed. In this research the sampling unit was the customers who have been using the digital payment modes. In this survey the sample size decided was 150.

**Sampling procedure:** The researcher adopted Intercept interview method for collection of primary data.

### Research and Statistical Tools Employed

The research and statistical tools employed in this study are ANOVA and frequency analysis. SPSS 19 was used to perform statistical analysis. Cronbach's Alpha test was used to find

the reliability of the data. Frequency analysis on the main factor under study, indicate overall satisfaction levels of respondents with digital payment mode. ANOVA was carried out to find the variance in the responses and to test the hypothesis.

### Results and Discussion

The respondent profile as displayed in Table 2 replicate the population generally engaged in use of digital payment. Most of the respondents are male (70%), employed either in private sector (44%) or government sector (26%), are either graduate (52%) or 10+2 (18%) in the age group of 20-30 years (42%) or 31-40 years (30%). Their annual income is Rs. 7.5 to 10 Lacs (63.3%). This is the ideal profile of digital mode & educated, employed and having decent income

**Table 2:** Respondents Demographic Profile.

Variable	Characteristics	Frequency	Percentage
Gender	Male	105	70
	Female	45	30
Age group	20-30 yrs	63	42
	31-40 yrs	45	30
	41-50 yrs	24	16
	51 yrs & above	18	12
Education	Post-Graduation	15	10
	Graduation	78	52
	10+2	27	18
	Matriculation or below	30	20
Profession	Student	15	10
	Private Sector Employee	66	44
	Public Sector Employee	39	26
	Self Employed	30	20
Annual Income	Upto 2.5 Lacs	8	5.3
	2.5-5 Lacs	6	4
	5-7.5 Lacs	32	21.3
	7.5-10 Lac	95	63.3
	10Lacs & above	9	6

### Hypothesis testing:

#### ANOVA Computation

In order to test the hypothesis ANOVA was carried out. The results are

given below. Table 4 gives the result of ANOVA computation on the basis of gender, age education, profession and annual income of the respondents.

**Table 4:** Computation of ANOVA.

Characteristics/Attributes	Gender		Age		Education		Profession		Annual Income	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Mobile Payment Wallet / Digital payment used	.193	.648	1.109	.345	13.829	.080	3.633	.004	1.038	.371
Frequency of use digital payment to make online payment for bills and purchases	.002	.972	.789	.503	90.432	.000	5.997	.001	.657	.609
Brand Loyalty of Digital payment mode	.979	.314	.923	.460	216.45	.000	2.236	.069	1.903	.103
Convenience in use of digital payment mode	.141	.713	2.142	.080	17.103	.000	1.427	.231	.733	.588
Secured Transaction	1.902	.163	1.009	.402	13.829	.000	2.252	.067	1.828	.118
Time saving through digital payment mode	8.242	.005	2.581	.046	66.488	.000	2.321	.043	1.091	.342
Acceptance Wallet / digital payment mode	.435	.521	1.816	.127	20.513	.000	3.213	.011	.521	.551
Price of Using digital payment mode (service charges etc..)	.122	.727	.461	.764	61.579	.000	1.507	.203	2.081	.086
Mobile wallets are capable of providing benefits to individual purchase of product	.880	.298	1.003	.460	34.389	.000	2.220	.066	1.762	.103
Using the mobile wallet improves the quality of my decision making for buying products	3.004	.564	3.913	.00	3.2	.007	1.531	.160	.721	.821
Believe mobile wallets are useful in buying products than the traditional methods	.531	.421	3.331	.015	13.219	.000	1.004	.413	.872	.381
Think that using online wallets can offer me a wider range of banking services and Payment options	.990	.309	.883	.460	24.491	.000	2.147	.066	1.681	.110
Interacting with mobile wallet is helpful.	2.758	.099	1.296	.275	89.375	.000	2.096	.084	.947	.439
Trust the service providers of mobile wallet	.421	.614	1.713	.127	12.781	.000	3.399	.011	.458	.700

The result of ANOVA computation shows that no significant differences are perceived by male and female respondents for majority of attributes of digital payment mode/digital wallets. Hence accept the  $H_{01}$ . This indicates that both male and female customer perceive digital payment mode/digital wallets in similar way. Similarly the ANOVA computation

shows that no significant differences are perceived by the respondents on the basis of age, profession and annual income. This leads to acceptance of  $H_{02}$ ,  $H_{04}$ , and  $H_{05}$ . However significant differences are perceived by respondents for majority of attributes of digital payment mode/digital wallets on the basis of their education. Hence the researcher reject the  $H_{03}$ . This

indicted that education play a significant role in acceptance of digital payment mode. Educated person are more inclined to use the digital payment modes.

**Frequency Analysis**

In order to find out respondent’s perception and the overall satisfaction, frequency analysis has been carried. The result is presented in the Tables 5 and 6. Highly important and important responses are agreement to the statement which lead to positive perception and slightly respondents and not important is

negative agreement which indicate negative perception. Strongly agree and agree responses are the supporting responses of the statement related to a particular attribute of digital payment and indicates satisfaction of respondents whereas disagree and strongly disagree responses are those which do not support the statement related to particular attribute and indicate no satisfaction . Neutral responses neither support nor oppose the attribute.

**Table 5:** Frequency Analysis of Respondent’s Perception.

Statement	Highly Important	Important	Moderately important	Slightly important	Not important	Mean Score
Brand loyalty	72	54	17	6	1	42.6
Convenience in usage	27	71	27	12	13	35.8
Secured transactions	78	53	14	5	0	43.39
Time Saving through digital payment mode	113	20	9	6	2	45.49
Acceptance Wallet/digital payment mode	30	75	26	12	7	37.2
Price of Using digital payment mode (service charges etc.)	05	71	33	11	30	30.66

Majority of respondent said it is important or highly important to associate with time saving through digital payment mode with the mean score of 45.49,

followed by secured transactions with mean score of 43.39, brand loyalty with mean score of 42.26 regarding the overall satisfaction of the respondents.

**Table 6:** Frequency Analysis of Respondents satisfaction.

Characteristics/Attributes	Strongly Agree	Agree	Moderate	Disagree	Strongly Disagree	Mean score
Mobile wallets are capable of providing benefits to individual for purchase of product.	80	42	9	11	8	41.66
Using the mobile wallet improves the quality of my decision making for buying products.	113	24	8	3	2	46.13
Believe mobile wallets are useful in buying products than the traditional methods.	126	24	0	0	0	48.4

Think that using online wallets can offer me a wider range of banking services and Payment options	72	54	15	6	3	43.06
Interacting with mobile wallet is helpful.	138	12	0	0	0	49.2
Trust the service providers of mobile wallet	24	75	30	11	10	36.13

Majority of the respondents agree that interacting with mobile wallet is helpful with the mean score of 49.2, followed by helpful in buying products as compared to traditional methods with the mean score of 48.4, followed by mobile wallet improves the quality of decision making for buying products with mean score of 46.13, regarding the satisfaction in the usage of various attributes of mobile wallets.

### Conclusion

Present study has made an attempt to understand customer perception regarding digital payment. It was found that demographic factor except education does not have much impact on the adoption of the digital payment. Anova computation supported this finding as there was no significant difference is perceived by the respondents on the basis of gender age, profession and annual income. It was only education level of the respondents where significant difference is perceived by the respondents. It indicates that adoption of digital payment is influenced by the education level of the customer. If a person has studied beyond matriculation and internet savvy, he or she will be inclined to use the digital payment mode. It was also found that in the areas/region where education level is high, the possibility of acceptance of digital payment is much higher.

Digital transfers using apps has brought behavioral change and helped in the adoption of digital payment. This has resulted in ease of transfer of money in rural areas which was not touched earlier

by the digital payment method. Now many foreign investors want to invest in digital payment industry which is new attractive destinations because of scope of tremendous expansions in India.

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## DECREASING NPA THROUGH DIGITILIZATION

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### *Abstract*

*In India, the banking sector is over-burdened with the highly increasing issues around Non-Performing Assets (NPAs). These rising bad loans seem to be swallowing away huge profit margins of financial institutions. A major reason behind pushing borrowers in the NPA category could be identified as the stressed macroeconomic conditions. The foremost action required from banks, considering this tedious situation, is to manage the present loan book effectively and be more cautious in lending new loans.*

**Keywords:** *Demonetization, Consumer Perception, Digital Payment, Digital Wallet.*

### **Introduction**

In India, the banking sector is over-burdened with the highly increasing issues around Non-Performing Assets (NPAs). These rising bad loans seem to be swallowing away huge profit margins of financial institutions. A major reason behind pushing borrowers in the NPA category could be identified as the stressed macroeconomic conditions. The foremost action required from banks, considering this tedious situation, is to manage the present loan book effectively and be more cautious in lending new loans.

### **Causes for NPA**

According to a survey by global research firm, Ernst and Young among Indian bankers, 87% said that NPAs occurred due to diversion of funds to unrelated business or fraud, while a further 64% attributed them to lapses in due diligence. Around 72% of the survey

respondents were of the view that the crisis is set to get worse.

Most of the bankers feel that the main problem is that banks can't monitor and check the finances of an enterprise thoroughly as they have no visibility into its operations. Although banks do ask for a number of documents to sanction a loan, they are found fumbling as far as real-time transactions of an enterprise are concerned, since they don't have access to its financial records or the feasibility of projections. The data that the banks have is not enough to authenticate claims, making them ill equipped to take decisions based on solid facts.

The 7 May 2015 RBI circular on "Framework for dealing with loan frauds" is supposed to bring banks in line with monetary discipline. According to the circular, banks now need to ensure strict monitoring of the finances of an enterprise both pre- and post-sanction. They will



have to fortify their internal processes to ensure the funds undergo due diligence. While the RBI and bankers are doing their best to resolve the issue, measures have to be in place to perceive report and alleviate such risks.

### **Preventing the Occurrence of NPA's**

Banks must consider automating their entire processes to generate reports to be submitted to regulators, monitoring potential delinquencies and disbursing loans.

- Early Warning Systems to flag non-performing accounts can be utilised.
- Analysis of repayment capacity can be practised to offer flexible payment choices.
- The root cause analysis behind the occurrence of NPAs can be identified.
- Required changes in credit policy, product promotions etc. can be implemented.
- Complete case management (legal lawsuits) can be done from within the tool.

All this and more can be achieved through correct use of technology and automated systems. However, while choosing an automated NPA mitigation tool, a thorough check on its extendibility and scalability must be done in order to secure maximum outputs.

While technology will certainly not waive off NPAs in the financial institutions all at once, it can prove to be a crucial step in tracking and monitoring bad loans in the long run. This will enable maintaining an overall asset quality, having a sound credit policy and profitability.

### **How can technology ensure a fraud-free banking sector?**

According to the Ernst and Young survey, 56 percent of Indian bankers felt that technology and data analytics should be leveraged to identify red flags and early warning signals. Moreover, 86% opined that there is need for a mechanism to identify hidden NPAs.

Therefore, banks need the technology to monitor enterprises continuously. This can be achieved through a two-pronged approach: ensuring transparency and implementing automation. Banks need to keep a tab on an enterprise's key financial transactions: invoices, inventory, account receivables, balance sheet, etc. Business resources cash, raw material, production capacity and the status of business commitments: orders, purchase orders, and payroll need monitoring as well.

If all this data is made available to the banks, they would be better placed to take informed decisions. Banks would be able predict when and how an enterprise might start losing traction and would be able to weed out willful defaulters.

For this to happen, banks should make it mandatory for any enterprise seeking loans to install Enterprise Resource Planning (ERP) software. The ERP can be connected to the banks' own system, helping the financial institution tap into the real-time transactional data of businesses. Information in the ERP could help a bank decide whether the company has been meeting its financial obligations on time. Evidence of monetary discipline might also encourage banks to offer loans at lower interest rates to SMEs, who are usually low on finances. Enterprises could also use the digital platform to apply for loans, which could be quick and hassle-free.

“Due to the comprehensive nature of data in the ERP, a more detailed picture of the customer financial health would be visible to the banks. The access to this information can be authorised by the SME in a controlled environment.

### **NPA Management Solution by Intelegain**

Intelegain recently developed an NPA Management solution, which is a perfect tool in assisting banks and NBFC's to identify, investigate and take proactive actions to mitigate recovery risks. The NPA solution helps banks to manage the

large documentation and compliance part that comes with managing the NPAs. The solution is a web application for banks, its features include –

- Access Control, Dashboards based on roles
- Monitor, track, examine overdue loans from quick mortality indications
- Borrower Profiling – which consists of debt profiles, loan documentation, security documents, charge status and valuation details etc.
- Follow-up and track accounts based on diverse criteria and indicators
- Case management, Notices / Legal Status Management, Calendar and Reminders
- Assisting banks in initiating recovery process with workflow- like Sec 138 Criminal Suit, SARFAESI, DRT process etc.
- Bulk data upload, Reporting Module
- Associate Details and Performance Management
- Expenses Management
- Knowledge Management, Outlook Plug-in, Analytics, Litigation Management

#### **The NPA pain for banks – How can automation help ease it?**

The Indian banking sector is groaning under the weight of ever increasing provisioning levels that are eating away profit margins. This is even as the damp macroeconomic conditions push more companies and retail consumers into the NPA category as they are unable to service principal and interest payments on loans. While overall repayment capability of companies and individuals alike will improve gradually as the economy recovers, the prevailing high interest rates will automatically price out new loan applicants unable to bear the high debt burden. The biggest challenge before banks today is to monitor and manage the existing loan book more comprehensively and efficiently.

Banks closely monitor NPA levels. However, this is fraught with challenges.

Details on credit facilities/collateral granted to a customer often lie scattered across different banking systems. Hence, it becomes challenging to get a customer level view of NPAs. This is critical both from a compliance point of view as well as to ensure that banks don't continue to lend to "bad" customers or against "over leveraged" collateral. Calculating exact NPA levels and corresponding provisioning also introduces computational and integration challenges. Needless to say, tremendous manpower and resources are consumed in calculating & verifying this data, generating necessary reports for regulatory submissions and internal monitoring purposes.

From a technology standpoint, it really seems to make sense for banks to automate the entire process, from monitoring potential NPAs to submission of regulatory reports. Banks can create product specific early warning flags. For example, in case of a credit card holder, a sudden spike in total outstanding or a single large transaction can trigger a flagging. Banks can then work with the customer, understand if he/she is able to repay. If not, the customer can be offered flexible payments options and other facilities to ensure it doesn't change into a full blown NPA. Additionally, banks should also be in a position to analyse NPAs from multiple dimensions to understand the root cause for NPA origination. This in turn can provide crucial inputs to the credit policy, product design and sales processes of the bank. Needless to say, given the transaction volumes and diverse products, this will be possible only through smart use of technology.

While the smart use of technology is automating NPA management and monitoring will not really ease the NPA burden for banks, it will be the crucial first step in ensuring banks are empowered to monitor and manage their existing loan book better. It will also over a period of time provide valuable inputs to credit

policy which could effectively enhance asset quality

### **Process automation and analytics could bring down NPA woes**

Digital technologies today are disrupting and repositioning the lives of every banker and customer. Digital platforms and digital interfaces are ubiquitous. Data and analytics is used for greater customer experience, driving revenues, engaging customers, increasing productivity and making on the go offers of new banking products and services. The power of technology, especially the open source ones, analytics tools like Hadoop, faster and easy to deploy artificial intelligence for operational excellence, use of lot and intuitive automation are driving the operating models of banks.

Banks have embarked, in ways small and big, on the digitisation bandwagon. However, investments and the learning have stayed limited to retail space. Corporate banking and risk management applications either have got a backseat or were late starters. A victim of late adoption of digital is the problem loans area, the biggest headache afflicting the Indian banking system. Robotic process automation (RPA) and data analytics could be used to improve the deficiencies of the banking sector and control the shenanigans of the borrowers. Established use cases from retail and consumer banking could be utilised without large investments and IT change.

Many banks today are working on early warning signals (EWS), which are essentially the deployment of big data and analytics technology for getting dashboards on defined issues. However, first level coordination and auctioning is largely manual. Use of RPA with EWS analytics can improve and fortify quick action on EWS. At the resolution stage, collaboration for security valuation, notification of common resolution and recovery strategy, etc, could be enhanced by using big data points like similar transactions, zone prices, purchase price

history, etc. With RPA and block chain, base lining and registry searches of prices could be highly transparent, data based, reliable and accessible. Suitable algorithms and analytic models shall easily decipher patterns of siphoning of funds from multiple points in the banking and financial system based on unique identifiers, big data, natural language processing and use of inexpensive technologies like geo-tagging and NFC. Cartelisation, often resorted to by borrowers to prevent banks recovering fair value of security, could be thwarted by using analytics.

Additionally, due to process enhancement and strong database automation, decision making is expected to be transparent with auditable and well documented transaction trails. These are expected to help reduce the fears of later accountability from the minds of the bankers, a major impediment in rebooting of the system. As observed in the consumer space, the confidence level of successful utilisation of analytic technology is very high in general. Given the general acceptance of data science and RPA at policy making, legislative and the operational levels, the ecosystem is conducive. A new horizon is waiting if we make a paradigm shift for proactive problem loan management using the advancement in technology.

### **Conclusion**

In the worst ever financial crisis since 1991, bad loans in India grew to Rs 3,41,641 crore in September 2015, striking at the root of India's Rs 95 trillion banking sector. Total NPAs, as a percentage of the total loans, has grown from 2.11 per cent to 5.08 percent. Eight out of 10 banks featuring on the list are from the public sector. The banking system is veering on the verge of a crisis. Stocks of state-run banks are plummeting. Banking regulator RBI has fixed March 2017 as the deadline for banks to fix their balance sheets. The crisis is huge and there is no end in sight. However, technology wise solution may

reverse the situation and results in a tremendous reduction of bad debts.

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## DIGITAL PAYMENTS FOR RURAL INDIA - CHALLENGES AND OPPORTUNITIES

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### *Abstract*

*Indian economy is one of the fast growing economies of the world. Despite of global turbulences of economic conditions, Indian economy has been focusing on development. In the recent past, there are significant developments that has taken place in the Indian financial system, which has led to huge transformations, trends and changes in the business dynamics. Though the government of India has been focusing on the digital transactions initiatives since last few years, the actual impact of digital payments has taken place in India in significant manner post the demonetization period.*

**Keywords:** Digital Payment, Digital Wallet, Challenges and Opportunities.

### **Introduction**

Indian economy is one of the fast growing economies of the world. Despite of global turbulences of economic conditions, Indian economy has been focusing on development. In the recent past, there are significant developments that has taken place in the Indian financial system, which has led to huge transformations, trends and changes in the business dynamics. Though the government of India has been focusing on the digital transactions initiatives since last few years, the actual impact of digital payments has taken place in India in significant manner post the demonetization period.

India economy has the intrinsic structure of rural and urban economic developments. Majority of the Indian

economy depends on rural economy, and only when the digital payment methods become an integral part of rural economic development, the digital initiatives could be considered as successful. In the recent past, digital payments has gained momentum in the country, both in the case of rural and also the urban segments. India has predominantly been a cash driven economy and the culturally the deep rooted trends of cash based purchases has widely been the economic culture. In wake of the government initiatives to transformation towards digital economy, and many private companies emerging in the space of digital transaction solutions like the E- Wallets, Mobile app solutions (UPIs) , payment bank licenses issued by RBI, it is imperative that the market is gearing up towards more transparent and

compliance based system, and of digital trends.

But the crux factor that has to be taken in to consideration is about how effectively the system is adaptable in the rural segments of the country, considering the opportunities and challenges according to the existing scenario. In this research paper, the emphasis is on gaining insights in to the opportunities and challenges that are envisaged in the digital payments system penetration in to rural segments.

#### Opportunities for Digital Payments

Digital payments in India are at nascent stage, and there is a push from varied quarters towards adapting the platform of digital payment solutions. Some of the reverent steps that have been incorporated in the recent past towards improving the scope of digital payments are:

#### Limiting the scope for cash payments

RBI has regulated the cash payments in a phased manner. For example, imposing restrictions and tax on cash purchase of jewellery beyond a prescribed value. Imposing transaction charges for cash payments for payment to vendors, suppliers and services etc. Imposing higher transaction charges for banking dealings like cash with draws, deposited. More scrutiny over the cash transactions. Launch of More Digital Payment Solutions. Though India is cash based economy, slowly the transition has started towards digital economy.

RBI issuing payment bank licenses to many fin- tech companies like Paytm and many competitive mobile wallet solutions emerging from existing banking companies lead to foray of digital payment options available for stakeholders like merchants and consumers. Strategic launch of UPI solutions like BHIM by Government of India, to enable hassle free digital transactions on a government platform leads to more secured platform for consumers. Aadhar based payment solutions that are emerging strongly in to the Indian market signifies potential scope

of carrying out digital payments even with feature phones. In a recent report published in collaboration by CII and Deloitte, the study emphasize that there issignificant raise in the demand from consumers for digital payment modes. Many merchant creations are keen on using the digital payments as the solution for retaining the customer base.

#### Incentivising Consumers

Many private digital wallet companies are offering value added services to the customers. Consumers are offered value proposition in terms of ease of usage, cash back offers, discounts for using their mobile wallet platform etc. Government announcing various incentive schemes and reward programs for the consumers, to attract them towards digital payments. RBI reducing or terminating the cross transaction cost for the bankers and UPI solutions to encourage them reduce the cost of transaction to the end users.

More PoS solutions being procured and made available to the merchants are significant step towards improving the system. Launching awareness programs, and encouraging as many feasible ways ( like feature phone based digital transfers facilitated using Aadhar card etc.) has led to way where more number of shops and establishments considering the digital payment solutions in rural sector. Incentives allotted by Govt. as discounts for fuel purchase using the digital payments like debit/credit cards in the outlets signify the strategic approach towards encouraging digital transactions.

#### Market Drivers

It is imperative from the recent reports that there is significant development in the case of digital payments that are taking place. Some of the key and influencing factors that are supporting the digital transaction processes are: Compared to the earlier trends, in the current scenario the process of mobile banking, IMPS solutions and other such related developments has got

simplified. Increasing number of ecommerce companies offering their services in the rural segments also are the other key element that is driving the digital transaction solutions.

Direct and indirect initiatives from government towards improving the banking ease, compliance standards and other such factors play a key role in the process. Few of the significant initiatives like issuance of "RuPay cards" linked with Jan Dhan accounts (Zero balance accounts) opened up in massive scale, Kisan Credit cards issued to the farmers, drive in terms of enabling PoS solutions to rural merchants etc. has created fundamental platform that is essential for gaining momentum of digital payments in the rural segment.

### **Challenges of Applying Digital Transactions in Rural Markets**

Prior to the demonitization period, usage of digital payments was an option. However, in the rural market segment where cash was the king, the option of digital payments were exercised by very few retail outlets and also the consumers were wary of using such trends. Though, with the rampant penetration of ICT such trends has been changing, still the quantum of digital payments has gone up significantly post the demonetization period.

Phenomenal developments has taken place in the process of digital payments and many mobile wallet companies, PoS service providers, ecommerce players, and government initiatives has been focusing on improving the digital payment solutions. But some of the significant challenges that is thwarting the desired growth and propelling the market towards digitization are:

#### **Consumer Challenges**

Trust factor is one of the integral challenges to growth of digital payments in rural sector. Irrespective of whether it is attributed to emerging information security challenges, or lack of awareness of the consumers, still the challenge of gaining

the trust of consumers is one of the key challenges facing the mobile wallets, digital transaction service providers like banks, fin-tech companies etc. Secondly, the cost of transactions that are levied over the consumers is also a major concern. For example, over every debit card transaction, some retailers are charging the transaction cost from consumers and it is additional burden. To ensure that debit and credit cards are used prevalently, such transaction charges has to be evaded.

Mobile wallet companies has certainly made the transaction process much simpler to the customers, but the costs charged over switching the money from wallet to bank accounts are again a key concern. As the mobile wallet companies are charging anywhere around 1% to 4% for transactions to bank accounts, consumers are wary of using mobile wallets for business transactions.

#### **Conclusion**

India is among the fast emerging as one of the largest and strong economies. For sustained development and growth with robust economic development, certain integral factors like improved transparency, corporate governance and restricting the parallel cash based economy. Such developments could be feasible only with rural India too embracing the digital payments and digital transactions. Considering the quantum of opportunities that are unfolding for market dynamics of digital payments, if the challenges that are discussed are addressed and improved solutions in terms of UPIs, mobile wallets, and digital transactions with more secured features, ease of transactions and reduced cost of managing the digital payments could lead to more potential developments and supporting in improved conditions of digital payments processing in rural sectors.

Thus, it can be concluded that there is enormous potential that rural economy in India can become a cashless economy. The rural population is ready to learn, with one

person receiving benefit soon the rest of the village will follow. Keeping the consumption patterns and the recent trends into mind the government can plan for implementation of basic support system like, incentivizing the use of internet through free data and smart phones, distribution of laptops to students taking higher education in nearby towns. Undisturbed internet connectivity and better availability of POS should be ensured through sound infrastructure. Another way is by creating awareness about digital transactions and financial literacy among rural people by partnering with different educational organisations and NGO's. It can also provide multi-lingual online payment platforms i.e. mobile apps in regional languages for ease of transactions. Finally, by using the

schemes and policies implemented by Ministry of Rural Development to bring the population under electronic payment system, the government can make the cashless rural economy a reality from dream.

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## RURAL DEVELOPMENT AN INSTRUMENT FOR EMPOWERMENT

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### Abstract

*Development is based on the idea that giving employees skill, resources, authority, opportunity motivation as well as holding them responsible and accountable for outcomes of their actions will contribute to their competence and satisfaction. Empowerment and development of rural people cannot be achieved overnight empowerment is multi dimensional and success of achieving total empowerment for well being could be addressed. The general meaning of empowerment is that it is a process of becoming stronger and more confident, especially in controlling ones life and claiming ones rights. According to Cambridge English dictionary “empowerment is the process of gaining freedom and process to do what happens to you.” In short, empowerment is a process multi dimensional and social process that helps people gain control over their own lives. And if posters power in people for use in their own lives, the communities and their society by acting on issues they define as important. In addition one important implication of this definition of empowerment is that the individual and community are fundamentally connected.*

**Keywords:** Rural development, Instrument, Empowerment.

### Introduction

Development is based on the idea that giving employees skill, resources, authority, opportunity motivation as well as holding them responsible and accountable for outcomes of their actions will contribute to their competence and satisfaction. Empowerment and development of rural people cannot be achieved overnight empowerment is multi-dimensional and success of achieving total empowerment for wellbeing could be addressed.

### Meaning of Empowerment

The meaning of empowerment is

that it is a process of becoming stronger and more confident, especially in controlling one's life and claiming ones rights. According to Cambridge English dictionary “empowerment is the process of gaining freedom and process to do what happens to you.” In short, empowerment is a process multi-dimensional and social process that helps people gain control over their own lives. And if posters power in people for use in their own lives, the communities and their society by acting on issues they define as important. In addition one important implication of this definition of empowerment is that the individual and

community are fundamentally connected.

### **Obstacles of Rural Development**

Though govt implemented so many schemes for the rural development many obstacles distract its target.

#### **Lack of Education**

The literacy rate of village is only 44% but the cities had the literacy rate of 73% above all 44% of village people did not get any quality education.

#### **Poor Economic Condition**

In India 120 million people came under below poverty line. Among them 168million people lived in village, it was the pathetic position of the villages.

#### **Insufficient Technical Skill**

The rural people did not understand the significant part of technical skill to uplift their economic condition.

#### **Absence of Agro based Economy**

The absence of agro based economy has created two great problems.

- a) Migration of man power to the urban pockets and spread of an employment on a very large scale.
- b) The absence of economic units has affected the social and cultural facts of family and village life.

#### **Insufficient Facilities**

The rural people suffered a lot by the insufficient facilities like electricity, water supply, quality education, transport, marketing places for their products and technical knowledge, were the hurdle to their development.

#### **Role of Govt. in Rural Development**

For the welfare of the rural people our government. Undertaking so many schemes and efforts.

##### **a) Panchayat Raj:**

According to the constitution panchayats are given powers and authority to function as institutions of self government. The 73<sup>rd</sup> amendment gives constitutional status to the gram sabha. So the rural development programmes are implemented through the panchayats.

##### **b) Self Employment :**

The programmes like YJGSY, (ZAWAKAR GRAM SAMRIDI

YOJANA) TRYSEM (Training of rural youth for self-employment), SITRA (Supply of improved tool kits to rural artisans))EAS (employment assurance scheme) were implemented for the rural development.

##### **c) Rural Housing**

To fulfil the needs of the rural poor (Indian AwaasYojana) IAY, SamarsaAwaasYojana like so many schemes were executed through panchayatraj.

##### **d) Land Resources**

(DPAP) Drought Prove areas programme (DDP) Desert Development Programme. (IWDP) Integrated wasteland development projects were run for the land resources.

#### **National Social Assistance Programme**

- a) (NO APS) National oldage pension scheme.
- b) (NFBS) National family benefit scheme.
- c) (NMBS) National Maternity Benifit Schemes were executed by the government.

Above all the centrally sponsored rural sanitation programmes, Rajiv Gandhi national drinking water mission programmes were implemented to fulfil the basic needs of the rural people.

At the same time the rural development programmes were monitored by the government periodically through the rural development department. For the proper and efficient functioning of the schemes, monitoring committees were setup at district, block and village level.

Review committees were setup at central, state, district, Block and village level to analyse the overall performance of the rural development programmes.

#### **Results of the Government Schemes**

- a) Natural reserve conservation.
- b) Efficiency of resource use.
- c) Infrastructure and marketing (10%)
- d) Technical guidance.
- e) Agricultural growth (58 %)
- f) Sanitary condition Improved.
- g) Education- improved in certain extent.

**Draw Backs**

1. No adequate Financial Support.
2. Unnecessary legal procedure.
3. Political leaders treating the rural people as vote banks.
4. No livelihood options in agriculture and allied activities.
5. Lack of efficiency in e-governance.

**Solutions**

1. Government should give importance to 6ms (ie) manpower money, material, machinery, management and market.
2. Optimum utilization of local resources.
3. Give preference to alternative occupation.
4. Active participation in politics with constructive mindset.
5. Encourage the rural peoples participation in cultural activities at regional and district level.
6. To motivate the people to develop, standardise, popularise, commercialise the innovative rural technologies.
7. Social empowerment is very essential for the rural people to improve their standard of living.
8. The government should encourage the NGOs and SHG s for the betterment of the rural people.

However for the rural development so many welfare schemes were implemented by the government through Panchayat Raj, population explosion, middle men's intervention, slow the growth of rural development. If the Panchayat had efficient and peoples welfare motivated leader came to power that will tackle the situation, for example **Mr. Shanmugam**, the celebrated Panchayat President (1996-2016) of Odandurai, Mettupalayam is a humanitarian and a genius. He has built over 850 houses in Odandurai and has installed a windmill to provide free electricity to his entire village. He also sells the surplus electricity to TNEB, thereby making a village a self-sustaining

one, received **The Park Group of Institutions Presents Behindwoods Gold Medal for Eminence in Service to Mankind** from Actor-Musician **Hip Hop Aadhi & Dr. Anusha R**, CEO, Park Institutions.

The winner in his speech said, **"Only when our villages develop, the entire world can be considered as developed. I managed to bring clean and healthy water to my village. We as a council made houses for people below the poverty line. Nowadays villages are quite developed when compared to the cities.**

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## CONSUMERS' PREFERENCES AND ATTITUDES TOWARDS SAKTHI MASAALA PRODUCTS IN PUDUKOTTAI

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### *Abstract*

*Regarding the grocery powder there are many competitors in the markets to supply the various brands of masala powder at the desired quantity of the consumers. The following are the some of the branded masala powders which are hugely purchased by the women in their preparation for food items. Achi masala, Sakthi masala, A1 Masala etc and some of the brands prepared in the local areas. Amongst all masala powders Sakthi Masala and Achi masala are the major competitors in the markets. Due to the heavy advertisement processes taken by these companies the consumers are highly attracted by these two powders in kitchens of all family. These two companies influence the buying decisions of the consumers when compared with other brands of masala particularly the Sakthi masala's have more influence over the buying decision of the consumers. There are many local companies and cottage industries in the market for supplying the groceries powders but the sales of sakthi masala leads other brands of powders in many occasions. The consumers in all areas prefer to buy only the sakthimasala. They hesitate to buy another brand. They sometime return back to their home without buying the curri masala if there is no availability of Sakthi masala. So in this study focuses to consumers' preferences and attitudes towards sakthimasaala products in Pudukottai.*

**Keywords:** *Consumer preference, Consumer attitude, Consumer behaviour.*

### **Introduction**

In olden days people used to prepare the food items for the family members by using the components which are available in the local area and required for cooking various food items. Traditional methods of preparation were utilized by all the women and also by male members who

prepared food items. More volume of manual labor was utilized for preparing all food items. The female members eagerly involved in cooking and serving the food items to the family members. Most of the female members were engaged in home affairs only. They had enough time to prepare the food items. Further due to lack

of development in technology and lack of awareness most of the time was spent by the female members in the kitchen room. But at present the situation is entirely changed. As we have experienced tremendous development in the technology and science, in household activities electrical and electronic equipments like mixer grinder, juicer, grinder, electric stove etc are being used even in the house of BPL (Below Poverty Line) family. Further all the members of the family including the female members particularly mothers are in a position to go for earning to the family by engaging any of the activities which generate income. They could not spend more time in preparing food items. They are hurry and busy in various engagements in their day to day activities. So the male members support the female members in cooking to minimize the time for preparation of food items.

#### **Statement of the Problem**

There are number of suppliers in the market to supply the masala powders in desired quantity for a reasonable price. All the manufacturers of masala powder try to satisfy the needs of the consumers by supplying various types of masalas which are frequently used in preparing foodstuff items. But the Sakthi masala has gained good reputation from the society. Nowadays it is being considered as the fast moving consumer goods. Other brands of masala powders are not moving fast as like Sakthi Masala powder. However by making effective advertisement in the media powder like Achi and Pioneer and some of the local brands capture considerable market for their products. Some of the manufacturers suffer lot to operate their business successfully. They could not compete in the market due to various factors in the quality, price and also some other factors. Sometime they face loss in their business. There are some of the family members involving in selling of various masala powders at a desired quantity. As the Sakthi Masala is familiar

in the market, the cottage industries which involved in the manufacture of masala powders are in a position to close their business. Many families in the study area are doing the business of selling various masala powders. They prepare the products by using manual labours with the help of local rice mills. Their survival is questionable as the Sakthi Masala captures the entire market. Further in some of the area in Pudukottaidistrict the sales volume of the Sakthi masala products are fluctuating frequently. Some it affects the target of the Sakthi masala company which will affect the return of the company.

#### **Objectives of the Study**

The following are the main objectives of the study

1. To evaluate the existing varieties of masala powders in the Pudukottai town
2. To know the factors affecting the buying decision of the consumers with regard to the Sakthi Masala products.
3. To analyze the market potentiality for the Sakthi Masala Products.
4. To identify the opinion of the consumers regarding the utility of Sakthi masala Products
5. To find out the problems faced by the consumers when they use the Sakthi Masala products
6. To find out the remedial measures and offer recommendations to the needy.

#### **Research Methodology**

##### **Research Design**

Descriptive research was conducted in this study to make the research effective and useful to the needy.

##### **Collection of Data**

Both the primary and secondary data was collected in this research work

##### **Primary Data**

Primary data was collected from the sample respondents from the population by way preparing a questionnaire. The questionnaire was prepared with the guidance of the experts in the relevant field. A necessary correction was made in the questionnaire

to complete the research work successfully.

### Secondary Data

Secondary data was collected from the journals and magazine published in the related topics.

### Sample Selection

The consumers who are using Sakthi masala products for preparing the food stuff items are the population for the study. As the population is numerous in the study area 120 respondents were selected in the Pudukottai town from the total population. The respondents were selected at random by using convenient sampling method. As the Sakthi masala products are used in hotels out of 120 respondents 20 respondents were selected from the hotel industry in Pudukootai, remaining 100 respondents were selected from the residents of Pudukottai. The sample respondents consist of both male and female respondents in the ratio of 1: 5 respectively

### Study Area

Pudukkottai is one of the districts which are familiar for both the industrial development and also for educational development. The people in the district use both Sakthi masala products and also other local branded products manufactured within the district. As the researcher hailed from Pudukottai area, the researcher selected Pudukottai for his project work.

### Statistical Tools

The collected data will be analyzed and interpreted properly to find the result of the research work. Further to know the association between two variables in deciding the particular issues statistical tools like simple percentage, chi-square, rank correlation, and ANOVA test will also be used.

### HYPOTHESIS

The following hypothesizes were framed for completing the project work effectively.

1. There is no association between the respondents based on the age and the

volume of use of Sakthi Masala products.

2. There is no association between the educational qualification of the respondents and the knowledge about various brands of masala powders available in the market.
3. There is no association between the respondents based on the age and their opinion about the price of Sakthi Masala Products.
4. There is no association between the respondents based on their occupation and the volume of Sakthi masala products used.

### Limitation of the Study

1. The data was collected from the consumers of Sakthi Masala products. So the findings of the study may not be considered for other products

### Significance of the Study

The cottage industry which involved in preparing various masala powders in the Pudukottaitown face huge problems in selling their products. They could not get the income to meet the basic requirements. But most of them depend on selling various curry powders in the residential area of Pudukkottai district. They must find some alternative for their survival or they must otherwise try to know the attitudes of the customer before taking a decision to buy the masala powders. Hence first of all it is necessary to know the factors affecting the buying decision of the customers which will help them to satisfy the needs of the customers by supplying the products in the desired tastes of the consumers. In another aspect even though the Sakthi masala powders are purchased largely by the people, due to competition by Achi masala, Devi masala and some other powder in some of the areas of Pudukottaidistrict, the sales turnover of the Sakthi masala powders is fluctuating frequently. So the Sakthi Masala Company is in a position to know the causes for the fluctuation of sales in the Sakthi Masala products.

Table No. 1

## Socio Economic Status

<i>Profile</i>	<i>Total</i>		<i>Percentage</i>	
<b>Sex</b>				
Male	20		16.67	
Female	100		83.33	
<b>Total</b>	<b>120</b>		<b>100</b>	
<b>Age</b>	<i>Female</i>	<i>Male</i>	<i>Total</i>	<i>Percentage</i>
Below 25 years	20	04	24	20.00
26 to 35	26	05	31	25.83
36 to 45	34	06	40	33.33
46 and above	20	05	25	20.84
<b>Total</b>	<b>100</b>	<b>20</b>	<b>120</b>	<b>100</b>
<b>Marital Status</b>				
Unmarried	16	02	18	15.00
Married	74	17	91	75.83
Widow	04	-	04	03.33
Divorce	06	01	07	05.84
<b>Total</b>	<b>100</b>	<b>20</b>	<b>120</b>	<b>100</b>
<b>Educational status</b>				
Up to 10 <sup>th</sup> Std	16	02	18	15.00
Up to 12 <sup>th</sup> Std	54	09	63	52.50
UG	06	03	09	07.50
PG	04	02	06	05.00
Others diploma	20	04	24	20.00
<b>Total</b>	<b>100</b>	<b>20</b>	<b>120</b>	<b>100</b>
<b>Occupation</b>				
House wife	37	-	37	30.83
Employed in private sector	24	09	33	27.50
Government employee	06	03	09	07.50
Labour	24	05	29	24.17
Business	09	03	12	10.00
<b>Total</b>	<b>100</b>	<b>20</b>	<b>120</b>	<b>100</b>

From the above table it is clearly understood that among 120 respondents 16.67 % of the respondents are male, while the remaining 83.33 % of the respondents are female.

From the above table it is inferred that 20% of the respondents belong to the age group of below 25 years and 25.83% of the respondents belong to the age group 26 to 35 years, 33.33% of the respondents belong to the age group of 36 to 45 years where as 20.84% of the respondents belong to the age group of 46 years and above.

From the above table it is clearly

understood that among 120 respondents 15% of the respondents are unmarried, 75.83% of the respondents are married, and 3.33% of the respondents have lost their spouse while the remaining 5.84% of the respondents are divorce.

The above table clearly reveals that among 120 respondents 52.5% of the respondents have studied up to 12<sup>th</sup>std, 15% of the respondents studied up to 10<sup>th</sup>Std, 20% of the respondents have studied diploma courses, 7.5% of the respondents completed degree, while the remaining 5% of the respondent have completed post graduate degrees.



The above table shows that among 120 respondents 30.83% of the respondents are house wives, 27.5% of the respondents are employed in private

sectors, 24.17% of the respondents are labour, 10% of the respondents involved in business, while the remaining 7.50% of the respondents are government employees.

**Table No. 2**  
**Showing the Monthly Income of the Respondents**

Monthly Income	Respondents		Total	Percentage
	Female	Male		
Up to Rs.4000	37(35)	05(7)	42	35.00
Rs.4001-8000	29(31.67)	09(6.33)	38	31.67
Rs.8001-12000	26(24.17)	03(4.83)	29	24.16
Rs.12000 and above	08(9.16)	03(1.84)	11	09.17
<b>Total</b>	<b>100</b>	<b>20</b>	<b>120</b>	<b>100</b>

The figure in the parenthesis shows the expected frequencies. The table limelight that among 120 respondents 35% of the respondents get a monthly income up to Rs.4000, 31.67% of the respondents earn Rs. 4001-8000 per month, 24.16 % of the respondents get a monthly income between Rs.8001-12000 while the remaining 9.17% of the respondents earn Rs.12000 and above per month.

As the calculated value of  $\chi^2$  (3.741) is less than the table of  $\chi^2(7.815)$  at 3 degrees of freedom for 5 % level of significance, there is no relationship between the respondents based on sex and their income per month. Hence the null hypothesis is accepted and concluded that there is no relationship between the sex of the respondents and their income. Income of the respondents may depend on some other factor like the activities involved, ability of the individual and the experience.

Chi Square Test			
D.o.F	Sig.	T.Value	C.Value
3	5%	7.815	3.741

**Table No. 3**  
**Showing the Association between Age of the Respondents and their Occupation**

Age	Respondents based on occupation					respondents	%
	House wife	Employed in private sector	Government employee	Labour	Business		
Below 25 years	09(7.40)	05(6.60)	02(1.80)	06(5.8)	02(2.4)	24	20.00
26-35	06(9.56)	08(8.53)	03(2.33)	07(7.5)	07(3.1)	31	25.83
36-45	12(12.33)	13(11)	03 (3)	11(9.66)	01(4)	40	33.33
46 and above	10(7.71)	07(6.87)	01(1.87)	05(6.04)	02(2.5)	25	20.84
<b>Total</b>	<b>37</b>	<b>33</b>	<b>09</b>	<b>29</b>	<b>12</b>	<b>120</b>	<b>100</b>

**Null hypothesis:** There is no significant relationship between respondents based on the age and their occupation.

**Alternative hypothesis**

There is significant relationship between respondents based on the age and their occupation.

Chi Square Test			
Degree s of freedo m	Level of significanc e	Table Value	Calculate d value
12	5%	21.026	11.482

As the calculated value of  $\chi^2$ (

11.482) is less than the table of  $\chi^2$  (21.026) at 12 degrees of freedom for 5 % level of significance, there is no relationship between the respondents based on the age and their occupation. . Hence the null hypothesis is accepted and concluded that

there is no significant relationship between the respondents based on age and their occupation. The occupation of the respondents may depend on some other factor like knowledge, education and the attitudes of the respondents.

#### Anova Table

Table No. 4

#### Educational Qualification and Opinion of the Respondents

Sources of Variation	Degrees of freedom	Sum Square	MSS =SS/Dof	Fc	F <sub>tab(5%)</sub>
Between samples	4	438	438/4=109.5	109.5/51.05=2.144	3.01
Within samples	4	421.2	421.2/4= 105.3	105.3/51.05=2.06	3.01
Error	16	816.8	816.8/16=51.05		
Total	24	1676			

Critical Value. The critical value of F for 4 and 16 degrees of freedom at  $\alpha = 0.05$  is  $F_{0.05(4,16)}$  is = 3.01

Decision: The computed value 2.144 < tabled value of  $F_{0.05(4,16)}$  (4,16) = 3.01. Hence the null hypothesis  $H_0$  is accepted and the alternative hypothesis  $H_1$  is rejected. All the mean of the respondents based on educational qualification are equal and all the mean opinion of the respondents regarding the location of the Sakthi masala products store are similar.

#### Findings

The collected data were properly interpreted and analyzed by applying various statistical tools to make the study fruitful and find out the result of the study and make the findings useful to the needy. After having thorough analyses from the collected data, the following finds were found out.

1. Most of the respondents are female.(83.33 %)
2. Most of the respondents belong to the age group of 36 to 45 years
3. Most of the respondents are married (75.83%)
4. Major proportion of the respondents have studied up to 12<sup>th</sup>std(52.5%)
5. Most of the respondents are house wife.
6. Most of the respondents get a monthly income up to Rs.4000

7. Most of the respondents told that tasty is the main reason for purchasing the sakthi masala products (44.17%)
8. Most of the respondents conveyed that their parents influenced them to buy sakthi masala products.
9. Most of the respondents told that they buy only the traditional spice blend,(40%)
10. Most (70%) of the respondents opined that the brand image of the products play role in buying the products.
11. Major proportion (53.33%) of the respondents opined that the brand image of the products attracted the respondents hence they bought the products.
12. Most (57.5%) of the respondents told that they know the other services provided by the sakthi masala company.
13. Most of the respondents told that the companysponsors the divider in the road side.
14. Most (77.50) of the respondents told that the company takes initiatives to promote the sales.
15. Most (36.56%) of the respondents informed that the company maintain sustainable quality in the products to promote the sales.

#### Suggestions

Some of the respondents opined that the rate of the sakthimasaala products is increased frequently. Hence the

management should try to maintain stability in the price of the products which will help to increase the potential customers. Few respondents in the study area are not satisfied with the sakthimasaala products. Hence the company should enhance the quality and taste of the products to satisfy all the consumers. Few consumers in the study area do not know much about the sakthimasaala products due to lack of awareness and limited literacy, so the company may give more advertisement so that the sakthimasaala products will reach all the parts of the country.

### **Conclusion**

The Sakthi masala products are one of the familiar brands in the markets, even though in the study area some of the people do not aware of sakthi masala products, as they used to buy the local

brands of masala powders prepared at cottage level. Further they buy masala items in the groceries shop and they prepare masala powders for their own taste. It is the real situation prevailing in the study area. Most of the respondents in the study area prepare pickles in their home itself. The masala powder is prepared by them once or twice in a year. Further there are severe competitions in the market for Sakthi masala products nowadays. Hence the company has to concentrate more in marketing and advertisement of their products in all possible way to overcome the issues in marketing of Sakthi masala products which will help to satisfy the needs and desires of the ultimate consumers and lead to increase the profit of the concerns. The company has to enhance the quality of all varieties of Sakthi masala products to have stability movements of all of its products in the market.

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## CUSTOMER PREFERENCE TOWARDS ONLINE BANKING

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### *Abstract*

*The banking industry has been rapidly developing the use of internet banking as an efficient and viable tool to create customer value. It is one of the popular services offered by the traditional banks to provide speedier and reliable services to online users. With the rapid development of computer technology as a commercial too internet banking can be used to attract more customers to perform banking transactions in related banks. However, the main problem of internet banking faced by the providers are large number of the banks' customers are not willing to use the internet banking services offered. With this notion, the present study is an attempt to identify the customer preference towards online banking. With the use of a questionnaire method, 170 customers participated in this study have provided valuable feedback and responses. The results of the study show that, survival convenience and customized services influence customer preference towards online banking.*

**Keywords:** *Online banking, Preference, Services, Problems.*

### **Introduction**

Banking sector is a backbone of any financial system in the any world. Online banking, also known as internet banking, it is an electronic payment system that enables customer of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. Online banking system will typically connect to or be part of the core banking system operated by a bank and is in contrast to branch banking

which was the traditional way customers accessed banking services. Customer visits the financial institution's secure website, and enters the online banking facility using the customer number and credentials previously set up. The types of financial transactions which a customer may transact through online banking are determined by the financial institution, but usually includes obtaining account balances, a list of the recent transactions, electronic bill payments and funds

transfers between a customer's or another's accounts'. Most banks also enable a customer to download copies of bank statements, which can be printed at the customer's premises (some banks charge a fee for mailing hard copies of bank statements). Hence, it is imperative to identify the satisfaction of rural customers reside in small towns like Pollachi (Coimbatore District). With this backdrop, the present study has been undertaken.

### Review of Literature

Hani A. Al Haliq and Ahmad A. Al Muhirat(2016) underwent a research study to examine the extent of consumer loyalty with electronic saving money (e-keeping money) benefits in the Saudi keeping money area and to address issues with nature of administrations by concentrating on the accompanying: (i) simplicity of utilize; (ii) data security and unwavering quality and its part in affecting client reception of electronic administrations; (iii) the instruments of checking and control over these administrations. The examination utilized scientific and enlightening approach, gathering essential information through an overview. It inspected different parts of electronic administrations gave by banks in Saudi Arabia to reveal more insight into these administrations and client desires, while additionally considering present day thinks about in this field as optional information. The outcomes demonstrate that Saudi banks have prevailing with regards to accomplishing noteworthy consumer loyalty by enhancing their electronic administrations, encouraging electronic exchanges, enhancing handling execution and improving the particulars of electronic administrations.

Khan and Mahapatra (2009) explored the service quality of internet banking operative in India from customer's perspective. It is observed that customers are satisfied with the reliability of the services provided by the banks but are not very much satisfied with the

dimension 'User friendliness'. A seven-dimension model using regression analysis is developed for measuring the overall service quality of i-banking. The result indicates that the two dimensions, viz. 'Privacy/ Security' 'Fulfilment' are not contributing significantly towards the overall service quality. This is an implication that the customers feel that bankers fail in providing the services on these two dimensions satisfactorily. It is also observed that 19 the opinion of male and female of business class differs from the other classes.

Singh and Malhotra (2004) said that the huge advances in innovation and the forceful infusion of data innovation had gotten an outlook change in banking operations. For the banks, innovation has risen as a key asset for accomplishing higher effectiveness, control of operations, efficiency and gain. Internet banking that altered the industry worldwide has ended up being the core issue of different reviews everywhere throughout the world. However there has always been a writing gap on the issue in India. The reason for this paper is to fill noteworthy holes in learning about the internet banking scene in India.

Lustsik (2004) defines E-Banking services as a variety of e-channels for doing banking transactions through Internet, telephone, TV, mobile, and computer. Banking customers' desires and expectations with regard to service are expanding, as technology advances and improve. These days, the customer wants to operate and do his or her banking transactions at any location without going to the bank, at any time without being limited to the bank's working hours, and to do all his or her payments (purchasing, bills, stocks) in a fast and cost-effective way. Consequently, financial services quality ought to be characterized by independence, elasticity, freedom, and flexibility, to accommodate these desires (Khalfan and Alshawaf, 2004).

### Objectives of the Study

- To identify the factors influencing customer preference on online banking
- To know the problems faced by customers in online banking
- To suggest suitable measures to improve online banking services

### Statement of the Problem

Every human needs safety for their money they earn this facility can be availed through banking sectors. This sector provides many other than safety to money. For availing such services traditional banking involve many process and procedure like time, consumption and queue based service. In developing environment banking sector also got expanded with the help of internet. In order to maximize the above formalities people go with the use of internet.

### Methodology

Research design chosen for the present study is descriptive in nature. The study is based on primary data and secondary data. Primary data is collected by the way of distributing the questionnaire to the customer.

The data required for the study were collected by the way of structured questionnaire in order to know about the customer's satisfaction on online banking. Totally 107 questionnaire were issued and data were collected from the user of online banking. The study covers a period of six months from November 2017 to May 2018.

Data collected was analyzed using simple percentage and weighted average square method.

### Results and Discussion

Findings of the study is presented in the following paragraphs

#### Socio – Economic Profile

Table 1 shows area wise classification of the customers. It is found that out of 107 customers (43) 40% are in urban area and rest of (64) 60% are in rural area of customers. It is found out of 107 customers (64)60% are belong to up to 18-25 years, (21) 19.6% are 26-35 years of customers, (17) 15.8% are belongs to 36-

45 years and rest of (5) 4.6% are above 46 years of customers. It is found out that 107 customers (19) 17.7% are HSC Level, (14) 13% are belongs to diploma (31) 28.9% are under graduate and rest of (43) 40.4% are post graduate of customers. Gender wise classification reveals that (38)35% are male and rest of (69) 65% are female. The table 4 depicts that (41) 38% are married and rest (66) 62% are unmarried of customers. Majority 66(62%) of the customers are unmarried. Monthly income wise classification of customers shows that, (42) 40% of below, Rs. 20,000, (25) 23% are Rs.20, 001 – 30,000, (24) 22% are belongs to Rs. 30,001 – 40, 000 and rest (16) 15% are above Rs.40, 000 of Customers. Majority 42(40%) of the customers belong to the income level of below Rs.20,000. It is found that (50) 47% are belongs to joint family and rest (57) 53% are nuclear family of customers. Majority 57(53%) of the customers belong to nuclear family.

#### Usage of Online Banking Service

The table 7 shows years of using. It is found that (49) 46% are recently years of using, (30) 28% are belongs to 2-3 years, (13) 12% are 4-5years and rest of (15) 14% are more than 5 years of customers. Majority 49(46%) of the customers use online banking service recently.

Table 8 depicts that (14) 13% of the customers use daily, (18) 17% use weekly, (22) 21% are occasionally, (28) 26% use once in a month and rest of (25) 23% of customers use rarely. Majority 28(26%) of the customers are using online banking monthly once.

#### Preference towards Online Banking

It is found out of 107 customers, (29) 28% customers prefer due to any time\ anywhere, (27) 25% prefer due to easy to operate, (16) 15% prefer due to reliability and convenient, (23) 21% prefer due to no need to wait, (10) 9% prefer due to time saving, and rest of (2) 2% prefer others category of customers. Majority 29(28%) of the customers prefers as it we

can use any time\ anywhere.

### **Problem Faced**

It is found that out of 107 customers, (35) 33% are face lack of trust security, (29) 27% face concern problems, (34) 32% face lack of mutual relationship and rest of (9) 8% face complex transaction of customers. Majority 35(33%) of the customers face lack of trust security.

### **Suggestions**

The following suggestion can be given after detailed and careful investigation of research problem. These suggestions would definitely help the online banking users to enhance their base by delivering consumer satisfying services: To develop and increase the funds transfer to day to day online banking services. To provide lot of services to available through online banking sectors. The organization shall take necessary action to create more awareness towards online banking. The reduction in the cost of internet & increased speed of network helps to improve the satisfaction level of the user. Proper securities like password management are maintained in order to protect the message from cybercrime & other network threats.

### **Limitations**

The study is based on the primary data, which is collected through questionnaire hence the result will contain the limitation of the primary data. This study is based on information of 107 customers only, so this findings and suggestions of the study. Time was limiting factor for the study, so data from the sample may not reflect the whole.

### **Conclusion**

Customer satisfaction has been

found as playing an essential role for success and survival in today's competitive environment. Over all, results show that highly educated persons who are the major users of the internet banking. The findings of the study shows that, customers prefer internet banking facilities which is save their time and cost enable them to know their account status and transferable funds from one place to another place. The result of the weighted average reveals that, the most of the customers use online banking for their convenience. Moreover, the banks must train their employees effectively handle customer problems, so that they develop trust in the minds of customers about bank employee and service package available online. Thus, providing of online banking service is an important for bank's survival and them compulsory to compete effectively.

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## NEWSPAPER READING BEHAVIOR AMONG THE COLLEGE STUDENTS

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### Abstract

*Newspaper is the granary of information around the world. Newspaper reading is a familiarized reading which influences readers to find out and penetrate the store house of knowledge in daily basis. The aim of present study is to examine the level of newspaper reading behaviour of the college students. The target population of the study consist postgraduate students of Tamil Nadu Agricultural University. On the basis of mailed questionnaire survey the study made some findings such as most of the respondents spent 30 mines daily mainly for improving reading skills, inspired by parents to read newspaper, depended mainly for social awareness, shared the knowledge to their friends. To increase the newspaper reading behaviour respondents should depend more on online medium of newspaper rather than printed medium.*

**Keywords:** Behaviour, Reading, Newspaper, Students, TNAU.

### Introduction

Mass communication is used for broadcasting, sharing the information for masses. Mass communication not only informs but also educates its user. Communication such as radio, television, film and newspaper affect the minds of the people. The deeds of the mass media follow closely the progress in various fields, informing people, reacting to policies, educating the students related to current events, creating the social climate in which development and nation building programme can take place.

“Newspapers cannot be defined by the second word paper. They’ve got to be defined by the first word news”(Sulzberg, 2004). The purpose of newspaper is to make people aware about the current information related to politics, business, sports, marketing, weather, crime as soon as possible in an efficient manner. The foremost function of the newspaper is to gather and disseminate the news to the people gathering from various corner of the world also make them to reach the task of the government. Reading is the art of learning something; newspaper reading is



the art of knowing many things. Newspaper is the repository of knowledge.

Newspaper reading habit is influenced by many factors such as parents, teachers, friends, siblings. Among these, parents are the great influencer according to (Stone and Wetherington, 1979). Newspaper reading habit is somewhat established by the time a person reaches the traditional college age of 18 (Stone &Wetherington, 1979) and is typically firmly established by the time a person reaches 25 to 30 years of age (Martire&Bartolomeo, 2004). By practicing, newspaper reading is associated with the attitude of the students (Fletcher & Shapley, 1994). Newspaper reading makes people masters in the society. With the reading habit of newspaper, people could be able to stand anywhere. This study was conducted with the following objectives such as to assess the level of newspaper reading habit of post graduate girl students and to identify the factors affecting their reading behaviour.

**Material and Methods**

As newspaper subscription was available in TNAU girl’s hostel, this study focused on respondents reading behavior. The post graduate girls students especially master degree students in TNAU were considered to draw samples randomly. In P.G, there were 20 departments and in each department 3 respondents from both I, II year were randomly selected.

The research design adopted for this study is ex-post-facto technique, since the phenomenon has already started and is

continuing. Ex-post-facto research is a systematic empirical enquiry in which the scientist does not have direct control over independent variables because their manifestations have already occurred or because they are inherently not manipulatable. Inferences about relations among variables are made, without direct intervention, from concomitant variation of independent and dependent variables (Kerlinger, 1973).

A well-structured questionnaire was prepared and used as the data collection tool. The variables for the study were preferred based on review of past literature and exiting research gaps. Among the 120 respondents, only 60 respondents were investigated for this study. Statistical tools like percentage analysis and cumulative frequency method were used to analyze the data.

**Results and Discussion**

The profile characteristics of the respondents were studied, as it would serve as a base for clear and thorough understanding about the respondent’s newspaper reading habits. The selected variables were family size, year of study, department, medium of education, board of education, language preferred to read newspaper, medium of newspaper, preference of newspaper, time spent on newspaper per day, subscription of newspaper. The data regarding the respondent’s profile were collected and categorized using percentage analysis and the results are presented in the Table 1.

**Table 1.Respondent’s profile (n= 60)**

Variable	Category	No. of respondents	Percentage
Family size	Nuclear	40	66.6
	Joint	20	33.3
Year of study	I <sup>st</sup> year	41	68.3
	II <sup>nd</sup> year	19	31.6
Department	Agribusiness Management	5	8.3
	Agronomy	4	6.66
	Pathology	3	5
	Environmental science	2	3.33
	Breeding	6	10

	Vegetable science	3	5
	Agri economics	3	5
	Agri extension	4	6.66
	Seed Science	6	10
	Soil science	4	6.66
	Nano technology	2	3.33
	Entomology	2	3.33
Medium of Education	Tamil	5	8.33
	English	55	91.66
	Others	2	3.33
Board of Education	CBSE	5	8.33
	State board	55	91.66
Language Preferred to Read Newspaper	Tamil	25	41.66
	English	33	55
	Others	2	3.33
Medium of Newspaper	Printed	57	95
	Online	3	5
Preference of Newspaper	The Hindu	42	70
	Dinamalar	8	13.3
	Dinamani	3	5
	Times of India	1	1.66
	Thinathanthi	5	8.33
	Prajavani	1	1.66
Time Spent on Newspaper per day	15 mins	1	1.66
	0 - 30 mins	46	76.6
	30 - 60 mins	10	16.6
	1 - 2 hrs	3	5
Subscription of Newspaper	Yes	45	75
	No	15	25

From the table 1, it is found that more than half (66.6%) of the respondents had nuclear family and remaining 33.3per cent had joint family. It was found that 68.3per cent respondents belongs to the I year of P.G. in TNAU. The remaining 31.6per cent of respondents is in the hands of II year. This study revealed that 10per cent of maximum response for the questionnaire were obtained from SST (Seed science & technology) department, followed by agribusiness of 8.3per cent respondents. Agribusiness department respondents were preceded by agronomy, agricultural extension, soil science, and statistics respondents of 6.66per cent in that order. Remaining respondents belongs

to plant pathology, nematology, agricultural economics, vegetable science were of per cent, crop physiology, entomology, nano technology, environment science were of 3.33per cent, spices, biotechnology, microbiology, floriculture were of 1.66per cent. Also shows that majority of the respondents 91.66per cent preferred to read English newspaper which may due to subscription in girl's hostel, TNAU. 8.33per cent of respondents used to read Tamil newspaper may be due to respondent's board of education which is followed by other state respondents of 3.33per cent.

Research study interpreted that most of the respondents were belongs to

state board of education which was accounted as 91.66per cent, 8.33per cent of respondent had CBSE board of education. This research study revealed that 55per cent of respondents preferred to read English newspaper which is followed by Tamil language of 41.66per cent respondents. Other language newspaper preferred by 3.33per cent respondents which represents other state respondents. 95per cent of respondents used the printed copy of newspaper to read and 5% of respondents used the online print to read. Majority of respondents preferred printed copy due to more compatibility in reading.

The findings indicate that majority of respondents 70per cent favored ‘The Hindu’ newspaper to read which is followed by ‘Dinamalar’ newspaper of 13.3per cent respondents and 58.33per cent of respondents used to read ‘Thinathanthi’ newspaper. Only 66per cent respondent preferred to read ‘Times of India’ and ‘Prajavani’. This table shows that 76.6per cent of the respondent spent daily 30 mins for newspaper reading, 16.6per cent of the respondents spent 30 – 60 mins

to read the newspaper. Minimum number of the respondents 5per cent used 1 – 2 hrs daily for newspaper reading which is followed by 1.66per cent of the respondent spent 15 mins to read the newspaper.

Three fourth (75%) of respondents had subscription of newspaper in their house at the same time one fourth (25%) of them revealed non subscription of the newspaper & used to read newspaper in library and college.

In the study, following findings were made such as most of the respondents belongs to I year. 91.66per cent of the respondents had English medium of education and also from state board. Hence half of the respondents preferred English language newspaper to read. Majority of the respondents spent 30 mins daily to read newspaper.

**Reading behavior of the respondents**

In the reading behavior of newspaper, the variables that consume the respondents time were choice of topics, regularity in reading newspaper which is categorized in the following table 2.

**Table 2. Reading behavior of the respondents (n= 60)**

Characteristics	Category	No. of respondents	Percentage
Choice of Topics	Current affairs	41	68.3
	Sports	6	10
	Business	4	6.66
	Politics	4	6.66
	Movie	3	5
	Science and technology	2	3.33
Regularity in Reading Newspaper	Daily	21	35
	Weekly	24	40
	Twice in a week	13	21.66
	Thrice per week	1	1.66
	Based on time	1	1.66

From the table 2, study conveyed that most of the respondents (68.3%) used to read the newspaper for the current affairs, 10 per cent of the respondents sports news which is followed by 6.66 per cent of respondents chosen business, politics columns to read. Very minimum respondents preferred newspaper for movie (5%) and science & technology (33%) respectively. Also communicated

that 35 per cent of respondent’s used to read newspaper daily. Majority of the respondents (40%) used to read newspaper at the weekend. 18.2 per cent of respondents read the newspaper twice a week. 1.66 per cent of the respondents read newspaper thrice per week and based on their time. Majority of the respondents (68.3%) preferred to read current affairs in

the newspaper and mostly spent the weekend time to read the newspaper.

**Insight behaviour**

The insight behaviour of the respondents was analysed by studying the motives of reading newspaper, inspiration and categorized in the following table 3.

**Table 3. Insight behavior of the respondents (n=60)**

Characteristics	Category	No. of respondents	Percentage
Motives of Reading Newspaper	Job	4	6.66
	Examination	4	6.66
	Social awareness	45	75
	Entertainment	6	10
	To improve reading skills	1	1.66
Inspiration	Teachers	11	18.3
	Parents	29	48.3
	Siblings	2	3.33
	Self interests	3	5
	Friends	14	23.3
	Both parents & teachers	1	1.66

The table 3 endowed that 75 per cent of respondents with social awareness motives for reading the newspaper, 10 per cent of respondents preferred newspaper for entertainment. 6.66 per cent of respondents seek newspaper for job and examination purposes. 1.66 per cent respondent used newspaper to improve reading skills. Results also reveal that 48.3 per cent of respondents got inspiration from parents to read the newspaper, 23.3 per cent of respondents were inspired by friends, and 18.3 per cent by teachers to read newspaper. 5 per cent, 3.33 per cent and 1.66 per cent of respondents read

newspaper by self-interests, siblings and by both parents and teachers respectively.

Most of the respondents (75%) were motivated by social awareness to read the newspaper, and 48.3 per cent were inspired by parents to read the newspaper.

**Information sharing behavior**

By reading the newspaper, respondents gained knowledge and shared the knowledge to other respondents. By gaining the knowledge, respondents developed many skills which were categorized as information sharing behavior, skills developed in the following table 4.

**Table 4. Information sharing behaviour (n= 60)**

Characteristics	Category	No. of respondents	Percentage
Information sharing behavior	Friends	46	76.66
	Parents	13	21.66
	No one	1	1.66
Skill developed	Reading skills	44	73.33
	Writing skills	1	1.66
	Vocabulary	13	21.66
	Comprehensive	2	3.33

In this table 4, study showed that majority of the respondents (76.66%) shared information with friends which is followed by shared news with parents (21.66%). Also manifested that majority of the respondents (73.33%) developed reading skills by reading newspaper, followed by 21.66 per cent of

respondents developed vocabulary through their reading behavior. 3.33 per cent and 1.66 per cent of respondents developed comprehensive and writing skills respectively. Majority of the respondents (76.66%) shared the information to their friends, 73.33% of the respondents

developed their reading skills by reading the newspaper.

### **Conclusion**

The future pillars of a nation are students and by developing newspaper reading habit can make themselves a good citizen who can throw in for themselves as well as for their country. Most of the respondents preferred newspaper to get general knowledge. But in current world gaining general knowledge alone could not help the respondents to compete. To get more subject knowledge respondents should have wide through newspaper reading like science and technology part. To influence a habit of reading in children at the young age parents should afford a supporting environment. Now a day's almost all respondents have smart phone and spent most the time with that phone. So respondents should give preference to read newspaper through online rather than printed copy. If the dependence on the printed form of newspaper is reduced then utility behaviour of respondents on newspaper reading shoots up. All the concerned parties should manipulate students to read and should provide good cooperation to read newspaper. Within

university, faculties should facilitate the reading behaviour among the students. Also while giving thesis, term paper, and assignment teachers should stick on in evaluations like mandatorily reviewing the current issues related to the topics. It would improve the respondent's subject knowledge as well as general knowledge. To develop language skills one has to develop to read English newspaper. Internet facilities should be widened to meet the need of the respondents in the universities as well as in the habitat.

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## **COPING RISKS ON SMALL SCALE INDUSTRIES-AN EMPIRICAL STUDY ON PUMP AND MOTOR MANUFACTURERS IN COIMBATORE, TAMILNADU**

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### **Abstract**

*Small Scale industry is an significant stake to India as it role is greatly to intensification of Indian economy with a vast network of around 30 million units, creating employment of about 70 million, manufacturing more than 6000 products, contributing about 45% manufacturing output and about 40%of exports ,directly and indirectly. An attempt has been made to study the Coping risks on Small scale industries with reference to pump manufacturers in Coimbatore. It is found that the pump manufacturers are faced many risks and challenges on various aspects. Study reveals that their market is very seasonal and followed by other factors.*

**Keywords:** *Small Scale industries, Risks, Export potential, Marketing, Infrastructure.*

### **Introduction**

Small Scale industrial sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. They also play a key role in the development of the economy with their effective, efficient, flexible and innovative entrepreneurial spirit. The SSI sector contributes significantly to the country's manufacturing output, employment and exports and is credited with generating the highest employment growth as well as accounting for a major share of industrial production and exports. They have unique advantages due to their size; they have

comparatively high labor-capital ratio; they need a shorter gestation period; they focus on relatively smaller markets; they need lower investments; they ensure a more equitable distribution of national income; they facilitate an effective mobilization of resources of capital and skills which might otherwise remain unutilized; and they stimulate the growth of industrial entrepreneurship. The SSI sector in India is highly heterogeneous in terms of the size of the enterprises, variety of products and services, and levels of technology. It complements large industries as ancillary units and contributes enormously to the socioeconomic development of the country.

### Motor & Pumps Industry in India

The Motor & Pumps industry in India grew at a compounded annual rate of about 5% from 1985-1986 to 1995-1996 due to the importance given by the Government to the agriculture sector, and because of increased industrial and construction activities, spawned by liberalization. The Motor & Pumps sector is exclusively reserved for manufacturing in the SSI sector. About 1 lac people are directly employed in this industry in India.

The Motor & Pumps industry produces a wide range of products such as single phase & three phase motors, monobloc pumps, jet pumps, submersible pumps, industrial pumps etc. Most of the products cater to the agriculture, domestic and industrial sectors. The high value products mostly cater to the export markets.

The industry has been experiencing falling profits in spite of the rise in product prices. This is attributed to the rising production costs, high prices of raw materials and components. The industry has to make further advancement in the up gradation of technology in the production area to meet both volume and quality aspects as per international standard.

The Indian motor and pumps industry is exporting mainly to third world countries like Africa, Sri Lanka, Bangladesh, Dubai & South Eastern Asia, and very less to the developed countries like USA and Europe. The estimated turnover of the Indian pump industry is around rupees 4000 crore.

For the past few years the Motors and Pumps industry has been passing through severe slump. The major problems faced by the industry are: Threat of entry of foreign competitors who will be selling products at cheaper rates; the excise duty, sales tax and high interest charges that have placed domestic industry in weak

position.

### Significance of the Study

India has a strong pump manufacturing base with both Indian and International players involved in the market. Coimbatore having the largest number of pump manufacturers. Coimbatore exports pumps to most of the countries. By keeping this in mind and the study would reveal the existing performance and issues of Small Scale pump manufacturing units who engaged in export activities in Coimbatore and also this will help the manufacturers to decide the future course of action for the development of pump industry and it will also provide the industrialists an avenue to better their performance.

### Review of Literature

**Nishanth P, Dr. Zakkariya K.A. (May 2014)** reviewed that "there exists problem in accessing finance from banks and financial institutions and also viewed that this problem may differ from region to region between sectors, or between individual enterprises within a sector. Various barriers faced by SSI units in raising finance and also tried to identify various sources of finance other than banks. The study was restricted to Kozhikode district in Kerala.

**Dr. Neeru Garg (Sept. 2014)**, Micro, Small and Medium Enterprises in India: Current Scenario and Challenges. This paper made an attempt to highlight the growth of this sector and analyze various problems and challenges faced by MSME sector in India in general.

**Dr. A.S. Shiralashetti (2014)**, prospects & Problems of MSMEs in India. This paper covered growth, performance and contribution of MSMEs to GDP and also mentioned about the problems faced by MSMEs located in Dharwad district of Karnataka State.

**Dr. Padmasani, S. Karthika**

(2013), A study on Problems and Prospects of Micro, Small and Medium Scale Enterprise in Textile Exports with special reference to Tirupur and Coimbatore District. This paper has examined the problems of MSMEs in the era of global economy and also has identified the factors affecting MSMEs. A study was also made on the socio-economic conditions of MSMEs. The survey revealed that the problems can be overcome if MSMEs get involved in standardization of the business process, and can also adopt latest technology to improve the productivity. It was said that banks can support the industry by providing the credit facilities at low interest rate and Government and Institutions relating to Small and Medium Scale industries should take effective measures to improve the export performance of MSMEs in order to develop economy. The study covered the districts of Tirupur and Coimbatore district.

**Singh (2012)** analyzed the performance of Small scale industry in India and focused on policy changes which have opened new opportunities for this sector. Their study concluded that SSI sector has made good progress in terms of number of SSI units, production & employment levels. The study recommended the emergence of technology development and strengthening of financial infrastructure to boost SSI and to achieve growth target.

**Venkatesh and Muthiah (2012)** found that the role of small & medium enterprises (SMEs) in the industrial sector is growing rapidly and they have become a thrust area for future growth. They emphasized that nurturing SME sector is essential for the economic well-being of the nation. The above literature highlights the various aspects viz. performance, growth & problems of MSMEs in Indian

economy and induces for continuous research in this field.

**Subrahmanya Bala (2011)** has probed the impact of globalization on the exports potentials of the small enterprises. The study shows that share of SSI export in total export has increased in protection period but remain more or less stagnated during the liberalization period. However, the correlation co-efficient in liberalization period is higher than that of protection period suggesting that the relationship between the total export and SSI export has become stronger in liberalization period. This may be due to the drastic change in composition of SSI export items from traditional to non-traditional and growth in its contribution to total export through trading houses, export houses and subcontracting relation with large enterprises. Thus, the current policy of increasing competitiveness through infusion of improved technology, finance, and marketing techniques should be emphasized.

**Rajib Lahiri (2011)** the study made an attempt to critically analyze the definition aspect of MSMEs and explore the opportunities enjoyed and the constraints faced by them in the era of globalization after analyzing the performance of MSMEs in India during the pre and post liberalization period. The study revealed that except marginal increase in growth rate in employment generation, the growth rate in other parameters is not encouraging during the liberalization period.

**Dixit and Pandey (2011)** applied co-integration analysis to examine the causal relationship between SMEs output, exports, employment, number of SMEs and their fixed investment and India's GDP, total exports and employment (public and private) for the period 1973-74 to 2006-07. Their study revealed the



positive causality between SMEs output and India's GDP.

**Bhavani T.A. (2010)** highlights the issue of quality employment generation by the SSIs and negates the short term attitude of increasing the volume of employment generation compromising with quality. The author argues that employment generation by the SSIs may be high in quantitative term but very low in quality. Technological up gradation would enable the small firms to create quality employment improving remuneration, duration and skill. This structural shift may reduce the rate of employment generation in the short run but would ensure high-income employment generation in the long run. its contribution to total export through trading houses, export houses and subcontracting relation with large enterprises. Thus, the current policy of increasing competitiveness through infusion of improved technology, finance, and marketing techniques should be emphasized.

#### Objectives of the Study:

- To identify the Coping risks faced by the pump manufacturers.
- To identify the major problems faced by pump manufacturers

- To analyze the governmental policies and programmes offered to help the pump sector.

#### Research Methodology:

The present study is mainly based on primary and secondary data. A structured questionnaire is (Tamil and English) used to collect the data. The data has been collected from Small scale pump manufacturers in Coimbatore. The data has been collected from organized small scale pump manufactures using questionnaire. Since the population is definite as 1100 respondents. Simple random sampling method is applied. 250 questionnaires were distributed and data was collected.

#### Limitations of the study:

- The research is confined only to Coimbatore in Tamilnadu. So it may not be generalized.
- All the limitations of primary data are applicable to this study.

#### Analysis and Interpretation

##### Risks Faced by the Respondents

The below table shows the risks faced by exporters. Out of 250 respondents most of the respondents stated that credit risk is the major risk and its score is 336 and followed by legal risk with the score of 310, followed by government policy with the score of 210, followed by commercial kind of risk as the least ranked with the score of 153.

Export Risks	1st	2nd	3rd	4th	5th	Grand total	Rank
Commercial kind of risks.	30 (6*5)	24 (6*4)	27 (9*3)	26 13*2)	46 (46*1)	153	5
Government policy.	60 (12*5)	36 (9*4)	87 (29*3)	46 (23*2)	7 (7*1)	236	3
Exchange rate.	55 (11*5)	24 (6*4)	66 (22*3)	48 (24*2)	17 (17*1)	210	4
Credit risk.	210 (42*5)	84 (21*4)	24 (8*3)	18 (9*2)	(0*1)	336	1
Legal risk.	100 (20*5)	160 (40*4)	36 (12*3)	12 (6*2)	2 (2*1)	310	2

*Source:* Primary data

The below table shows the problems faced by pump manufacturers. Most of the respondents stated that high

cost of raw material compared to other states (Rajkot&Ahmadabad) is the major problem for pump production with the

score of 11.17 , followed by lack of infrastructure with the score of 9.63, followed by more unorganized players with the score of 9.51, followed by ineffective research & development facility with the score of 9.49, followed by seasonal orders with the score of 9.10, followed by high interventions of middleman in export with the score of 9.01, followed by higher power tariff rates with the score of 8.89, followed by material & machinery maintenance cost is high with the score of 8.8, followed by dependency of SSI on private labeling with the score of 8.25, followed by lack of managerial skill with the score of 8.11, followed by not able to meet the customer specifications &

demand with the score of 8.07 , followed by high rate of interest on loans with the score of 7.90, followed by availability of collateral free loans with the score of 7.89, followed by arrangement of expo and entrepreneur awareness camps with the score of 6.91, followed by frequent changes in the government policies with the score of 5.12, followed by complexity of clearance formalities with the score of 5.06 , followed by delayed payment from customers with the score of 4.77, followed by lack of fund to meet day today operation with the score of 4.75, followed by absenteeism with the score of 4.69 ranked as least one.

S. No.	Problems	Rating Score					Total	Mean Rank	Rank
		Strongly Agree	Agree	NO	Disagree	Strongly Disagree			
<b>PRODUCTION</b>									
1	High cost of raw material compared to other states (Rajkot & Ahmadabad)	190	54	0	3	3	500	11.17	1
		(76)	(21.6)	(0)	(1.2)	(1.2)	(100)		
2	Material & machinery maintenance cost is high	127	76	24	19	4	250	8.8	8
		50.8	30.4	9.6	7.6	1.6	100		
3	Lack of infrastructure	141	81	21	4	3	500	9.63	2
		56.4	32.4	8.4	1.6	1.2	100		
4	Ineffective research & development facility	132	93	14	11	0	250	9.49	4
		52.8	37.2	5.6	4.4	0	100		
5	Not able to meet the Customer specifications & demand	93	110	26	17	4	250	8.07	11
		37.2	44	10.4	6.8	1.6	100		
6	More Unorganized players	138	74	15	16	7	250	9.51	3
		55.2	29.6	6	6.4	2.8	100		
7	Seasonal orders	136	67	25	15	7	250	9.10	5
		54.4	26.8	10	6	2.8	100		
8	High interventions of middleman in export	133	56	46	15	0	250	9.01	6
		53.2	22.4	18.4	6	0	100		
9	Dependency of SSI on private labeling	112	85	21	21	11	250	8.25	9
		44.8	34	8.4	8.4	4.4	100		
10	Delayed payment from customers	37	60	53	81	19	250	4.91	17
		14.8	24	21.2	32.4	7.6	100		

11	Lack of sufficient funds to meet day-to-day operations	33	66	50	60	41	250	4.75	20
		13.2	26.4	20	24	16.4	100		
12	Availability of collateral free loans	101	85	39	18	7	250	7.89	13
		40.4	34	15.6	7.2	2.8	100		
13	High rate of interest on loans	98	96	24	32	0	250	7.90	12
		39.2	38.4	9.6	12.8	0	100		
14	Absenteeism	30	65	52	35	68	250	4.69	21
		12	26	20.8	14	27.2	100		
15	Labour turnover	37	66	50	40	57	250	4.77	19
		14.8	26.4	20	16	22.8	100		
16	Training and development	39	65	43	75	28	250	4.84	18
		15.6	26	17.2	30	11.2	100		
17	Lack of managerial skill	119	66	28	18	19	250	8.11	10
		47.6	26.4	11.2	7.2	7.6	100		
18	Frequent changes in the government policies.	45	60	56	75	14	250	5.12	15
		18	24	22.4	30	5.6	100		
19	Arrangement of Expo and Entrepreneur awareness camps.	76	88	28	54	4	250	6.91	14
		30.4	35.2	11.2	21.6	1.6	100		
20	Higher power tariff rates.	121	86	22	18	3	250	8.89	7
		48.4	34.4	8.8	7.2	1.2	100		
21	Complexity of clearance formalities	41	63	45	80	21	250	5.06	16
		16.4	25.2	18	32	8.4	100		

**Source:** Primary data

This below table clearly shows the government policies and programmes to promote the particular sector. establish growth centers and industrial estates by the government is highly satisfied with the mean score of 4.4 , followed by lower central excise duties for outputs with the score of 4.3and followed by liberal subsidiaries and grants of concessions with the score of

4.1,followed by entrepreneurial development programmes with the score of 3.66,followed by frequent arrangements of trade fairs of exhibition with the score of 3.48, followed by liberal credit for exporters with the score of 4.1and followed by reduction in tariffs with the score of 2.7 , followed by low rate of interest for loan with the least score of 2.45

Sl. No	Government Policies Programmes	Opinion					Grand Total	Mean Score	Rank
		HS	S	NSN D	DS	HD S			
1	Liberal credit for exporters	280	276	225	62	19	862	3.44	6
2	Lower central excise duties for outputs	610	400	48	26	0	1084	4.3	2
3	Establish growth centers and industrial estates	750	352	48	12	0	1117	4.4	1
4	Entrepreneurial Development programmes.	360	336	150	50	19	915	3.66	4
5	Frequent arrangements of trade fairs of exhibition.	295	276	225	56	19	871	3.48	5
6	Liberal subsidiaries and grants of concessions.	530	352	102	44	0	1028	4.1	3

7	Low rate of interest for loan	125	124	168	118	78	613	2.45	8
8	Reduction in tariffs	140	276	123	88	69	696	2.7	7

**Source:** Primary data

### Findings

Majority of the respondents stated that credit risk is the major risk and its score is 336 and it ranked as 1.

Majority of the respondents stated that high cost of raw material compared to other states (Rajkot & Ahmadabad) is the one of the major problem for pump production with the score of 11.17.

Majority respondents are felt that establish growth centers and industrial estates by the government is highly satisfied with the mean score of 4.4 and ranked as 1.

### Suggestions

The Pump manufacturers are faced many Challenges on Various aspects. Majority of the respondents opine that their market is very seasonal and Low margin due to high cost of raw material. Comparatively our material cost is higher than north market (Rajkot Ahmadabad) so the government has to take the necessary steps to control over the material price.

To grasp the market opportunity at international market, the producer has to improve the quality at par with international standards for sustainability and continuous growth of market share.

Government policies and programmes to uplift the particular industry have been perceived by Pump manufacturer is negative. Though the government has established growth centers and industrial estates, the subsidiaries and grants of concessions is not up to the mark. Entrepreneurial Development programmes by Government to make awareness on Export and Frequent arrangements of trade fairs and exhibition can be given to the manufacturers to know the recent scenarios in particular industry.

### Conclusion

Indian pump Manufacturers are facing intense competition from the foreign counterparts cater to global needs. In the recent years, the Indian pump

industry has been forced to be proactive with foreign players bringing in superior pumps to the market. Thus it is very important to understand the Risks faced by Small Scale Pump Manufacturers to Motivate and Uplift the particular Industry In order to meet the international standard. This research would help the Relevant Bodies like MSME, DIC, COINDIA, SIEMA, IPMA, CO DISSIA and government Officials and policy makers in India to understand the various risks and problems of Pump manufacturers and their Export potential at Global level and need for technology up gradation etc.,

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## TOBACCO GROWERS PERCEPTION TOWARDS ALTERNATIVE CROPS FOR FCV TOBACCO IN MYSORE DISTRICT

Dr. Manu V. K

### Abstract

The study has conducted in selected taluks such as Periyapatana, Hunsur and H. D. Kote in Mysore District of Karnataka. The sample size of the study is totally 450, in each taluk 150 tobacco growers were selected for the study. The multi stage stratified and purposive random sampling was adopted in the study. The statistical tools and techniques adopted in the study are Annual Compound Growth Rate (CAGR), Markov Chain Analysis, Pearson's Correlation Analysis, ARIMA model, GARREET Ranking Techniques and more importantly SPSS – Frequency Analysis was adopted to draw the definite and precise inferences of the study. The study highlights that, none of the single crops is equally and economically viable alternative crops to FCV tobacco in the study area. The study also reveals that, there is a weak relationship between and area under tobacco cultivation and its yield. The Benefit-Cost Ratio found to be more than unity indicating the investment in tobacco cultivation in financially viable BCR1:50 per barn are directly proportional to the magnitude to net returns obtaining it was highest among commercial crops in the study area. Nevertheless, in export, Russia was one of the most stable country among importer of FCV tobacco from India as reflected in high probability retention of (0.7777) probability matrix and retain its export trade over a period of time. The alternative crops suggested by the tobacco growers are Maize, Ginger, Banana, Sericulture, cotton.

**Keywords:** Alternative crops, FCV tobacco, Light Soils of Karnataka, Cultivation.

### Introduction

Tobacco industry in India is one of the largest in the world with India having the largest area under tobacco cultivation. It plays an important role in the country's economy, in more ways than one. India has well integrated tobacco cultivation, processing and distribution facilities. Tobacco is an agro based item produced and consumed both in the unmanufactured and manufactured form in India. The industry makes a sizeable contribution to

seasonal and fulltime employment and has significant export potential. It has been a major source of tax revenue.

Worldwide trend in the area of cultivation and production registered the relatively modest growth in the area under tobacco cultivation. India's share in the world tobacco production was 9.6 per cent in 2014 with 725 Million Kgs. Tobacco is an important commercial crop in tobacco grown regions in India. Flue Cured Virginia tobacco is the principal type

grown in the states of Andhra Pradesh and Karnataka under varied agro-climatic conditions. It is grown in the light soils of Karnataka as rain-fed crop and in the heavy soils of Andhra Pradesh. The study is mainly focused on trend in area, production and Productivity, production and Marketing costs, degree and direction of exports of FCV Tobacco and to study the suitable alternative crops to FCV tobacco in the context of economically viable.

The FCV Tobacco is a hardy, drought tolerant, disease tolerant crop. It has been grown largely in semi-arid and rain fed areas. The farmers find difficult to substitute this crop and it yields much higher returns compared to other tobaccos. Virtually, only FCV tobacco has a demand in international market and also it brings revolutionary changes in socio-economic conditions among tobacco growers. The present study identifies the strengths and weaknesses in the production and marketing of FCV tobacco in Mysore District and suggests remedies to overcome the problems identified.

#### Objectives of the Study

1. To examine the preparedness of farmers in shift into alternative crops to FCV tobacco in line of the proposed government policies to ban FCV tobacco in the study area.
2. To study the problems relating to production and marketing of FCV Tobacco and to suggest remedial measures thereof.

#### Data Collection and Research Methods

This study is based on both primary and secondary data. The primary data has been collected from Tobacco growers and tobacco buyers/exporters by

administering the questionnaire. The time series of secondary data on the area, production and productivity of Tobacco was obtained from the Tobacco Board, Periyapatna, Mysore Regional Offices, Central Tobacco Research Institute, Hunsur, Directorate of Economics and Statistics, Bangalore, District Statistical Office, Mysore, Department of Agriculture and other agencies that are engaged in production, marketing and export of Tobacco products in the state in particular and for all India level in general. In addition, the secondary data from the published books, journals, research papers, seminar volumes, leading newspapers and authorized websites were collected.

#### Statistical Tools and Techniques

The systematic statistical tools and techniques were adopted to draw definite and precise conclusions on the study. The Growth Equation Model was adopted to determine the growth trends of the Tobacco in the study area. The simple frequency and percentage analysis was adopted to facilitate the descriptive account and interpretation of the survey data, from the farmers interviewed and the SPSS v.22 was used to draw the *Frequency and percentaget*o assess the trends and associations of the data variables. In addition to this, the tables, graphs and charts were generated from the analysis of both the primary and secondary data collected to draw appropriate inferences. The SPSS v.22 was utilized to assess the *Compound Growth Rate, Correlation Analysis, Markov Chain Analysis, Benefit Cost Ratios (BCR), ARIMA and ANOVA* were adopted in the study.

#### Growers response towards Alternative crops to FCV Tobacco

Table : Alternative Crops for Tobacco suggested by the respondents

Taluk	Maize	Ginger	Sugar-cane	Cotton	Groundnut	Sericulture	Banana	Total
H. D. Kote	66 (44.00)	25 (16.67)	2 (1.33)	40 (26.67)	3 (2.00)	7 (4.67)	7 (4.67)	150 (100)
Hunsur	88 (58.67)	35 (23.33)	2 (1.33)	15 (10.00)	2 (1.33)	2 (1.33)	6 (4.00)	150 (100)

Periyapatna	51 (34.00)	67 (44.67)	4 (2.67)	15 (10.00)	2 (1.33)	3 (2.00)	8 (5.33)	150 (100)
<b>Total</b>	<b>205</b> <b>(45.56)</b>	<b>127</b> <b>(28.22)</b>	<b>8</b> <b>(1.78)</b>	<b>75</b> <b>(16.67)</b>	<b>5</b> <b>(1.11)</b>	<b>9</b> <b>(2.00)</b>	<b>21</b> <b>(4.67)</b>	<b>450</b> <b>(100)</b>

Note: Figures shown in Parentheses are in percentage  
Source: Primary Survey 2015

### Key

#### Maize & Ginger

Alternative crops to tobacco given the first priority

#### Cotton & Ginger

Alternative crops to tobacco given the second priority

#### Sericulture & Banana

Alternative crops to tobacco given the third priority

Table describes the alternative crops for tobacco suggested by the respondents in the study area. Accordingly, in H. D. Taluk among 150 respondents, majority 44.00 per cent of the respondents have suggested for Maize crop, while 26.67 per cent of the respondents were suggesting for Cotton crops, 16.67 per cent of the respondents were suggesting for Ginger crop, while the 4.67 per cent of the them were suggesting for sericulture, the other 4.67 per cent of them were suggesting for Banana crop, while the other 2 per cent respondents were suggesting for Groundnut crop and the rest 1.33 per cent were suggesting for sugarcane crop.

In Hunsurtaluk among 150

respondents, majority of the 58.67 per cent of the respondents were suggesting for maize Crop, 23.33 per cent of the respondents were suggesting for Ginger Crop, 10 per cent respondents were suggesting for Cotton crops, 4 per cent respondents were suggesting for banana, 1.33 per cent were suggesting for sugarcane and 1.33 per cent were for Groundnut. In Periyapatnataluk among 150 respondents, majority of the 44.67 per cent respondents were suggesting ginger crop, 34 per cent respondents were suggesting for Maize, 10 per cent were suggesting for Cotton crop, 5.33 per cent of the respondents were suggesting for banana, 2.67 per cent for sugarcane and 1.33 per cent for cotton crop.

**Table: Problems in production and marketing of FCV tobacco among the respondents**

Problems	H. D. Kote	Hunsur	Periyapatna	Total
Inadequate & Untimely availability of Inputs	17 (11.33)	28 (18.67)	8 (5.33)	53 (11.78)
High Price of Inputs	67 (44.67)	58 (38.67)	75 (50.00)	200 (44.44)
Inadequate Extension Services	9 (6.00)	8 (5.33)	8 (5.33)	25 (5.56)
Monopolistic market offers low price	16 (10.67)	8 (5.33)	23 (15.33)	47 (10.44)
Poor relationship between tobacco growers and company	8 (5.33)	4 (2.67)	12 (8.00)	24 (5.33)
No crop Insurance	1 (0.67)	3 (2.00)	0 (0.00)	4 (0.89)
Lack of Capital	19 (12.67)	29 (19.33)	10 (6.67)	58 (12.89)
Poor Infrastructure	3 (2.00)	3 (2.00)	3 (2.00)	9 (2.00)



Incidences of Pests and diseases	3 (2.00)	7 (4.67)	0 (0.00)	<b>10</b> <b>(2.22)</b>
Lack of Institutional Finance	1 (0.67)	0 (0.00)	3 (2.00)	<b>4</b> <b>(0.89)</b>
Lack of Grading Knowledge	6 (4.00)	2 (1.33)	8 (5.33)	<b>16</b> <b>(3.56)</b>
<b>Total</b>	<b>150</b> <b>(100)</b>	<b>150</b> <b>(100)</b>	<b>150</b> <b>(100)</b>	<b>450</b> <b>(100)</b>

Table explains the opinion of the respondents about the Tobacco Industry in the Mysore District. In H. D. Kote Taluk among 150 respondents, 67 respondents were in the opinion that the price of the inputs in the study area is very high. 17 respondents are of the opinion that the inputs are inadequate and untimely availability of inputs. 9 respondents were in the opinion that there is inadequate extension services, 16 respondents are of opinion that monopolistic market offers very low price, 8 respondents are of the opinion that poor relationship between tobacco growers and company, 1 respondent is of the opinion that no crop insurance, 19 respondents were the opinion that lack of capital, 3 respondents are of opinion that there is poor infrastructure, 3 respondents are of opinion that there is incidences of pests and diseases, 1 respondent is of opinion that lack of institutional finance and 6 respondents are of opinion that lack of grading knowledge. In Hunsur Taluk among 150 respondents, 28 respondents are of the opinion that there is inadequate and untimely availability of inputs, 58 respondents are of the opinion that high price of inputs is one of the problem, 8 respondents were in the opinion that there is inadequate extension services, 8 respondents are of the opinion that the monopolistic market offers low price, 4 respondents are of the opinion that there is poor relationship between tobacco growers and company, 3 respondents were of the opinion that there is no crop insurance for tobacco in the study area, while 29 respondents are of opinion that there is lack of capital, 3 respondents were the opinion that there is poor infrastructure, 7

respondents are of the opinion that there is incidences of pests and diseases, 2 respondents are of the opinion that there is a lack of grading knowledge. In Periyapatnataluk among 150 respondents, 8 respondents are of the opinion that there is inadequate & untimely availability of inputs in the study area, 75 respondents are of the opinion that the price of inputs are very high, 8 respondents are of the opinion that there is inadequacy in extension services, 23 respondents are of the opinion that monopolistic market in the study area offers low price, 12 respondents are of the opinion that there is a poor relation between tobacco growers and company, 10 respondents are of the opinion that there is lack of capital, 3 respondents are of the opinion that there is poor infrastructure, 3 respondents are of the opinion that there is lack of institutional finance, and the rest 8 respondents are of the opinion that there is lack of grading knowledge.

**Table: Garret Ranking Techniques for FCV Tobacco growers problems**

Problems	Score	Rank
High Price of Inputs	<b>62.86</b>	1
Incidences of Pests and diseases	<b>60.71</b>	2
Poor bond of tobacco growers and company	<b>58.33</b>	3
Lack of Institutional Finance	<b>58.33</b>	4
Inadequate Extension Services	<b>57.62</b>	5
Monopolistic market offers low price	<b>53.81</b>	6
Inadequate & Untimely availability of Inputs	<b>53.10</b>	7
Lack of Capital	<b>52.14</b>	8
No crop Insurance	<b>43.81</b>	9
Lack of Grading Knowledge	<b>40.47</b>	10
Poor Infrastructure	<b>37.86</b>	11

## Conclusion

India has a prominent place in the production of tobacco in the world due to varied agro climate conditions and different types of tobacco produces. The FCV is important among them in terms of exports. Different types of FCV tobacco is produced in Karnataka and it have been exported to over 100 countries across the world. China occupies the preposition followed by Brazil and India respectively. In terms of exports, Brazil and USA are ahead of India. Nevertheless, it provides opportunities in enhancement of the export market and becoming a major player. FCV Tobacco is a region specific crop produced in limited states like Andhra Pradesh and Karnataka, which account for more than 90% of total tobacco production in the country.

Area under FCV tobacco is only 348.1 thousand hectares (CMIE, 2014) accounting for 35% of tobacco crop area in the country and around 0.1% of net sown area in the country. Around one lakh farmers grow FCV tobacco in Karnataka and Andhra Pradesh including a few from Orissa and Maharashtra. So it may not be difficult for the government to intervene to

rehabilitate these farmers by facilitating cash and other benefits to take up alternative crops in the study area.

The financial assistance may give as recompense towards barns constructed by FCV Tobacco growers for curing tobacco. FCV tobacco is a crop regulated by the rules of the Tobacco Board in India. This makes it easy for intervention in terms of any policy changes and to introduce reforms or compel limitations on production of FCV tobacco in the interest of the farmers, society and environment. Similarly, the government should encourage the FCV tobacco growers in the tobacco growing areas of mysore district by providing the organized markets for alternative crops as parallel to FCV tobacco marketing system.

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## DIMENSION OF MANAGERIAL LEADERSHIP STYLES

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### *Abstract*

*There is ample evidence which signifies that managerial leadership is the most effective medium in mobilizing organizational loyalty and commitment. Moreover, the participative development milieu necessitates a team based approach to development. Consequently the centralist management approach, in vogue, may have to be replaced by a more flexible and participative style of decision making. Hence, it is essential that rural development personnel in order to be effective in the given development context may have to adapt the managerial leadership style which would fulfil the requirement of a democratic development ambience. The objective of this paper is to understanding the various qualities, traits and characteristics intrinsic to Managerial leadership style and to study the strategies and techniques that would facilitate in adoption of the same in their work situation.*

**Keywords:** *Managerial Leadership, Dimension, Organization, Management Practice.*

### **Introduction**

*I used to think that running an organization was equivalent to conducting a symphony orchestra. But I don't think that's quite it; it's more like jazz. There is more improvisation. - Warren Bennis.*

Good leaders are **made** not born. If you have the desire and willpower, you can become an effective leader. Good leaders develop through a never ending process of self-study, education, training, and experience (Jago, 1982). This guide will help you through that process. To inspire your workers into higher levels of teamwork, there are certain things you must **be, know, and, do.** These do not come naturally, but are acquired through continual work and study. Good leaders

are continually working and studying to improve their leadership skills; they are NOT resting on their laurels. Effective functioning of an organization, among other things, depends on the climate, which is by and large generated by the styles of management practiced by personnel in higher positions. In the organizations are expected to adapt a flexible and participative style as they are supposed not only to manage the resources but also to lead the people working with them. These functions are best captured by what has come to be termed as “managerial leadership”, wherein the emphasis is not only on the efficient management of resources but also on performing the role of a popular leader.

This style of leadership generates an organizational climate which would induce people to enact their assigned roles effectively and also generates among them a commitment towards the major tasks and goals of the organization.

### **Leadership**

A specific instance of interaction among persons in a social group may be understood if the objectives and subjective factors of this phenomenon are taken into account. We refer here to the links between

1. Factors of the objectives situation in which the group/organization acts;
2. The psychological traits of the participants in activity, the members and their needs corresponding to a certain cultural level, their needs, interests and aspirations;
3. The goals and tasks of the activities of the organization conditioned by the position of its members in a system of social relationship in a community of higher order;
4. The personality of the individual performing the role of leader, his/her individual psychological features organizer of group activity.

However, the process ultimately determined by the relationship dominating a set up like socialistic in nature more than capitalistic. Under the social system leadership is mostly governed by the cooperation and mutual assistance leading to guidance of the activities of the organizations to achieve the goals set up common.

In general, an overview laid on different versions on leadership sheds an understanding perhaps like "Leadership is the ability to persuade others to seek defined objectives enthusiastically." "Leadership is the ability to persuade and influence others to seek defined objectives and their contributively endeavours to participate if group formed." Leadership is the process of influencing people in efforts towards the achievement of some particular goals.

Leaders provide both task and psychological support for their followers. They help assemble the resources, budgets, power and other elements that are essential to get the task done.

Leadership style is the characteristic personal manner in which a leader exercises influence over his subordinates.

Given the two modes of criticisms as

1. Known factor of changing the leadership styles depending upon the situation; and
2. Cohesiveness of group's talent or personal traits and demand of task.

As found from many studies reported three modes of skills were classified and grouped as

1. Conceptual skills – ability to think of models, framework, etc (vision of the future)
2. Human skills empathizing thought of the other member/follower
3. Technical skills - knowledge and ability in performance/handling aptitude

One can define the leadership in a narrow fashion as "the directing of the activities of immediate subordinates. However, the relationship between the leader and his/her subordinates are mostly psychological.

A manager is to act a leader and expand the range of acceptance – the range of directives that subordinates will accept readily and enthusiastically.

The function of Managerial Leadership encompasses several additional roles, such as

1. Developing organization's planning and control systems;
2. Designing organizational structure appropriate for the tasks undertaken, and foreseeing;
3. Acting as a spokesman for the group.

Leadership seems to be the marshalling of skills possessed by a majority but used by a minority. However, the leadership requires sort of vision recognized nowadays.

### **Objectives of the Study**

1. The objective of the paper is to understanding the various qualities, traits and characteristics intrinsic to Managerial leadership style and
2. To study the strategies and techniques that would facilitate in adoption of the same in their work situation.

#### **Characteristics of an effective Leader**

1. He is willing to admit mistakes and works for achieving excellence in his work.
2. He is hard working and builds relationship based on trust and understanding.
3. He has positive attitude and works as a member of a team.
4. He has self confidence and good communication skills.
5. He is sincere and sets an example to others.
6. He is interested in self development and is highly motivated.
7. He has genuine concern and provides guidance for persons working in his section.
8. He motivates others for continuous improvement and promotes excellence in performance.

#### **Dimension of Managerial Leadership Styles**

The maximum competitive advantage that any organization can create is the systematic development of leadership competencies. The effectiveness of a leader depends upon the competencies acquired by him. It is a continuous process. Success achieved in the past is no guarantee for future. We live in a changing environment. In many organizations human potential is untapped. Leadership is a key factor in effective use of Human resources. Human capital is the greatest asset in any organization. Influencing people and making task more productive requires the highest degree of Leadership competencies. Leader create systems, procedure and processes that shape individual character and empower people towards enthusiastic commitment. They set an example. They

show ordinary individual can produce extraordinary results. The transition from technical to managerial role is important for career growth of an individual. The success of transition depends upon acquisition and fine tuning of leadership. The transition requires the following

1. Ding things individually to team building
2. From decision making to decision implementation
3. Combining Technical skills with interpersonal skills.
4. Stability and control to growth and innovations.
5. Working as a change agent to empower people and achieve higher levels of excellence.

Studies indicate that the most important challenge for a leader is to promote positive attitudes and pool the resources and train people to work together. By building a team the leader creates a sense of ownership for their jobs and develops commitment for goals established by mutual consultation. A leader creates a climate of trust by encouraging people to express openly ideas, disagreements and feelings. Leaders encourage members to give and receive feedback and every effort is made to understand each other's points of view. The leadership takes initiative in identifying conflicts and makes efforts to resolve them constructively. The leader spends a great deal of time in understanding people and factors which activate them. He provides guidance and contributes to their personal development.

The leader plays a significant role in training employees. Well trained employees develop self-confidence and help in achieving team efforts. Achieving excellence requires a higher degree of commitment. Such commitment cannot be posed by threat and rules and regulations. Participation and trust create commitment. Open and honest communication and a genuine concern of others will promote excellence and commitment among

employees. Collaboration builds a sense of interdependence. When employees work as a team to achieve goals mutual learning takes place and results in higher levels of accomplishment. The successful leaders give highest importance for developing skills of collaboration and use it as a tool for achieving better performance.

### **The Top 10 Leadership Qualities**

**Integrity** is the integration of outward actions and inner values. A person of integrity is the same on the outside and on the inside. Such an individual can be trusted because he or she never veers from inner values, even when it might be expeditious to do so. A leader must have the trust of followers and therefore must display integrity. Honest dealings, predictable reactions, well-controlled emotions, and an absence of tantrums and harsh outbursts are all signs of integrity. A leader who is centered in integrity will be more approachable by followers.

**Dedication** means spending whatever time or energy is necessary to accomplish the task at hand. A leader inspires dedication by example, doing whatever it takes to complete the next step toward the vision. By setting an excellent example, leaders can show followers that there are no nine-to-five jobs on the team, only opportunities to achieve something great.

**Magnanimity** means giving credit where it is due. A magnanimous leader ensures that credit for successes is spread as widely as possible throughout the company. Conversely, a good leader takes personal responsibility for failures. This sort of reverse magnanimity helps other people feel good about themselves and draws the team closer together. To spread the fame and take the blame is a hallmark of effective leadership. Leaders with **humility** recognize that they are no better or worse than other members of the team. A humble leader is not self-effacing but rather tries to elevate everyone. Leaders with humility also understand that their

status does not make them a god. Mahatma Gandhi is a role model for Indian leaders, and he pursued a “follower-centric” leadership role.

**Openness** means being able to listen to new ideas, even if they do not conform to the usual way of thinking. Good leaders are able to suspend judgment while listening to others’ ideas, as well as accept new ways of doing things that someone else thought of. Openness builds mutual respect and trust between leaders and followers, and it also keeps the team well supplied with new ideas that can further its vision.

**Creativity** is the ability to think differently, to get outside of the box that constrains solutions. Creativity gives leaders the ability to see things that others have not seen and thus lead followers in new directions. The most important question that a leader can ask is, “What if ... ?” Possibly the worst thing a leader can say is, “I know this is a dumb question”.

**Fairness** means dealing with others consistently and justly. A leader must check all the facts and hear everyone out before passing judgment. He or she must avoid leaping to conclusions based on incomplete evidence. When people feel they that are being treated fairly, they reward a leader with loyalty and dedication.

**Assertiveness** is not the same as aggressiveness. Rather, it is the ability to clearly state what one expects so that there will be no misunderstandings. A leader must be assertive to get the desired results. Along with assertiveness comes the responsibility to clearly understand what followers expect from their leader.

Many leaders have difficulty striking the right amount of assertiveness, according to a study in the February 2007 issue of the *Journal of Personality and Social Psychology*, published by the APA (American Psychological Association). It seems that being underassertive or overassertive may be the most common weakness among aspiring leaders.

A **sense of humor** is vital to relieve tension and boredom, as well as to defuse hostility. Effective leaders know how to use humor to energize followers. Humor is a form of power that provides some control over the work environment. And simply put, humor fosters good camaraderie. Intrinsic traits such as intelligence, good looks, height and so on are not necessary to become a leader. Anyone can cultivate the proper leadership traits.

Robert Staub's *The Heart of Leadership* provides a simple and elegant way of thinking about leadership. "Leadership, like the heart, receives input, ensures that it is enriched and focused, and then orchestrates functional and energetic flows out to the body of the organization or enterprise." Similar to the chambers of the heart, he outlines the major components of leadership into four chambers: Competence, Intimacy, Passion, and Integrity.

### **Intimacy**

Intimacy refers to the leader's ability to build and maintain relationships. All too often we expect people to buy into the position of leadership and be loyal to the title rather than to the person that fills that position. "The first thing a leader must declare is not authority because of rights, but authority because of relationships." Building relationships through interpersonal skills is important for several reasons"

- o **Effective Management:** Social skills help to understand the feelings of others and the ability to communicate clearly and persuasively.

- o **Cooperative Relationships:** Skills such as empathy, social insight, charm, tact, and diplomacy are essential to developing and maintaining cooperative relationships with subordinates, superiors, peers, and outsiders.

- o **Influencing:** Empathy and social insight is the ability to understand motives, values, and emotions. Understand what people want and what motivates them is

necessary for effective influencing strategies.

- o **Resolving Conflict:** Being able to listen to people with problems, personal complaints, or criticism is necessary for resolving conflicts in a constructive manner.

### **Passion**

"Your passion for something is an indication of what you find worthy in and of itself. It's a clue to what you find intrinsically rewarding." Passion refers to the drive to make a contribution and to create something meaningful and valuable - a sense of worth. It's sometimes referred to as enthusiasm, hope, or aspirations.

- o **Enthusiasm:** (Greek: enthousiasmos) Originally meant inspiration or possession by a divine afflatus or by the presence of a God. Today the word simply means intense enjoyment, interest or approval.

- o **Hope:** An emotional belief in a positive outcome related to events and circumstances within one's personal life. Hope implies a certain amount of perseverance such as believing that a positive outcome is possible even when there is some evidence to the contrary.

- o **Aspirations:** The Apostle Paul encourages leadership: "This is a true saying, If a man desires the office of a bishop, he desireth a good work." (1 Timothy 3:1). Providing a climate where people feel free and motivated to cultivate and implement constructive ideas is the challenge of talented leaders.

### **Integrity**

Most people can manage when things go well, but true leadership is how we cope with people when times are tough. Integrity is what drives us regardless of our situation or position. Too many leaders are ready to assert their rights but not assume their responsibilities. They are looking to the organization to make people responsible to follow. They look for a new title, another position, sometimes a new job. They never come to realize that they lack authority because they lack integrity. "Integrity means that a

person's behavior is consistent with espoused values, and the person is honest, ethical, and trustworthy."

o Honesty and Trust: "If people anywhere are to willingly follow someone - whether it be into the battle or into the boardroom, the front office or the front lines - they first want to assure themselves that the person is worthy of their trust."

o Courage: "The strength to lead in these difficult circumstances, meaning that courageous leaders are strong and unlikely to quit." This kind of courage displays itself in an organization when a leader is willing to admit his mistake, when she is willing to stand up for her beliefs, or when he must challenge others.

o Self-Discipline: "People have to know themselves and understand their environments in order to adapt and learn." The most basic defining moment demands that leaders resolve the issue of self-discipline. "The higher leaders climb up the corporate ladder the greater their burden of responsibility and their need to reevaluate themselves and their whole self."

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### **Strategies for Improving Leadership**

With thousands of books and articles written about leadership, it is surprising the followers. When we acknowledge the leader's capacity to reward the behavior of followers, we should not overlook the capacity of the followers to reward the leader by the ways they perform. For example, organizations reward managers according to the

performance of their group. Consequently, the managers of high-performing groups are highly rewarded by the organization.

One study has demonstrated the reciprocal nature of influence between leaders and subordinates. In this study, data were collected from first-line managers and two of the supervisors who reported to them. Leaders who were more considerate created greater satisfaction among their subordinates; but, at the same time, the performance of the subordinates caused changes in the behavior of the leaders.<sup>43</sup> Employees who performed well caused their supervisor to reward them and treat them with greater consideration. Although research on the reciprocal influence between leaders and followers is still rather limited, it is important to remember that leadership may be significantly constrained by the followers.

Constraints on leader behavior. Leaders do not have unlimited opportunities to influence others. Leadership effectiveness is constrained by a variety of factors, such as the extent to which managerial decisions are preprogrammed due to precedent, structure, technological specifications, laws, and the absence of available alternatives. Leadership can also be constrained by a variety of organizational factors limiting the leader's ability to either communicate with or to reinforce the behavior of subordinates. The constraints imposed on leaders include external factors organizational policies, group factors, and individual skills and abilities.

1. *External factors.* Leaders are constrained in what they can do because of various economic realities and a host of state and federal laws. For example, leaders are required to pay at least the minimum wage and they are required to enforce safety standards. Leaders who have unskilled followers will have difficulty leading regardless of their leadership style, and the availability of skilled followers is influenced by the



external labor market. Some geographical areas have a much better supply of skilled employees than others.

2. *Organizational policies.* The organization may constrain a leader's effectiveness by limiting the amount of interaction between leaders and followers and by restricting the leader's ability to reward or punish followers.

3. *Group factors.* Group norms are created by the dynamics of the group. If the group is highly cohesive and very determined, it can limit the leader's ability to influence the group.

4. *Individual skills and abilities.* The leader's own skills and abilities may act as constraints since leaders can only possess so much expertise, energy, and power. Some situations may simply require greater skills and abilities than the leader may possibly hope to possess.

### Conclusions

Leadership refers to incremental influence and is said to occur when one individual influences others to do something voluntarily that they otherwise would not do. A need for leadership within organizations stems from the incompleteness of the organization design and the dynamic nature of the internal and external environments. Three basic leadership roles include origination of policy and structure, interpolation, and administration. The earliest studies of leadership were primarily trait studies that attempted to identify the characteristics of effective leaders. These studies focused primarily on physical traits, intelligence, and personality. Although some personal characteristics were frequently related to leadership, the results were generally weak and often inconsistent. Many studies concluded that the characteristics of the subordinate and the nature of the task were as important as the characteristics of the leader in determining success. A second approach to studying leadership focused on leader behaviour: how leaders actually behave. One of the earliest studies compared three leadership styles:

authoritarian, democratic, and laissez-faire. Although democratic leadership created the greatest satisfaction, autocratic leadership created the highest levels of productivity.

The Failure of leadership research to identify leadership traits or universally superior leader behaviors resulted in the development of four situational theories of leadership. These theories suggest that the most effective leadership style depends upon situational variables, especially the characteristics of the group and the nature of the task. The three leadership styles include autocratic decision making, consultative decision making, and group decision making. The decision titles determining which style is most appropriate include such questions as whether the leader has adequate information to make the decision alone, whether the subordinates will accept the goals of the organization, whether subordinates will accept the decision if they do not participate in making it, and whether the decision will produce a controversial solution. Although most of the literature on leadership emphasizes the influence of the leader on the group, the influence of the group upon the leader should not be overlooked. The relationship between the leader and the group implies a reciprocal influence. Groups have the capacity to influence the behavior of their leaders by responding selectively to specific leader behaviors. The influence of a leader can also be constrained by several external factors, such as organizational policies, group norms, and individual skills and abilities. Other variables have been found to neutralize or substitute for the influence of a leader, such as the skills and abilities of followers and the nature of the task itself.

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## THE RICE ROOT-KNOT NEMATODE, MELOIDOGYNE GRAMINICOLA – LIFE CYCLE AND HISTOPATHOLOGY

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### Abstract

*Meloidogyne graminicola* (Golden and Birchfield) is a major pest of rice throughout the world due to its broad host range and ability of causing potential yield loss. The losses caused by *M. graminicola* may vary from negligible to heavy depending on the severity of disease. The main symptoms of root knot disease of rice are yellowing, dwarfing and gall formation on the roots of rice plants. The degree of symptom manifestation differs with time of infection, age of the plants and load of inoculum. The life cycle of rice root-knot nematode, *M. graminicola* in rice was studied under glasshouse conditions at Tamil Nadu Rice Research Institute, Aduthurai. The duration of life cycle ranged from 25- 28 days at ambient temperature  $28 \pm 2^\circ\text{C}$ . The adult females were smaller in size and laid eggs inside the root. Histopathological studies of the infected root revealed a severe dislocation of xylem and phloem vessels in the cortical region which resulted in the formation of giant cells.

**Keywords:** Life Cycle, Histopathology, *M. Graminicola*.

### Introduction

Rice grown in different environments is attacked by different nematode species like *Ditylenchus angustus*, *Meloidogynespp.Hirschmanniella* spp. *Aphelenchoides besseyi* and *Pratylenchus* species. The rice root-knot nematode, (*Meloidogyne graminicola*) and rice root nematode (*Hirschmanniella oryzae*) are economically damaging genera of plant-parasitic nematodes attacking rice. Among

them rice root-knot nematode has gained considerable attention during the recent times because of its damage potential to rice particularly under water stress conditions (Tusharet *al.*, 2012). Severe infestations on rice were observed in the recent past in the Cauvery Delta Zone where direct seeded rice (DSR) has been widely practiced. They cause about 16-32% loss in grain yield due to incomplete filling of kernels. The seedlings exhibit profused galling on roots and depletion in vigour,

yellowing, stunting and curling of leaves. Water saving irrigation technologies such as aerobic rice, System of Rice Intensification (SRI) and direct seeded rice (DSR) are receiving renewed attention from researchers and farmers. Dry direct-seeded rice is a feasible alternative to conventional puddled transplanted rice with good potential to save water (Pankaj, *et al.*, 2010).

Root-knot nematode affected plants show depletion in vigor, stunted growth, chlorotic and curled leaves in nurseries and main field (Fig 1A). The nematode infection is characterized by the formation of small galls near the tips of the roots (Fig.1B,1C&1D). *M. graminicola* is an obligate parasite and a major pest of rice. Infective second stage juveniles select a point for entry into the root, usually in the meristematic zone. The juveniles cause disruption, hypertrophy and hyperplasia of cortical cells by intracellular migration and releasing oesophageal gland secretions.

Hence an investigation was done to study the life cycle and histopathology of rice root-knot nematode infesting rice in Cauvery Delta Zone.

### Materials and Methods

#### Life cycle of rice root-knot nematode in rice

Life cycle of root-knot nematode *M. graminicola* in rice was studied under glasshouse conditions at Tamil Nadu Rice Research Institute, Aduthurai. Twenty five days old rice seedlings of ADT 43 were planted in earthen pots filled with sterilized pot mixture. Rice root-knot nematode infested roots that were collected during field surveys served as source of inoculum. Egg masses were collected from the roots and eggs were allowed to hatch by incubating them in tap water for 3-4 days. Hatched infective second stage juveniles were inoculated to rice seedlings to study their life cycle in rice. Uninoculated rice seedlings were maintained as control.

Observations on the development of embryonic or pre parasitic stages *viz.*,

single celled, two celled, many celled, gastrula stages and first stage juvenile (J<sub>1</sub>) and post embryonic stages or parasitic stages *viz.*, second stage (J<sub>2</sub>), third stage (J<sub>3</sub>) and fourth stage juvenile (J<sub>4</sub>) and adult of *M. graminicola* were carried out to understand the life cycle and host parasite relationship. Studies were performed at ambient temperature of 28±2°C.

#### Histopathological studies of root knot nematode infected roots

Root samples of galled and healthy root tissues of rice were collected, gently washed with distilled water and stained with acid fuchsin lactophenol and sections were taken up using microtome by following the method suggested by Jonsen, (1962).

**1. Microtome:** Root samples were washed and fixed in FAA for minimum 12 hours (FAA: 10:50:5:35 proportion of formalin, alcohol, acetic acid and water).

**2. Dehydration:** After fixing the materials in FAA solution, they were washed with 50 per cent ethanol and then transferred to tertiary butyl alcohol series of 60, 70, 80, 90 and 100 per cent for an hour, followed by 12 hours in 100 per cent tertiary butyl alcohol (TBA).

**3. Infiltration with wax:** After the process of dehydration, the samples were then transferred to TBA with series of 2/3, ± 2/3, 1/3, 1/3, 1/2+1/2, 1/3+2/3 and absolute wax two times for 30-45 min in each series.

**4. Embedding:** Next to infiltration process, the material was embedded in wax with melting point of 52-54°C and this molten wax was poured into a paper boat, with inner side smeared with glycerin. The infiltrated pieces were placed in molten wax in the proper orientation. The blocks were cut in such a way that block that each block contained one section.

**5. Sectioning:** The blocks were mounted to microtome holder and sections were taken up with thickness of 12µ using spencers rotary microtome.

**6. Dewaxing and staining:** The dewaxing was done using xylene alcohol mixture. The slides containing sections were kept for half an hour in pure xylene, ethanol + xylene (1:1), 90, 70, 50 per cent ethanol. The slides were kept in saffranin solution for 12 hours, and subsequently transferred to 50, 70, 90 per cent ethanol for 10 min in each series, picric acid mixture. Then, the slides were transferred to 70 per cent alcohol for 2-3 min. Fast green solution was added over the sections and stain was drained with clove oil and washed with distilled water. Slides were transferred to alcohol; xylene mixture for 5 min and in pure xylene for 10 min.

**7. Mounting:** The sections were in neutral in synthetic mounting (DPX mountant) and air dried.

### Results and Discussion

#### Life cycle of rice root-knot nematode in rice

As the nematode developed in the egg, it molted to change from a first stage to a second stage juvenile ( $J_2$ ) which then hatched out from the egg (Fig.2A)  $J_2$  is the only infective stage that burrowed into the root, usually at or near the root tip (Fig 2B). The infective second stage juveniles of *M. graminicola* entered the rice roots within 24 hrs of inoculation and they oriented parallel to the longitudinal axis of the root. The nematode started feeding and became stationary. Due to continuous feeding the body size increases. During this period the tail of the nematode remained unchanged which showed spiked appearance (Fig 2C) at the perineal region. After 14-15 days of inoculation the developing females became typical flask shaped appearance which is called as pre adult stage (Fig 2D) and the posterior region of the body increased in width as the ovary increased in size due to egg production.

During feeding, normally the nematode releases enzymes and plant growth hormones into the root. This caused changes in the root's physiology, and "giant cells" were formed around the

nematode's head. Generally 5-7 giant cells develop and the nematode moves its head slightly to feed on these specialized cells. Nematodes examined after 20 days of inoculation were fully grown (Fig 2F) and the posterior end of the females lied in the middle portion of the cortex region and laid eggs in gelatinous matrix in the cortex very close to the epidermis. The duration of second, third, fourth and adult female stages lasted for 1-5, 6-8, 9-12 and 28 days respectively. Females laid about 250-300 eggs in an egg sac inside the root tissues (Plate 7H). The total life cycle including the preparasitic stage was 25-28 days (Table 2). Root tissues became enlarged to form a gall or "root-knot" around the nematode (Fig 2I). No gall formation was observed in the uninoculated plants. Female gets fertilized by the male (Fig 2G) and lays about 250-300 eggs in an egg sac inside the root tissues. Duration of different stages in the life cycle of rice-root knot nematode recorded in rice is given in table 1. Life cycle of root knot and cyst nematodes was described by McKenry and Roberts, (1985).

#### Histopathological studies of root knot nematode infected roots

Results of the histopathological studies of the nematode infected and healthy roots showed the formation of specialized feeding sites called "giant cells" which were the modification of procambial cells of the vascular region of rice roots. Section showed multinucleated giant cells with large vacuoles and dense cytoplasm. Xylem and phloem vessels were heavily dislocated in the infested root tissues. Hypertrophy and hyperplasia of cortical cells were noticed which contributed to the formation of root galls (Fig 3a). In the healthy uninfected roots in the uninoculated pots, no giant cell formation was observed and the xylem and phloem vessels were intact (Fig 3b).

Histopathological studies of the nematode infected root that showed the formation of specialized feeding sites called "giant cells" which were the modification of

procambial cells of the vascular region (Bird, 1979). Giant cells are multinucleated with large vacuoles which act as metabolic sink supplying nutrients for the developing female and throughout its parasitism. Similar observation was recorded by Dropkin (1969) in tomato.

**Conclusion**

Several management methods including physical, chemical, cultural, biological and host plant resistance are available to manage nematodes in rice ecosystems. An integrated approach rather than adopting a single method would help in an effective nematode management as each method has its own advantage for sustainable rice production.

From the study it is evident that rice root-knot nematode, *M. graminicola* is a great threat to the rice crop and it warrants a suitable nonchemical management strategy considering the economic importance of the crop.

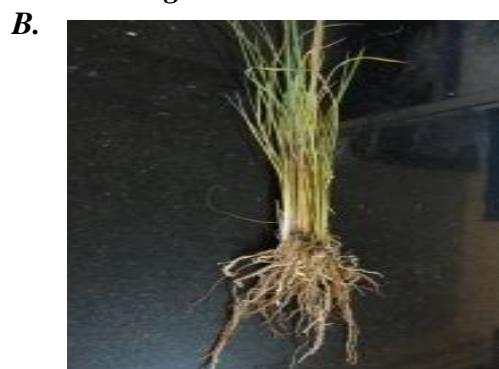
**Table 1. Duration of different stages in the life cycle of rice-root knot nematode *Meloidogyne graminicola* (At ambient temperature 28± 2°C)**

Life stages	Duration (Days)
Second stage juvenile (J <sub>2</sub> )	1-5
Third stage juvenile (J <sub>3</sub> )	6-8
Fourth stage juvenile (J <sub>4</sub> )	9-12
Adult male	23
Adult female	26
Total life cycle	25-28

**Fig 1. Symptoms of rice root-knot nematode, *M. graminicola* infestation**



**A. *M. graminicola* infested field**



**B. *M. graminicola* infested rice plant**

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## THE IMPACT OF INFRASTRUCTURE ON AGRICULTURAL PRODUCTIVITY IN INDIA

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### Abstract

*The main aim of the paper is to analysis the impact of infrastructure on agricultural productivity in India. The data collected for the study is secondary one. The required data for the study were collected and compiled from the RBI Website, Census of India Website and India Meteorological Department Website and the study covers a period of 17 years from 2001-02 to 2017-2018. The collected data have been used for analysis with the help of statistical tools, namely Mean, Standard Deviation (SD), Coefficient of Variance (CV), Compound Annual Growth Rate (CAGR) and Cobb-Douglas Production Function Model. The study concluded that overall empirical results point to a significant relationship between infrastructure and agricultural productivity. Electricity is an important factor determining the productivity of agriculture.*

**Keywords:** *Infrastructure, Food grains, Productivity, Cobb-Douglas Production Function.*

### Introduction

Recent literature points to the significant role of rural infrastructure in improving agricultural productivity in developing countries. While the availability and quality of rural infrastructure never replace effective macroeconomic and agricultural policies and the effective implementation of such policies, inadequate infrastructure can become a significant constraint on growth

and productivity. Studies show that increasing agricultural productivity, which is an effective stimulus to economic growth and poverty reduction, depends on good rural infrastructure, well-functioning domestic markets, relevant institutions and access to appropriate technologies (Andersen and Shimokawa 2007).The relatively low productivity of Philippine agriculture tests the leadership qualities of the country's politicians and the potential



of bureaucrats who must effectively use the billions of pesos that are allocated and appropriated annually to the agricultural sector. The inadequacy of rural infrastructure was identified as the main reason for low agricultural productivity. But how important is the rural infrastructure for increasing the productivity of agriculture?

This paper provides an empirical basis for the perceived link between rural infrastructure and agricultural productivity. It confirms the hypothesis that the shortcomings in rural infrastructure, for example transport, energy and related infrastructure, have a negative impact on agricultural productivity. Rural infrastructure, like other public investments, increases the productivity of agriculture, which in turn contributes to growth in rural areas, which leads to higher wages in agriculture and improved opportunities for non-farm labor. Growth in agricultural productivity, which reduces food prices, benefits both urban and rural residents who are net buyers of food. Thus, in addition to the benefits of growth, agricultural productivity has significant implications for poverty reduction.

### Review of Literature

Andersen and Shimokawa (2007) the lack of transport, energy and telecommunications infrastructure related shifting and domestic markets and a minimum of space and time, poorly functioning integration and low price of international competitiveness. The failure to invest in rural infrastructure will be critical bottleneck for future agricultural production and economic growth and the fight against poverty in developing countries. Indeed, rural infrastructure undermines the serious flaw in the immense agricultural potential of the region in the developing countries to reduce poverty and not a moment grow. To enhance the powers of the infrastructure to enhance the rustic poverty, sorrowful and improving

agricultural productivity, not your lead-in agriculture; by means of reward for my labors. Significant benefits for the poor (Fan, Hazell and Thorat2000). Agricultural productivity is a significant amount of elasticity and poverty reduction, higher than elasticity is positive, and in some other products, especially in the early stages of development (Ravallion and Datt 1996; Thirstle, C., L. Lin, and J. Piesse2003). Mamatzakis (2003) points out that the state infrastructure reduces the total cost of Greek agriculture; in particular, it was found that an increase in investment in public infrastructure by 1% reduces the total cost of livestock and plant growing by 0.38%. Thus, the decline in investment in public infrastructure in the 1970s and 1980s adversely affected agricultural productivity in Greece.

### Objectives

The main objectives of the paper is to analysis the impact of infrastructure on agricultural productivity in India

### Research Design

**Sources of Data:** The data collected for the study is secondary one. The required data for the study were collected and compiled from the RBI Website, Census of India Website and India Meteorological Department Website and the study covers a period of 17 years from 2001-02 to 2017-2018. In addition, the other required data were collected from various journals and magazines.

**Framework of Analysis:** The collected data have been used for analysis with the help of statistical tools, namely Mean, Standard Deviation (SD), Coefficient of Variance (CV), Compound Annual Growth Rate (CAGR) and Cobb-Douglas Production Function Model.

### Findings

The study made an attempt to assess the efficiency of the productivity of food grain productivity for changing inputs in the existing state of the area, energy and rainfall.

## Food Grains Area, Productivity and Energy And Rainfall

Year	Area Under Cultivation - Foodgrains (Million hectares)	Foodgrains Productivity (Kg / hectare)	Energy (GWh)	Actual Rainfall (millimetre)
2001-02	122.77	1734	507216	1168.10
2002-03	113.87	1535	522537	1435.20
2003-04	123.45	1727	545674	1323.50
2004-05	120.08	1652	559264	1431.70
2005-06	121.60	1715	591373	1364.90
2006-07	123.70	1756	631757	1465.30
2007-08	124.06	1860	690587	1347.40
2008-09	122.83	1909	739343	1191.00
2009-10	121.33	1798	777039	1485.60
2010-11	126.67	1930	830594	1387.10
2011-12	124.75	2078	861591	1272.60
2012-13	120.70	2129	937199	1486.70
2013-14	126.04	2101	998114	1248.70
2014-15	122.00	2070	998456	1368.71
2015-16	123.21	2056	1040078	1370.75
2016-17	129.23	2129	1081701	1372.78
2017-18	127.57	2233	1123323	1374.82
<b>Sum</b>	<b>2093.86</b>	<b>32412.00</b>	<b>13435845.38</b>	<b>23094.85</b>
<b>Mean</b>	<b>209.39</b>	<b>3241.20</b>	<b>1343584.54</b>	<b>2309.49</b>
<b>SD</b>	<b>3.44</b>	<b>203.18</b>	<b>211465.80</b>	<b>94.18</b>
<b>CV</b>	<b>1.65</b>	<b>6.27</b>	<b>15.74</b>	<b>4.08</b>
<b>LGR t-value</b>	<b>0.412* (2.934)</b>	<b>37.583* (10.132)</b>	<b>41622.395* (34.998)</b>	<b>2.037 (0.426)</b>
<b>CAGR t-value</b>	<b>0.30** (2.905)</b>	<b>2.020* (9.750)</b>	<b>5.55* (35.295)</b>	<b>0.20 (0.479)</b>

Source: 1. RBI, 2. Central Electricity Authority, Ministry of Power, 3. Directorate of Economics and Statistics, Department of Agriculture and Cooperation.

Figures in brackets are t-value;\*Significant at 1% level, \*\*Significant at 5% level.

The data relating food grains productivity show an increase trend during the study period from 1734kg/hectare in 2001-02 to 2233 kg/hectare in 2017-18. The area under cultivation of foodgrains was increased during the study period from 122.77 million hectare in 2001-02 to 127.57 million hectare in 2017-18. The energy and actual rainfall in India were increased trend during the study period from 507216 GWh and 1168.10 millimetre respectively in 2001-02 to 1123323 GWh and 1374.82 millimetre respectively in

2017-18. The mean area, productivity, energy and rainfall of the country were 209.39 million hectares, 3241.20 kg/hectares, 1343584.54 GWh and 2309.49 millimetres respectively. LGR and CAGR were calculated to assess the growth of area, productivity, energy and rainfall, LGR indicates 0.412, 37.583, 41622.395 and 2.037 respectively growth on average year by year during the study period. CAGR which measures the overall growth achieved during the study period show that there have been 0.30, 2.020,

5.550 and 0.200 growth in area, productivity, energy and rainfall.

The Cobb-Douglas production function, using the Ordinary Least Square (OLS) method, tried to evaluate the elasticity of food grains relative to key

inputs, namely, area, energy, and precipitation. The output elasticities, based on the OLS estimates of the Cobb-Douglas production function for the productivity of food grains, are presented in Table 2.

**Estimated Parameters of the Cobb-Douglas Production Function**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.160	1.952		1.107	.288
In_Area (Million hectares)	.495	.360	.130	1.374	.193
In_Energy (GWh)	.346*	.036	.880	9.696	.000
In_Rainfall (millimetre)	.234**	.116	.153	2.910	.046
R	.969				
R Square	.938				
Adjusted R Square	.924				
F	65.557*				.000

\*Significant at 1% level, \*\*Significant at 5% level.

The estimated food grains productivity elasticities with respect to area, energy and rainfall were estimated to 0.495, 0.346 and 0.234 respectively. The productivity elasticity with respect to energy and rainfall have registered with a positive sign and statistically significant at 1 percent and 5 percent level. From the point of view as  $R^2$  a significant proportion of variability in the yield of food grains was explained by these variables as measured by the  $R^2$  of 0.938. Thus, it is observed from the estimates that the production function fitted based on the food grains productivity use of energy and rainfall showed the operation of increasing returns to scale.

### Conclusion

The general empirical results point to a significant relationship between infrastructure and agricultural productivity. Electricity is an vital factor determining the productivity of agriculture. This is stable with the relevant conclusion about the limitations associated with the growth of inadequate infrastructure. Rural set-up provides an important link to growing markets adjacent to rural areas; they also reduce the costs of production and the transaction costs of

rural producers and consumers. Access to electricity creates various income-generating opportunities for rural households. There is an imbalance in the availability and quality of infrastructure at the regional, provincial, municipal and city levels. Richer and more settled regions have better infrastructure, and cover regions face scarce structure.

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## ENHANCING THE IMPORTANCE OF NON-MONETARY APPRECIATION ON EMPLOYEES PERFORMANCE IN BANKING SECTOR

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### *Abstract*

*Introducing the theme of human effort motivation is both painless and demanding an act; it is simple for its universality and worldwide acceptance and fairly demanding for feasibly the same reason too. The comfort with which human effort motivation affects humanity is possibly the reason for its complication as a subject. The present study focuses on the phenomenon of appreciation and its possible impact on human motivation to the whole effort. Neuroscience points that, human brain has divided into several regions and they are each responsible for performing various functions. In the centre, the brain sits the reward pathway, which is responsible for leading our feelings of motivation, appreciation, reward and behaviour. Hence, this region of brain that we get an idea of rewards and appreciations that are part of the environment we are working in.*

**Keywords:** Motivation, non-monetary rewards, lower-level employees.

### **Introduction**

“Incentive” plays the key role of motivator in any kind of organization be it production or service sector. It can add to the efficiency level of any employee and create a desire amongst the employees to give their best to the organization by putting in more energy and working with better accuracy. These concepts of “incentive”, “reward” and “recognition” can be aptly applied to any sector be it production or service sector or otherwise banking as well.

Thus, any factors existing in the organization that could affect the performance of the employees cannot be ignored. It is

important for any organization to concentrate on such factors like ability, opportunity and appreciation which affect employee performance. Here, these three factors can be explained as ‘Ability’ being the function of improving educational qualifications of an employee, inculcating skills in him or imparting training and experience to the employee. This will give an employee a wider vision to expand his knowledge base. Similarly, ‘Opportunity’ basically refers to the basic necessary resources and infrastructure like technology and data base required in performing any particular job. Whereas, ‘Appreciation’ is the reason behind the

performance of the human resource provided the rest of the conditions are satisfied.

Within organizational psychology, appreciation connects with rewards and is found to have the common impact of reinforcement. As per the essential extrinsic classification, recognition falls in the essential category of job associated factors. A look at the definitions of extrinsic and essential rewards is imperious at this stage to comprehend the nature of recognition. Extrinsic Reward is defined as a reward, which is external to the behaviour being appreciated, or which is perceived by the subject as not being logically or essentially connected with the thing being appreciated.

As indicated in the earlier section on 'spheres of appreciation', work was identified as one of the chief sources of recognition for the human beings. It is now imperative to describe the different modes of recognition at work, that is, what are the ways one can receive recognition at work environment. Structural rewards are allocated on the basis of the relationship in the organization; everyone receives these appreciations simply by being an employee of the organization. These appreciations are discussed on the basis of the length of service or seniority in the system. It is said that these appreciations are more effective in holding participants within the organization rather than initiating encouraging behaviours from them. Individual appreciation however are administered in relation to the individual effort and performance. These appreciations may differ for different individuals as they are based upon the quality and quantity of individual work and contribution. Appreciation also falls in the two categories of structural and individual; although employees are recognized monetarily also (through bonuses, allowances etc), these are not under the attention of the study.

#### **Non-Monetary Appreciation**

Motivating employees can be challenging for any business owner or manager. In some industries, monetary rewards are enough to get the most out of employees, while in other industries, other types of incentives may be more effective. Differences between monetary and non-monetary incentives are simple to distinguish, in some respects, but their impacts on an employee's performance can be somewhat more difficult to measure.

Implementing a non-monetary reward program can build loyalty, culture, and communication between internal networks while it reduces conflict and conflict-related competitiveness between management and staff-all at little cost to the company. In some cases, events, conference bookings, the printing of certificates (or ordering of plaques) and scheduling time off for deserving staff can be planned and executed outside of staff time. Providing avenues for employee loyalty, respect, communication and recognition has become a hallmark for the best companies that employees can work for, but you don't have to be the biggest fish in the pond to stand out as one of the most sought-after employers out there.

#### **Source of Appreciation**

The source of appreciation is thus an important condition for employees in respecting the recognition that is received. Foa and Foa's (1974) resource theory suggests that the value of a resource is influenced by the people involved in the exchange of that resource. This is basically true for the centering rewards like love, status and information. That is to say the person involved in conveying appreciation plays an important role in determining employee's perception of recognition. Various sources of recognition in a work setting might be the top managers, the senior, assistants, the peers and other stakeholders like the shareholders, customers, clients etc.

#### **Types of Non-monetary Appreciation**

**Security of Service:** Job security gives immense motivation to human resources. If an employee has a secured job, he will put utmost hard work to accomplish the aims and goals of the organization. It also helps because he has a security of job hence he is away from mental tension and can perform his best for his organization.

**Appreciation or Recognition:** The appreciation or recognition is also a form of non- financial motivation and satisfies the ego needs of the workers. At times praise turns out to be more effectual than any other incentive. In the response of praise or in the expectation of getting praise and recognition employees will attempt to provide their best of abilities for the organization.

**Suggestion Scheme:** The managers/superiors have to gaze to the fore to ask for proposals as well as invite idea and plans from the

subordinates, which will induce a feeling of partaking and contribution among the workforce. This task can be attained by various articles written by the workforce of an organization to improve the work culture and surroundings which can be published in various magazines of the company. This will surely motivate the employees and make them feel valued in the organization and they keep on searching for different inventive ways which can be applied for development of the firm. This eventually facilitates in growing of business and adapting new means of working.

**Job Enrichment:** Job enrichment is another non-monetary reward wherein the work of an employee can be enriched. This includes increase in responsibilities, giving away the employee an important designation, increase in substance or type of the job. With the help of this way of rewarding employees, capable workers can get demanding and tough jobs in which they can show their value.

**Promotion Opportunities:** Promotion is a very helpful and effectual device to boost the enthusiasm to perform in any firm. If the recruits are offered with the prospects for the progression as well as development, it will please and relax them and turn them into extra dedicated towards their workplace. The non-pecuniary means mentioned above can be structured successfully by paying proper attention towards the participation of recruits. A blend of fiscal and non-fiscal rewards helps collectively in bringing encouragement and eagerness to work in a firm.

**Flexible Hours or Time Off:** It's compulsory for recruits to abide by the superiors; however, if only superiors get all the say, employees will straight away sense the restriction. Personnel at any firm or organization need an area where they can discuss their viewpoints and thoughts, and also the autonomy to be flexible with the approaches they have to use to resolve divergence as well as tribulations. Flexibility can also be viewed in terms of working hours. The majority of the working populace has families or kids and bigger personal responsibilities. Liberty to perform their task at a pace in accordance with their convenience will let them handle all their responsibilities in time (both at home as well as at the place of work).

**Recognition:** Every person on earth wants to get the recognition, but still a number of personnel have not even given a pat on the

back or a handshake by their superiors. Recognition has various forms for example an unofficial admiration party for all the employees who have excelled in their respective works for a given month, employee of the month award, a letter or E-mail of appreciation, recognition for the work done in front of colleagues etc.

**Training and Professional Development:** Proper and timely training creates a room for the employees to rise and they don't feel trapped in a regular and sometimes monotonous work. The trained employees can now take and combat easily with much bigger challenge. Trainings provide a positive kind of strain, something that inspires personnel to force themselves to the extent which makes them pretty aware about their own strong and weak points. Trainings must always be in accordance with the job as well as career trail the worker desires to acquire or else, they would not be able to utilize the knowledge to the best. Hence before organizing training schedules skill assessment must be conducted.

**Belongingness:** Illness is just one of the smallest reasons for non-attendance in office. It is in fact clashes and politics at the place of work are some of the main reasons which generate a feeling of hatred in personnel about their workplace and restrict them coming to office. However the majority of recruits value the superior-subordinate relationship, it is also imperative to them that they can feel a sense of amity and belongingness.

**Health Savings or Retirement Plan:** Health benefits are often a major consideration for employees as they look at jobs on the market. Offering expanding or expandable health programs can go a long way to advancing the retention of those employees as they continue to provide value to the company. Health plan consultants can provide options for creating health plan tiers for long-time workers.

**Staff Recognition Program / Event:** Staff recognition continues to be one of the most overlooked reward methods. It's understandable, considering the dizzying pace that many companies need to maintain in order to remain competitive. But a recognition program does not need to be a formalized process. A well-implemented recognition of staff through informal praise or mention in a company newsletter can provide the same benefit without taxing the already-stretched workflow. If a more formal recognition plan is

warranted, a staff event (barbecue or social event with families) complete with verbal praise can close out the quarterly earnings, keeping the morale high enough to last through the next reporting period.

**Contribution Program:** Front-line employees know that it will be some time before they are able to sit at the table where key decisions are made. Management may recognize that it is the observations of those on the front lines who can report trends as they appear in the marketplace. Creating a contribution program for general staff and management to engage with each other can help to narrow the chasm that can lie between them. Successful examples of contribution programs include in-house lunches with both staff and management sharing the tables, where the needs of staff and the needs of management can be aired in a casual, relaxed setting.

**Informal Contact among Staff:** Set lunches between staff can be useful, but cannot be a constant. Companies with shoestring social budgets can choose more informal contact methods between management and staff. Management can opt for casual walk-throughs to engage in cordial conversations with individual staff members. Another practice is having management take small groups of staff for coffee outside of the office. This can help to ease out of the formality of the workplace while still allowing for the flow of needs and ideas.

**Independence and Autonomy:** Although this may be the most difficult element to implement, autonomy is seen as one of the strongest morale boosters among workers. An independent workforce can function with the creativity and flexibility of a contracted workforce, with all of the advantages of in-house staff. Regular "assignments" (jobs broken up into phases) can be treated individually and the goals and expectations for both the staff and the company can be laid out at commencement and completion of each assignment. This gives staff considerable opportunity for communication as it breeds creativity among the workforce.

#### **Merits of Non-Monetary Appreciation**

➤ These reward proposals can be related more to workers commitment as they can be coupled with important as well as desired behaviours and incorporated with an overall incentive matter.

- With non-pecuniary stimulus plans one can reward the employees almost in no time and without even submitting any requests with the payroll panel and waiting for the payment of monthly wages of the employee.
- Uncomplicated stuff such as a "thank you" well in time or little rewards in front of everyone at office are able to generate a zealous, hard-working group that is very much dedicated to rising and developing the corporation.
- By conducting proper reward and recognition programs by means of third party suppliers businesses will be able to preserve money on the cost of days out, trophies and vouchers.

#### **Conclusion**

Non-monetary incentives are effective to encourage workforce for their hard work by facilitating them with new prospects for training, elastic job schedules, improved work environments and sabbaticals. At the time of deciding incentives, organizations have to think about the recruits for the one the enticements are produced. Selecting a good equilibrium among non-monetary and monetary incentives is supposed to produce a better agreeable curriculum to deal with the assorted benefit as well as desires of human resources.

Though, money is not a big mode of motivation. When fundamental aspects like just and adequate pay are in place, the additional improvement in performance by providing with pecuniary spur is minimal, and non-pecuniary incentives subsequently turn out to be superior stimulus. These may include- "achievement, recognition, the intrinsic nature of the work itself, autonomy, opportunity for growth and advancement". As an example, 3M and Google offer free time to their human resources in order to make the employees to use up the office time on particular favourite assignment they are zealous to pursue.

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## NUTRITIONAL VALUE OF PALMYRAH FRUIT KERNELS AND ITS PROCESSED PRODUCTS

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### *Abstract*

*The palmyrah palm is grown in a good part of the Indian sub-continent, more importantly in the state of Gujarat, Maharashtra, Karnataka, Goa, Andhra Pradesh, Kerala, Tamil Nadu, Orissa and West Bengal. Since it is not a cultivated crop, available statistics of its population, production etc. estimates the number of palms grown in the country as anything from 12 to 17 crores. Of the palms grown in India, the palmyrah palm ranks second in economic importance next to coconut followed by the wild date palm. The palmyrah yields a variety of edible and non - edible products of economic value by virtue of which it is regarded, alongwith the coconut palm. As the KALI YUGU KALPA VRIKSHA. On account of its wide fan-shaped leaves. It acquired the botanical name, 'Borassusflabellifer'. Its species name 'flabellifer' meaning 'fan bearer' in Latin.*

**Keywords:** Nutritional value, Palmyrah, Fruit kernel, Processed product.

### **Introduction**

Of the palms grown in India, the palmyrah palm ranks second in economic importance next to coconut followed by the wild date palm. The palmyrah yields a variety of edible and non - edible products of economic value by virtue of which it is regarded, along with the coconut palm. as the KALI YUGU KALPA VRIKSHA. On account of its wide fan-shaped leaves. It acquired the botanical name, 'Borassusflabellifer'. its species name 'flabellifer' meaning 'fan bearer' in Latin.

The palmyrah palm is grown in a good part of the Indian sub-continent, more importantly in the state of Gujarat, Maharashtra, Karnataka, Goa, Andhra Pradesh, Kerala, Tamil Nadu, Orissa and West Bengal. Since it is not a cultivated crop,

available statistics of its population, production etc. estimates the number of palms grown in the country as anything from 12 to 17 crores.

The fruit of the palm yields very attractive snow white whole kernels, which led some people to describe them as 'ice apple'. They have a subtle flavor and a delicious taste, and are a treat during peak summer months of April – June, offering a soothing and refreshing experience. The freshly collected sap from palmyrah palms, known as 'Neera', like wise is a natural potable beverage with a delectable taste flavour. Both these natural products have appeal to the rural masses and have even come to be liked much by the people in the urban areas and metro cities.

The nutritive value of palmyrah fruit kernels has been reported by the National

Institute of Nutrition Hyderabad is listed in **Table 1:**

The kernels are also credited with certain medicinal values like diuretic effect, maintenance of body temperature, and increase of spermatogenesis in males and milk production in females.

What, however, has missed the attention of all till now is that both palmyrahfruit kernels and Neera are one hundred per cent 'Organic foods' gifted by nature. 'Organic foods' are produced using wholly natural organic fertilizers like animal urine and manure, green manure, and plant-based pesticides and fungicides, totally avoiding chemical fertilizers and pesticides.

Other edible products yielded by the palmyrah palm are the tender 2-3 months old cotyledons / seedlings and the ripe fruit, both of which are very popular with rural masses. The tender seedlings are starchy, faintly sweet, and have a lingering agreeable taste. Which the seedlings are eaten as such after toasting, the ripe fruit pulp is consumed both in the fresh and dried form. The sweet pulp is also converted in to various snack items in ways and forms unique to each region and its culture.

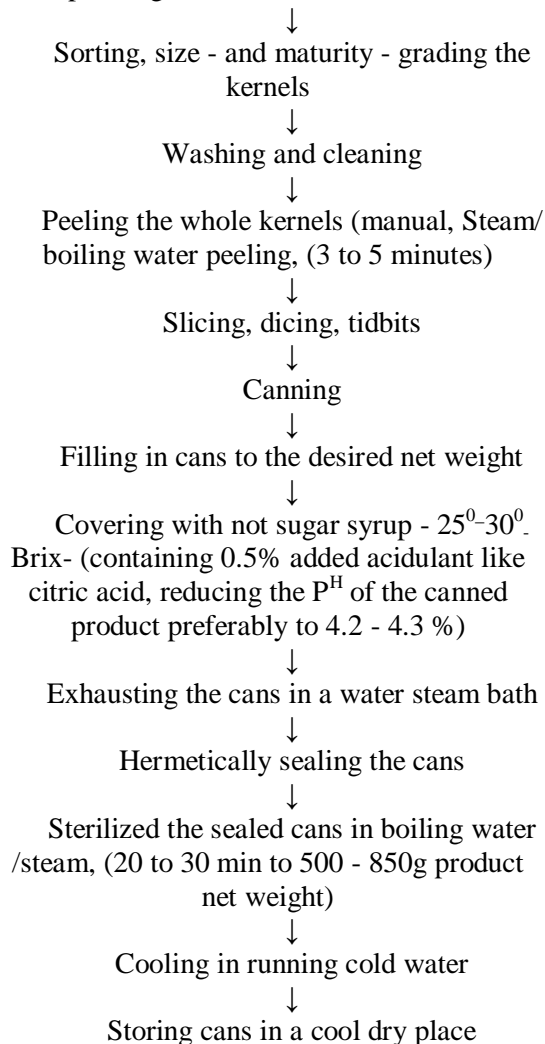
**Table.1 Nutritional value of palmyrah fruit kernels (per 100g)**

Components	Nutrient Value
Moisture	94.9 ( g %)
Solids	5.1 g
Protein	0.9 g
Calcium	4.5 mg
Phosphorus	35.1 mg
Iron	0.07 mg
Copper	0.14 mg
Zinc	0.14 mg
Magnesium	81.3 mg

The Commercial potential of the above two major natural organic foods and the other minor products from the palmyrah palms is yet to be properly and fully explored and exploited. The status of value addition to tender palm fruit kernels, however, stands on a different pedestal. Canned sliced palm kernels have long since been produced by Thailand and the product has been marketed in the United State for well over two decades.

The commercial volume of production has however, been rather limited and the exports were likewise confined to small markets in Singapore and Malaysia because of inadequate promotional efforts.

Separating the whole kernels from the fruit



**Fig. 1. Process Flow sheet for canned palm fruit kernels**

The process standardized is broadly indicated in Fig.1. A patented method is available for easy removal of the peels from the freshly extracted whole kernels which otherwise is a labour-intensive and time - consuming process. This method enables mechanization of all the manual operations involved in canning and freezing the products, thereby greatly facilitating the commercialization of canned fruit kernels.

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## EXTEND OF USAGE OF CREDIT CARDS IN ERODE

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### Abstract

*Money lending is probably one of the oldest professions in the world. In India money lending has its origin in the Vedic period and there are evidences of activities such as acceptance of deposits and lending of money stated Manikandan (1997). According to Suneja (1998), the origin of money is rooted deeply in antiquity. In early primitive society, money (commodity money) took the form of cattle or a commodity depending upon various factors like the cultural and economic developments of a community, climate and location. This was the time when barter system was in prevalence. Then metals such as gold and silver were adopted as gold and silver were adopted as money for the purpose of exchange. Owing to the inconvenience, the metallic money was substituted with paper money (bank notes). Now in the present scenario paper money is being replaced by plastic money (credit cards) the world over.*

**Keywords:** Banking sector, Credit cards, Card usage.

### Introduction

Money lending is probably one of the oldest professions in the world. In India money lending has its origin in the Vedic period and there are evidences of activities such as acceptance of deposits and lending of money stated Manikandan (1997). According to Suneja (1998), the origin of money is rooted deeply in antiquity. In early primitive society, money (commodity money) took the form of cattle or a commodity depending upon various factors like the cultural and economic developments of a community, climate and location. This was the time when barter system was in prevalence. Then metals such as gold and silver were adopted as gold and silver

were adopted as money for the purpose of exchange. Owing to the inconvenience, the metallic money was substituted with paper money (bank notes). Now in the present scenario paper money is being replaced by plastic money (credit cards) the world over.

Taking cue from global economies, India too has been rapidly venturing into the plastic money business, i.e., credit card business. In today's modern economies (Khubchandani, 2000) the credit cards (Plastic money) are being widely used. During the past decades, plastic cards have become more and more popular in India. The reason for their popularity has now shifted from being recognized as a status symbol to convenience.

Security and worldwide acceptance (Kalavathy, 2000).

The credit cards are largely preferred because they are simple to operate and easy to carry. The holders are relieved from the risk of carrying cash or cheque book with them; owing to revolving nature of credit, the customers can take advantage of it, and when he pleases, within the overall limit; the purchasing power of the card holder increased to the extent of credit limit given in the card, it wisely used, credit cards can provide them extra money, interest free. All that one has to do is to settle the bills on time (Gorden and Natarajan (1999)).

The credit card business has been growing at a rapid pace. The world over the present total volume at over one billion cards and a turnover of around US\$ 1,500 billion. India is witnessing a quantum jump with the growth rate at around 21 per cent per annum. The present (2004) number of cards issued by banks in India would be a little over 31 lakhs. The Citibank amongst the foreign banks is the largest credit card issuer in India, with close to 1 million – card covering Citibank Master card, Diner's Club and Citibank Visa.

Surely credit cards are all set to make a definite impact on the life styles of the people, since credit cards is the trend in the country today. With this backdrop a study on "Extent of Usage of Credit Cards in Erode", during 2002-2003 was undertaken with the following objectives.

a). to study the extend of usage of credit cards in Erode; b). To bring out, the relationship between the value of credit cards and the income, expenditure, nature of job, family size and educational qualification of the holder, c). To find the extend to which income of the card holder capacity of the card and the attitude of the card holders towards the possession of the card establishes differences in the expenditure pattern; d). To study the socio-economic profile of cardholders and its impact on the holding of a credit card. The reliability of the current study depends upon the reliability of the information provided by the respondents.

#### METHODOLOGY

The urban area R.S. Puram in Erode was chosen for the current study considering the fact that among the residents of R.S. Puram there were as many job going people as business men who were expected to hold

customers owing to their convenience. The current study carried out during 2002 – 2003 was based on the primary data, adopting the random sampling technique. 150 respondents who posses credit cards were interviewed, relevant information such as the general background of the respondents, and the details of the credit pertaining to the study was obtained using the interview schedule.

In the current study the investigator has adopted multiple regression technique in order to predict the level of dependency of the given dependent variable on the independent variables.

#### Framework of the Model Explaining the Interrelationship among the Variables Pertaining to the Capacity of the Credit Card

Since possessing a credit card is only a qualitative aspect. Which cannot be quantified, the capacity or value of the credit card was taken as the dependent variables and the capacity of the card depends upon several socio- economic and demographic factors.

#### The Model

$$CC = b_0 + b_1(Cy) + b_2(FS) + b_3(TFE) + b_4(OC) + b_5(En)$$

Where,

CC = Capacity of the card

Cy = Cardholders income

FS = Family size

TFS = Total family expenditure

OC = Occupation of the card holder (Dummy variable)

OC = 1 = Job going

OC = 0 = Business

En = Educational Qualification

En = 1 = Higher Secondary

En = 2 = Under graduate

En = 3 = Post graduate

En = 4 = M. Phil

En = 5 = Ph. D

En = 6 = Professional

In order to understand the effect of the identified variables on the expenditure of the cardholder, discriminate analysis was adopted and the function used is given below.

$$Z = f(X_1, X_2, X_3)$$

Z = Total family expenditure

X1 = Capacity of the card

X2 = Income of the card holder

X3 = Attitude of the card holders towards the possession of the card

X3=1 = Positive attitude

X3=0 = Negative attitude

**LOGIT MODEL**

The investigator has used the Logit model to analyse the influences of the independent variables on the attitude of the cardholder. The binary Logit function was fitted as follows.

- Y = f (X1, X2, X3, X4, X5, X6, X7, X8)
- Y = Attitude of the card holders
- Y = 1 =Positive attitude
- Y = 0 =Negative attitude
- X1 =Cardholder’s income
- X2 =Capacity of the card
- X3 =Interest rate
- X4 =Age of the card holder
- X5 =Sex of the card holder
- X5 = 1 =Male
- X5 = 0 =Female
- X6 =Income of the other family members
- X7 =Size of the family
- X8 =Total family expenditure
- X9 =Occupation of the card holder
- X9=1 =Job going
- X9=0 =Business

Chi-square test was used in the current study to find if there was any difference so far as cards held by men and women in jobs and business owing to the general perspective of the people that the job holders are preferred by the banks, when cards are issued.

**Findings**

**a. Details about the card**

- ☞ From the information obtained, it was found that 42 per cent of the card holders possessed the card in the past four years. The reasons for the increase in the number of cardholders in the recent past could be attributed to the increasing awareness of the usage of cards and the wide acceptance of the credit by merchant stores.
- ☞ The study exhibited that 27 per cent of the cardholder possessed ICICI cards followed by SBI cards (24 per cent). The reason for holding ICICI cards was that, ICICI requires no deposits for possession of a credit card.
- ☞ To analyse the extent to usage of the credit cards, the number of times the card holder borrows on a card was found out which revealed that 49 per cent of them use the card less than 3 times in a month and the average amount spent on card in a amount was Rs.10,800.
- ☞ Information on the capacity of the card makes it clear that a majority of (38 percent) the cardholder’s had the total

capacity ranging from Rs.20,000 – 40,000. Majority of 45 percent of the cardholders has their job certificate as their basis of security.

- ☞ The current study has revealed that the majority of the people (34 percent) use the credit cards for the purpose of paying local bills and only a minimum of 8 percent use the credit cards for the purpose of withdrawing cash.
- ☞ From the opinion of the cardholders, it was confirmed that majority of the cardholders felt it was all right to borrow when the living expenses were cut.
- ☞ The analysis on benefits of the credit cards revealed that 50 per cent of the family members of the respondents held a card and majority of 22 percent possessed ICICI cards.

**b.Determinants of the possession of the credit card**

The estimated equation of the regression model is given below:

$$CC = 8630.4348 + 0.6918*Cy + 2672.4283 FS + 1.4100*TFE + (2.975) (1.175) (2.172) 4983.3469 DC - 687.8615 En (1.012) (-0.503)$$

$$R^2 = 0.5992$$

(Figures in the brackets indicating the “Z” value of the estimated parameters.)

\* Significant at 5 per cent level

The analyse of the section indicated that the cardholder’s income and the total family expenditure were the significant variables influencing the card capacity.

**c. Measuring the Relative Contribution of Chosen Factors towards the Expenditure of the Card Holder**

The result of the discriminate analysis revealed that the means of the two variables. i.e., cardholder’s income and the attitude of the cardholders towards the possession of the card of Group I and II were equal. The relative share of the variables namely the capacity of the card (X1) was 9.74 and the income of the card holders (X2) was 1.41.

**d. Factors Influencing the Attitude of the Cardholders Towards the Possession of the Credit Card**

$$Y = -1.928 + 0.00004712*X1 + 0.00000986 X2 + 0.050X3 (-0.59) (2.25) (0.86) +0.01789X4 - 1.0916*X5- 0.0001198X6 + 0.2304X7 (2.00) (0.99) (1.08)$$

-0.00008877X8 – 0.8988\*X9 (1.29) (2.04)  
The value given in the brackets are the 'z' values.

\*significant at 5 per cent level.

The results of the function showed that among the chosen explanatory variables the card holder's income (X1), the sex of the card holder (X5) and the occupation of the card holders (X9) contribute significantly to the attitude of the card holder towards the possession of the card.

The chi- square test was used to test the significance of association between the working and businessman revealed that there was no significant differences so far as the cards held by men and women in jobs and business.

### Conclusion

Non – requirement of deposits on the part of the banks influences heavily the decision to possess a credit card working people especially the salaried income group occupy the first position in owning a credit card. Moderate income and excessive expenditure complesthem to become aware of the existence of the cards for it could be useful during the period of emergency.

Future research could be done on (I) performance of credit card industry. (II) The

monetary role of credit cards and its impact on the present monetary system etc.

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## EMPLOYEE ENGAGEMENT AS TOOL FOR RETAINING THE TALENT IN IT COMPANIES-AN EMPIRICAL STUDY

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### Abstract

*Human resource executives in India continue to struggle with talent management issues, particularly retention. The quest to find the best way to retain employees has taken HR pundits through concepts such as employee review, employee satisfaction and employee delights. The latest idea is “Employee Engagement”, a concept that holds that, it is the degree to which an employee is emotionally bonded to his organization and passionate about his work. Engagement is about motivating employees to do their best. An engaged employee gives his company his hundred percent. The quality of output and competitive advantage of a company depends upon the quality of its people.*

**Keywords:** Retailing talent, Employee engagement, IT companies.

### Introduction

Human resource executives in India continue to struggle with talent management issues, particularly retention. The quest to find the best way to retain employees has taken HR pundits through concepts such as employee review, employee satisfaction and employee delights. The latest idea is “Employee Engagement”, a concept that holds that, it is the degree to which an employee is emotionally bonded to his organization and passionate about his work. Engagement is about motivating employees to do their best. An engaged employee gives his company his hundred percent. The quality of output and competitive advantage of a company depends upon the quality of its people.

Employee engagement is a powerful retention strategy. Employee engagement is a barometer that determines the association of a person with the organization. It is about creating the passion among associates to do things beyond what is expected from him. Employee Engagement starts right at the selection stage

- Choosing the right fit, giving a realistic job preview Strong induction and orientation programmed
- To keep up the morale of people and drive them towards excellent performance through recognition letters, profit sharing schemes, long performance awards etc.
- Regular feedback to all people

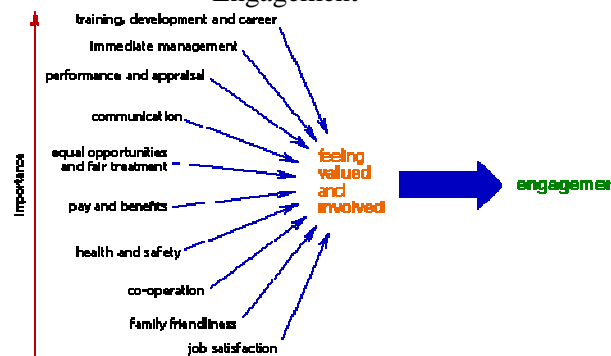
- Communication forums like the in-house magazine, and regular surveys and conferences
- By helping to maintain the quality of work-life and a balance between personal/professional lives, there are recreational activities like festivities, get-togethers, sports etc.
- An open and transparent culture to empower its people.

The result of these practices can be evident through the regular feedback from our employees collected through surveys.

**Factors Contributing Higher Employee Engagement**

- Understanding of corporate goals/mission
- Understanding of job and how it contributes to overall corporate goals
- Clear communication of goals, expectations, directions
- Job design
- Job fit
- Support and tools
- Independence & innovation
- Relationship with boss/direct reports
- Clear feedback on performance
- Recognition
- Learning and development opportunities
- Opportunities for advancement

**Measuring the Impact of Employee Engagement**



**Statement of the Problem**

Entire success of any organization depends on the Human resource. IT companies are in service industry, it is very important to take care of Human Resource. Companies are suffering major problems like High Attrition rate, Productivity, Global competition which affects the business as a whole. This sector though deals with the technical factors, people (i.e., machine and mind are considered to be different aspects.) and their contribution also has a major impact. Only if the employees are

satisfied they will give good result which will ultimately achieve the organization goals and maximize the profit of the organization. Utilizing the 6 M's of management needs Men (Human Resource) Money (Capital), Machine, Material (Resources), Method, Marketing. IT companies facing lot of Men related problems while engaging their employees. For engaging employees in their actual work place HR managers are facing difficulties and challenges. This study covers How HR managers are taking the challenges and overcome the difficulties during the day to day practice.

**Objectives of the study**

- To study the of employee engagement process of IT companies
- To understand engagement measure and the key drivers of employee engagement.
- To identify key result areas for intervention to enhance employee engagement.
- To provide valuable suggestions to improve employees engagement for retaining their key talented employees.

**Scope of the study**

The present study is an attempt to get the practical applications, methods and procedures of the employee engagement and understand their practical challenges and problems encountered in implementing employee engagement in real organization situation.

**Need and Importance of the study**

An organization's capacity to manage employee engagement is closely related to its ability to achieve high performance levels and superior business results. Engaged employees will stay with the company, be an advocate of the company and its products and services, and contribute to bottom line business success. Engaged employees also normally perform better and are more motivated. There is a significant link between employee engagement and profitability. Employee engagement is critical to any organization that seeks not only to retain valued employees, but also increase its level of performance. Most organizations today realize that a satisfied employee is not necessarily the best employee in terms of loyalty and productivity. It is only an Engaged employee who is intellectually and emotionally bound with the organization who feels passionate about its goals and is



committed towards its values thus he goes the extra mile beyond the basic job.

### Review of Related Literature

1. Men (2015), study was concerned with how employees engagement is associated with other outcome variable of employee - organization relationships and how it is driven by organizational contextual factors of authentic leadership and transparent communication. This study looked at both direct and indirect effects of authentic leadership and transparent communication on engagement. The study found out that engagement is positively influenced by quality employee – organizations relationships (i.e. employee trust, control, mutuality, commitment and satisfaction). It also found out that the effects of transparent communication and authentic leadership on engagement were mediated by employee – organization relationships and internal reputation.
2. Internal communication is an organization practice, which effectively conveys organizational values to all employees and thus, obtains their support in reaching organizational goals (Pandita and Bedarkar, 2014). Ologbo and Saudah (2011) note that employees need clarifications if they are to do their work well while Hakanen et.al. (2006) indicate that availability of information was positively related to engagement, as access to information increases the chances that the task at hand will be completed successfully and that work goals will be achieved. However a study by Men (2015) revealed that contrary to expectation, transparent communication did not directly and significantly influence engagement. Such effects were fully mediated by employee-organization relationships and internal reputation. Men (2015) concluded that, by nurturing quality employee- relationships, transparent communication indirectly drives employee engagement.
3. The study by Bakar (2013) and Men (2015) imply that apart from factors that directly influenced engagement there are also other factors that influence engagement indirectly and therefore need to conduct studies which consider also moderating/mediating effects
4. Bakar (2013) study focused on three concepts i.e. empowering leaders' behavior, high performance work practices and role of religiosity on engagement. One important aspect of this study was its multi level approach on studying engagement that is studying it at individual, organizational and societal levels. The study was also interested in finding the whether religiosity plays a moderating role between empowering leadership behavior and employee engagement. The study found out that empowering leader's behavior has the highest effect on employee engagement. High performance work practices were positively related to engagement and religiosity particularly among Muslims had positive effect on engagement. The study also found out that religiosity moderated the relationship between empowering leadership behavior and engagement. The findings also revealed that religiosity does not moderate the relationship between high performance work practices and employee engagement.
5. Pandita and Bedarkar (2014) notes that one of the toughest challenges facing Chief Executive officers (C.E.Os), Human Resources (HR) and business leaders of many organizations is to ensure that when their employees reports to work every day they not only do it physically but mentally and emotionally. This means that organization must ensure that their employees are engaged so that they are able to contribute positively towards achieving the organizational goals.
6. According to Ram and Prabhakar (2011), two variables that are likely to capture the essence of social support are perceived organization support and perceived supervisor support. Perceived organizational support (POS) refers to the employees' beliefs that an organization values their contributions and cares about their well-being (Rhoades' and Eisenberger, 2002). Kahn (1990) asserts that the amount of support and care employees' perceive to receive from organization influences their psychological safety, and enables them to employ their selves without fear of negative consequences.
7. Rhoades' et.al. (as cited in Ram and Prabhakar 2011), note that POS make

employees feel obligated to help organization reach its objectives. This feeling of having an obligation towards the organization leads to increased engagement. However, they suggests that in order for the organization to benefit from this feeling of obligation then the organization needs to establish a context in which this obligation becomes a favorable relationship with the organization

8. Several studies have confirmed that there is actually a relationship between employee engagement and organization performance. For example study by Tower, Perin, USA (2003, 2007) linked the same to customer impact and financial results, Harter, Schmidt and Hayes (2002) showed a link to productivity and profitability while a recent Kroth and Boverie (2013) noted that engaged employees are passionate about their work which results to excitement ,enthusiasm and productivity.
9. Meyer and Gagne' (2008), note that SDT helps to explain not only engagement but also the psychological states and behavioral reactions that can result in the absence of engagement. This is because people often react to loss of autonomy by rebelling against the source (Koestner and Losier, 1996). Meyer and Gagne' (2008) posit that for many years, SDT has been used to guide the measurement of engagement relevant variables e.g. need satisfaction, motivation states, psychological and behavioral outcomes. They assert that SDT can be readily applied in the development of measures of the various facets of engagement identified by Macey and Schneider (2004), (i.e. trait, state, behavior,) as well as other foci of engagement ( e.g. job, organization)
10. Employee engagement has become a heavily discussed topic in recent years. However, there is still ambiguity within the academic literature as to how employee engagement can be influenced by management. There has been significant interest in employee engagement, but this has been coupled with a good deal of misunderstanding. According to Kular et al (2008), this misunderstanding can be partly attributed to the fact that there is no definitive definition, resulting in engagement being

operationalised and subsequently measured in varying ways.

11. Social support refers to support employee get from colleagues and supervisors. Social support from colleagues and supervisors has been found to have a positive association with engagement (Ologbo and Saudah, 2007, Schaufeli and Salonova, 2007). It has also been found that supportive colleagues and proper feedback from supervisors increases the likelihood of being successful in achieving work goals (Bakker and Demerouti, as cited in Sakovska, (2012). Schaufeli and Bakker (2004) assert that social support satisfies employees' need to belong
12. As a result of the immense impact employee engagement had on Sears, HR consultancy firms began to work with organisations to develop metrics in order to quantify employee attitudes and behaviours and there resulting impact on customer satisfaction and organisational performance. According to Jim Crawly, a principle at HR research and consultancy company Towers Perrin, "while previously anyone would intuitively have said there is a link between people being well disposed towards an organisation and the likelihood of that organisation being successful, now there is evidence to prove it" (De Vita, 2007).
13. Saks (2006) therefore suggests that one way for individuals to repay the organization is through engagement. That is employees' engagement levels will depend the resources they receive from the organization. Schaufeli (2006) posit that when the organization fails to provide these resources, individuals are more likely to withdraw and disengage themselves from their roles, which eventually might result in burn out.

#### **Methodology of the study**

Research in common parlance refers to a search for knowledge. Research can be defined as scientific and systematic search for pertinent information on a specific topic. It can also be defined as scientific investigation or a careful investigation, enquire specially through search for the new facts in any branch of knowledge or a voyage of discovery.

#### **Research Design**

Descriptive research was conducted to collect data. Descriptive research includes survey and fact enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present.

**Data Sources**

The study used both primary and secondary data.

**Primary Data**

For the purpose of study, the researcher prepared a structures and protested questionnaire which was administered to the cross section of supervisors and IT Companies. The researcher conducted informal interviews with the employees to know the facts.

**Secondary Data**

The researcher collected the information about the topic and concept about the topic from books written by management journals and magazines related to management.

**Methods of Data Collection**

The data was collected through questionnaires

**Sampling Design**

Sample is the representative of the whole universe or population. Here the universe constitutes employees and the Sample is drawn through stratified Sampling Method where only possible to collected data from employee are considered.

**Sampling Method - Simple Random Sampling** – The population size is known specific numbers. Part of the employees is included in the data collection process. So Simple random sampling method is adopted to collect the data from the respondents.

**Statistical tools to be used for analyzing the data**

- Percentage analysis
- Chi-square analysis
- ANOVA

**Designation of the Respondents**

Designation	F	%
Manager	22	22
Supervisor	36	36
Software developer	22	22
Designer	20	20
Total	100	100

Opportu	Purpose	Tot
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nity	Achieved	Not achieved	Someti mes	al
Utilised	10	14	12	36
Not utilised	9	17	13	39
Someti mes	6	13	6	25
Total	25	44	31	100

**Chi-Square analysis**

**Cross Table on Opportunity Vs Purpose of Organisation goal**

**Chi-Square Tests Table**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.285 <sup>a</sup>	4	.864
Likelihood Ratio	1.301	4	.861
Linear-by-Linear Association	.053	1	.817
N of Valid Cases	100		

**Inference**

The above Chi-Square test table shows that Significance value 0.864 is greater than P=0.05 value. So Ho is accepted there is no relationship between opportunity and purpose of Organisation goal.

**Results and Discussion**

Most of the employees are belongs to less than 30 years age group, they are married, operations, supervisor and manager cadre, they have utilize the opportunity to do work learn and grow, get sufficient opportunities to improve skills, they are continuously updated on the developments taking place in the organization, they got proper platform to execute ideas, they satisfy with level of trust on team, they get regular feedback from superiors for improving performance and received recognition/praise for doing good work. Majority of the respondents are not encouraged to learn mistakes, don't have confidence in the senior managers, they are looking better opportunity, their supervisors provides feedback and guidance, they are satisfied with their present job assigned, understand the mission and purpose of their company, they are getting competitive salary package, the company take care of employees safety and welfare, they cooperate and coordinate each other department in their company, they are utilising their full potential. From the Chi-Square result, it is observed that the employees do not make use the

opportunity on the basis of purpose on employment. From the ANOVA result, it is observed that the employees are engaged into their organisational work based on competitiveness and their job satisfaction.

The respondents' satisfaction level and competitiveness both are similar responses.

#### Suggestions

- The 'suggestion box' programs can be sophisticatedly changed to 'employee involvement association' (EIA) because it is the keystone of organizational development, nurturing the engagement & empowerment of people.
- Employees have diverse needs so this diversity requires flexible and individually directed support. The priority must be to offer a customizable program that can be tailored to the specific needs of each individual.
- Benefit plans like cash balance plan which is a defined contribution plan specify the amount of contribution made by the employer towards an employees retirement account can be implemented.
- Health savings plan, HSAs paired with high deductible health plans, HDHPs help employers cope with rising health care premiums can be implemented.
- Incentive awards must be designed to reward employees' ideas, suggestions and solutions that results in cost savings and generate revenue.
- Cash awards or gift certificates can be awarded as per the policy and procedures governing recognition/incentive programs.  
\* Examples of behavior to recognize-customer service, team support/team building, quality control, leadership, problem solving etc.
- Awards may be in the form of a gift card with a monetary value.

- Rewards and recognition should be fair, transparent, inclusive, timely and varied.
- The form of recognition should be appropriate to the contribution that was made.

#### Endnote

From the findings it is observed that Organization except few Employees who are not Engaged and few who are nearly engaged and can be changed to an Engaged Employee by their supervisors by proper planning. Employee Engagement is the buzz word term for employee communication. It is a positive attitude held by the employees towards the organization and its values. It is rapidly gaining popularity, use and importance in the workplace & impacts organizations in many ways. Employee engagement emphasizes the importance of employee communication on the success of a business. An organization should thus recognize employees, more than any other variable, as powerful contributors to a company's competitive position. Therefore employee engagement should be a continuous process of learning, improvement, measurement and action. It would be concluded that raising and maintaining employee engagement lies in the hands of an organization and requires a perfect blend of time, effort, commitment and investment to craft a successful endeavor.

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## ROLE OF SELF HELP GROUPS IN PROMOTING WOMEN EMPOWERMENT WITH SPECIAL REFERENCE TO ERODE CITY

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### *Abstract*

*A Self Help Group (SHG) is defined as a voluntary group valuing personal interaction and mutual aid as a means of altering or ameliorating problems perceived as alterable, pressing and personal by most of its participants. These are small economically homogenous and affinity groups of rural / urban poor, voluntarily formed to save and contribute to a common fund to be lent to its members as per the group's decision and for working together for social and economic upliftment of their families and community. SHGs are concerned with development of poor in all respects along with a sound knowledge about their rights and duties which enhance their level of empowerment. The present article made an attempt to assess the role of self-help groups in promoting women empowerment with special reference to Erode city.*

**Keywords:** *Self-help groups, Women promotion schemes, Women empowerment.*

### **Introduction**

In the modern economy, eradication of poverty is a major concern of rural development strategies in the developing countries like India. Experiences in implementing a wide range of rural development programmes in the country suggest that the incidence of poverty cannot be brought down through wage employment programmes alone. Creation of viable and sustainable self-employment through micro-finance should be complementary to this strategy. Experiences in different geographical parts of India and across the globe have demonstrated that free association of the poor

themselves into Self Help Groups (SHGs) and entrusting the schemes directly to these groups are the best ways to implement the local antipoverty programmes. SHGs are increasingly accepted as agents of social change, development, and empowerment of the weaker sections. SHGs' approach represents a paradigm shift from development towards human empowerment. The SHGs are considered as the agents of government transformation through the mobilization, and the poor organization, banking institutions, and voluntary organizations follow self-help approach to achieve rural development and empowerment of the weaker sections in

society. The self-employment programmes were already transformed into one that of SHGs based. The banking institutions channelize their credit to poor through the SHGs.

Nowadays, there are a number of NGOs organizing SHGs with or without the Government support all over the country. The voluntary, autonomous, self-functioning SHGs are motivated by these external institutions to engage in 'Micro Credit or Micro Finance' operations and income generating micro enterprises.

The policy shift towards human resource empowerment and self-help group centered development needs to be justified and established with strong evidence of success of SHGs' approach in achieving the goals of empowerment and development of people.

Self-Help group, in its present form of development orientation, owes its origin to Grameen Bank founded by 'Mohamed Yunus' of Bangladesh. The experience of Bangladesh has proved the banking wisdom that helps in the women and poor people to improve their condition is the sure way to overcome the problem of poverty. An excellent recovery performance of 99 per cent has been recorded. This has been due to the practice of mutual trust and accountability in the group lending activities. The origin of SHGs may be claimed as the "Brain Child" of Grameen Bank concept in its miniature form in India. And the credit of spreading the concepts of SHGs among the people in India goes to NGOs and NGDOs. The National Bank for Agriculture and Rural Development (NABARD) in India has taken interest to translate the benefits derived from Bangladesh model to develop the poor through SHG Bank financing with the active co-operation of Non Government Organizations. It has announced certain incentives for banking institutions financing SHGs and Self-Help Promoting Institutions (SHPIs) and assisting the NGOs for training in SHG financing.

It is from the mid eighties, the government has also realized that the development programmes aimed at individuals have not succeeded in many areas. As a result, through providing training for self-employment, it has started stressing the group activities for better results. Impressed by the encouraging results, the government, in 2000, has come up with a novel scheme called

'SwarnaJayanthi Gram SwarozgarYojana' under which financial assistance will be provided only to groups which are willing to take up economic and production activities. Therefore, both the government and the non-government organizations are currently encouraging the Self-Help Groups to take up economic activities. The banks have been financing the Self-Help Groups, which take up production and trade activities.

#### **Statement of the Problem**

The concept of SHGs is introduced by NABARD in association with NGOs for the development of the poor. The SHGs are increasingly accepted as the agents of social change, development and empowerment among the weaker sections of the society. Since then, there has been curious interest among the researchers to analyse the problems and prospects of SHGs in various aspects. On the other hand, some of the evaluation studies on SHGs have dealt with the structure and composition of SHGs, operation of microcredit and microenterprise under SHGs etc. However such studies have not interrelated with the role of SHGs with their structure and dynamics. They have not enquired into the development and empowerment, either. Against this background, the present article aims at filling these research gaps through conceptualize women empowerment in a holistic way and suggest policy measure for the development of SHGs.

#### **Objectives of the Study**

1. To assess the financial, social and political empowerment of women SHG members in the study area.
2. To suggest better ways and means to improve the performance of the groups and develop the empowerment of its members.

#### **Methodology**

In this study, it is planned to use Descriptive Research Design and studies concerned with specific predictions, with narration of facts. Simple Random Sampling Technique is used to select the sample respondents. A well-structured questionnaire is distributed among 100 members from selected SHGs in Erode City. The primary data collected have been processed manually and analysed using statistical methods like percentages analysis and Analysis of Variance.

#### **Reviews**

KavitaSiradhna (2007) in her thesis

entitled, "Self Help Group and Women Empowerment-A case Study of Swa-Shakti Project", addresses women empowerment through Self Help Group in the rural setting. It is believed that as women affinity groups SHG by mobilizing women around thrift and credit activities have resulted in increasing women's economic self-reliance thereby resulting in women's increasingly greater control over other spheres of life. The SHG has being increasingly viewed as an instrument of women's empowerment and incorporated as a key programmatic strategy in various women development initiative. In order to understand how SHG empowers women a case study of Swa-Shakti Project a joint initiative of International Fund for Agricultural Development (IFAD), International Development Association (IDA) and Govt. of India initiative on women empowerment relying on the SHG model was conducted.

Tracey et al., (2006) examined the empowerment of women by addressing two dimensions: economic empowerment and personal empowerment. One hundred women, aged between 16 and 65 years, participating in self-help groups from two rural Indian villages in North-West India took part in the study. Both quantitative and qualitative data were gathered through self-report surveys and interviews, with the analysis yielding contradictory findings. The quantitative data found that working women reported moderate to high levels on collective efficacy, proactive attitude, self-esteem and self-efficacy with no significant reporting of psychological distress. In contrast, examination of the qualitative data revealed positive appraisals of self-worth, purpose and independence and negative appraisals of pressure, challenge and stress. The implications of these findings and the importance of this study are discussed.

Saravanan (2016) examines the role of SHG in developing socio economic status of rural women. His study was primarily based on secondary sources of data and focus on Tamil Nadu self-help group's impact and movement. Secondary data were collected from Tamil Nadu Corporation for Development of Women (TNCDW) Annual reports. His study concludes that the microfinance is playing a significant role in alleviate poverty and rural development. Since women are the sole family caretaker, proper emphasis should be given to the rural women

and for empowering the rural women finance is required. Microfinance to the rural SHGs is a way to raise the income level and improve the living standards and economic independence of the rural women. The impact on their lives is not just an economic one-gaining more self-confidence is often a more lasting achievement that forms the basis for social and economic improvements.

Velmurugan et al., (2013) addresses women empowerment through self help groups in Perambalur district of Tamilnadu. The information required for the study has been collected from both the primary and secondary sources. Garret ranking technique was used to find the reasons for joining the Self help group. Factor analysis was used to determine the relationship between the observed variables. The results of the study revealed that the SHGs have had greater impact on both economic and social aspects of the beneficiaries.

Debadutta Kumar Panda (2010) in his article titled, "Assessing the Impact of Participation in Women Self-help Group-based Microfinance Non-experimental Evidences from Rural Households in India", a quasi-experimental design was made under which the target group was compared with a selected control group across a set of household variables like income, assets positions, savings, consumption, employment, literacy and migration. A multistage random sampling was used to select 150 cross-sectional samples from Orissa, Jharkhand and Chhattisgarh states of India. Descriptive statistics, test of significance by z-statistics and probit model under econometrics were used to measure the impact of participation in the self-help group-based microfinance. The distribution of household income and assets was measured by Gini coefficient and Lorenz curve. The 'household' was taken as the unit of analysis. The study concluded with the positive impact on the increase in income, assets position, savings and literacy and in the reduction of migration of rural households. Weak evidence of significant impact of the group-based microfinance on the distribution of household income and assets was found. The participation of women in the self-help group was strongly determined by household income, employment, migration, saving and literacy positions.

Sasi Kumar (2009) divulged that Self Help Groups in Tamil Nadu are concerned with development of women in all respects along with a sound knowledge about their rights and duties. Women in the state are to be given more exposure in social economical, political, educational and technical aspects. The literacy rates and labour earnings of women are generally lacking behind men. Self Help Group operations in Tamil Nadu play a vital role in the economic scenario paves a way for the overall upliftment of women in India.

PurusottamNayak and BidishaMahanta (2008) in their article entitled, “women Empowerment in India” have attempted to analyze the status of women empowerment in India using various indicators based on data from secondary sources. The study reveals that women of India are relatively disempowered and they enjoy somewhat lower status than that of men in spite of many efforts undertaken by government. Gender gap exists regarding access to education and employment. Household decision making power and freedom of movement of women vary considerably with their age, education and employment status. It is found that acceptance of unequal gender norms by women are still prevailing in the society. More than half of the women believe wife beating to be justified for one reason or the other. Fewer women have final say on how to spend their earnings. Control over cash earnings increase with age, education and with place of residence. Women’s exposure to media is also less relative to men. Rural women are more prone to domestic violence than that of urban women. A large gender gap exists in political participation too. The study concludes by an observation that access to education and employment are only the enabling factors to empowerment, achievement towards the goal, depends largely on the attitude of the people towards gender equality.

**Analysis and Interpretation**

In this section, an attempt has been made to identify the socio-economic background of the respondents and its influence on SHG members empowerment in the study area

**SHGs & Empowerment**

Factors	F Value	Sig.
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<b>SHG &amp; Social Empowerment</b>		
Size of the family	12.036	*
Annual income	0.908	NS
Annual savings	2.548	NS
<b>SHGs &amp; Economic Empowerment</b>		
Size of the family	11.412	*
Annual income	6.372	NS
Annual savings	24.668	*
<b>SHGs &amp; Political Empowerment</b>		
Size of the family	3.640	NS
Annual income	2.348	NS
Annual savings	1.676	NS
<b>SHGs &amp; Educational Empowerment</b>		
Size of the family	10.792	*
Annual income	14.740	*
Annual savings	0.521	NS
<b>SHGs &amp; Psychological Empowerment</b>		
Size of the family	13.154	*
Annual income	12.215	*
Annual savings	1.904	NS

It is explained from the above table that the factor ‘Size of the family’ has significance difference among the SHG members’ opinion towards social, economical, educational and psychological empowerment. Annual income has significant difference between educational and psychological empowerment. Annual saving has impact on only economic empowerment of the SHG members. However, none of the above factors have significance difference among political empowerment of SHG members.

**Hypothesis :**There is a positive impact of selected independent variables of the SHG members on their Level of Empowerment.

**Results of Goodness of Fit**

Indices	Recommended Value	Model Value
X <sup>2</sup> P	>0.05	0.021
GFI	>0.90	0.957
AGFI	>0.90	0.913
NFI	>0.90	0.966



TLI	>0.90	0.946
CFI	>0.95	0.954
RMSEA	<0.05	0.036
RMR	<0.05	0.024

The above table depicts the values of different goodness of fit indices. The values in respect of  $\chi^2$  P value is 0.021, GFI is 0.957, AGFI is 0.913, NFI is .966, TLI is 0.946, CFI is 0.954, RMESA is 0.036 and RMR is 0.024.

These values revealing the results in respect of validity of the proposed model fall well within the generally accepted limits. This confirms that the available data set aptly fits into the proposed structural model. Thus the null hypothesis is rejected and yielded a good model fit which proves that there is an impact of select variables on empowerment level of SHG members in the study area.

**BOOTSTRAPPING**

Paths			Estimates	SE	Mean	't' Value	Result
LE	←	Age	.266	.012	.668	17.167	H <sub>1</sub> Accepted
LE	←	Gender	.226	.022	.715	17.367	H <sub>1</sub> Accepted
LE	←	Marital status	.274	.035	.879	17.032	H <sub>1</sub> Accepted
LE	←	Religion	.148	.025	.710	17.064	H <sub>1</sub> Accepted
LE	←	Caste	.227	.036	.730	18.283	H <sub>1</sub> Accepted
LE	←	Education	.221	.033	.671	18.188	H <sub>1</sub> Accepted
LE	←	Occupation	.257	.040	.702	18.279	H <sub>1</sub> Accepted
LE	←	Family Type	.181	.021	.925	16.547	H <sub>1</sub> Accepted
LE	←	Family Size	.877	.060	.837	18.217	H <sub>1</sub> Accepted
LE	←	Family Annual Income	.281	.036	.639	18.713	H <sub>1</sub> Accepted
LE	←	Respondents Annual Income	.086	.025	.521	17.872	H <sub>1</sub> Accepted
LE	←	Debt	.190	.031	.665	18.042	H <sub>1</sub> Accepted

From the path diagram, measured variables with latent variable of impact of level of empowerment is having positive relationship and also significant at 1 percent level. The analysis of the model, from the viewpoint of the antecedent of impact of level of empowerment, suggests that all the measured variables are significantly associated on the empowerment of self help group members.

**Findings**

- ❖ Majority of the respondents belong to below 30 years of age category.
- ❖ Maximum of the respondents are married.
- ❖ Most of the respondents are Hindus.
- ❖ Majority of the respondents belong to ST category.
- ❖ Most of the respondents are educated till school level.
- ❖ Maximum of the respondents are Coolies.
- ❖ Most of the respondents have nuclear type of family.
- ❖ Majority of the respondents have 4 to 5 members in their family.
- ❖ Majority of the respondents are saving below Rs.10000 in a year.

- ❖ Most of the respondent's have above Rs.20000 debt in their life.
- ❖ Most of the respondent's group established above 5 years period.
- ❖ Majority of the respondent's SHGs have above 15 members.
- ❖ Majority of the SHG respondents are introduced by existing SHG members.
- ❖ Majority of the respondents had faced the problem of extreme poverty before joining in SHG.
- ❖ Size of the family has significance difference among the SHG members' opinion towards social, economical, educational and psychological empowerment. Annual income has significant difference between educational and psychological empowerment. Annual saving has impact on only economic empowerment of the SHG members. However, none of the above factors have significance difference among political empowerment of SHG members.
- ❖ From the path diagram, measured variables with latent variable of impact of level of empowerment is having positive relationship and also significant at 1

percent level. The analysis of the model, from the viewpoint of the antecedent of impact of level of empowerment, suggests that all the measured variables are significantly associated on the empowerment of self help group members.

#### Recommendations

1. Regional variation might be removed by identifying the constituent regions on the basis of their level of development so that effective implementation of schemes and programmes in an impartial manner is possible.
2. As the improvement in human resource empowerment for a positive change in socio-economic levels, the prevailing disparities in terms of blocks, community and literacy levels among the SHG members could be avoided.
3. The poor people, irrespective of their heterogeneity in their socio economic status, could be attracted towards active involvement in SHGs by enlightening the significance of SHGs.
4. As literacy and mobility of SHGs are highly correlated, a universal project to develop their literacy could be adopted.

#### Summary

The involvements in the SHGs have brought about economic and social changes among the women in Erode City. A large number of the members have reported that their family status have increased by becoming a member of their respective SHGs. The income level of the SHG members has raised and this has uplifted their social status in their area and in the society. Since SHGs, help women to attain and enhance their empowerment and this policy measures will contribute a lot to the society.

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## **AWARENESS ON LABOUR WELFARE AND SOCIAL SECURITY MEASURES AMONG UNORGANIZED SECTOR EMPLOYEES WITH SPECIAL REFERENCE TO SALEM DISTRICT**

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### *Abstract*

*The unorganized sector in India comprises roughly of 92 percent of the population in the working age group. Out of the 376 million workers in 2011, only 8 percent were in the organized sector, and had access to statutory social security benefits. The remaining workforce had been socially excluded and suffered from persistent deprivation associated with general low standards of living and social insecurity. In these circumstances, Indian government takes necessary steps to improve the livelihood of unorganized sector employees through welfare funds. The sustainability of the welfare fund is crucially dependent on the state of its receipts and disbursements. This article made an attempt to assess the awareness level and its association with socio-economic background of the unorganized sector employees in Salem district. For this purpose 210 samples were collected from 14 welfare boards using judgmental sampling method. Descriptive statistics tools for analysis the results of research were used like frequency count and simple percentage used and Multiple Regression Analysis was used to assess the association between Independent and Dependant variables. Findings of the study shows that the level of awareness towards facilities offered by the Labour Welfare Boards is positively associated with employees' Age, type of residence, family size, period of working and years of availing labour welfare assistance.*

**Keywords:** Labour welfare, Social security, Employees, Unorganized sector.

### **Introduction**

The term 'unorganised labour' has been defined as those workers who have not been able to organise themselves in pursuit of their common interests due to certain constraints like casual nature of employment, ignorance and illiteracy, small and scattered size of establishments, etc. As per the survey

carried out by the National Sample Survey Organisation in the year 2011, the total employment in both organized and unorganised sector in the country was of the order of 61.2 crore. Out of this, about 6.5 crore were in the organised sector and the balance 54.7 crore in the unorganised sector. Out of 54.7 crore workers in the unorganised sector

34.6 croreworkers were employed in agriculture sector, 4.6 crore in construction, 9.7 in manufacturing activities and 5.8 crore each in trade and transport, communication & services. The workers in unorganised sector fall in various categories but a large number of them are home based workers which are engaged in occupations like beedi rolling, agarbatti making, papad making, tailoring, jary and embroidery work.

The unorganised sector workers suffer from cycles of excessive seasonality of employment, no formal employer employee relationship and lack of social security protection. Several legislations like the Workmen's Compensation Act, 1923; the Minimum Wages Act, 1948; and the Maternity Benefit Act, 1961; the Contract Labour (Abolition and Prohibition) Act, 1970 the Building and Other Construction Workers (RECS) Act, 1996; the Building and Other Construction Workers Welfare Cess Act, 1996 etc. are directly or indirectly applicable to the workers in the unorganised sector also.

#### **Statement of the Problem**

The unorganized sector in India comprises roughly of 92 per cent of the population in the working age group. Out of the 376 million workers in 2011, only 8 per cent were in the organized sector, and had access to statutory social security benefits. The remaining workforce had been socially excluded and suffered from persistent deprivation associated with general low standards of living and social insecurity. The unorganized sector makes a significant contribution to the national wealth; yet, workers in this sector do not have access to sufficient and reliable social security. Although the unorganized workers have some access to risk-management mechanisms such as micro-finance, their access to statutory benefits like health care, old age pension, Educational Assistance, Maternity Assistance, Accidental benefits, Purchase of Spectacles have been quite poor. These workers adopt informal strategies such as borrowings, sale of assets, etc, which are very expensive and their continued dependence on such strategies only renders them more vulnerable.

The governments at the central and state levels have found it challenging to formulate social security schemes for unorganized workers for the following reasons: A large proportion of these workers

are poor, illiterate, vulnerable and isolated. A vast majority of them do not have fixed employer and employee relationship. The unorganized sector work is usually temporary, seasonal and changing in nature, and many occupations within this sector are home-based. Notwithstanding the attempts of the government to provide social security in the form of pensions and other benefits, the problems of minuscule coverage and paltry amounts of benefits were often noticed. The workers in certain occupations in Salem, who were initially benefiting from statutory provisions such as minimum wages, ESI provident fund chose to become 'unorganized' by way of withdrawing accumulated provident fund to meet the life-cycle needs. This article is a modest attempt to address these questions with the objectives of analyzing the awareness level of unorganized sector workers towards the existing labour welfares and social security schemes.

#### **Objectives of the Study**

- ❖ To analyse the awareness level of unorganized sector employees towards the labour welfare and social security schemes.
- ❖ To observe the relationship between the socio-economic profile of the employees and their level of awareness.

#### **Review of Literature**

Norman V. Loayza (1996) in his research study on "The Economics of the informal sector: analysed the simple model and some empirical evidence from Latin America". The paper presents the view that the informal economy arises when excessive taxes and regulations are imposed by governments that lack the capability to enforce compliance.

WanjauWaKabeche (1998) in his study on "Technological capability of the micro-enterprises in Kenya's Informal sector" stated that the informal sector has been praised for its innovative capability and the use of this capability in providing people with goods and services. Despite this innovative effort, many micro-enterprises do not grow into small or medium enterprises. This article examines the technological capability of Kenya's informal sector, its present state and the factors behind it. It concludes that while innovative capability exists, its extent is low and requires investment in terms of know-how and development of appropriate tools and machinery.

K.P.Kannan (2002) examined the "Welfare Funds for informal sector workers in the State of Kerala in India. The Kerala experience" which examined the evolution of the institution of 'Welfare Funds' for informal sector workers in the State of Kerala in India. The Kerala experience, which is now thirty years old, reflects what the workers in the informal sector could achieve in countries like India given the contemporary political context and the democratic political framework of the State. But it required sustained collective action on the part of the workers. The paper finds that while the Welfare Fund Model of collective care arrangements for the informal sector workers in Kerala showed considerable innovation in its design and organisation, its functioning is embedded in the bureaucratic system giving rise to a number of problems. Even then the Model offers a minimum of social security to the informal sector workers who are unprotected. Therefore the question of replicating this Model with suitable modifications to other States in India as well as to other countries, where there are no social security arrangements for informal sector workers, is worth pursuing.

#### **Research Methodology**

Considers the research method, the logic behind the research method, sampling technique, research design, data collection technique, analytical tool, means why the particular method is used by researcher or why the researcher is not using other method, so that the research result are capable of being evaluated by the researchers.

#### **Research Design**

The present study is **Descriptive in nature**. The study will be based on primary data. The Universe of this study is the employees working under unorganised sectors in Salem district of Tamil Nadu State.

#### **Sampling**

The basic idea of sampling is that by selecting some of the elements in a population, researcher may draw a conclusion about the entire population. Population means the total collection of elements about which researcher wishes to make some inference. The sample selected should be as representative of the total population as possible in order to produce a miniature cross-section. The selection process is known as sampling technique and the survey so conducted for selecting sample is known as sample survey. In present research study the

respondents were selected on non-probability basis with the help of Judgmental Sampling Technique, elements for the sample will be on the basis of judgment of researcher. While choosing the sample the researcher focused naturally on those elements which were readily available, nearby, easy to reach, willing to participate. For this purpose, a sufficient amount of sample from construction and manual workers, accounting for a large proportion of unorganized workers in both urban and rural areas in Salem District, was drawn.

#### **Sample Size**

The number of respondents used in present study as follow – Total 14 welfare boards (namely 1. Tamilnadu manual workers Welfare board, 2. Tamil Nadu Auto Rickshaw / Taxi Drivers Welfare Board, 3. Tamil Nadu Watermen Welfare Board, 4. Tamil Nadu Hair Dressers Welfare Board, 5. Tamil Nadu Tailoring Workers Welfare Board, 6. Tamil Nadu Handicraft Workers Welfare Board, 7. Tamil Nadu Palm Tree Workers Welfare Board, 8. Tamil Nadu Handlooms and Handlooms Silk Weaving Workers Welfare Board, 9. Tamil Nadu Footwear and Leather Goods manufactory and Tannery Workers Welfare Board, 10. Tamil Nadu Artists Welfare Board, 11. Tamil Nadu Goldsmiths Welfare Board, 12. Tamil Nadu Pottery Workers Welfare Board, 13. Tamil Nadu Domestic Workers Welfare Board and 14. Tamil Nadu Construction Workers Welfare Board) were selected and in each welfare board 15 benefitted employees were chosen. A total number of 210 employees were listed and interviewed with a well-structured questionnaire for primary data.

#### **Data Collection**

Evidence are needed and gathered for verifying hypothesis. Thus data is required by the researcher to give conclusions. Data is the fact presented to the researcher from the study's environment. Primary data provides a first-hand account of the situation. Primary data is the only way of finding out opinions and attitudes. In present research study structured questionnaire was used by researcher for collecting primary data from unorganized sector employees. The questionnaire included two main sections. Section (A) related to demographic variables and section (B) was related to the awareness of the employees towards labour welfare and

social security schemes. Five point Likert scale was used for rating the responses of section B. i.e. Strongly Agree (SA), Agree (A), Undecided (U) Disagree (D), and strongly Disagree (SD).

#### Statistical Tools Used

Out of 210 questionnaires only 200 were used for research analysis because few questionnaires were incomplete and delayed in response. Descriptive statistics tools for analysis the results of research were used like frequency count and simple percentage used and Multiple Regression Analysis was used to assess the association between Independent and Dependant variables.

#### Demographic composition of sample population

Particular	Frequency	Percentage
<b>Gender</b>		
Male	147	73.5
Female	53	26.5
<b>Age</b>		
18-25	78	35.5
25-35	71	39
35-45	29	14.5
45 above	22	11
<b>Educational Qualification</b>		
Illiterate	73	36.5
Primary education	59	29.5
Secondary education	42	21
Higher secondary education	26	13
<b>Monthly Income</b>		
Upto Rs.5000	84	42
Rs.5001-10000	68	34
Rs.10001-15000	25	12.5
Above Rs.15000	23	11.5
<b>Type of Residence</b>		
Leased	15	7.5
Owned	82	41
Rented	103	51.5
<b>Family Size</b>		
Below 3 members	66	33
3-4 members	67	33.5
5-6 members	40	20
Above 6 members	27	13.5
<b>Period of working</b>		
Below 3 years	69	34.5
3-5 years	63	31.5
5-10 years	27	13.5
Above 10 years	41	20.5

<b>Years of Availing Labour Welfare Assistance</b>		
1 year	46	23
2 years	65	32.5
3 years	33	16.5
Above 3 Years	56	28

The demographic composition of sample population was as shown in table no.1. It can be seen from the table 73.5% of the population was male respondents and only 26.5 was female respondents. 35.5% of the respondents are from the age group of 18-25, 39.0% of the respondents are from 25-35 years age group, 14.5% of the respondents are from 35-45 years age group while only 11% of the respondents are from above 45 years age group. On the basis of educational qualification 36.5% of the sample population are illiterate, 29.5% are completed their primary education, 21% of the respondents are educated upto secondary level and only 13% of the respondents are completed their higher secondary education. 42% of the respondents are earning upto Rs.5000 per month, 34% of the respondents are earning Rs.5001-1000 per month, Rs.1001-15000 was earned by 12.5% of the respondents and only 11.5% of the respondents are earning above Rs.15000 per month. Most (51.5%) of the respondents are living in rented houses while 41% of the respondents are reside in owned houses and only 7.5% of the respondents are living in leased houses. 33% of the respondents are having below 3 members in their family, while 33.5% are having 3-4 members, 20% are having 5-6 members and 13.5% of the respondents are having above 6 members in their family. 34.5% of the respondents are working as unorganized employee for below 3 years, 31.5% of the respondents are working 3-5 years, 13.5% of the respondents are working 5-10 years and 20.5% of the respondents are working in unorganized sector for more than 10 years.

23% of the respondents are availing labour welfare assistance for 1 year, 32.5% of the respondents are availed 2 years, 16.5% of the respondents are availed 3 years and 28% of the respondents are availed above 3 years.

In the following analysis, the relationship between the level of awareness among the Unorganizedsector employees and eight independent factors was studied. It was found that out of eight, five factors were

closely associated with the level of awareness towards the services offered by the Labour

Welfare Board by the selected sample respondents.

#### Multiple Regression analysis

Sl. No.	Variables	Unstandardized coefficients		Standardized coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	1.592	0.237			
1	Gender	-0.006	0.066	-0.003	-0.096	NS
2	Age	0.132	0.037	0.120	3.576	1%
3	Educational Qualification	-0.096	0.034	-0.104	-2.787	1%
4	Monthly Income	-0.009	0.055	-0.006	-0.158	NS
5	Type of Residence	0.223	0.040	0.188	5.528	1%
6	Family Size	0.145	0.059	0.079	2.435	5%
7	Period of working	0.157	0.029	0.177	5.468	1%
8.	Years of Availing Labour Welfare Assistance	0.150	0.042	0.111	3.619	1%

R-Value	R <sup>2</sup> -Value	Degree of freedom – V <sub>1</sub>	Degree of freedom – V <sub>2</sub>	F Value	Significance
0.912	0.832	8	197	649.7	1% Level

The multiple linear regression coefficient (dependent variable) is found to be statistically a good fit as R<sup>2</sup> is 0.832. It shows that independent variables contributes about 83.2 per cent of the variation in the level of satisfaction enjoyed by the selected sample respondents and this is statistically significant at 1% level and 5% level respectively. Table no.2 indicates that the co-efficient of Age, type of residence, family size, period of working and year of availing labour welfare assistance are positively associated with the level of awareness.

On the other hand, the co-efficient of educational qualification is negatively associated. Further, it indicates that the contribution of Age, Educational qualification, type of residence, family size, period of working and years of availing labour welfare assistance are statistically significant implying that their influence on level of awareness is stronger than the other variables.

#### Findings

From the above analyses the following observation could be made. The level of awareness towards facilities offered by the Labour Welfare Boards is positively associated with employees' Age, type of residence, family size, period of working and years of availing labour welfare assistance.

Further educational qualification of the respondents is negatively associated with their level of awareness towards labour welfare board services while Gender and

monthly income are not associated with their level of awareness.

#### Suggestions

- ❖ Awareness programs should be conducted within frequent intervals to ensure the awareness of government schemes to reach unorganized employees especially illiterate workers.
- ❖ There is need to provide adequate funding to the unorganised workers social security fund so that the social security schemes can be implemented to all the unorganized sectors.
- ❖ To extend social protection to all workers in the informal sectors as well as for migrant workers.
- ❖ To take appropriate measures on "Jobless Recovery" and "Unequal Development" in order to curtail the number of working poor.
- ❖ The adequate steps to be taken for investment in education, health care in rural area for welfare of the unorganized workers.

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## INVESTMENT DIVERSIFICATION FACTORS AMONG INVESTORS

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### Abstract

*Diversifying is that reduce the risk that local financial markets will suffer an extended bear market. While global investing includes some additional risks, such as currency fluctuations and political uncertainty, diversifying globally can help offset overall portfolio volatility. Indian retail investors invest in different funds and think that it is diversification of portfolio but that is completely wrong. Diversification of investment means investing in different asset class to negate the fluctuation in any particular investment vehicle.*

**Keywords:** Investment, Diversification, Investment factors, Investors.

### Introduction

One of the key issues in diversification of investments is the measurement of portfolio gain or losses. Is there a positive diversification value as a result of investment?

A simple understanding of a positive diversification value is that an investment in any source will lead to higher return and lower risk of portfolios of funds which assumes low volatility and stable currency risk.

A positive diversification value is also true if such investment leads to either higher return at the same level of risk or the same return at a lower level of risk.

Diversification of investment has gained credence among institutional portfolio managers in developed countries because of enhanced portfolio returns and reduced risk from global diversification.

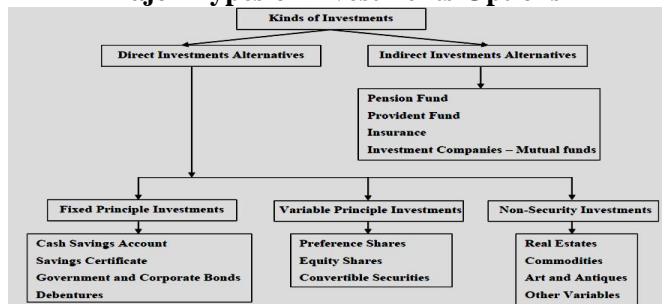
However, with currency exchange rate volatility, the enhanced return appears to be negated and fluctuating exchange rates have caused currency risk to be considered the most common risk of overseas investment.

### Formation of Diversified Investment Portfolio

- Diversification involves forming the investor's portfolio for decreasing or limiting risk of investment.
- Random diversification, when several available financial assets are put to the portfolio at random

Objective diversification when financial assets are selected to the portfolio following investment objectives and using appropriate techniques for analysis and evaluation of each financial asset in the mind of investors.

**Major Types of Investments Options**



**Diversifying Growth Investments**

Setting guidelines for Growth investments can be as simple or as complicated as we desire. Setting diversification guidelines for Growth investments are important because savings invested within this category do not have guarantees on the return of the investor's capital. Monies invested for price appreciation are also exposed to price depreciation and

diversification is one of the two main methods to reduce the risk of losses to your savings. The two most widely accepted methods of reducing pricing risk from Growth investments are through diversification and hedging.

- Diversification is the best-understood and most common method to reduce the risk of investment losses.

- Hedging your Growth investments against the risk of investment losses is a more complicated strategy and is not covered in our discussion.

1. Diversify by industry or sector.
2. Diversify by the market size of the issuer.
3. Diversify by business cycles.
4. Diversify by valuation category.
5. Diversify by geography.
6. Diversify by currency.
7. Diversify for your investment style and investing personality.

**Snap short of Investments in India**

<ul style="list-style-type: none"> <li>▪ Business Ideas with Low Investment</li> <li>▪ Investment Options</li> <li>▪ Derivatives</li> <li>▪ Investment banks</li> <li>▪ Investment plans</li> <li>▪ Investment Banking Firms</li> <li>▪ Investment Companies</li> <li>▪ Best Investment</li> <li>▪ Mutual Fund Firms in India</li> <li>▪ Exim Bank Foreign Investment</li> <li>▪ Franklin Templeton Investment</li> <li>▪ Which Bank Fix Deposit is Good for you</li> <li>▪ Foreign Investment</li> <li>▪ Mutual Fund Investment</li> <li>▪ Stock investment</li> <li>▪ Reliance Power IPO</li> <li>▪ Real Estate Investment</li> <li>▪ Functions in Derivatives</li> <li>▪ Fidelity Investment</li> <li>▪ NRI Industry</li> <li>▪ Tata Investment Corporation</li> <li>▪ Financial Institutions in Foreign Investment</li> <li>▪ Infrastructure Investment</li> <li>▪ Real Estate Investment</li> <li>▪ Investment Fund</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reliance Diversified Power Fund</li> <li>▪ Foreign Venture Capital Investment</li> <li>▪ Public Investment Board</li> <li>▪ Indian Investment Center</li> <li>▪ Potential market Foreign Investment</li> <li>▪ Investment Trusts</li> <li>▪ Unit Trust India</li> <li>▪ Department Disinvestment</li> <li>▪ Foreign Investment Through GDRS</li> <li>▪ Foreign Institutional Investors</li> <li>▪ IFCI Foreign Investment</li> <li>▪ Tube Investments</li> <li>▪ Regulations Foreign company investments</li> <li>▪ Investment Government Securities</li> <li>▪ IDBI Foreign Investment</li> <li>▪ Portfolio Investment Foreign Sources</li> <li>▪ Dolat Investment</li> <li>▪ Credit Policy Foreign Investment</li> <li>▪ Functions Foreign Investment Council</li> <li>▪ AIG Global Investment Group</li> <li>▪ Franklin Templeton Investments</li> <li>▪ ICICI Limited Foreign Investment</li> <li>▪ 2010 Budget Finance Insurance Investment</li> <li>▪ RBI Foreign Investment</li> <li>▪ Foreign Direct Investment</li> </ul>
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**Investment in India 2025**

India is becoming top investment destination today, it has a vast potential for foreign investment and foreign players. India is the fourth largest economy in the world and it has the second largest GDP among developing countries in terms of purchasing power. Various research studies carried out across the globe confirm the fact that India and

China will rule the world in the 21 century. The wealthy countries of Europe had seen supreme decline in global GDP share by 4.9% points, followed by the US and Japan with a decline of about 1 percent points each. Recent studies shows the share of the US in world GDP is expected to fall from 21 percent to 18 percent and that of India to rise from 6 % to 11% in 2025 and hence India will emerge as the third

pole in the global economy after the US and china. By 2025 the Indian economy is projected to be about 60% of the size of the US economy.

The transformation into a tripolar economy will be complete by 2035, with the Indian economy only a little smaller than the US economy but larger than that of Western Europe. By 2035 India is likely to be a larger growth driver than the six largest countries in the EU though its impact will be a little over half that of the US. India which is now the fourth largest economy in terms of purchasing power parity will overtake Japan and become third major economic power within 10 years.

**Methodology of the Study**

A good research work requires a clear scientific methodology because only through the application of correct methodology in selection of sampling techniques, appropriate tools of data collection etc., so that well founded conclusion can be drawn on the phenomenon under consideration. The validity of a research depends upon the method of collecting the data and analyzing the same.

**Data Collection** - The study was based on survey method. Taking the objective in account to this study, the information and data was totally collected from both primary and secondary sources.

**Sampling Area - Sampling** design is determined before data collection, for a study of this type, defining the universe is not easy task. The size of population is large. As per the census of 2011 published by government of Tamilnadu ([www.tn.gov.in/district\\_view](http://www.tn.gov.in/district_view)), the populations of selected districts for this study are displayed in the following table.

District Name	District Head Quarters	Area (Sq.Km)	Population (Census 2011)
Salem	Namakkal	3363	1726601
Namakkal	Karur	2895.57	1064493
Karur	Salem	5205	3482056
Coimbatore	Coimbatore	7469	3458045
Tiruchirappalli	Tiruchirappalli	4407	2722290

**Sampling Techniques** – In this study, cluster sampling was used by the researcher to collect primary information from sampled respondents.

This cluster sampling is used to generate a more efficient probability sample in terms of monetary and time resources. Instead of sampling undivided units, which might be geographically spread over great distances, the research sample groups that occur naturally in the population such as banks, insurance companies, stock exchange, chit funds promoting organization, real estate offices, references from share stock and insurance agents.

**Research Design - Descriptive Research**

**Objectives of the Study**

1. To study the satisfaction level of various investment portfolios in India with reference to selected districts of Tamilnadu.
2. To study the diversification factors that influence the investment decisions of investor in selections of portfolio investment schemes.
3. To find the expectation of new trends of future innovative investment schemes in selected districts of Tamilnadu.

**Scope of the Study**

1. It has nearly all common investment products that the individuals usually invest. The study has been done across the gender, almost all professionals, covering business classes, self-employed and the retired groups.
2. The study has also been done on the information sources or channels through which the individuals will decide their investment on a particular investment product.
3. The impact of individual’s personality on their investment decision has also been taken into the study. The switching behavior of the individual if any between the various investment products has also been studied.
4. The study has covered the dimensions of socio-economic factors on investment decision, diverse products, its features and its level of satisfaction, motive and objective of investment, level of financial literacy and its impact on decision making.

**Demographic Frequency Distribution Showing Respondent’s Profile**

Segment	Particulars	F	%
<b>Gender</b>	Male	722	72.2%
	Female	278	27.8%
<b>Marital status</b>	Married	847	84.7%

	Unmarried	153	15.3%
<b>Age</b>	0- 30 years	114	11.4%
	31-40 years	328	32.8%
	41-50 years	212	21.2%
	51-60 years	225	22.5%
	Above 61 years	121	12.1%
<b>Family Size</b>	Below 2 members	95	9.5%
	3-4 members	311	31.1%
	5-6 members	386	38.6%
	7-8 members	133	13.3%
	Above 8 members	75	7.5%
<b>Occupation</b>	Business	248	24.8%
	Salaried	241	24.1%
	Profession	120	12.0%
	Agriculture	72	7.2%
	Retired	319	31.9%
<b>Educational Qualification</b>	BG	57	5.7%
	UG	135	13.5%
	PG	424	42.4%
	Professional	384	38.4%
<b>Annual Income</b>	Below 250000	43	4.3%
	250001 to 500000	240	24.0%
	500001 to 750000	159	15.9%
	750001 to 1000000	230	23.0%
	Above 1000000	328	32.8%
<b>Experience in Investment</b>	Below 3 yrs	48	4.8%
	4-6 yrs	211	21.1%
	7-9 yrs	295	29.5%
	10-12 yrs	271	27.1%
	Above 12 yrs	175	17.5%
	<b>Total</b>	<b>1000</b>	<b>100%</b>

Source: Computed from survey data

In general, the sample selected for the study gives due over all coverage of socio –

#### Respondents Experience in Investment VS Level of Satisfaction Towards Investments

Investment Segment	Calculated $\chi^2$ value	Table value at 5% level	D.F	Remarks
Bank Deposit	63.4023	15.507	8	Significant at 5% level
Mutual Fund	132.8957	15.507	8	Significant at 5% level
Insurance	85.8662	15.507	8	Significant at 5% level
Chit Fund	40.3325	15.507	8	Significant at 5% level
Derivatives	42.8899	15.507	8	Significant at 5% level
Real Estate	128.8562	15.507	8	Significant at 5% level
Foreign Currency	67.4304	15.507	8	Significant at 5% level
Gold	57.5784	15.507	8	Significant at 5% level
Commodities	44.6927	15.507	8	Significant at 5% level
Public Provident Fund	77.3092	15.507	8	Significant at 5% level
Tax Free Bonds	163.7624	15.507	8	Significant at 5% level
Shares and Securities	67.5407	15.507	8	Significant at 5% level

Source: Computed from survey data

economic factors of sampled investors all sectors of the economy. In some aspects, the sample selected for the study is on par with the studies. To sum up, a majority i.e., 72.2% of the respondents belongs to male category, in case of marital status 84.7% are married, then in the next segment i.e., age a high of 32.8% of them belongs to the age category of 31-40 years. In continuation to this regarding family size, a high of 38.6% have 5-6 members in their family. Next in the segment of occupation a high of (31.9.0%) of them belongs to retired category. In case of educational qualification, post graduation has the highest at (42.4%) and finally regarding annual income a high of (32.8%) of them having the annual income level of above Rs.400001. Hence, it is concluded that majority (29.5%) of the respondents having 7-9 years' experience in dealing with various types of investment.

#### Satisfaction Level of Various Investment Portfolios

Financial investments comprise capital market instruments and other assets like Bank deposits, mutual fund, insurance, chit fund, derivatives, real estate, foreign currency, gold, commodities, provident funds, post office savings schemes, government securities, tax free bonds, shares and securities and others like public sector bonds, etc. By applying Chi-square analysis, the researcher tries to find the significance relationship between the satisfaction levels with highly influencing investor's socio –economic profile such as experience of the investors and annual income.

It is noted from the table no -2 that the calculated Chi-square value is greater than the table value and the result are significant at 5% level. Hence, the hypothesis “respondent experience in investment and level of satisfaction towards the investment segment of

Bank Deposit, Mutual Fund, Insurance, Chit Fund, Derivatives, Real Estate, Foreign Currency, Gold, Commodities, Public Provident Fund, Tax Free Bonds, Shares and Securities are closely associated”.

**Respondents Annual Income VS Level of Satisfaction towards Investments (Chi-Square Test)**

Investment Segment	Calculated $\chi^2$ value	Table value @ 5% level	D.F	Remarks
Bank Deposit	156.2325	15.507	8	Significant at 5% level
Mutual Fund	55.5287	15.507	8	Significant at 5% level
Insurance	58.1789	15.507	8	Significant at 5% level
Chit Fund	157.8448	15.507	8	Significant at 5% level
Derivatives	158.0679	15.507	8	Significant at 5% level
Real Estate	148.7346	15.507	8	Significant at 5% level
Foreign Currency	129.7239	15.507	8	Significant at 5% level
Gold	67.4892	15.507	8	Significant at 5% level
Commodities	89.6946	15.507	8	Significant at 5% level
PPF	293.0952	15.507	8	Significant at 5% level
Tax Free Bonds	462.9949	15.507	8	Significant at 5% level
Shares and Securities	71.2747	15.507	8	Significant at 5% level

Source: Computed from survey data

It is noted from the table no -3 that the calculated Chi-square value is greater than the table value and the results are significant at 5% level. Hence, the hypothesis “respondent annual income and level of satisfaction towards the investment segment of of Bank Deposit, Mutual Fund, Insurance, Chit Fund, Derivatives, Real Estate, Foreign Currency, Gold, Commodities, Public Provident Fund, Tax Free Bonds, Shares and Securities are closely associated”.

variables. A factor analysis is like regression analysis as it tries to “best fit” factors to a scatter diagram of data in such a way that factors explain the variance associated with responses to each statement.

**Main Factors Considered By Investors to Search and Select Portfolio Investments Alternatives - An Analysis - Factor Analysis**

**Factors Considered For Portfolio Investment**

It is a method used to transform a set of variables into a small number of linear composites, which have maximum correlation with original variables. In this study, Factor analysis is used to study the reasons behind knowing the main factors considered by investors to search and select portfolio investment alternatives and options considered as important by the sample respondents in the criteria of portfolio investment. The purpose of factor analysis is to determine the responses from the several numbers of statements, which are significantly correlated. If the responses of the several statements are significantly correlated, it is believed that the statement measures some factors common to all of them. Factor analysis can only be applied to continuous variables (or) intervals scaled

Factors considered for Portfolio investment
Higher rate of return
Safety and security
Regular Income
Risk tolerance and minimization
Investment Knowledge benefits
Transferability
Bonus
Expected dividends and incentives
Liquidity
Fund's short-term performance
Advice from analyst/Finance Officer

The Results of the Factor Analysis in respect of Eleven Variables are given below:

**The KMO (Kaiser-Meyer-Olkin) and Barlett’s Test** has been used to find the suitability of the factor analysis for factor reduction. KMO test is a measure showing the sample adequacy to examine the appropriateness of the factor analysis.

**Factor Suitability Test**

Kaiser – Meyaer – Olkin Measure of Sampling Adequacy	0.607
Bartlett’s Test	Approx. Chi- 1665.466

of Sphericity	Square	
	Degree of Freedom	55
	Significance	0.001

Source: Computed from survey data

As the KMO (Kaiser-Meyer Olkin) value 0.607 is close to 1 and Bartlett's test value is 0.001 which is less than 0.05, it is concluded that the factor analysis is suitable.

The following table shows that the factors suitability test.

After testing suitability of the Factor Analysis, the explainable variables are processed to find the principle factors. The results of the analysis are given below in table 4.22.

**Total Variance and Factors**

Component	Initial Eigen Values			Extraction Sums of Squared Loadings			Rotation Sums of Square loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.451	31.376	31.376	3.451	31.376	31.376	3.256	29.604	29.604
2	2.470	22.458	53.834	2.470	22.458	53.834	2.341	21.278	50.882
3	2.049	18.628	72.462	2.049	18.628	72.462	2.063	18.757	69.639
4	1.230	11.179	83.641	1.230	11.179	83.641	1.540	14.002	83.641
5	0.575	5.230	88.871						
6	0.395	3.591	92.463						
7	0.334	3.034	95.496						
8	0.191	1.736	97.232						
9	0.167	1.516	98.748						
10	0.126	1.147	99.895						
11	0.012	0.105	100.00						

Extracted Method : principal Component Analysis

The above table shows that the four components explain 83.641 percent of the variances. Since the factors having Eigen values less than 1 are not considered as they

are not important, we get 4 extracted factors. The extracted factors are given in the following table:

**Extracted Factors**

S.No.	Factors	% of variance accounted for by each factor	Cumulative % variance	Eigen Value
1	Higher rate of return and safety	31.376	31.376	3.451
2	Income and risk tolerance minimization	22.458	53.834	2.470
3	Bonus, dividends and incentives	18.628	72.462	2.049

Source: Computed from survey data

From the given 11 factors 4 components have been extracted. The contributions of the factors to the 4 components are given in the form of scores. The following table shows that the component score co-efficient matrix.

**1. High Return and Safety** - The first factor shows higher dominant variables in deciding the pre-taking expectation in making investment decisions. The factor accounts for 31.376 percent of the total variance and has

the Eigen value of 3.451. It is observed that among the eleven variables listed in the table the High return and safety are having positive higher score and hence the researcher could say that they are significantly influencing the respondents to make and induce invest in portfolio investment schemes.

**2. Income and Risk tolerance minimization** -The second factor which influences the respondents to make and induce invest in portfolio investment schemes is regular

income generation and risk tolerance and minimization. This factor accounts for 22.458 percent of the total variance and has the Eigen value of 2.470. It is observed that the Income and risk tolerance minimization are having positive higher score and hence the researcher could say that they are significantly influencing the respondents on portfolio investment confirmation.

**3. Bonus, dividends and incentives** - The third factor which influences the respondents to invest in portfolio investment schemes is bonus, dividends and incentives. This factor accounts for 18.628 percent of the total variance and has the Eigen value of 2.049. It is observed that bonus, dividends and incentives are having positive higher score and hence the researcher could say that they are significantly influencing as one of the portfolio investment factor.

#### **Suggestions and Conclusion**

1. Facing risk is major factors which discourage investors from committing fresh and new funds generation in the market, hence appropriate risk awareness programme through print and visual media should be provided to improve the risk perception of investors.
2. Poor portfolio management is also a problem for investors especially in mutual fund. This is in spite of the professional management of the funds; hence efficiency audit should be made mandatory.
3. Some investors take high risk when they invest in high return instruments. Hence, it is suggested not to extend the investors' protection measure to high risk investors at the cost of others. Practically, ordinary or low risk investors need no protection because they invest in safe instruments. But high risk investors are protected against possible loss and thus they invest in high risk investment avenues again and again. Hence, the cost of protecting the high risk investors may be recovered only from them and not to be met at the cost of others.
4. To attract the younger generation into the portfolio investment industry, the issues and emerging trends on portfolio investment may be included in the under graduation, diploma and school curriculum.
5. Women and female investors can be trained and financial and investment education can be provided from time to time to empower and encourage them to realize the importance of their role and participation in investment decision making at household level and induce the habit of saving more effectively and efficiently.
6. Experience of investors in various investment markets is also vital independent variable which may influence the investment objective so that investment companies or organizations engaged in such activities could give priority to this variable in all aspects of investment.
7. Companies, periodic market assessment, and company quality to be informed to investors every now and then not only to urban and metro cities but also expand their service to cover and give necessary importance to the investors in rural areas.
8. Investors shall go in for a long - term disciplined investment, realizing that equity investments are meant to generate reasonably high long term benefits rather than to generate high short term gains. Intermediaries shall advise their clients and direct them towards long- term disciplined investment.
9. For making investment, marital status is not a hurdle. It is found that more number of married people make their investment; unmarried people also need encouragement and support.
10. SEBI or some other regulated organization has to take steps on orientation about dividend income and diversified investments in the shares to the investors.
11. Investors must be update their financial and investment status from time to time from magazines, newspapers, internet, international financial and capital news in and around India and world market about the recent scenario of investment.

#### **Conclusion**

All investments involve some degree of risk. The reward for taking on more risk is the potential for achieving a greater return. In general, financial instruments like bank deposit, mutual fund, insurance, chit fund, derivatives, real estate, foreign currency, gold, commodities, public provident fund, tax free bonds, shares and securities have the greatest risk and highest potential returns among major asset classifications. Diversification factors are

a widely embraced investment strategy that helps mitigate the unpredictability of markets for investors. It has the key benefits of reducing portfolio loss and volatility and is especially important during times of increased uncertainty. According to the objectives of the study first of all after consolidating the demographic profile of the respondents the researcher tries to find out the relationship between the schemes of investment alternative with demographic profile of respondents. By applying Chi-square analysis referred with the independent variables, most of them have significant relationship and closely associated with the variables because the impact of both of the variables on the level of satisfaction towards various investment schemes. When the investor gets more and more accurate information in reference to risk, return, time and investment avenues on diversification can enjoy the taste of success from Investment in securities. Investors in selected districts of Tamilnadu are aware of the various investment opportunities. They are also aware that no investment can be made without risk. Each and every investment has its own risk, even the more secured investments like bank deposit, mutual fund, insurance, chit fund, derivatives, real estate, foreign currency, gold, commodities, public provident fund, tax free bonds, shares and securities has comparative value in long run.

In order to prove one more objectives related to this study, main factors considered by investors to search and select portfolio investments alternatives out of eleven factors by applying factor analysis (KMO and Barlett's Test) the researcher find top three important factors such as high return and safety, income and risk tolerance minimization and bonus, dividends and incentives are considered as important in investment decisions. Finally the researcher by applying Cochran's test for variance outliers to know the preference and expectation of new and innovative investment schemes results insignificantly distributed among the sampled respondents. The investment schemes noted in this study today needs to develop the products to fulfill investor's needs and help them to understand how its products cater to their needs. Performance of the diversification investments has been strong and it is well-placed to achieve sustainable growth levels.

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## **A STUDY ON DESIGNING HR SCORECARD WITH SPECIAL REFERENCE TO AN AUTOCOMPONENT PRODUCTION COMPANY**

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### **Abstract:**

The essence of the competitive advantage has shifted from tangible assets to intangible ones. The focus is now on human capital and its effective alignment with the overall strategy of organizations. This is a new age for Human Resources. The entire system of measuring HR's contribution to the organization's success as well as the architecture of the HR system needs to change to reflect the demands of succeeding in the new economy. The HR scorecard is a measurement as well as an evaluation system for redefining the role of HR as a strategic partner. It is based on the Balanced Scorecard framework developed by Kaplan and Norton and is set to revolutionize the way business perceives HR. In this study, the researcher has made an attempt to design the HR scorecard for an auto component manufacturing industry in Coimbatore. In the process it develops an evaluation framework based on the HR scorecard methodology and creates a HR scorecard system to measure the performance of the private manufacturing unit.

### **Introduction:**

#### **Human Resources as a strategic partner**

Human Resources (HR) is normally the function which helps other parts of the organization create measurement and performance management systems for their operations. Too often "the cobbler's children go barefoot" and HR lacks its own performance measurement system. The general scenario in most companies is as follows. HR management teams have well-developed visions of their departments, their roles and responsibilities. Whereas human capital is an intangible asset and HR's influence on

firm performance is difficult to measure. Hence, in the current state of HR there is a clear rift between what is measured and what needs to be measured.

#### **The HR architecture as a strategic asset**

The focus of corporate strategy is to create sustained competitive advantage whereas that of HR strategy is to maximise the contribution of HR towards the same goal. Thinking about HR's influence on the overall strategy of the company requires one to look at all aspects of the HR architecture. The HR architecture describes the relationship of the HR

function, the HR system and the employee behaviour.

### ABOUT THE COMPANY

The company is a leading manufacturer of component parts for automobiles in India and located in Coimbatore. The company has been a dominant player in the automobile component manufacturing industry since 1970 with a vision of commitment to produce and deliver quality products adhering to International Standards.

With a strong innovative base and commitment to Quality, the company has occupied a key position in both international and domestic market as suppliers to leading OEMs and after market. The company has a leading edge over the competitors on strong quality base and its technical competence. The vision of the company is to become a world-class company manufacturing world-class product, excelling in human relation. The company is an ISO9001:2000 firm and holds 60% of the Indian Market Share in the component it manufacturers.

### REVIEW OF LITERATURE

#### LITERATURE REVIEW

1. **Becker, Mark Huselid, Dave Ulrich (2001)** in their book states that the HR (human resources) scorecard matches business strategy against HR deliverables and objectives to provide a statistical basis by which HR efficiency and contribution to strategy implementation can be measured. As such, the HR scorecard is a management tool which allows a business to:

1. Manage HR as a strategic asset and a source of competitive advantage
2. Quantitatively demonstrate HR's contribution to the firm's financial results and bottom-line profitability.
3. Create and measure the degree of alignment between the strategy of the business and its HR architecture.

When used effectively, HR scorecards link the things people do with the strategy of

the company. The HR scorecard also allows HR architecture to evolve which is measurement managed and systematic. And the HR scorecard allows the human resource function to fill a strategic role in the business – participating fully in the balanced goals of cutting costs and creating added value. In total, the HR scorecard makes it possible for HR to enhance its role as a strategic business asset.

2. **Dave Ulrich (2001)** affirms that HR scorecards are not panaceas. They will not cure a poorly run HR function. However, they do provide a means by which you can collect rigorous, predictable and regular data that will help direct your firm's attention to the most important elements of the HR architecture. Constructed thoughtfully, the HR scorecard will help the organization deliver increased value to its employees, customers and investors."

3. **Meghna Haridas** in her report shows that the HR Balanced Scorecard has made it possible for HR managers to understand how to align HR strategy with the overall business objectives. They are able to explain not only what they are tracking but also how they are performing on essential strategies for the business. Business environment and the objectives and strategies will continue to evolve, and HR managers will continue to be flexible and creative in supporting the changes. The value of the HR Scorecard as a tool is that it can get HR to the new goals and measures and through the process ensure continued learning and change management.

4. **Garrett Walker and J. Randall MacDonald (2001)** points that using the HR Scorecard. HR professionals tracked and analyzed turnover statistics, determined reasons for turnover, calculated the negative financial impact, prescribed solutions, tracked improvement trends, and showed dramatic results. In partnership with the business leadership in

targeted call centers, significant costs were avoided by reducing the regretted turnover

5. **Cipd, Harry Scarborough, Juanita Elias (2002)** explains that the HR scorecard makes the case for HR-based measurement systems to be clearly linked to the firm's strategic aims and values. The HR score card- measurement system that convincingly showcases HR's impact on business performance. They point out that although human capital measurement systems are designed to identify the sources or drivers of value, and more important factor is management's ability to demonstrate the importance of such measure

6. **Patience Mmetje Naves (2002)** explains HR score card is referred to as strategic measurement system that will use hard data to demonstrate HR's contribution to the bottom line. HR functions need to measure effectiveness which is used as diagnostic tools in managing services. Then company's measures are used as diagnostic tools in managing services. When companies measure the efficiency of the HR function, they usually rely on a series of quantitative measures (like cost, response time and volumes relative to inputs) and relate results to short-term HR activities.

7. **Mark A. Huselid (2003)** elucidates, the HR Scorecard argues that HR measurement systems must be based on a clear understanding of organizational strategy and the capabilities and behaviors of the workforce required to implement that strategy. Thus, an HR Scorecard is a mechanism for describing and measuring how people and people management systems create value in organizations, as well as communicating key organizational objectives to the workforce.

8. **ASL Consulting (2003)** in his report on HR score card, states that once integrated, the HR Scorecard aligns support functions with the business strategy illustrating the strategic impact of HR services and projects and enables HR to demonstrate its

value through more than short-term financial outcomes. Adopting the HR Scorecard as a strategic management system ensures that HR views all of its activities in terms of their contribution to the organization's goals. By developing a strategic program for measuring and managing Human Capital, HR executives have the opportunity to spearhead the development of better strategic management

9. **Edward E. Lawler, III (2003)** in his article focuses on the practices of medium and large U.S. corporations, as well as the relationship between those practices and the effectiveness of their performance management systems. Supported by survey findings, the authors identify practices that are highly correlated with effectiveness and used to a great extent by companies, as well as practices that are high in impact, but low in usage.

10. **Colleen O'Neill and Lori Holsinger (2003)** insists that effective performance management is always important, but given the current economy, it takes on added significance. As enhanced productivity is key to growth, it would seem wise for employers to pay close attention to performance management. Yet, as new research shows, many employers today can muster only lukewarm endorsement for their own performance management programs

## STUDY DESIGN AND METHODOLOGY

### STATEMENT OF THE PROBLEM

Implementing effective measurement systems for intangible assets is a very difficult task and demands the existence of a unified framework to guide the HR managers. In the process firms under-invest in their people and at times invest in the wrong ways. And, managers cannot foresee the consequences of their investments in intangible human assets in a well-defined measurable manner.

The Industry of study has intricacy in what tool should be used in order to

both evaluate current HR performance and progress of HR department on its way to implement own strategic goals, as well as to check compliance of human resource strategy with company values, mission and strategic goals. So it is impossible to build any strategic plans for the future without knowing current state of affairs. Thus, the most effective way to change this is obvious – to build a framework just like the HR scorecard.

### NEED OF THE STUDY

The recent decade has vividly demonstrated importance of human resource management for every business and any industry. Even if the organisations have a fully automated production and business process they still need people to work for them. This is to say that HR department is extremely important for any business type and need to be evaluated. The value of the HR Scorecard as a tool is that it can get

- HR to the new goals and measures and through the process
- To ensure continued learning and change management.
- To quantitatively demonstrate HR's contribution to the firm's financial success.
- To manage HR as strategic asset and a source of competitive advantage.
- To create and measure degree of alignment between strategy of the business and its HR architecture.
- It will improve relations in the company and improve organization climate.

### OBJECTIVES OF THE STUDY

#### Primary Objective:

- To design the HR score card for the organization.

#### Secondary Objective:

- Assess mission and vision statements for the industry.
- Identify goals, objectives, strategic themes, dimensions and key performance areas to monitor

- Identify the necessary tools and methods / performance indicators to evaluate performance in key performance areas.
- Identify the information to be collected and how it will be collected
- Create strategy map for value creation.

### METHODOLOGY

This is an exploratory study. Exploratory research often relies on secondary research such as reviewing available literature and/or data, or qualitative approaches such as informal discussions with consumers, employees, management or competitors. The methodology used in developing and implementing the evaluation framework is based on the Hr scorecard model of Linking People, Strategy and Performance by BRIAN BECKER, MARK HUSELID, and DAVE ULRICH. Over a period of twelve weeks, two team meetings involving all employees and two meetings involving senior managers were conducted in the process of developing and implementing the HR Score Card. The following steps were followed to develop and implement the balanced scorecard.

Step 1 – An assessment of the Mission and Vision, challenges, enablers and values of the industry.

Step 2 – Organizational goals were identified. The organizational goals were turned into objectives.

Step 3 – Strategy maps were created based on the objectives. The individual strategy maps were merged to form a single consolidated strategy map.

Step 4 – Appropriate measurement tools were identified and performance measure record sheet was developed. Critical success factors, key performance areas / dimensions were identified. Performance measures were developed for each of the organization-wide strategic objectives. Leading and lagging measures were also identified. Expected targets and thresholds were established and baseline and benchmarking data developed.

Step 5 – Strategic initiatives that support the strategic objectives were developed.

Accountability and ownership of performance measures and strategic initiatives was built throughout the organization by assigning appropriate staff with those responsibilities and documenting it in performance record sheet.

Step 6 – The information collected was transferred on to an excel sheet. This sheet formed the basis of the implementation process, added structure and discipline, and helped to get the right performance information to the right people at the right time.

### **RELIABILITY AND VALIDITY OF THE STUDY**

In research, validity implies reliability (consistency). Reliability refers to the stability of the measure. It is the extent to which the same result will be achieved when repeating the same measure or study again. A measure is said to be valid if it captures what it is supposed to do (Ghuri and Gronhaug, 2005). This study has obvious face validity in that it actually develops an evaluation framework based on several meetings with employees and senior managers at the industry and makes use of routinely collected business and organizational information in the process. The HR Scorecard methodology used is based on a valid and acceptable method developed by the authors and endorsed one. Further, the validity and acceptability of the HR Scorecard as a tool in measuring and managing performance among other researchers was established prior to the study and minor deviations in approach justified. The dimensions and range of indicators that were used in the study have been selected from a list of indicators provided by researchers, and after consensus was reached among senior managers with regard to their applicability in the current setting... When deciding on indicators and target values on which up to date data and information was not available, calculations by way of reasoned estimation and following the methodology used in similar studies

Though measures have been adopted to minimize any inaccuracies, the use of secondary data has the limitation of low accuracy, which could affect the validity of the study and/or results once the HR scorecard is implemented. Certain difficulties with focus groups and meetings could have also affected the validity of this study. These include less control over the group (especially senior managers), difficulty analyzing some of the data due to the nature of comments made by participants in reaction to other comments made by other participants in the group and the variability of the group with regard to participation. The data obtained from the group does not also necessarily represent of the whole population of staff within the industry and its clients. There is also the issue of observer dependency in that the results obtained could be influenced by the researcher which could affect the validity of this study. In an attempt to minimize observer dependency, flip charts were used to summarize the main points of the discussions in each area and an administration staff used to take notes and record the main points separately.

### **ETHICAL CONSIDERATIONS**

Where necessary, the study has used routinely collected business information and data (if any) and hence did not reflect many ethical concerns. No personally identifiable information has been collected in this study. Consent was also obtained from relevant authority to use information on the day-to-day business of the organization.

### **RESULTS: PRESENTATIONS AND DISCUSSION**

#### **MANAGEMENT AND STAFF INVOLVEMENT**

The proposal to develop a HR Scorecard for the organization as part of the thesis promptly gained the interest of the managers and senior staff at the industry. The proposal was approved by both the organization and team managers at the

industry and supported by the majority of frontline and senior staff members. The plans to develop and implement the same within the organization were announced at the team meeting.

**VISION, MISSION AND POLICIES**

**Vision**

We will stand technologically ahead of others to deliver world-class innovative products useful to our customers. We will rather lose our business than our customers' satisfaction. It is our aim that the customer should get the best value for his money.

Every member of our company will have decent living standards. We care deeply for our families, for our environment and our society. We promise to pay back in full measure to the society by way of selfless and unstinted service.

**Mission**

The mission of the company has always been to locate and to mould exceptional leaders and private with all the sincere effort that solid basics to extend organization solutions to customers worldwide and there by enhance the company with the competitive advantage. The company does so thought long team and deeply committed human relations based on the key values like Activity focus, Discipline, Experience, Innovation, Integrity, Introspection, Professionalism, Quality Culture and Team Work.

**Quality Policy:**

We are committed to provide world-class products and services with due concern for the environment and safety of the society.

This will be achieved through total employee involvement, technology up gradation, cost reduction and continual improvement in

- ✓ Quality of the products and services
- ✓ Quality Management system
- ✓ Compliance to QMS requirements
- ✓ Quality will reflect in everything we do and think
- ✓ Quality in behavior
- ✓ Quality in governance
- ✓ Quality in human relation

**Quality - An All Pervasive Entity**

The company is committed to manufacture customer-centric and technology-driven products on par with international quality standards.

**Environmental Policy**

With due concern towards maintaining and improving the Quality of Life, the industry is committed for sustainable development by minimizing pollution and conserving resources. This will be achieved through continual improvement in Environmental Awareness of all employees & associates, Legal Compliance and Objective towards Environmental Protection.

**OBJECTIVES**

The following objectives were identified from the goals of the organization.

- a) Increase the efficiency in recruiting and selecting competent employees.
- b) Identify the needs for training and development.
- c) Increase employee engagement.
- d) Improve employee relation.

**The HR SCORE CARD**

Perspective	Strategic Objective	Performance Measure	Target	Initiatives
Customer Perspective	Improve the Quality in employee relation	Employee satisfaction	Reduced to 50% of dissatisfaction of employees annually	Employee satisfaction survey in progress
		Employee loyalty	Increase to high percentage level of employee tenure	Monitor the life cycle of employee in the organization

<b>Financial Perspective</b>	Increase in employee engagement	Performance of the employee	Increase the % of high performance employees	Steps taken to fulfill the needs of the employees and recognize the employee
		Competency level	Increase in % of competency level in employees	Conduct various tests, interview and surveys periodically
		Employee Turnover	Reduced % of employee turnover	Steps taken to satisfy employees and provide necessary benefits
<b>Perspective</b>	<b>Strategic Objective</b>	<b>Performance Measure</b>	<b>Target</b>	<b>Initiatives</b>
<b>Operational Perspective</b>	Identify the needs of training and development	Number of employees undergone training	100% of employees complete the training	Measure the number of employees given training and the number completed
		Number of Employee satisfied with training	100% of the employees are satisfied with the training	Steps taken to train the employees on the required skills to be developed
		Increase in competence level of employees	100% of employees are competent after training	Monitor each employee before and after the training
<b>Strategic Perspective</b>		Number of qualified candidates	Increase the number of qualified candidate selected	Select the candidates who will fit the position
		Recruitment achievement meet hiring plan	100% Recruitment achievement meet hiring plan	Steps taken to monitor each level of recruitment and selection process
		Satisfactory appraisal	100% satisfactory appraisal at first assessment	Measures are taken that employee performance well

**DISCUSSION**

Though faced with challenges and hurdles at the outset, the team did eventually succeed in developing an evaluation framework based on the Hr scorecard methodology. The management team at the industry was supportive of the idea and welcomed the project. The HR scorecard provides a framework and language to communicate the vision, mission and strategic direction of the company. Measurements are used to establish current position and inform

employees as to what will lead to success in the future. Measurements set the focus on particular actions and outcomes. Establishing the current position will help understand what action is necessary to achieve organizational change. The process of target setting helps communicate the need for change and directs the organization towards its goals. It will also highlight any gaps in performance. Organizational transformation results from achieving those targets.

The measurement tools used are directly linked with the strategic objectives of each goal area or perspective and are embedded in a cause and effect chain as can be seen in the strategic maps. As mentioned earlier these imprecise, hypothetical cause and effect relationships link the desired outcomes with the activities that lead to achieving those strategic outcomes. Measurement tools are also linked with targets. Targets represent the desired outcome and the end result expected of the performance measure.

Execution of the strategy and the monitoring of change are equally important. The HR score card, as a tool, helps translate the strategy into operational terms and forms the basis for other activities. However, commitment from senior management is a prerequisite for successful implementation of the Hr scorecard and the management of change.

The benefits of adopting the Hr scorecard system can be quickly identified without much knowledge or exposure to Hr scorecard system. The perceived benefits are in terms of obtaining clarification and consensus on strategy, the communication of strategy throughout the organization, aligning departmental and personal goals to strategy, linking strategic objectives to long term targets and annual budgets, the identification and alignment of strategic initiatives, facilitating systematic reviews, providing a double-loop feedback to assist in learning and strategy development and the translation of better strategic alignment into the improved results

The HR score card helps to improve communication, facilitate learning and influence behavior within the service. The HR score card system will open channels for continuous and ongoing dialogue between staff at all levels of the organization further enabling staff to align their individual goals with the organization's goals. It will also promote employee growth and development by

identifying training and development needs and through the use of mentoring, coaching and closer supervision. This cycle benefits both employees and the organization as individual and organizational goals are accomplished at the end of the day. Thus a culture of achievement emerges from the process.

In spite of the hurdles and challenges to overcome to successfully implement the system, the HR scorecard is a powerful tool which will help align action to strategy and enable the organization to achieve its goals.

#### **CONCLUSION**

**AND**

#### **RECOMMENDATION**

#### **CONCLUSION**

This research study develops Hr scorecard to performance management in the industry of study. In the process it develops an evaluation framework based on the HR scorecard methodology and creates a HR scorecard system to measure the performance of the industry.

Based on the results and the information gathered in the process of this study the following conclusions can be made;

- The HR scorecard helped to establish the current position of the industry. In the process of developing the HR scorecard, the industry was able to clarify its vision and mission and also identify its goals and strategic objectives. This will form the basis for measuring current performance by collecting data on different measurement tools and analyzing the results.
- The HR scorecard has helped to communicate the future direction of the industry. By developing measurement tools and indicators the industry was able to focus its attention on particular activities that will result in desired outcomes. Identifying critical success factors also helped to focus attention on elements essential to achieve its mission.
- The HR scorecard helped to align action to strategy. The performance measures developed helped to clarify the



organization's goals and strategic objectives and align action to strategy.

- The HR scorecard will stimulate action in the most important areas of the industry. The measurement tools developed will help to focus attention and channel adequate resources quickly to the areas identified as critical to achieving the goals of the organization.
- The HR scorecard will facilitate learning within the industry. The measurement tools will help to assess how well the strategies of the industry are being implemented and where the organization is performing well and where it is under-performing. It will also help to identify whether the objectives are accomplished with the identified strategies. The results will highlight training needs.
- The HR scorecard will influence behavior within the industry. Identifying the appropriate performance measurement tools and indicators will influence behavior of staff within the industry towards achieving the goals of the organization.
- Adopting the HR scorecard will help to create a culture of achievement within the industry. The HR scorecard will motivate staff to achieve goals and also create a sense of purpose by making explicit the progress made by the organization towards accomplishing those goals. Accomplishing objectives will create a culture of achievement within the industry.

#### RECOMMENDATIONS

This study makes the following recommendations to the managers at the industry of study to ensure successful implementation and maintenance of the HR scorecard;

- Ensure ongoing commitment from management.
- Engage staff in the process.
- Encourage open communication on the BSC within ICS.
- Review performance measurement tools and strategies regularly.
- Educate staff on the concept of BSC.

- Ensure timely availability of performance data.
- Ensure process for routinely reviewing the results from the scorecard.
- Ensure organization wide dissemination of the results.
- Ensure that the scorecard is not too rigid but adaptable to changing circumstances.

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