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Chief Editor Message

As SUMEDHA Journal of Management its sixteenth issue, We look forward to the momentous growth of our Journal, increasing in their appeal, readership and relevance to the fast-changing world of Business Management. During these four and half years journey our journal has been critically evaluated by various institutions with similar line of interest and faculty fraternity. We have been consistently seeking advice from experts to continuously improve the quality of the journal. Our journal has been got Impact Factor from Index Copernicus value 5.20, ISRA Journal Factor 2.318. On behalf of the Management, Editorial Board and Editorial Team, I express my profound gratitude to all our authors, reviewers, readers and patrons for offering their overwhelming support and I anticipate a continued and lively partnership for years to come.

All of us recognize the necessity for change, which results in progress. It gives way to new ideas and perspectives reflecting the current and emerging environment, which builds on the solid foundations of the past.

Last but not least valuable would be your response and suggestions on this issue. Kindly send us your views so that we can keep on upgrading our journal.

Thanking you

Dr. A Kotishwar
Chief Editor

The Determinants and Characteristics of Voluntary Disclosure by Ethiopian Banks

– Prof. Mohd. Akbar Ali Khan*

– Habtamu Berhanu Abera**

Abstract

The paper investigates the extent of relationship between the determinants and characteristics of voluntary disclosure made by the Ethiopian Banks. Ethiopia, a country located in the horn of Africa, has a financial sector which immature and closed to foreign ownership and operation which make the country unique compared with other countries in the sub-Saharan region. In this study a sample of nine banks selected from those financial corporate entities operating in Ethiopia. The period of study is from 2007-08 to 2011-12. For this study we have used size, debt, board size, board composition and profitability as determinants of corporate disclosure. To examine the extent of relationship between these determinants and corporate voluntary disclosure, we have used multiple regression model. The findings indicate that there is a positive relationship between bank size and board size and voluntary disclosure, which is statistically significant. The relationship between debt, board composition and profitability with voluntary disclosure is found to be negative.

Keywords: Banks, Ethiopia, Voluntary Disclosure

1. Introduction

In this study, based on the annual reports of the Ethiopian banks, the extent and level of voluntary disclosure is assessed. The financial regulation makes the country different from other neighbouring countries as the sector is not open to foreign ownership.

Annual reports are the most widely used tools to disseminate information. Using annual reports for voluntary disclosure has advantages from the information provider view point as well as the information needy perspective. The information preparer, usually board of directors and management, uses annual reports to disclose more information beyond what is required (Hossian and Hammami, 2009). The information needy, on the other side and that refers the general public, is in search of such voluntary disclosures to make more informed decisions as there is inadequacy in the contents of compulsory information (Alsaeed, 2005).

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Information disclosure is a socially desirable element, however, it brings costs and benefits. Due to the interaction between costs and benefits, sometimes it may lead to partial or no disclosure (Frolov, 2004 and Diamond, 1985 cited in Hossain and Hammami, 2009). Indeed, the economic and accounting literature has asserted that, in the view of informational asymmetry, (costless) disclosure of private information brings general gains in economic efficiency. However, the size of the gains and the ultimate effect on the financial prices may vary considerably depending on the 'informativeness' of disclosed information and on the ways the information is disseminated and used (Hossain and Reaz, 2007)

Ethiopia does not have stock markets. Hence, the financial reporting and disclosure of the banks is regulated by the 1960 Commercial Code. On top of this, proclamations issued by the government for doing business in the banking sector and various directives issued by the regulatory body, National Bank of Ethiopia (NBE). In the contemporary Ethiopia the concern of having good corporate governance in the financial sector is becoming the interest of many stakeholders. In this regard, the present study is designed to investigate the extent of voluntary disclosure in the Ethiopian banks.

The remaining parts of the paper present literature review and hypotheses development, importance of the study, statement of the problem, objectives of the study, research methodology, discussions and conclusions, limitations of the study, and scope for further research.

2. Main Body of the Study

2.1. Review of Literature and Development of Hypothesis

Previous studies examine the extent agency problem brought in the information asymmetry between managers and shareholders. Hence, there is a strong demand for corporate disclosure and financial reporting (Healy and Palepu, 2001). By disclosing more information the agency cost of a firm is also expected to be reduced. In this regard, various studies have examined different determinants of corporate voluntary disclosure practices. Most of the studies focus on finding association between firm characteristic variables such as, ownership characteristics, firm size, profitability, leverage, liquidity, and age of firm and voluntary disclosure. For instance, Haniffa and Cooke, (2002), Ho and Wong (2001) and Chen and Jaggi, (2000), in Barako et al, (2006), Hossain and Reaz (2007), Akhtaruddin et al (2009), and Hossain (2008) in Nandi and Ghosh, (2013) and Hasan et al (2013).

Therefore, because corporate disclosure is the most important means by which companies can become transparent (Healy & Palepu, 2001), this study makes an investigation on the determinants and characteristics of disclosure by the Ethiopian Banks. Some of the literatures reviewed in this regard are summarized below. Based on results of earlier empirical research, the nature of banking business and data availability, we developed the following hypotheses.

Size: Much evidences of prior studies support the prevalence of positive relationship between firm size and the extent of disclosure (Singhvi and Desai, 1971, Botosan, 1997, Ahmed and Nicholls,

1994, Kahl and Belkaoui, 1981, Hossain and Reaz, 2007, Alsaeed, 2005). Justifications are provided in this regard. One of which is large firms are exposed to public attention than small firms and hence they are expected to disclose more information. The second one is large companies possess sufficient resources for collecting, analysing, and presenting large data at lesser cost. The third, agency costs are higher for large companies as shareholders are widely spread. Accordingly, the following hypothesis is formed.

Hypothesis 1: Large banks are more likely to disclose more voluntary information than small firms.

Debt : Highly leveraged companies are supposed to disclose more information than less levered companies. Fama and Miller, 1972, suggest a positive relationship between leveraged and voluntary disclosure. Also, a large number of empirical studies report in their findings leverage positively affects the extent of disclosure (Jaggi and Low, 2000, Ahmed and Nicolls, 1994, Kahl and Belkaoui, 1981, Wallace et al., 1994). Leverage is measured by debt to equity ratio. As a result, the following hypothesis is formulated.

Hypothesis 2: Highly leveraged banks are more likely to disclose more information than less leveraged banks

Board size : Board size is an important corporate governance attribute, which refers the total number of members exists in the body of board of directors. Increased board size enhances the monitoring and control capacity of the board of directors. Hence, it influences the level of corporate disclosure, which is one of the strategic decisions board of directors should act up on. While Akhtaruddin et al (2009) and Nandi and Ghosh (2012) in the findings of their studies indicate that there is a positive association between board size and voluntary disclosures, Hasan et al (2013) in their study they report, the relationship between board size and financial disclosure is negative. Hence, the hypothesis formulated in this regard is:

Hypothesis 3 : Banks with higher board size disclose more information than banks with small board size.

Board Composition : Is used to refer the board members who are not part of the executive management group. Hence, they are called non-executive directors/NED/ or outsiders. It is generally understood the higher proportion of the NED in the board, it enhances the corporate disclosure. This is because, when the proportion of NED to the total board members is getting higher the monitoring and controlling ability of the board over management is enhanced (Fama and Jensen, 1983). Akhtaruddin et al (2009) and Hossain and Reaz (2007) explain there is a positive association between the proportion of NED on the board and corporate voluntary disclosure. Accordingly, the following is hypothesized.

Hypothesis 4 : A higher proportion of non-executive directors is positively related with voluntary disclosure

Profitability : Signalling theory, in finance, explains that those profitable firms disclose more information in the annual reports to differentiate them from poor performers. Most researchers have found positive relationship between profitability and the extent of disclosure (Haniffa & Cook, 2002, Hossain 2008). Return on Equity is employed as a measure of profitability.

Hypothesis 5 : Banks with higher return on equity disclose more information than banks with lower return on equity.

2.2. Research Methodology

The research design of this study can be considered correlational as it attempts to examine the relationship between the corporate governance attributes and the voluntary corporate disclosure.

Ethiopia's formal incorporated FIs include government and privately owned banks, insurance companies, and micro-finance institutions. Currently, there are 17 [three government owned and fourteen private] banks operating in Ethiopia. Out of seventeen, nine banks are considered in this study. These are, Awash International Bank S. Co. /AIB/, Bank Of Abyssinia S. Co. /BOA/, Commercial Bank of Ethiopia /CBE/, Construction and Business Bank /CBB/, Cooperative Bank of Oromia /CBO/, Dashen Bank /DB/, Development Bank of Ethiopia /DBE/, NIB International Bank (NIB) and United bank /UB/.

The data for this study was collected from secondary sources, mainly of the annual reports of the selected FIs. In order to increase the validity and reliability of the results, hard copies of the annual reports were analyzed from periods of 2007/08 to 2011/12. Gray et al (1995) in Hossain and Reaz (2007) explain the annual reports of companies, as the only report produced regularly, is made primarily to build external images of the companies. Moreover, primary data were also used to capture pertinent data on board composition FIs via standard questionnaires distributed to board secretaries of the selected FIs.

2.3. Voluntary Disclosure Index Construction

Because annual reports are the most convenient way to disseminate information to stakeholders, they are the principal focus for voluntary index construction. The voluntary index is prepared based on the work of Hossain and Reaz (2007). They used a total of 65 items which are categorized into nine groups. In this study we have selected 64 items of them but maintaining the number of categories the same. These nine categories are: the background about the bank (6 items), corporate strategy (2 items), corporate governance (11 items), financial performance (12 items), risk management (12 items), accounting policy review (2 items), key non-financial statistics (8 items), corporate social disclosure (4 items), and others (7 items). The items are selected based their repeated use in previously done several research studies.

With regard to the methods of indexing, there are two different but equally important methods. The first one is unweighted index. Here we use dichotomous score, '1' for disclosed item otherwise

'0'. The second method is called weighting index. This method is based on subjective importance. In this study we used the unweighted method. So to calculate the disclosure index for each institution the following formula is used.

$$VDI = \sum_{j=1}^n \frac{d_j}{n}$$

Where: VDI the aggregate voluntary disclosure Index

d_j 1 If j^{th} item disclosed, 0 other wise

n the maximum score each company can obtain. In this case, the key factor is whether or not a company discloses an item of information in the annual report.

Because our sample includes government owned and privately owned banks, which may have not equally applicable disclosure requiring items, we use a relative index method. The relative index approach is the ratio of what a particular company actually disclosed to what the company is expected to disclose. Owusu-Ansah (1998) cited in Akhtartuddin (2005) suggests the use of a relative index method. This approach has been employed in several prior studies e.g. Wallace et al., (1994) (also Cooke, 1989; Inchausti, 1997; Owusu-Ansah, 1998; Wallace & Naser, 1995; were cited in Akhtartuddin, M. (2005).

2.4. Variables, Predicted Values and Proxies

Table 1 presented here summarizes the Independent variables and control variables with their description and respective predicted signs and proxies

Table 1 : Variables and their descriptions

Variables	Description	Predicted signs	Proxies
Size	Total assets of the bank	+	Natural Logarithm of total assets
Debt	Total debt divided by total assets	+	D-E Ratio
Board Size	Total Number of board members of a bank	+	None
Board Composition	Ratio of the number of NED to total number of directors on the board	+	None
Profitability	Net profit to total shareholders' funds	+	ROE Ratio

2.5. Model Development

In this study, we used multiple regression model to test the association between the corporate governance attributes and the corporate voluntary disclosure is presented below:

$$VDI_{it} = \alpha + \beta_1 FSZ_{it} + \beta_2 DBT_{it} + \beta_3 BSZ_{it} + \beta_4 BC_{it} + \beta_5 PRF_{it} + \epsilon_{it}$$

Where:

- α = The Constant,
- β = The slope of the regression equation, and
- VDI_{it} = Voluntary disclosure index of the i th company in the year t ,
- FSZ_{it} = Firm size of the i th company in the year t ,
- DBT_{it} = Debt or leverage of the i th company in the year t ,
- BSZ_{it} = Board size of the i th company in the year t ,
- BC_{it} = Ratio of non-executive directors to total members in the board of the i th company in the year t ,
- PRF_{it} = Return on equity of the i th company in the year t ,
- ε_{it} = The error term

2.6. Descriptive Statistics

Panel A, B, and C of table 3 report the descriptive statistics of the voluntary disclosure index or score which is the dependent variable. Accordingly, as the data is presented in table 2, on average the banks publish in their annual reports 36% of the voluntary items of information. 0.41 (41%) and 0.30 (30%) are the maximum and the minimum scores of the voluntary disclosure, respectively, with a standard deviation of 0.04 (4%).

Table 2 : Descriptive Statistics

Variable	Mean	Std. Dev.	Min.	Max.
Voluntary Disclosure	0.36	0.04	0.30	0.41
Firm Size	21.60	1.29	18.67	23.94
Debt	6.51	3.49	0.14	16.21
Board Size	8.64	2.35	4.00	12.00
Board Composition	0.91	0.12	0.67	1.00
Profitability	0.18	0.09	-0.14	0.32

The natural logarithm of total assets, which is the measure of the size of the banks ranged from 18.67 to 23.94 having a mean of 21.60. This implies the size of total assets is skewed. The result is similar to the findings of Hossain and Hammami (2009). Also, banks debt, measured by D-E ratio, is ranged from 0.14 to 16.21 with the mean value of 6.51. This implies the banks were highly leveraged during the study period. Board size ranged from 4 to 12 with a mean of 8.64 for all sample institutions. The floor and the ceiling board size for all corporate entities are limited by the Commercial Code 1960. Board composition, measured as the ratio of the number of NED to the total board members, ranged from 0.67 to 1.00 with a mean of 0.91. This is because all most in all the institutions the number of NED is getting increasing. Profitability of the bank, as measured by ROE, has ranged from -0.14 to 0.32 with a mean of 0.18. This implies there was a huge variability in profitability among the bank.

2.7. Validity of the Model

Before discussing the results of the regression analysis, we checked the existence of multicollinearity, which is the condition where there is perfect or exact linear relationship among some or all the explanatory variables of the regression model (Gujarat, 2004). The first statistical tool is the correlation matrix (see table 3 below).

		VDI	FSZ	DBT	BSZ	BC	PRF
Sig. (1-tailed)	VDI	1.					
	FSZ	0.235	1.				
	DBT	-0.015	0.634	1.			
	BSZ	0.450	-0.031	-0.372	1.		
	BC	-0.438	0.069	-0.009	-0.004	1.	
	PRF	-0.089	0.136	0.345	-0.368	-0.317	1.

As portrayed in table the Pearson correlation matrix reveals that the highest simple correlation between independent variables is 0.491 between debt (leverage) and board composition. According to Gujarati (2004) and Hair et al (2011) cited in Nandi and Ghosh (2012), the simple correlation, between independent variables, not exceeding 0.90 is not considered harmful. Consequently, we can conclude that there is no multicollinearity in this data as there is no high correlation exists between the independent variables. The second statistical tool we used to check multicollinearity is the Durbin-Watson statistic. As a conservative rule, values less than one or greater than three should pose a problem (Field, 2000 in Alsaeed (2005)). When the value of Durbin-Watson statistic is closer to 2 it is assumed as better. Hence, our Durbin-Watson statistic for this data is better as it closer to 2, i.e. 1.692 (see table 4 panel A below). The third statistical technique is the use of Variable Inflation Factor (VIF). According to Myers (1990) in Alsaeed (2005) even if there is no hard and fast rule, when the value of VIF goes above 10 it is a concern of multicollinearity. On the other hand, when the mean value of VIF is substantially greater than 1 then regression may be biased (Bowerman and O'Connell, (1990) cited in Hossain and Hammami, (2009)). On this basis, the average VIF of the variables in this study is 1.59 (see table 4 panel B below) which is substantially greater than one. For this reason, we confirm again, there is no multicollinearity in the model. Therefore, in general, the multicollinearity diagnostics made in our data indicated there is no collinearity and the model is valid and reliable.

2.8. Multiple Regression Results

The multiple regression model which is significant ($p < 0.005$) and presented in table 4 panel A shows that F-value is 7.379 ($p = 0.000$). This result satisfactory supports the significance of the model. Coefficient of determination (R^2) is 0.486. This implies that 48.6% of the variance in the voluntary disclosure index is explained by the independent variables. This result compares favourably with other studies of Hossain and Reaz (2007) at 37.6%, Ahmed (1996) at 32.2% and Hossain (unpublished M.Phil thesis) at 10% cited in Hossain and Reaz (2007).

Table 4 : Panel A Regression Model Summary

R	R ²	Adjusted R ²	F-Value	Sig.	Durbin-Watson
0.697	0.486	0.420	7.379	0.000	1.692

Table 4 : Panel B Regression Results

$VDI_{it} = \alpha + \beta_1 FSZ_{it} + \beta_2 DBT_{it} + \beta_3 BSZ_{it} + \beta_4 BC_{it} + \beta_5 PRF_{it} + \varepsilon_{it}$				
Variable	?	t-value	Sig	VIF
Constant	0.159	0.758	0.453	
FSZ	0.021	2.035	0.049	1.839
DBT	-0.001	-0.147	0.884	2.202
BSZ	0.014	2.964	0.005	1.374
BC	-0.340	-4.076	0.000	1.150
PRF	-0.117	-0.996	0.325	1.399

3. Discussions and Conclusions

As estimated, bank size coefficient shows that this variable is significantly positively correlated to the disclosure level. Accordingly, it suggests that, banks with more assets base disclose more data than banks that have small assets. The result is in line with the results of the findings of Buzby (1995), Firth (1979), Cooke (1992) and Naser et al (2002). Hence, hypothesis 1 is supported by the evidences.

Debt ratio, though found negatively linked with the disclosure level, was insignificant. This implies, the banks in Ethiopia do not disclose their debt information in annual reports. The result is against hypothesis 2.

As expected the coefficient of board size is positive and board size is found statistically significantly related to the level of voluntary information disclosure. The empirical evidences are found to be consistent with those reported by Akhtaruddin et al (2009), and Nandi and Ghosh (2012). The multiple regression results of this study also support the argument that the larger boards provide more corporate information than the smaller firms. Hence, the empirical evidences support hypothesis 3.

Board composition has unexpected negative relationship with disclosure which is statistically significant. These results suggest that the banks with a higher proportion of non-executive directors disclose less corporate information. Similar outputs were also reported by Barako et al (2006) and Nandi and Ghosh (2012). Accordingly, hypothesis number 4 is found to be supported by these evidences.

The relationship between profitability and disclosure is unexpectedly negative but not statistically significant. This implies the profitable banks are tend to hide more information from the stakeholders. Hence, this result is in the contrary with the hypothesis 5.

Thus to conclude, the study found that of 0.36 as a voluntary disclosure mean index of the sample banks for the period 2007-08 to 2011-12. This result is the lowest compared with other results

and it is most likely because lack of disciplines set out by the supervisor and the regulator of the banks or the absence of strong accounting professional association that could enforce the institutions to disclose voluntary information. With regard to the statistical relationship between corporate governance attributes and voluntary disclosure, the study discloses that the existence of NED reduces the volume of voluntary disclosure while companies with more assets tend to disclose more information.

4. Research Limitations and Direction for further Research

The following two are the most important limitations of the study. The first is because we have used five consecutive years from 2007/08, we only have got the chance to include relatively older banks excluding newly established FIs. The result would have been different if the newly established banks and insurance companies were included. The second, the voluntary disclosure index is computed based on 64 items. The result could have been changed if more items had been added or deleted.

The study is limited to only nine banks. Future studies could expand the size and study the entire sector. Also similar studies could be made in different sector might be interesting.

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6. Appendix

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Status and Variations in Employees' Emotional Intelligence: Research Findings from Indian Organisations

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Abstract

No business is alike, industries are different, needs and challenges are different, people are different so is their education and social background and dozens of other factors. Intelligence develops in an individual from his upbringing to adulthood and these factors help him to apply new knowledge into his life and business situations and deliver immediate benefits to his family and organisation who are investing in his Intelligence Quotient and Emotional Quotient development. Whenever the human element is involved, it is natural to talk about behaviour and intelligence. When an employee is emotionally intelligent he can perform rough phase of life with more creativity but in modern settings, physical exhaustion affects the creative process of developing a performance. The present research explores the employees' emotional intelligence varies according to their demographics like age, gender, academic qualification, marital status, nature of the organisation, category of the organisation, managerial cadre and work experience. However the results further indicate that variations in overall emotional intelligence emerged significant only across marital status and academic qualification.

Key-words: Intelligence, Emotional Intelligence, Demographics, Employee, Organisation

Introduction

The talent of being an emotional intelligent have been argued as an essential element for current scenario. Now day's emotional intelligence is more important rather than arithmetical and vocal intelligences. The skills to be familiar with emotion not only other's emotions but also one's, to witness if an individual get frustrated with another individual, how to cope up with displeased situations and persons also incorporate the ability to know when and how to show the emotions and when and how respond to other's emotions, sometimes we also decide not to show our emotions to others though some individual understand our hidden emotions, also a indication of emotion intelligence. Organisation culture is mostly considered as a key factor for intelligence of employees. Organisational culture expresses the core value of the organisations that are shared and followed by employees especially middle and low level employees. But culture comfort is a small part of the intelligence story. More

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critical issues related to existing and emerging business trends of the organisations. Designing and successfully implementing intelligence development program demands that organisation should be flexible and terms of culture and structure so as to develop a clear vision of skill development.

Emotional intelligence for meeting business needs stems from the ability to clearly identify the factors that could help the organisation to enhance its business and individual performance. Many of time these challenges are coming from external environment sometimes they could even be internal. Emotional intelligence is especially helpful in enabling the employees to have a better understanding of their thinking and emotions as well as their role within the organisation. It gives greater clarity about their functional and personal objectives as well as linkage between both of them. Emotional intelligence refers to the capacity of recognizing emotions and describes the ability dissimilar from the purely cognitive capacities measured by intelligence quotient. High intelligence quotient will help to get a job but high emotional intelligence determines whether an individual can rise his success path. Emotional intelligence in terms of monitors and regulates the emotions also help use this to guide thoughts and actions. Now day's organisations are more concern about emotional intelligence as they believe that an organisation's collective emotional intelligence has impact on the profit and achieving overall objectives. Emotional intelligence also belongs to skills and behaviour of an individual which are needed for a top level employee as well as a operational level employee. Emotional intelligence directly or indirectly related to the performances of the overall organisation and well being of employees.

The Concept and Related Studies

Mayer, Dipaolo & Salovey (1990) defined emotions and intelligence as if they can merge they perform more sophisticated information dealing out than if work alone. People who are having strong emotional intelligence are competent enough to identify and control their personal emotions and those of others, they do not have any unknown fear to lose someone, they are never take over by depressing emotions, suffocate by anxiety all of which have negative effects on individual performance (Seipp, 1991). Today, organisations are starting to recognize the significance of Emotional Intelligence to develop organisational effectiveness and motivate followers to eventually attain organisation goals (Bliss et al. 1999). A leader employee will always focus on the altruism, training and development and mutual values of the follower employees who have emotional intelligence and will be able to establish vision and purpose (Colvin et al. 1999). Emotional intelligence comes from the concept of social intelligence, originally acknowledged by Thorndike in 1920. Social intelligence conceptualized as "the ability to understand and manage men and women, boys and girls to act wisely in human relations" (Thorndike 1920). Social intelligence was not barely single sort of intelligence that essential for life success, but there was a wide range of intelligences, among them emotional intelligence is a psychological phenomenon that not easily defined. Salovey & Sluyter (1997) defined emotions and intelligence as two different terms in which emotions belongs to sentimental (affective) area of psychological functioning and intelligence belongs to cognitive sphere functions. A form of intelligence relating to the emotional side of life, such as the ability to recognize and manage one's own and others' emotions, to motivate

oneself and restrain impulses, and to handle interpersonal relationships effectively (Goleman, 1998). According to this key mechanism of emotional intelligence are to recognizing and managing our own emotions also motivate and be familiar with the emotions of others.

Mayer, Caruso &Salovey, (2000) defined emotional intelligence as 'an ability to recognize the meanings of emotions and their relationships and to reason and problem-solve on the basis of them. A sort of 'non-cognitive capabilities' covered by Bar-On & Parker (2000) including capabilities and skills which influence individuals to succeed in dealing with environmental demands and pressure. This contains intrapersonal qualities like self-awareness, interpersonal like understanding, adaptability like investigative and stress management. A person is emotionally intelligent can deal with every day challenges and aids to anticipate success in professional and personal front. While dwelling upon the predictive estimates of emotional intelligence Punia and Yadav (2014) explored that spiritual intelligence improves the employees' expression of emotional intelligence both are significantly and positively correlated to each other. The regression analysis explained that spiritual intelligence predicts approximately 80 percent of emotional intelligence of however emotional intelligence predicts approximately 51 percent of spiritual intelligence.

Dimensions of Emotional Intelligence	Descriptions of the Dimensions
Self Awareness	Emotional self awareness, Accurate self assessment, Self confidence
Self Management	Self control, Trustworthiness, Conscientiousness, Adaptability, Achievement orientation, Initiative
Social Awareness	Empathy, Organisational awareness, Service orientation
Social Skill	Developing others, Communication, Change catalyst, Influence, Leadership, Building bonds, Teamwork

Figure-1: Dimensions of Emotional Intelligence

Gender is a complicated aspect of interrelated cultural ideas that affect individual picture about himself and herself as man and woman and what sorts of revolution he and she try to create in this gendered behavior (Wood, 2003). Hargie et al. (1995) explored that women have more social skills as compared to men. Correspondingly, Barrett et al. (2000) also observed that women were better and multifarious in their emotional experience men. Work experience makes an employee aware and familiar about his specific job and occupation and also offers him various real life work experience .The demographic variable, work experience is the key factor that can impact on emotional intelligence. Sergio et al. (2015) investigated the dissimilarities on emotional intelligence on the basis of demographic variables and foundthat overall emotional competency differ on the basis of gender corresponding to similar findings by Cavallo & Brienza (2002) that emotional intelligence of employees were different on the basis of gender when rated by supervisors and in self rating there were no difference between male and female. Papathanasiou & Siati(2014) indicated a relation between gender, age, marital status, education, position of bank employees and time of service and emotional intelligence. Out of all these factors only age, gender and position of bank employees found positively related with emotional

intelligence whereas marital status showed negative relation, education and time of service did not have any relation with emotional intelligence. Adilogullari (2011) investigated that according to gender, age, marital status and status of teachers in the school, difference was not having an important effect though it seems age and gender factors had affect on emotional intelligence but it was only for some parts of study. Landa et al. (2008) examined nurses' emotional intelligence and job stress and their relationship founded emotional intelligence level was same in age, gender and marital status factors. Moreover, Guijar et al. (2010) evaluated the emotional intelligence level of university students' found mean score of male students' were higher than female students and found that age was also insignificant as similar to the findings of Ozturk & Deniz's (2008) study. Study by Gursoy et al. (2010) has been supported that emotional intelligence does not differ according to gender yet male teachers got high average score in comparison to female teachers. Akbas (2006), Birol et al. (2009) found age and gender insignificant according to emotional intelligence level of primary school teachers' and teachers working in TRNC. Study by Sheoran et al. (2014) found relation between 'different dimensions of emotional competencies and demographic factors like managerial cadre, designation, qualification of employees, while experience showed significant negative relation with EQ. Tajeddini (2014) did comparison between Indian and foreign students emotional intelligence, results indicated that there was no difference in overall emotional intelligence of students but dimensions wise difference found (Other's Emotion and Optimism). The study also showed demographic analysis indicating no difference in emotional intelligence level of Indian and foreign students regarding all demographic variables except age as in age category 25-30 foreign students were more emotionally intelligent.

Research Methodology

Exploratory cum-descriptive research design has been used for current study based upon primary data. Data collection was done with the help of Goleman's (2010) structured questionnaire encompasses of thirty two statements categorized into four major dimensions. The main dimensions of emotional intelligence questionnaire are Self-awareness (including 12 statements), Social-awareness (including 6 statements), Self-management (including 6 statements) and Social-skills (including 8 statements). The four dimensions have total thirty two statements to access emotional intelligence level on four point scale that ranges from strongly agree (4), somewhat agree (3), Somewhat disagree (2) to Strongly disagree (1). Random sampling has been used for data collection from different Indian organisations. In order to have 555 employees varied and representative sample different organisations from manufacturing and service has been taken. The employees mainly include top, middle and operative level employees lies in various category of work experience as detailed in Table-2.

For analysis point of view, it has been strictly considered that data gets closer from all categories like male, female, every type of education beg-rounds, aged employees to fresh workforce etc. Dimension wise reliability and validity of scale is checked using Cronbach's alpha which is calculated through CFA (Confirmatory Factor Analysis). Confirmations of construct validity are separated into two parts i.e. convergent and discriminant validity. Construct reliability (CR) and average variance extracted

(AVE) is used for Convergent validity of the measurement models Hair et al. (2006) where value of 0.7 or more for CR [30], and 0.5 or more for AVE are recommended Hair et al. (2006). However, for discriminant validity was confirmed by comparing AVEs of factors with their Maximum Shared Variable (MSV). In this part, when their AVEs are greater their relevant MSV, condition of discriminant validity for the factors is satisfied Hair et al. (2006). The value of dimension wise CR, ASV and MSV are publicized in the Table-1 depicts that data comes out to be reliable and variations have been depicted in tabular form. Further all four constructs of emotional intelligence have been analyzed through ANOVA to explore the demographical differences.

Table 1 : Scale Validity and Reliability value

Construct	CR	AVE	MSV
Self Awareness	0.94	0.582	0.325
Social Awareness	0.88	0.567	0.256
Self Management	0.91	0.560	0.325
Social Skill	0.88	0.565	0.274

Table-2 Respondent Profile Sheet

Demographic(s)	N	Percentage (%)	
Age	<i>Below 25</i>	116	20.9
	<i>25-35</i>	297	53.3
	<i>Above 35</i>	180	25.6
Gender	<i>Male</i>	400	72.1
	<i>Female</i>	155	27.9
Academic stream	<i>Arts & Humanities</i>	97	17.5
	<i>Science & Engineering</i>	278	50.1
	<i>Commerce & Mgt.</i>	180	32.4
Marital status	<i>Married</i>	321	57.8
	<i>Unmarried</i>	234	42.2
Nature of the organisation	<i>Manufacturing</i>	243	43.8
	<i>service</i>	312	56.2
Category of the organisation	<i>Indian</i>	381	68.6
	<i>Multinational</i>	174	31.4
Managerial cadre	<i>Top level</i>	48	8.6
	<i>Middle level</i>	296	53.3
	<i>Low level</i>	211	38.0
Total work experience	<i>Below 5 and 5</i>	276	49.7
	<i>6-10</i>	143	25.8
	<i>Above 11</i>	136	24.5

Results and Discussion

Table-3: Status and Variations in Self Awareness of Employees

Variables		Self Awareness				
		N	Mean	SD	t-Values	Significance
Age	<i>Below 25</i>	116	3.19	0.61	F-Value 1.605	0.20 NS
	<i>25-34</i>	297	3.30	0.52		
	<i>35-45</i>	142	3.21	0.48		
Gender	<i>Male</i>	400	3.26	0.53	t-Value 0.508	0.61NS
	<i>Female</i>	155	3.29	0.53		
Academic Qualification	<i>Arts & Humanities</i>	97	3.19	0.64	F-Value 2.776	0.06 NS
	<i>Science & Engineering</i>	278	3.25	0.53		
	<i>Commerce & Management</i>	180	3.34	0.45		
Marital Status	<i>Married</i>	321	3.32	0.48	t-value 2.499	0.01*S
	<i>Unmarried</i>	234	3.20	0.59		
Nature of Organisation	<i>Manufacturing</i>	243	3.26	0.55	t-Value 0.401	0.68 NS
	<i>Service</i>	312	3.28	0.52		
Category of Organisation	<i>Indian</i>	381	3.28	0.53	t-Value 0.669	0.50NS
	<i>Multinational</i>	174	3.24	0.53		
Managerial Cadre	<i>Top Level</i>	48	3.31	0.53	F-Value 0.310	0.73NS
	<i>Middle Level</i>	296	3.28	0.52		
	<i>Low Level</i>	211	3.25	0.55		
Work Experience	<i>Below 5</i>	276	3.24	0.56	F-Value 1.134	0.32 NS
	<i>6-10</i>	143	3.29	0.55		
	<i>11-15</i>	136	3.31	0.44		

*= Significant at 5 % level of significance.

For investigating employees' emotional intelligence on the basis of demographic characteristics of employees in organisations, t-test and ANOVA have been used. Table-3 shows that self-awareness dimensions of emotional intelligence differ significantly only in marital status (t-value= 2.499, P= 0.01*). But in other factors like age (P= 0.20), gender (P= 0.61), academic stream (P= 0.06), nature of organisation (P= 0.68), category of the organisation (P= 0.50), managerial cadre (P= 0.73) and total work experience (P= 0.32), self-awareness dimension does not differ significantly. On the basis of mean score this results clearly shows that married employees are slightly (M= 3.32) differ and having more emotional awareness in comparison to unmarried employees (M= 3.20)

Table-4: Status and Variations in Social Awareness of Employees

Variables		Social Awareness				
		N	Mean	SD	t-Values	Significance
Age	<i>Below 25</i>	116	3.02	0.56	F-Value 0.034	0.96 NS
	<i>25-34</i>	297	3.03	0.54		
	<i>35-45</i>	142	3.03	0.53		
Gender	<i>Male</i>	400	3.02	0.53	t-Value 0.106	0.91 NS
	<i>Female</i>	155	3.02	0.56		
Academic Qualification	<i>Arts & Humanities</i>	97	3.08	0.50	F-Value 5.475	0.005* S
	<i>Science & Engineering</i>	278	2.95	0.58		
	<i>Commerce & Management</i>	180	3.10	0.47		
Marital Status	<i>Married</i>	321	3.08	0.48	t-value 2.752	0.006*S
	<i>Unmarried</i>	234	2.95	0.60		
Nature of Organisation	<i>Manufacturing</i>	243	3.02	0.53	t-Value 0.185	0.85 NS
	<i>Service</i>	312	3.03	0.55		
Category of Organisation	<i>Indian</i>	381	3.03	0.52	t-Value 0.623	0.53NS
	<i>Multinational</i>	174	3.00	0.57		
Managerial Cadre	<i>Top Level</i>	48	3.04	0.56	F-Value 0.405	0.66NS
	<i>Middle Level</i>	296	3.01	0.56		
	<i>Low Level</i>	211	3.05	0.50		
Work Experience	<i>Below 5</i>	276	2.98	0.57	F-Value 1.582	0.20 NS
	<i>6-10</i>	143	3.06	0.51		
	<i>11-15</i>	136	3.06	0.49		

Among a sample of 555, respondents differ significantly in their social-awareness dimension of emotional intelligence on the basis of their academic qualification (F-value 5.475, P= 0.005*), and marital status (t-value 2.752, P= 0.006*). It means that employees' knowledge of their social-awareness change according to their qualifications. Mean score reflect that arts & humanities (M= 3.08) and commerce & management (M= 3.10) streams employees more similar and having more social-awareness in comparison to science & technology (M= 2.95). As similar to self-awareness dimension, social-awareness dimension of emotional intelligence also differ on the basis of marital status where married employees (M= 3.08) are more socially aware about their emotions in comparison to unmarried employees (M= 2.95) because of mean difference.

Table-5: Status and Variations in Self Management of Employees

Variables		Self Management				
		N	Mean	SD	t-Values	Significance
Age	<i>Below 25</i>	116	2.90	0.58	F-Value 1.53	0.21 NS
	<i>25-34</i>	297	3.00	0.46		
	<i>35-45</i>	142	2.98	0.49		
Gender	<i>Male</i>	400	2.96	0.51	t-Value 0.734	0.46 NS
	<i>Female</i>	155	3.00	0.45		
Academic Qualification	<i>Arts & Humanities</i>	97	2.97	0.49	F-Value 0.005	0.99 NS
	<i>Science & Engineering</i>	278	2.98	0.48		
	<i>Commerce & Management</i>	180	2.97	0.50		
Marital Status	<i>Married</i>	321	3.01	0.45	t-value 1.906	0.05* S
	<i>Unmarried</i>	234	2.93	0.54		
Nature of Organisation	<i>Manufacturing</i>	243	2.97	0.51	t-Value 0.259	0.79 NS
	<i>Service</i>	312	2.98	0.48		
Category of Organisation	<i>Indian</i>	381	2.99	0.50	t-Value 0.820	0.41 NS
	<i>Multinational</i>	174	2.95	0.48		
Managerial Cadre	<i>Top Level</i>	48	3.02	0.49	F-Value 0.504	0.60 NS
	<i>Middle Level</i>	296	2.98	0.47		
	<i>Low Level</i>	211	2.96	0.52		
Work Experience	<i>Below 5</i>	276	2.94	0.53	F-Value 2.078	0.12 NS
	<i>6-10</i>	143	2.99	0.47		
	<i>11-15</i>	136	3.03	0.42		

*= Significant at 5 % level of significance.

Furthermore, in Table-5 we observe the employees' self-management ability of emotional intelligence on the basis of demographic characteristics of employees and found that like above two dimensions self-management also significantly differ in only marital status (t-value= 1.906, P= 0.05*). All other demographic factors like age (P= 0.21), gender (P= 0.46), academic stream (P= 0.99), nature of organisation (P= 0.79), category of the organisation (P= 0.41), managerial cadre (P= 0.60) and total work experience (P= 0.12) are non significant and explain that employees having similar type of self-management intelligence. Again mean score results demonstrate that married employees are slightly (M= 3.01) differ and having more emotional management about themselves in contrast to unmarried employees (M= 2.93).

Table-6: Status and Variations in Social Skills of Employees

Variables		Social Skills				
		N	Mean	SD	t-Values	Significance
Age	<i>Below 25</i>	116	3.32	0.63	F-Value 0.112	0.89 NS
	<i>25-34</i>	297	3.35	0.60		
	<i>35-45</i>	142	3.35	0.55		
Gender	<i>Male</i>	400	3.32	0.61	t-Value 1.617	0.10 NS
	<i>Female</i>	155	3.41	0.52		
Academic Qualification	<i>Arts & Humanities</i>	97	3.41	0.56	F-Value 6.987	0.001* S
	<i>Science & Engineering</i>	278	3.25	0.64		
	<i>Commerce & Management</i>	180	3.44	0.49		
Marital Status	<i>Married</i>	321	3.40	0.53	t-value 2.845	0.005*S
	<i>Unmarried</i>	234	3.26	0.66		
Nature of Organisation	<i>Manufacturing</i>	243	3.33	0.57	t-Value 0.375	0.70 NS
	<i>Service</i>	312	3.35	0.60		
Category of Organisation	<i>Indian</i>	381	3.36	0.57	t-Value 1.164	0.24 NS
	<i>Multinational</i>	174	3.30	0.62		
Managerial Cadre	<i>Top Level</i>	48	3.39	0.56	F-Value 0.258	0.77 NS
	<i>Middle Level</i>	296	3.35	0.57		
	<i>Low Level</i>	211	3.33	0.62		
Work Experience	<i>Below 5</i>	276	3.28	0.63	F-Value 2.968	0.05* S
	<i>6-10</i>	143	3.41	0.57		
	<i>11-15</i>	136	3.40	0.51		

*= Significant at 5 % level of significance.

Table-6 states that, social-skills dimension of emotional intelligence varied according to marital status (t-value 2.845, P= 0.005*) and academic qualification (F-value 6.987, P= 0.001*) as similar to other dimensions but also differ in work experience (F-value 2.968, P= 0.005*) which is surprising. Moreover, the results reflected the alike findings in terms of mean score i.e. employees belongs arts & humanities (M= 3.41) and commerce & management (M= 3.44) streams having more social-skills in comparison to science & technology (M= 3.25). In marital status where married employees (M= 3.40) having more social-skills but in work experience employees having 6-10 years work experience (M= 3.41) and 11-15 years work experience (M= 3.40) are more socially intelligent disparity of those employees who are having 0-5 years work experience (M= 3.28), which is quite obvious because they spend more years of their lives at work place to interact with other people and know better way of adjustment.

Table-7: Status and Variations in Overall Emotional Intelligence of Employees

Variables		Overall EI				
		N	Mean	SD	t-Values	Significance
Age	<i>Below 25</i>	116	3.10	0.47	F-Value 0.883	0.41 NS
	<i>25-34</i>	297	3.17	0.42		
	<i>35-45</i>	142	3.15	0.41		
Gender	<i>Male</i>	400	3.14	0.43	t-Value 0.886	0.37 NS
	<i>Female</i>	155	3.18	0.42		
Academic Qualification	<i>Arts & Humanities</i>	97	3.16	0.43	F-Value 3.680	0.02*S
	<i>Science & Engineering</i>	278	3.11	0.45		
	<i>Commerce & Management</i>	180	3.21	0.39		
Marital Status	<i>Married</i>	321	3.20	0.38	t-value 3.160	0.002*S
	<i>Unmarried</i>	234	3.08	0.48		
Nature of Organisation	<i>Manufacturing</i>	243	3.14	0.43	t-Value 0.384	0.70 NS
	<i>Service</i>	312	3.16	0.43		
Category of Organisation	<i>Indian</i>	381	3.16	0.42	t-Value 1.019	0.30 NS
	<i>Multinational</i>	174	3.12	0.45		
Managerial Cadre	<i>Top Level</i>	48	3.19	0.4	F-Value 0.224	0.79 NS
	<i>Middle Level</i>	296	3.15	0.42		
	<i>Low Level</i>	211	3.15	0.44		
Work Experience	<i>Below 5</i>	276	3.11	0.46	F-Value 2.785	0.06 NS
	<i>6-10</i>	143	3.19	0.39		
	<i>11-15</i>	136	3.20	0.38		

*= Significant at 5 % level of significance.

Eventually, table-7 depicts the status of overall emotional intelligence of employees on the basis of their all demographic characteristics which are related to their personal and occupational backgrounds. These findings are very predictable because of previous findings discovered in above tables. As parallel to above results respondents differ significantly in their overall emotional intelligence only on the basis of their academic qualification (F-value 3.680, P= 0.02*), and marital status (t-value 3.160, P= 0.002*). It suggests that employees' familiarity with their own emotions and those of others modify according to their qualifications and also after marriage. Mean score again reflect that commerce & management (M= 3.21) employees having high emotional intelligence among all three category of education and married employees are more emotionally intelligence (M= 3.20).

Conclusion and Summation

Although demographic factors (age, gender, academic qualification, marital status, nature of the organisation, category of the organisation, managerial cadre and work experience) shows different results according to dimensions of emotional intelligence but the overall emotional intelligence found significant only in two demographic factors (marital status and academic qualification) that signify that education of an individual affect his emotional awareness and married people become more

emotionally intelligent and stable. The reason behind these findings that may be learning involves fitting new ideas into exiting framework of understandings. Individuals come from arts, humanities and management beg rounds require engagements of our emotional habits and change their habits such as learning to approach people positively instead of avoiding them. A better listening and give feedback skillfully are more challenging task and only learned from education and life experiences. Education provides individuals new ways of thinking and acting that are more essential to individual's identity. An individual for being an emotionally intelligent, it is necessary to him to generate a change in personal life, in mantel ability, thinking process, understanding, self motivational process and all that come from his academic education. Education shapes behaviour of people so as emotional intelligence. Activities that incorporate in school and colleges like soft skills workshops, stress management, anger management and communicational ability helps develop a strong foundation of stable emotional behaviour. Activities like this will encourage the emotional development of individuals to understand their own emotion and personality and others'. The research reveals significant effect of marriage exists, when we talk about status of emotional intelligence in employees. The employees who are married got high score in all dimensions and overall emotional intelligence as compared to unmarried. The results of this research are supported by the findings of Das & Sahu (2014) and Joshi and Thingujam (2009) who also investigated the association between emotional intelligence and marital status and found relation between them. On the contrary part, Punia (2005) research findings showed that unmarried executives have higher level of emotional intelligence, the reason behind the differences of results due to time, possibly opinion and thought process of individuals are changed. Eventually, overall findings of present study focused that married business education graduates emerged more emotionally intelligent.

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Role of Non Governmental Organisation in Rural Development : a Study in Dakshina Kannada District.

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Abstract

India is a country of villages and the government of India has been implementing Various development programmes for the betterment of Rural communities. Rural development is a comprehensive socio-economic process undertaken for the purpose of improving the economic and social conditions of people living in rural areas. Non-governmental organizations as a third sector institutional framework are playing a crucial role in providing strong support to the development issues. A number of NGO's have been playing an important role in rural community development, besides government interventions. Realizing that the government alone was not able to meet the challenges and problems in the process of rural development. The NGO sector effectively work towards uplifting the socio-economic status of the poor. Society is a patterned system of interaction among the individuals and communities. The NGO's changes the pattern of social interaction. When such patterns change, substantial number of society members assumes new status and play new roles in the community. It also applies to the changes in the material aspects of life as well as in the ideas, values and attitudes of the people. However, despite their good intentions as large number of NGO's find it difficult to sustain in the long run i.e., sustainability of organizations as well as sustainability of projects.

Role of Non Governmental Organizations (NGO's) in Rural development was analyzed through a case study conducted on Dakshina Kannada district of Karnataka state. In this paper an attempt has been made to analyze the working of NGO's for the rural development. The hypothesis set for the study is Rural development made available through NGO's with reasonable success.

Introduction

Rural development is based on sustainable development with available resources. The main aim of Rural development schemes is to generate employment opportunities, alleviate poverty by harnessing the available resources. The government of India has implemented many schemes for the development of the rural communities. Even today around 65% of the population of our country is living in rural areas. People in rural areas should have the same quality of life as is enjoyed by people living in Sub-

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urban and Urban areas. Further there are cascading effect of poverty , unemployment, poor and inadequate infrastructure in rural areas on urban centre causing slums and consequential social and economic tensions manifesting in economic deprivation and Urban poverty. Hence Rural development which is concerned with economic growth and social justice , improvement in the living standard of the rural people by providing adequate and quality social services and minimum basic needs becomes essential.

Non Governmental Organizations with their advantage of Non Rigid, locality specific , felt need based, beneficiary oriented and committed nature of service have established multitude of roles which can effect rural development. NGO's in recent days have been emerged as an important element of contemporary rural society and alike between in the grass roots and civil society. The voluntary sector has contributed significantly in reducing poverty, deprivation or discrimination and exclusion through awareness, social mobilization, service delivery and training. They are the effective non political link between government and common people.

Non Governmental Organizations play an important role in the efficient and cost effective provisioning of services, in mobilizing communities and groups and thereby providing effective channels of communication between the government and the people , and the implementation of programmes requiring innovative approaches.

The Government , because of its command over and access to much greater resources and working under a broader institutional framework, has the potential for designing and implementing suitable programmes to reach much wider sections of the poor. Non Governmental Organisations on the other hand , have several advantages over government organizations in the provision of assistance to the rural poor, and this aspect needs to be given due recognition. Their close contact with the poor, willingness to spend more time on the various experiments and their ready acceptability by society, given them an edge over the government. While Non Governmental Organisations may have the capacity to access the poor better, governments are still required to initiate suitable changes to enable sustained expansion of the economy.

Aims and objectives of NGO

- NGO's aim at improving the standard of living and value systems of rural people.
- They provide financial assistance for people to develop themselves.
- NGO's play a important role in empowering the rural poor such as women, Children's etc.
- NGO's promote people centered development through education program.
- NGO's countervail the debilitating aspects of development and democracy in rural areas.
- NGO's put effort for the development of civic amenities in rural areas.

- It encourages and implements the use of new technologies in rural areas.
- NGO's play an effective role in poverty alleviation and employment generation.
- They fight against corruption and anti-social practices.
- NGO's promotes development of agriculture and small scale industry.
- It promotes ecology and tribal development and environmental protection and education.

Growth of NGO's in India

The government of India, recognizing the need to supplement its own efforts to promote rural development and poverty eradication. Since the government programmes were not having the desired impact in rural areas, it was felt that NGO's could play a leading role in rural development through direct implementation of interventions around specific issues.

The growth of Non Governmental Organisations in India had roots in the pre-independence period and in the social reform movements of the late 19th century. During this period a number of individuals and associations were involved in social service, such as helping the poor and the destitute, as well as social reform against practices such as blind beliefs which are availed in rural areas. Christian missionary groups also contributed to the growth by setting up a network of hospitals, schools and welfare services for the poor. The Gandhian approach clubbing village development programs with social reform contributed largely to the growth of the voluntary sector.

According to PRIA (Society for participatory Research in Asia, New Delhi, 110062) survey it is estimated that there are 1.2 million Non Governmental Organisations in India . The Non Profit Organisations sector in India is predominantly rural based. More than half of the NGO's in the country are based in rural areas. Of course , several NPO's(Non Profit Organisations) located in Urban areas serve rural communities. Nearly half of the NGO's are unregistered. In India the percentage of registered NGO's is highest in Maharashtra (74%) and lowest in Tamil Nadu (47%). An overwhelming majority of these registered NGO's are registered under Society Registration acts. Most of the unregistered NGO's are in Rural areas but even in urban Delhi, nearly 30% of NGO's are not legally registered.

The following is an estimate of the types of NGO's based on their activities, there are four dominant activities at the all India level

Table 1 : Distribution of NGO's on the basis of their Activities

Activities	Percentage
Religion Based	26.5%
Education	20.4%
Sports/ Culture	18.0%
Health	6.6%

The impact of NGO's on social development varies in different countries. While NGO's have a strong influence in some countries, they are relatively weak in others. In India, many NGO's suffer from lack of credibility and are yet to gain full acceptance of the government. The relationship between NGO's and the government has both potential benefits and risks. A healthy relationship is possible only when there are commonly shared objectives regarding social development. However, even when such conditions are met, experience has shown that the main problem with the relationship between NGO's and the government seems to be one of mutual distrust. Further, which closer collaboration may help to expose governments to a grassroots perspective by working closely with local communities.

Review of Literature

Review of literature has not only widened the horizon of understanding the themes related to the study, but also has sharpened the method of arranging the components in the framework of the study.

Role of Non Governmental Organisations in Rural development were addressed by researches and some important studies are reviewed below.

1. A study by Misra, Rajeeb.(2008). The role of NGO's is not to carry out development work in isolation , but through a " Participatory approach" through working with the people. NGO's are essentially grassroots institutions that work closely with local communities
2. A study by Mehta, Ajay,S.(1996). on the involvement of Seva Mandir , a Non Governmental Organisation based in Udaipur described the efforts of the NGO's to countervail the debilitating aspects of development and democracy in two villages - Nayakheda and Shyampura. Transparency, credibility and team building were the major factor that accounted for their achievement of goals by empowering the local community collectively. It was a success story asserting the vital role of the NGO in mobilizing the power of the poor.
3. Laxmi, & Archana. (2005). In their study they states that the role of NGO's in reaching the poorest is limited and most of the income generating activities facilitated and promoted by the NGO's. They generate income which forms only a small proportion to the total income of the family members.
4. Ranjith, Guptha.made a case study of two Non Governmental Organisations, namely the association of Sarva Seva Farms (ASSEFA) and the Mysore Resettlement and Development Agency (MYRADA) with the objective of assessing their approaches, strategies and impact on rural development programs both were well known organizations committed to the cause of upliftment of the rural poor and the landless labourers.
5. Sarojini.(2004). made a study on the vital role of NGO's in educating Rural women for rural development.

Objectives of Present Study

1. To identify the role of NGO's in rural development.
2. To analyze the social, Personal and economical changes of members after joining NGO.

Research Methodology

For the present study, a few NGO's have been selected randomly for detailed investigation and relevant information was collected by personal visits and through telephones. The researcher personally came across with many NGO's which are acting upon to improve conditions of rural areas. The increasing membership of rural people in NGO's and the changes took place among the members motivated the researcher to take up this study.

In this study 10 NGO's were randomly selected from out of the pool of NGO's which are located, in Dakshina Kannada district. The total samples constitutes 100 i.e. 10 members from each NGO using purposive sampling method. The study is based on Primary data and Secondary data, Published articles. Primary data is collected through interview method. This study is specially a descriptive one it aims at describing the role of NGO's in rural development.

The overall analysis of the study reveals that NGO's are playing an effective role in betterment of rural communities.

Data Analysis and Discussions

Table 2 : Distribution of Beneficiaries on the basis of age

Sl No	Age	No of Beneficiaries	Percentage
1	Below 20 years	2	2
2	20-30	21	21
3	30-40	38	38
4	40-50	24	24
5	50-60	12	12
6	Above 60 years	3	3
	Total	100	100 %

Source : Primary Data

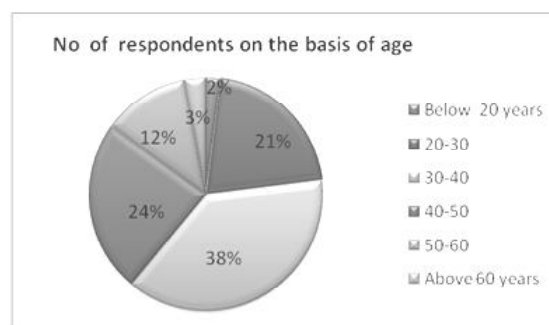


Table :2 Shows the Age wise distribution of Beneficiaries who are engaged in the NGO activities .The above table states that around (38 %) of the members who are getting the benefit from NGO's are belongs to the 30-40 age category and we can find very minimum members in the NGO's are belongs to above 60 years and below 20 years.

Table 3 : Distribution of Beneficiaries on the basis of their Educational Status

SI No	Educational Status	No of Beneficiaries	Percentage
1	Illiterate	34	34
2	Primary Education	42	42
3	S.S.L.C	17	17
4	P.U.C	6	6
5	Degree	0	0
6	Any other	1	1
	Total	100	100 %

Source : Primary Data

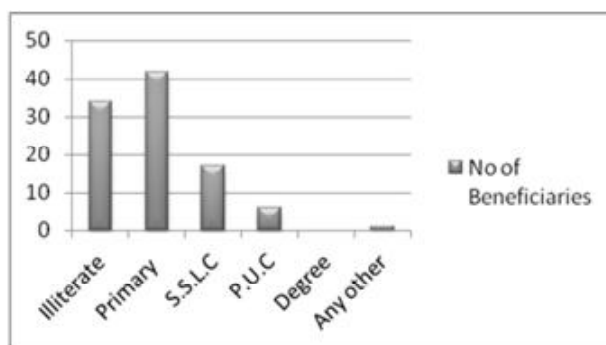


Table 3. Shows that most of the beneficiaries around (42%) have studied up to Primary education and majority of the beneficiaries are below S.S.L.C and (34%) are Illiterates. The people who have completed S.S.L.C , PUC and Degree level education were able to get the good job or they can go for Self Employment . But the people who are deprived from the formal education or had little education finds difficult to get the good job or their own Self Employment.

This study reveals that the majority of the Beneficiaries who are the members of NGO's are have the educational background of Primary or most of them are Illiterates and they are leading a secured life being the members of NGO's.

Socio-Personal and Economic Changes

The change implies all variations in human societies . when changes occur in the modes of living of individuals and social and personal relation gets influenced .

The NGO's play an very important role in the Socio- personal changes of the rural people by

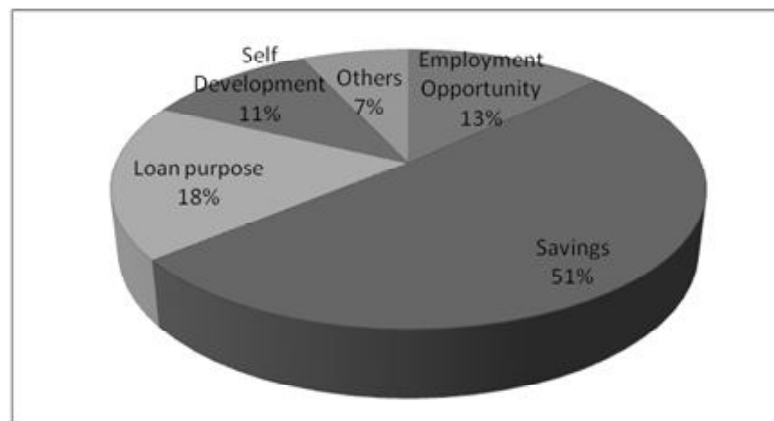
providing the various facilities to the rural poor .Socio-personal changes refers to the modifications which take place in life pattern of people it occurs because all societies are in a constant state of disequilibrium.

The NGO's are promoting the habit of savings among the rural people through their several development programs. This will leads to increase in the standard of living and economical conditions of the rural society.

Table:4. Objective of Beneficiaries behind joining NGO's

SI No	Objective	No of Beneficiaries	Percentage
1	Employment Opportunity	13	13
2	Savings	51	51
3	Loan purpose	18	18
4	Self Development	11	11
5	Others	7	7
	Total	100	100 %

Source : Primary Data



Objective behind joining NGO'S

Table 4. Reveals the objective of Beneficiaries behind joining NGO's . Majority of the beneficiaries (51%) are joined NGO's in order to save the money and (18%) of them joined for getting loan . Only 13% of the Beneficiaries are joined to get the employment opportunities and very few (11%) of them joined for self development. Savings increases the Self confidence of the individuals and the NGO's plays an important role in creating the habit of savings among its members.

Hence, This study reveals that, majority of the Beneficiaries are joined NGO's for saving purposes.

Table 5 : Savings details of Beneficiary

SI No	Institutions	No of Beneficiaries	Percentage
1	Banks	76	76
2	NGO Offices	5	5
3	Post Office	12	12
4	Government Organizations	3	3
5	Others	4	4
	Total	100	100 %

Source : Primary Data

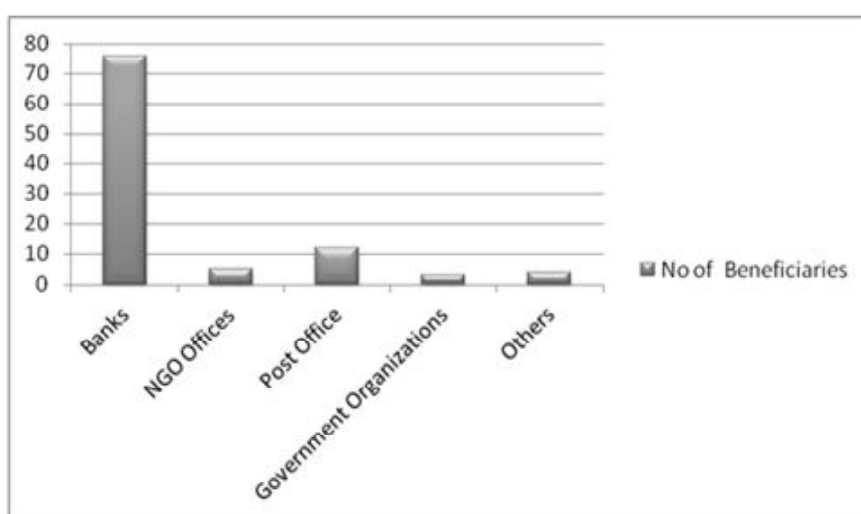


Table .5 Explains the saving details of the beneficiaries. The majority of the beneficiaries (76%) save their money in Banks and around (12%) of them are save in Post offices. Only few (5%) of the beneficiaries are have the savings accounts in NGO offices. This shows that most of the members of NGO's are trying to save money for better standard of living. Savings not only provides security to life and it also gives the encouragement to lead the Individual entrepreneurship or Self employment .

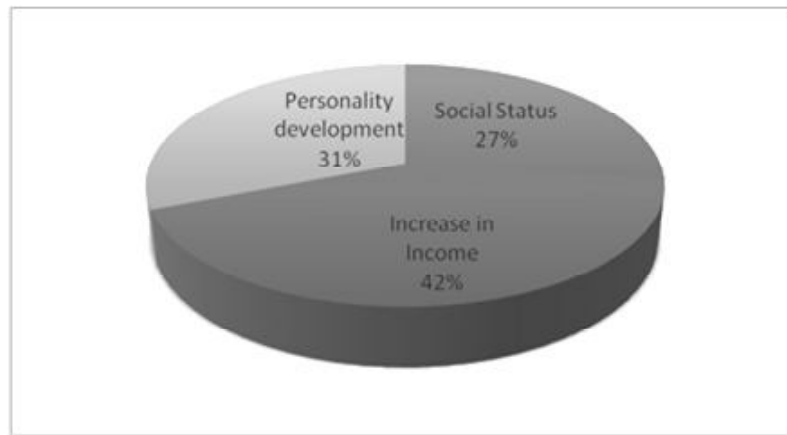
This study reveals that, due to the revolutionary activities of the NGO's they are successful to promote the habit of savings among the members. Savings contributes to changes in economic conditions, social status and decision making power of the Individuals.

The below table 6 shows that (42%) of the Beneficiaries have the opinion that their standard of living that means their personal Income has been increased in better extent and (31%) of Beneficiaries have the opinion that they have developed their Personality and Decision making power. Around (27%) of beneficiaries have the opinion that they have the improved social relationship and status in the society.

Table 6 : Socio-Personal and Economic Changes of Beneficiaries after joining NGO's

SI No	Changes	No of Beneficiaries	Percentage
1	Social Status	27	27
2	Increase in Income	42	42
3	Personality development	31	31
	Total	100	100 %

Source : Primary Data



The present study reveals that, The NGO's are able to provide a better quality of life and standard of living to the members. The table reveals a positive development in economic and socio - Personal conditions of the members.

Table 7 : Increase in financial status of Beneficiaries after joining NGO's

SI No	Opinion	No of Beneficiaries	Percentage
1	Yes	93	93
2	No	07	07
	Total	100	100 %

Source : Primary Data

Table 7 shows Increase in financial status of Beneficiaries after joining NGO's. Majority of the beneficiaries(93%) had opined that their financial status is increased after joining NGO's. Very few(7%) had opined that they are not able to get the better financial support from the NGO's.

This study shows that NGO's are playing a significant role in improving economic status of the beneficiaries.

Table 8 : Working status of Beneficiaries

SI No	Working Status	No of Beneficiaries	Percentage
1	Self Employment	31	31
2	Coolie	23	23
3	Beedi Rolling	12	12
4	Government Employee	01	01
5	Cattle breeding	05	05
6	farming	15	15
7	Small Retailing	07	07
8	Any other	06	06
	Total	100	100 %

Source : Primary Data

Working status of Beneficiaries

Table 8 Explains working status of the beneficiaries. The table shows that 31% of beneficiaries are have chosen Self employment and (23%) of the respondents are the coolie workers, (15%) of them are working as farmers and (12%) beneficiaries are engaged in Beedi rolling . Some of the beneficiaries are taken cattle breeding and some of them have small retail shops.

This shows that the Non Governmental Organizations are successful to create the awareness of the Self employment among the members and also made them to follow it. Majority of the members are self employed and they are getting regular income to lead their family. During the earlier days people are preferred to do work on the basis of their cast and creed. But now the entire situation has been changed due to the intervention of the Non Governmental Organizations. they provide proper training and good education facilities to the members according to their skill and knowledge .

Findings of the Study

1. Non Governmental Organizations play an important role in rural development by providing better facilities to the rural society.
2. Non Governmental Organizations are successful to create the awareness of Self employment among the members. The present study reveals that most of the beneficiaries are independent and they are trying do the self employment and other employment opportunities by taking the help of NGO.
3. NGO's have the ability to reach poor communities , remote areas and areas where government have failed to reach , with limited resources and infrastructure.
4. They also promotes the habit of savings among its members this will leads to increase in the personal income of members. In this study most of the members are started to save the money in banks , Post offices and in other institutions for their better future.

5. They played an significant role in increment of the financial status of the members They also grant loans and other financial assistance to the needy members of the NGO's in order to secure their lives from financial crisis.
6. In the present study majority of the NGO beneficiaries are having primary education and also most of them are illiterates. This shows that NGO's are working as a powerful tool in solving the most of the problem of rural poor who are uneducated or having less education.
7. Non Governmental Organizations plays a crucial role in personality development of the individuals. By their various programmes It encourages the members to develop themselves and to get the better lives and good status in the society.
8. NGO's study local needs and cater to these needs by adapting existing technologies and using innovative approaches.

Suggestions

- Most of the NGO's facing the problem of financial assistance they are not getting proper grants and financial assistance from government and this will make delay in providing the economical aids to the rural poor so the government should provide a proper financial grants to NGO's at right time without any delay.
- Many NGO programmes are not designed in such a manner as to bring about sustained behavioural change. because of this many people do not have the proper knowledge of benefit which they can get from NGO's. Thus it should undertake corrective measures to inform the need and importance of the NGO's to the rural poor.
- NGO's are responsible for the funds which they are granted to the beneficiaries. They should properly monitor all the financial activities of the NGO's.
- Most of the NGO members are Self employed .So NGO's should encourage them to be a self supportive by creating their own means of finance.
- Since the socio-economic conditions of Society is changing day- by -day it is suggested that NGO's should undertake the new projects, schemes and other development activities which should be suitable for changing scenario of the society and people.
- The activities and programmes of NGO's are too localized to be replicated on a regional or national scale.

Conclusion

The overall analysis of the study reveals that the NGO's are playing an important role in promoting and implementing the different developmental programmes in rural areas. The NGO's can contribute to changes in economic conditions, social status and personal development of each individual.

The role of NGO's is not to carry out development work in isolation, but through a "participatory approach" through working with the people. NGO's are essentially grassroots institutions that work closely with local communities. NGO's provide training to develop the skills of their members and to educate the public, especially the depressed sections of society, on their rights. They promote the habit of saving and they work hard to provide a secured life to the rural poor through generating self employment. Besides NGO's face the several problems like lack of funds, grants from the government and donors, lack of resources, lack of coordination among the members will cause the problem of delay for the implementation of development programmes.

So the government should give more importance for the development of NGO's and they should provide proper financial support and other resources at right time.

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A Study on Influence of Demographic Factors on Customers' Preference towards Cosmetic Products

– Dr. A. Lenin Jothi*

Abstract

Now, Consumers have lot of interest regarding the cosmetic products and also they having awareness about cosmetic product attributes. Here, the cosmetic companies need to understand the consumer attitude on cosmetics buying behaviour which brings success of the company. This research attempts to study the impact of demographic profile of customers on their product preferences of cosmetic products specifically with reference to Delhi. The purpose of this paper is to investigate the various factors that have impact on customers' product preferences. In this paper, the researcher distributed 110 questionnaires. However, 96 questionnaires were completely filled and effective to use. Respondents were selected by convenient sampling method and data was analyzed and interpreted with the help of statistical techniques. The study reveals different factors that have significant influence by demographic profile of customers.

Keywords: *Cosmetics, Cosmetic market, Product Preferences, Demographic Profile*

Introduction

The word "cosmetics" is derived from the Greek word kosmetikos which means "skilled at decorating". Cosmetics colloquially known as makeup or make-up are care substances used to enhance the appearance or odor of the human body. Attractive appearance is very important for both men and women. Recently, people are willing to spend big amount of money for the sake of taking care the beauty of face and skin by buying trusted cosmetics. The present era is time of globalization and companies are trying to win in this competitive market. This viable market creates many challenges for marketers because they are faced with customers who are more aware about products and know what they like to buy (Lin and Chen, 2006). Nowadays, Consumers have lot of interest regarding the cosmetic products and also they having awareness about cosmetic product attributes. Here, the cosmetic companies need to understand the consumer attitude on cosmetics buying behaviour which brings success of the company. This study broadly focuses on the consumers' preferences towards cosmetic products and the influence of demographic profile of customers. This study also contributes to the knowledge of how cosmetic companies will be able to understand buying habits of the consumers.

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Indian Cosmetic Market

The Indian cosmetic industry has witnessed rapid growth over the last couple of decades. The Indian market has a lot to offer in terms of penetration of new brands. India's cosmetics market is reportedly growing at 15-20 per cent annually, twice as fast as that of the US and European markets. Demand for skin whitening products by men as well as women, is driving the trend but other beauty products are not far behind. Driven by growing consumption in rural and semi-urban areas, the fast-moving consumer goods (FMCG) market is set to double from \$14.7 billion in 2008-09 to \$30 billion in 2014 in order to become the fourth largest sector in the economy with a market size in excess of \$14.7 billion. India's cosmetics industry may treble by 2020.

The emphasis of the herbal cosmetic has been on the spectacular growth of the herbal and ayurvedic beauty products business as conveyed by beauty expert Shahnaz Husain who was the first to introduce the concept of ayurvedic cosmetics to the world when she launched her products way back in 1970. Top ten or Leading Cosmetics Brands in the Indian Market are Lakme, Lotus, Biotique, L'Oreal, Shahnaz Husain, Revlon India, Maybelline, Himalaya, Colorbar and Elle 18.

A KPMG Wellness Sector report indicates that India's beauty and wellness market would nearly double to Rs 80,370 crore by 2017/18 from Rs 41,224 crore in 2012/13. Business is so good that it has caught the attention of private equity firms as well. An AC Nielsen report estimates the hair-care market in India at Rs 3,630 crore, with average annual growth of about 20 per cent. Another segment expanding rapidly is bridal makeup. Earlier, it was usually only the bride who visited the salon prior to the wedding ceremony, but now friends and relatives often join her and salons offer special packages for them. A bridal package cost ranges from Rs 50,000 to Rs 5 lakh for 10 people, which includes head-to-toe grooming and makeup. The government's Beauty and Wellness Sector Skill Council runs various training schemes. Naturally, employment opportunities in the sector are booming, too. The KPMG Wellness Report estimates that workforce requirements in the beauty and salon segment will grow from 3.4 million in 2013 to 12.1 million in 2022.

Literature Review

The review of related literatures has greatly helped the researcher in plotting the entire research design and establishing research objectives. Cosmetics buying behavior literature in developing countries in general is inadequate and ambiguous. However, an extensive review of literatures has been carried out for this research. They have also defined product knowledge as a total awareness which contains data about fundamental characteristics of various products and brands (Biswas and Sherrell, 1993). According to Anute, Deshmukh and Khandagale (2015), most of the people take quality as a most important factor to purchase cosmetic product and packaging as a least important factor for purchasing cosmetic product.

Rezvani, S., Rahman, M. S. and Dehkordi, G. J. (2013), while examining the relationship among three constructs of country perspectives (country image, product knowledge and patriotism) and

purchase intention in the context of buying cosmetic products, finds that patriotism had high influence on intention of customers for purchasing cosmetic products from the country perspective. Here, all the three variables of country perspective had a positive relationship with intention of purchasing cosmetic products.

Briney (2004) describes an interesting trend among Indian cosmetic consumers, while other global countries are taking to the traditional Indian herbal and ayurvedic applications for beauty solutions, Indian consumers are increasingly looking to international personal care brands as lifestyle enhancement products, in the belief that the association with and use of an international brand confers one with a sophisticated and upper class image.

Understanding behaviour of consumers is a key to the success of business organizations. Marketing personnel are constantly analyzing the patterns of buying behaviour and purchase decisions to predict the future trends. Schiffman and Kanuk (2004) revealed four different views are considered for understanding consumer decision making process and behavior. They are 'economic view', 'passive view', 'emotional view' and 'cognitive view'. Despite the various studies on these four types of decision making but it can be considered as a valid argument that these four behaviors exist while making the buying decision and provide the guideline for the analysis of consumers accordingly by the marketers.

Consumer buying behaviour depends on his perception, self concept, social and cultural background and their age and family cycle, their attitudes, beliefs values, motivation, personality, social class and many other factors that are both internal and external (Kotler and Keller, 2009). According to Shahzad Khan (2012) attitude is the conduct, nature, temperament, thought and way of behaving. It can be positive or negative and perform a very essential function in purchasing a product.

Statement of the Problem

Customers prefer different products based on their benefits for different reasons. While deciding on purchase of a cosmetic product, a customer takes several factors in to consideration and at the same time, his or her demographic profile such as age, income, occupation and etc will definitely have a great influence on the product they prefer. Accordingly, this study probes the preferences of customers of various cosmetic products. In addition, this study investigated the characters of cosmetic consumers in demographics and psychographics. In demographics, this study analyzes the characters of cosmetic consumers in terms of five categories: age, gender, education level, occupation, income. On the other hand, in psychographics, this study organized the factors affecting cosmetic consumer purchasing behavior into five divisions including fashion, brand, service, price and quality.

Objectives of the Study

Consumers buy products according to their needs, preferences and buying power. This study mainly focuses on the consumers' preferences towards cosmetic products. The specific objectives are

- To identify the important factors that determines the consumers' preferences towards cosmetic products.
- To study the impact of demographic profile of customers on the customers' product preferences.

Hypothesis

The nature of this research was based on hypothesis testing to establish causal relationships between all variables. The hypotheses under this study are as follows.

H 1: There is no influence of gender on the consumers' preferences of cosmetic products.

H 2: There is no influence of age group on the consumers' preferences of cosmetic products.

H 3: There is no influence of occupation on the consumers' preferences of cosmetic products.

H 4: There is no influence of income level on the consumers' preferences of cosmetic products.

Research Methodology

Research Design: This study includes both exploratory and descriptive research designs. An extensive literature review has been done to study the problem deeply. A well structured questionnaire was prepared and the data collected were analysed using appropriate data analysis tools.

Research Constructs: The factors considered in this study to determine customers' product preferences are Product Availability (F1), Brand Name (F2), Friends / Peer Group (F3), Product Quality (F4), Advertisement (F5), Attractive Packaging (F6), Economical Price (F7), Product Ingredients (F8) and Satisfaction of Need (F9)

Population Defined: Generally cosmetic products are referred as care substances which can be made of chemicals compounds or natural substances to enhance appearance and odour of human body. This study covers the customers of both synthetic based as well as herbal based cosmetic products.

Area of the study: The study area is limited to Delhi State as a whole.

Sources of Data: The study is based on both primary data & secondary data. The primary data has been collected by using a questionnaire and the secondary data has been collected from books, magazines and periodicals and journals.

Sample Size: The researcher distributed 110 questionnaires. However, 96 questionnaires were completely filled and effective to use.

Sampling Technique: Non Probability Convenience Sampling

Research instrument: A structured questionnaire was used to collect relevant data pertaining to the said research. A pilot study was conducted to judge the validity of the questionnaire. The first

part of this questionnaire contains respondent's demographic profile and the second part contains the questions pertaining to the factors influencing the consumers' preferences towards cosmetic products. A 5-point Likert scale was used starting from "Strongly Agree (5)" to "Strongly Disagree (1)"

Data Processing: After the collection of data through the questionnaire, editing was done carefully. Based on the responses of the samples, tables were prepared.

Data Analysis Tools: The hypotheses were tested through the Independent Sample Test (T-test), and analysis of variance (F-Test) or ANOVA. Independent sample t-test has been used in case of and one-way ANOVA to determine the effect of other demographic factors on customers' preferences.

Data Analysis and Interpretation

In this sub-section data are analysed using appropriate statistical tools and consequent interpretations were made. To analyze the collected data on purchase intention, SPSS (ver. 21.0) was applied. All the data were considered at 95% of confidence level.

Demographic Profile

The demographic profile of the respondents is shown in Table 1. The respondents have been classified on the basis of gender, age, occupation and monthly income. Of the sample collected, most of the respondents are between the age group of 20-30 (41 %). There are 30 % of male and the remaining are the female customers. Moreover, among all respondents almost 37 % have their annual family income in between Rs. 3 Lakhs and Rs. 6 Lakhs. A close look at the table clearly indicates that the frequencies are normally distributed among different categories of all demographic characteristics.

Table 1: Demographic Profile of the Female Respondents

Factors	t-test for Equality of Means					
	t	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
					Lower	Upper
F1	.557	.579	.11786	.21163	-.30234	.53805
F2	-.411	.682	-.05404	.13140	-.31493	.20685
F3	-2.066	.042	-.30674	.14845	-.60150	-.01198
F4	1.297	.198	.18631	.14364	-.09890	.47152
F5	.489	.626	.08698	.17771	-.26588	.43984
F6	.307	.760	.07720	.25167	-.42250	.57690
F7	1.672	.098	.23778	.14222	-.04460	.52016
F8	.915	.363	.12867	.14063	-.15055	.40788
F9	.848	.399	.11168	.13168	-.14976	.37313

Impact of Gender on Product Preferences

Table 2 indicates the analysis of independent sample t-test in determining the influence of gender on the consumers' preferences of cosmetic products. Male customers have shown more conscious on price than their counter parts. The t-value for friends and peer group influence indicates significant difference at level $p > 0.05$. It means that preferences between male and female customers of cosmetic products are significantly different in influence of friends and peer group. However, even though mean scores of male respondents' attitude are slightly different from that of their female counterpart, it is found that gender does not have any significant impact on other factors.

Table2: Impact of Gender on Product Preferences

Factors	t-test for Equality of Means					
	t	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
					Lower	Upper
F1	.557	.579	.11786	.21163	-.30234	.53805
F2	-.411	.682	-.05404	.13140	-.31493	.20685
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F5	.489	.626	.08698	.17771	-.26588	.43984
F6	.307	.760	.07720	.25167	-.42250	.57690
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F8	.915	.363	.12867	.14063	-.15055	.40788
F9	.848	.399	.11168	.13168	-.14976	.37313

Impact of Age on Product Preferences

The demographic characteristic Age was categorized into four such as less than 20, 20-30, 30-40, 40-50, and above 50. The impact of age on the factors influencing the preferences of cosmetic products is analysed here using one way - ANOVA. Table 3 indicates the analysis of one way - ANOVA in determining the influence of age on the consumers' preferences of cosmetic products. As shown in table, the significance level $p < 0.05$, for the Advertisement factor. It indicates that null hypothesis can be rejected and alternate hypothesis is substantiated. It means that age has significance impact on Advertisement while making decision of purchasing cosmetic products and age does not have any significant impact on other factors.

Table 3: Impact of Gender on Product Preferences

Factors		Sum of Squares	df	Mean Square	F	Sig.
F1	Between Groups	7.397	4	1.849	2.155	.080
	Within Groups	78.092	91	.858		
	Total	85.490	95			
F2	Between Groups	1.646	4	.411	1.198	.317
	Within Groups	31.260	91	.344		
	Total	32.906	95			
F3	Between Groups	2.310	4	.577	1.266	.289
	Within Groups	41.523	91	.456		
	Total	43.833	95			
F4	Between Groups	1.810	4	.453	1.080	.371
	Within Groups	38.148	91	.419		
	Total	39.958	95			
F5	Between Groups	7.539	4	1.885	3.254	.015
	Within Groups	52.701	91	.579		
	Total	60.240	95			
F6	Between Groups	1.805	4	.451	.346	.846
	Within Groups	118.820	91	1.306		
	Total	120.625	95			
F7	Between Groups	2.145	4	.536	1.302	.275
	Within Groups	37.480	91	.412		
	Total	39.625	95			
F8	Between Groups	.942	4	.235	.579	.679
	Within Groups	37.016	91	.407		
	Total	37.958	95			
F9	Between Groups	.935	4	.234	.658	.622
	Within Groups	32.305	91	.355		
	Total	33.240	95			

Impact of Occupation on Product Preferences

All kinds of employment are taken into this study. However, the researcher divided the occupation into four categories such as service, homemaker, self - employed. The category of students has been also added, since they are the valuable customers of cosmetic products. Table 4 indicates the analysis of one way - ANOVA in determining the influence of occupation on the consumers' preferences of cosmetic products. The F-value for the factors accepts the null hypothesis. This means that there is no significant impact of occupation on Product Availability, Brand Name, Friends / Peer Group, Product Quality, Advertisement, Attractive Packaging, Economical Price, Product Ingredients and Satisfaction of Need while a customer prefer a particular cosmetic product.

Table 4: Impact of Occupation on Product Preferences

Factors		Sum of Squares	df	Mean Square	F	Sig.
F1	Between Groups	2.966	4	.741	.818	.517
	Within Groups	82.524	91	.907		
	Total	85.490	95			
F2	Between Groups	.890	4	.223	.633	.641
	Within Groups	32.016	91	.352		
	Total	32.906	95			
F3	Between Groups	3.943	4	.986	2.248	.070
	Within Groups	39.891	91	.438		
	Total	43.833	95			
F4	Between Groups	2.347	4	.587	1.420	.234
	Within Groups	37.611	91	.413		
	Total	39.958	95			
F5	Between Groups	1.111	4	.278	.428	.788
	Within Groups	59.128	91	.650		
	Total	60.240	95			
F6	Between Groups	6.006	4	1.502	1.192	.320
	Within Groups	114.619	91	1.260		
	Total	120.625	95			
F7	Between Groups	.993	4	.248	.585	.675
	Within Groups	38.632	91	.425		
	Total	39.625	95			
F8	Between Groups	1.957	4	.489	1.237	.301
	Within Groups	36.001	91	.396		
	Total	37.958	95			
F9	Between Groups	.661	4	.165	.462	.764
	Within Groups	32.578	91	.358		
	Total	33.240	95			

Impact of Income on Product Preferences

Table 5 indicates the analysis of one way - ANOVA in determining the influence of age on the consumers' preferences of cosmetic products. The demographic characteristic under this research is annual income of the family of respondents. Respondents are divided into five groups according to their income as follows: Below 3 lakhs, 3 Lakhs - 6 Lakhs, 6 Lakhs - 9 Lakhs, 9 Lakhs - 12 Lakhs and above 12 Lakhs. Data were categorized according to these groups. It is interesting to note that the F-Value of monthly income for Friends / Peer Group (F3) and Attractive Packaging (F6) indicates significant differences at level $p < 0.05$. This means that the income has significant impact on the above said two factors while making decision of purchasing cosmetic products and age does not have any significant impact on other factors.

Table 5: Impact of Income on Product Preferences

Factor	F	Sig.
Product Availability (F1)	1.307	0.273
Brand Name (F2)	0.957	0.435
Friends / Peer Group (F3)	3.519	0.01
Product Quality (F4)	0.774	0.545
Advertisement (F5)	0.548	0.701
Attractive Packaging (F6)	2.469	0.05
Economical Price (F7)	0.941	0.444
Product Ingredients (F8)	0.751	0.56
Satisfaction of Need (F9)	0.627	0.644

Concluding Remarks

Consumer behavior encompasses a vast area including consumption pattern, consumer preferences, consumer motivation, and consumer buying process & shopping behavior. The purchase decision is influenced by various factors such as social, cultural, demographic, personal, economic etc. So for effective marketing, the marketer must know the basis of decisions taken by customers. It is found that almost all factors do not have any influence of demographic characteristics of customers while deciding to purchase a cosmetic product. This researcher has reported that excellent quality factor plays a key role over other factors viz. brand name, price and advertising. Besides this, cosmetic manufactures are required to understand thoroughly the buying behaviour before implementing any marketing strategy.

Limitations of the Study

As only one city was surveyed, the findings obtained or conclusions reached may not be generalized to consumers in other areas or cities. It does not represent the overall view of the Indian market. The cosmetics and toiletries is divided in 11 categories which are baby care, bath and shower products, deodorants, hair care, color cosmetic, men's grooming products, oral hygiene, fragrances, skin care, depilatories and sun care. However this study is limited to only the skin care products. The major limitations of the study are that respondents' bias cannot be judged and sample size is small.

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Price Discovery in Indian Raw Jute Futures Market

– Dr. Anil Kumar Swain*

– Mrs. Gouri Prava Samal**

Abstract

No business is alike, industries are different, needs and challenges are different, people are different so is their education and social background and dozens of other factors. Intelligence develops in an individual from his upbringing to adulthood and these factors help him to apply new knowledge into his life and business situations and deliver immediate benefits to his family and organisation who are investing in his Intelligence Quotient and Emotional Quotient development. Whenever the human element is involved, it is natural to talk about behaviour and intelligence. When an employee is emotionally intelligent he can perform rough phase of life with more creativity but in modern settings, physical exhaustion affects the creative process of developing a performance. The present research explores the employees' emotional intelligence varies according to their demographics like age, gender, academic qualification, marital status, nature of the organisation, category of the organisation, managerial cadre and work experience. However the results further indicate that variations in overall emotional intelligence emerged significant only across marital status and academic qualification.

Key-words: Intelligence, Emotional Intelligence, Demographics, Employee, Organisation

Introduction

Considering the financial theory based on cost-of-carry model, a futures contract price is always influenced by the spot price of its underlying asset, as long as the futures price is determined as the sum of the underlying asset's spot price and its cost of carrying or storing, the present paper examined the price discovery process in the Indian futures and spot markets for raw jute. The price discovery process of the futures market for raw jute has been explored by using daily closing spot and futures price of raw jute traded at one of the largest commodity exchanges of India, i.e. National Multi Commodity Exchange Ltd (NMCE) during a span of 5 years i.e. from 2010 to 2014. Augmented Dickey-Fuller test was initially applied to examine whether futures and spot prices are stationary or not. Then Johansen tests of co-integration and Vector Error Correction Model (VECM) were applied to test the long-run and short run relationship between spot and futures prices for raw jute. The

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hypotheses of the study were tested by using econometric software package "e- view". It was found that spot and futures prices for raw jute were co-integrated indicating the presence of a long-run relationship between spot and futures prices. Further study on this relationship indicated that price discovery for raw jute occurred in the spot market.

Key words: Price discovery, spot market, futures market, co-integration, VECM, NMCE.

I. Introduction

Jute is a natural fiber popularly known as the golden fiber. It is one of the cheapest and the strongest of all natural fibers and considered as fiber of the future. Jute is a rainy season crop, sown from March to May according to rainfall and type of land. It is harvested from June to September depending upon whether the sowings are early or late. The Jute Sector has been playing an important role in the economy of eastern region of India. About 4 million families are dependent on cultivation of Jute and Mesta and about 2 lakh workers get direct employment in the jute industry. Like other agricultural produce, raw jute is also exposed to price instability owing to bumper & short crops. From the below graph we can infer that raw jute price starts downward movement from May onwards with commencement of fresh arrivals to the market. But sharp fall in the prices can be seen from June onwards with the support of peak arrivals and surplus stocks in the market which pressurize the prices. From November month onwards prices starts moving upwards due to fresh export and domestic demand. Peak price level is witnessed during December, January and February months. In the months of July and August, prices touch their lowest levels. Thus, it can be summarized that the prices of raw jute in domestic market have shown considerable volatility which could pose profit risk to different stakeholders. There are various factors like domestic demand and supply condition, climatic condition, world production, export trend and international trading prices etc influence the price of raw jute in Indian market.

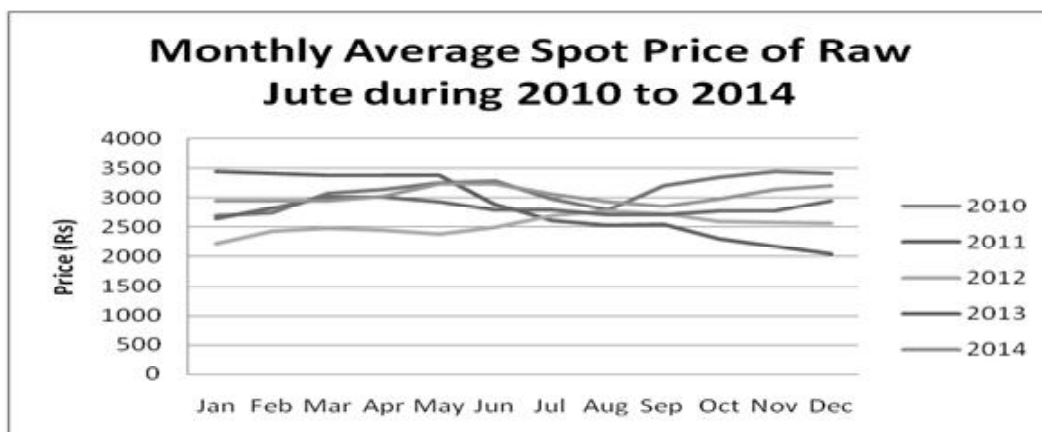


Fig 1. Monthly average of spot prices of raw jute from 2010 to 2014

Source: Authors own calculation from the data of NMCE

Because of such price volatility, it can be clearly concluded that Indian Jute farmers do not get remunerative prices. In this backdrop, futures trading in Raw Jute would help farmers through its price discovery mechanism. When there is a bumper crop, hedging will prevent prices from dropping and thereby benefit the farmers and also in the event of a shortage in supply, the prices would be moderated to protect mill owners. It is expected that futures trading in raw jute is essentially aimed at creating a bridge between farmers and industry. Taking into account the economic importance of raw jute in India especially in the eastern region and the volatility feature evident in its prices, this paper is trying to examine the dynamic relationship between spot and futures prices of raw jute and the impact of these prices on each other.

II. Review of Literature

There are numerous studies that have been explored in the ascertainment of whether the price information is reflected in the spot market or in its underlying futures market under various interval of time since the introduction of futures in Indian commodity market. Derivatives trading in the commodity market have been a topic of enthusiasm of research in the field of finance. There have been contrary views on impact of derivatives trading. A number of studies have been done to study the price risk management efficiency of commodity futures market in India. This study adds to the existing literature in this field using the econometric tool ADF test, Johansen's co-integration test and VECM to bring conclusiveness to the subject.

Garbade and Silber (1983) tested the relationship between spot and futures prices for seven commodities. Their goal was to test for efficiency in both functions of futures markets: risk management and price discovery. They developed a partial equilibrium model to explain characteristics of price movements in cash and futures markets for storable commodities. Garbade and Silber argued that the elasticity of supply for arbitrage services is constrained by both storage and transaction costs. Thus, futures contracts will not, in general, provide perfect risk transfer facilities over short-run horizons, though over the long run, cash and futures prices should be integrated.

Zapata et al (2005) who examine the relationship between sugar futures prices traded in New York and the world cash prices for exported sugar, conclude that the finding of co-integration between futures and cash prices suggests that the sugar futures contract is a useful vehicle for reducing overall market price risk faced by cash market participants selling at the world price.

Lingareddy, Tulsi (2008), in his article titled 'Expert committee on commodity Futures: Agreements and Disagreements' has explained that the expert committee on commodity futures concludes that futures trade in India has increased the price volatility of largely traded commodities like urad, chana and wheat during periods of excess liquidity. It finds an increase in prices for commodities that have small market sizes and scarce deliverable supplies like mentha oil. In contrast, futures trading has led to a reduction in volatilities and aided better discovery for other commodities like soya oil. It appears that futures trade in agricultural commodities is beneficial for only those commodities that fulfill the basic selection criteria for futures trading accompanied by stringent and timely regulatory actions.

Jose, k Sharon (2005), in his paper named "Forecasting Future basis levels in Commodity Futures" explains three categories of commodity futures i.e. agricultural commodity, energy commodity and metal commodity, while giving a detail description of the basis and how it affects commodity futures. It also explains the variation in basis across commodities and reasons for the same. Using commodity futures to hedge the commodity price risk helps in avoiding uncertainty of future cash flows and facilitates locking in the price. In other words, it helps in minimizing the price risk, but not completely avoiding the losses. Sometimes the unhedged position may provide better results than the hedged one.

Kaul, Sanjay, (2007) suggests on the basis of empirical evidences that introduction of derivatives does not destabilize the underlying market; either there is no effect or there is a decline in volatility. Further, the literature strongly suggests that the introduction of derivatives tends to improve liquidity and information of markets.

A study by Indian Institute of Management, Bangalore, (2006) with regard to gram, sugar, guar-seed, wheat, urad, and tur states that these commodities witnessed higher price increase in the post exchange period as compared with the pre-exchange period. By and large it concludes that changes in the fundamentals were important in causing the higher post-futures price rise, with government policies also contributing. Therefore, the role of futures remains unclear.

The study by Sahi,G.S, (2006) concludes that while the nature of spot price variability may not have changed significantly with the onset of futures trading , certain findings were consistent with destabilizing effects of futures trading on agro-commodity markets. For example, unexpected increase in futures trading volumes was found to have a significant unidirectional effect in increasing spot price volatility in commodities such as wheat, sugar, turmeric, raw jute, and soya bean oil, but not in raw cotton. Indications are that unexpected changes in futures market growth over a short period of time do not constitute a case against orderly growth of the futures market. But the study suggests that excessive speculative activity in futures market can destabilize spot prices and therefore warns against aggressive attempts to expand futures trading, especially if it is not driven by those who manage price risks in physical trade by hedging in the futures market but by speculators.

Melyukhina, O, Anton, J. and S. Kimura (2011) have made different studies and analyzed the agricultural risk management system in New Zealand, Spain and Australia by applying a holistic approach that considers the interactions between all sources of risk, farmers' strategies and policies. The policy analysis is structured around three layers of risk that require a differentiated policy response such as normal risks that should be retained by the farmer, marketable intermediate risks that can be transferred through market tools, and catastrophic risk that requires government assistance. The reports reveal different risk management policies for different countries. The risk management policy in New Zealand is focused on prevention of pest and disease incursions. Assistance related to natural disasters is delivered within the Adverse Events Framework programme. The government contributes to knowledge and information systems to support private risk management efforts. In Australia, the main focus of risk management policy is drought risk and the concerned paper assesses the objective

and instruments of the country's national drought policy framework. While in case of Spain, the risk management system is dominated by public insurance.

Ranjit and Asima, 2010 have studied on the efficiency of Indian commodity market in terms of price formation of agricultural commodities traded on commodity exchanges is concerned by applying co- integration analysis and GARCH model on agricultural commodities and confirmed that the co-integration between commodity futures and commodity spot market indices is present. They further emphasized that with the information of any one index, hedging can be done on other commodity indices. They also found new information as an important factor to predict the future value of commodities.

R. Salvadi and P. Ramasundaram, 2008 have suggested on hedging efficiency of Indian commodity futures market that it has failed to provide an efficient hedge against the price risk particularly in agricultural commodities. Their results showed the inefficiency of agricultural commodity futures market in terms of price discovery due to the non integration of futures and the spot market. Exchange specific factors attributed to the market imperfection had found like non awareness of futures market among farmers, infrequent trading, thin volume and low market depth, lack of effective participation of members etc. It also suggested about the implementation of Government driven policy measures to raise the commodity futures market as a vibrant segment for price risk management in Indian Agriculture sector.

Samal, G.P and Swain Anil, 2015 suggested on efficiency of Indian commodity futures market that there was a long-term relationship existed between futures and spot prices for cotton, turmeric and castor seed during the calendar year 2013. Further, the analysis of short-term relationship by causality test proved that futures markets have stronger ability to predict subsequent spot prices for cotton, turmeric and castor seed during the same period.

From the literature review, it is observed that there is enormous amount of literature on efficiency in information flow between the Spot and the Futures market, Co-integration between both the markets and so on. But much study relating to raw Jute has not been made yet. Hence, the present study is taken up to fill up such gap.

III. Objective of the Study

The objective of the study is to analyze the causal relationship between the futures and the spot market of jute in India.

IV. Hypothesis

- Hypothesis 1:** Ho: Futures prices do not influence Spot Prices in the long run and short run.
H1: Futures prices do influence Spot Price in the long run and short run.
- Hypothesis 2:** Ho: Spot prices do not influence Futures Price in the long run and short run.
H1: Spot prices do influence Futures Prices in the long run and short run.

V. Data and Methodology

Data

The study utilized secondary data source viz. daily historical closing spot and futures price of raw jute transacted in National Multi Commodity Exchange (NMCE) during 2010-14. Thus, the data collected is for a period of five years from 2010 to 2014. The data are collected from the home page of National Multi Commodity Exchange of India i.e. www.nmce.com.

Methodology

As the focus of this paper is to examine the ability of jute spot and futures markets as predictors and the causal relationship between them in India, the methodology of this paper focuses on describing the procedures directly related to such. Price prediction or discovery should be present in a market which has a long-run equilibrium relationship, that is, in such a market the spot price, the futures price or a combination thereof will adjust to news events in order to maintain equilibrium. Such a long-run relationship is tested by examining the spot and futures price series for co integration. Co-integration requires that both series be non-stationary in level form and integrated of the same order and so both series must be tested for the presence of a unit-root. Augmented Dickey-Fuller (ADF) test was employed in this study to examine the stationarity of the data. The ADF test is specified as follows:

$$\Delta Y_t = b_0 + \beta Y_{t-1} + \mu_1 Y_{t-1} + \mu_2 Y_{t-2} + \dots + \mu_p Y_{t-p} + \varepsilon_t \quad \dots (1)$$

where, Y_t represents time series to be tested, b_0 is the intercept term, β is the coefficient of interest in the unit root test, μ_i is the parameter of the augmented lagged first difference of Y_t to represent the p^{th} order autoregressive process, and ε_t is the white noise error term.

Once it has been established that the data series are non stationary, the next step is to test whether there is a co-integrating relationship between the two series exists or not. Johansen's co-integration tests have been used to assess the long-run relationship among spot and futures prices. The Johansen's co-integration test, assuming an n-dimensional vector X_t with integration of an order I (1), estimates a vector autoregressive models. Johansen and Juselius (1990) further improved the model by incorporating an error correction as:

$$X_t = c + \sum_{i=1}^k \Pi_i X_{t-1} + \varepsilon_t \quad \dots(2)$$

$$X_t = \mu + \sum_{i=1}^{\mu-1} r_i \Delta_i X_{t-1} + \Pi_i X_{t-1} + \varepsilon_t \quad \dots(3)$$

where X_t is an $n \times 1$ vector of the $I(1)$ variables representing spot (S_t) and futures (F_{t-n}) prices, respectively, μ is a deterministic component which may include a linear trend term, an intercept term or both, Δ denotes the first difference operator, Π_i is an $n \times r$ matrix of parameters indicating α and β , c is a vector of constants, k is lag length based on the Hannan-Quinn criterion and ε_t is error term, indicating how many linear combinations of X_t are stationary.

The co-integration model asserts that if the coefficient matrix Π has reduced rank $r < k$, then co-integrating relationship can be determined by examining the rank of the coefficient matrix Π , which is based on the number of co-integrating vectors. The rank of Π thus defines the number of co-integrating vectors. For the two variables (S_t and $F_{0,t}$) in our study, the maximum rank of Π will be 2, indicating that S_t and $F_{0,t}$ are jointly stationary. A rank of one (1) will indicate a single co-integration and a zero (0) rank will indicate lack of co-integration between S_t and $F_{0,t}$. Johansen suggests the trace and maximum eigen value likelihood tests to determine the rank of Π . These are presented in equations (4) and (5) respectively:

$$J_{trace} = -T \sum_{i=r+1}^n \ln(1 - \hat{\lambda}_i) \quad \dots(4)$$

$$J_{max} = -T \ln(1 - \hat{\lambda}_{r+1}) \quad \dots(5)$$

where T is the sample size and $\hat{\lambda}_i$ is the i :th largest canonical correlation. Asymptotic critical values have been provided by Johansen and Juselius (1990) as test statistics.

The Johansen's method of detecting co-integration results in a set of matrices that contain the information that allows a Vector Error Correction Model (VECM) to be examined. In the present study VECM was used to determine the cause and effect relationship between Spot and Futures prices of Jute.

VI. Empirical Finding and Discussion

Stationarity Test

The Augmented Dickey-Fuller test was conducted on the price series to check for stationarity of data which is a precondition for further analysis. The results for the test are shown in Table 1. The ADF test displays the calculated tau figures in the table below and it was seen that these are smaller in absolute terms than the associated critical values (at the 1% level the critical ADF test value is -3.434805 while at the 5% level it is -2.863395 and at 10% level it is -2.567806) in all instances, and so it was concluded that the null hypothesis that these series are nonstationary and do contain a unit root could not be rejected. The data order was then examined with the ADF test on the price series in first difference form. The results for these tests are shown in Table 1. It was observed that the estimated tau value became larger, and was in fact greater than the associated critical values in absolute terms. As the absolute value was greater than the critical value in both series in ADF, the null hypothesis that the

first difference of the spot and futures price series contains a unit root was rejected and it was concluded that both the spot and futures series were integrated of the first order. It was thus established that both spot and futures prices were not stationary in level form, but both become stationary in first-difference-form showing that they were both I (1) series.

Table 1 : Stationary Test: Spot & Future Prices

Augmented Dickey-Fuller test statistic				
	Spot		Futures	
	Levels	1st difference	Levels	1st difference
t-statistic	-1.770352	-27.81472	-1.615148	-27.81472
Critical Values				
1%	-3.434805	-3.434805	-3.434805	-3.434805
5%	-2.863395	-2.863395	-2.863395	-2.863395
10%	-2.567806	-2.567806	-2.567806	-2.567806

Source: Price Data from www.nmce.com

Co Integration Test

To determine the long run and short run causality or cause and effect relationship between the two variables i.e. spot and futures prices, Vector Error Correction Model was employed. This Model requires co-integration of the two price series. Thus, Johansen Co Integration Test was conducted to test the presence of a long run relationship between the spot and futures price series.

Table 2 : Johansen Co Integration Test (Trace)

Series: SPOT LNFUTURES				
Unrestricted Cointegration Rank Test (Trace)				
Hypothesized		Trace	0.05	
No. of CE(s)	Eigenvalue	Statistic	Critical Value	Prob.
None	0.077415	115.5095	15.49471	0.0001
At most 1	0.001870	2.622683	3.841466	0.1053
<i>Trace test indicates 1 cointegrating eqn(s) at the 0.05 level</i>				

Table 3 : Johansen Co Integration Test (Maximum Eigenvalue)

Series: SPOT LNFUTURES				
Unrestricted Cointegration Rank Test (Maximum Eigenvalue)				
Hypothesized		Maximum Eigenvalue	0.05	
No. of CE(s)	Eigenvalue	Statistic	Critical Value	Prob.
None	0.077415	112.8868	14.26460	0.0001
At most 1	0.001870	2.622683	3.841466	0.1053
<i>Max-eigen value test indicates 1 co-integrating eqn(s) at the 0.05 level</i>				

The results in Table 2 and 3 above show that both the Trace Test and Maximum Eigen value Test agreed that it was unlikely that the rank of this equation would be zero and both show that the rank of this matrix was at most equal to 1. Both tests thus resulted in the same conclusion that the rank was definitely not zero and so 1 co-integrating equation existed between the spot and futures price series which indicated the presence of a long-run co-integration relationship. It is therefore safely assumed that the integration between the markets is of long term nature and the causality between the markets can be determined by running the Vector Error Correction Model.

Vector Error Correction Model

VECM was formed taking two lags. Table 4 and 5 below show the output for the Johansen's VECM, with the inclusion of two lagged term on both the spot and futures prices of Jute.

Effect of Futures

First, the VECM was conducted by taking the spot prices as dependent and futures prices as independent variables. Results in Table 4 below reveal an Error Correction Term (ECT) of -0.04972 and is not significant. Thus, it can be concluded that the long term causality of futures prices of jute on its spot prices does not exist and the rate of correction of the disequilibrium is almost at 5% only. The coefficients of one and two day lag are not significant, indicating no short term causality of futures on the spot prices of jute.

Table 4 :Long Run & Short Run Effect of Futures

Dependent Variable: D(SPOT)				
Method: Least Squares				
D(SPOT) = C(1)*(SPOT(-1) - 0.977023937463*FUTURES(-1) - 43.5631481622) + C(2)*D(SPOT(-1)) + C(3)*D(SPOT(-2)) + C(4) *D(FUTURES(-1)) + C(5)*D(FUTURES(-2)) + C(6)				
	Coefficient	Std. Error	t-Statistic	Prob.
Error Correction Term (Long run causality)	-0.04972	0.081852	-0.607439	0.5437
Spot Short Run (-1)	0.323342	0.119904	2.696669	0.0071
Spot Short Run (-2)	-0.001888	0.121566	-0.015534	0.9876
Futures Short Run (-1)	-0.020355	0.122614	-0.166013	0.8682
Futures Short Run (-2)	-0.114522	0.124131	-0.922596	0.3564
Intercept	-1.465691	1.880004	-0.779621	0.4357
F-statistic	24.34531	Prob (F-Statistic)		0.000000

Finally, the VECM was conducted by taking the futures prices as dependent and spot prices as independent variables. Results in Table 5 below reveal an Error Correction Term (ECT) of -0.148981 and is not significant. Thus, it can be concluded that the long term causality of spot prices of jute on its futures prices does not exist and the rate of correction of the disequilibrium is almost at 15% only. The coefficient of one day lag is significant and two day lag is not significant, indicating presence of short term causality of spot prices on futures prices of jute in one lag period only.

Table 5 : Long Run & Short Run Effect of Spot Prices

Dependent Variable: D(FUTURES)				
Method: Least Squares				
D(FUTURES) = C(1)*(FUTURES(-1) - 1.02351637627*SPOT(-1) + 44.5875955458) + (2)*D(FUTURES(-1)) + C(3)*D(FUTURES(-2)) + C(4)*D(SPOT(-1)) + C(5)*D(SPOT(-2)) + C(6)				
	Coefficient	Std. Error	t-Statistic	Prob.
Error Correction Term (Long run causality)	-0.148981	0.078922	-1.887709	0.0593
Futures Short Run (-1)	-0.129718	0.121004	-1.072017	0.2839
Futures Short Run (-2)	-0.096422	0.122501	-0.787117	0.4313
Spot Short Run (-1)	0.422216	0.11833	3.568125	0.0004
Spot Short Run (-2)	0.038771	0.11997	0.323172	0.7466
Intercept	-1.617894	1.855319	-0.87203	0.3833
F-statistic	28.92448	Prob (F-Statistic)		0.000000

Thus, it is found that the futures has no long run causality on the spot prices and the one and two days lagged prices can not jointly cause the spot price. Similarly, the spot price has no long run causality on the futures prices and the one day lagged price only can cause the futures price. Hence, it can be concluded that the spot market led the futures market in the short run and the cost of carry model holds good for Jute during this period.

VII. Conclusion

This study set out to test for price discovery process between the spot and futures markets for raw jute in India. Johansen tests for co-integration between spot and futures prices were conducted and it was established that co-integration exists between the two markets. A VECM was then applied to formulate the equilibrium relationship between the two series of price data. It was found that there is neither long run nor short run influence of futures price on spot price of raw jute existed during the sample period. On the other hand spot price has short run influence on the futures price of raw jute though not in long run. Thus, it can be concluded that price discovery for raw jute occurred in the spot market during the sample period representing the cost of carry model holds good and some level of inefficiency in the jute futures market. This result may be due to a number of factors. As was discussed earlier, the jute market is much localized in the eastern region of India and cultivation is also very limited to this part of the country. An additional possibility is that the market for Indian raw jute may be influenced by the trade behaviour of the market participants. Because of number of challenges faced by the jute sector of the country, farmers opt for other cash crops specifically horticultural products instead of jute which makes the futures market unattractive and less liquid as compare to the spot market for jute.

These findings have a number of implications for market participants. At a very simple level

these results show that price discovery is present, which in turn suggests that information is being assimilated in prices and that these prices, in the long-run, tend towards equilibrium. The existence of a price discovery process between the two markets is suggestive of a degree of efficiency within these markets. However, given that the study's results point to the spot market being the point of price discovery, price changes in the spot market should be carefully observed as these are seen to lead changes in the futures market. Farmers, commodity traders, regulators and policy makers should therefore exercise caution in using futures prices to predict likely future cash prices. Further, development of the futures market for jute, with its contingent benefits for price discovery and risk management requires extra effort from government, NMCE and farming associations to improve farmers' education regarding these products and to improve the market structure for jute in order to reduce the perceived threat of price manipulation.

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Life Insurance Business - Changing Role of Intermediaries

– Dr. Jasti Ravi Kumar

Abstract

An insurance intermediary is a person or a company that helps in buying insurance products by public. They are insurance agents, insurance brokers and financial advisors. Insurance intermediaries are legal entities and individuals who offer or conclude insurance. An insurance intermediary is a person or a company that helps in buying insurance. An insurance intermediary includes individual agents, corporate agents including banks and brokers. They intermediate between the customer and the insurance company.

Keywords: Insurance, Agents, Direct selling, Private sector, Public sector

Objectives of the Study

This paper is focused on the following objectives

- To study the trend of Individual agents of Life Insurers during the study period 2007-08 to 2013-14.
- To analyze the new business premium of life insurers in channel wise from the financial year 2007-08 to 2013-14.

Year 2000 is the milestone for Indian life insurance business. Before 2000, only one insurance company i.e Life Insurance Corporation of India (LIC) in life insurance business. But now there are 24 players in life insurance business. Life insurance business is also increased tremendously from the year 2000 to 2014 in terms premium, no. of policy holders and penetration. But at the same time life insurance companies are changing their traditional approach (Agents) to Modern approach (online selling) to attract policy holders and increase their business.

An insurance intermediary is a person or a company that helps in buying insurance products by public. They are insurance agents, insurance brokers and financial advisors. Insurance intermediaries are legal entities and individuals who offer or conclude insurance. An insurance intermediary is a person or a company that helps in buying insurance. An insurance intermediary includes individual agents, corporate agents including banks and brokers. They intermediate between the customer and the insurance company. Insurance also includes Surveyors and third party Administrators but these intermediaries are not involved in procurement of business. Surveyors assess losses on behalf of the

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insurance companies. Third Party Administrators provide services related to health insurance for insurance companies.

Methodology

This study is based on the secondary data collected from Annual reports of Insurance Regulatory and Development Authority and respective insurance companies. The Indian life insurance industry has witnessed a quantum of increase in terms of no. of players, worth of business, penetration of insurance etc.. Year 2000 is the milestone for Indian life insurance business. Before 2000, only one insurance company i.e Life Insurance Corporation of India (LIC) in life insurance business. But now there are 24 players in life insurance business. Life insurance business is also increased tremendously from the year 2000 to 2014 in terms premium, no. of policy holders and penetration.

It is also noticed that, the role of intermediaries has changed from agent to online. In the earlier days people did not come forward to buy the insurance products without interference of agents. Because they treat the insurance as risk sharing tool not as investment. But now a days, people are consider insurance as an investment tool in addition to risk sharing tool. Insurance sword has two edges one is risk sharing edge another is return from markets.

Role of Intermediary - Changing Face

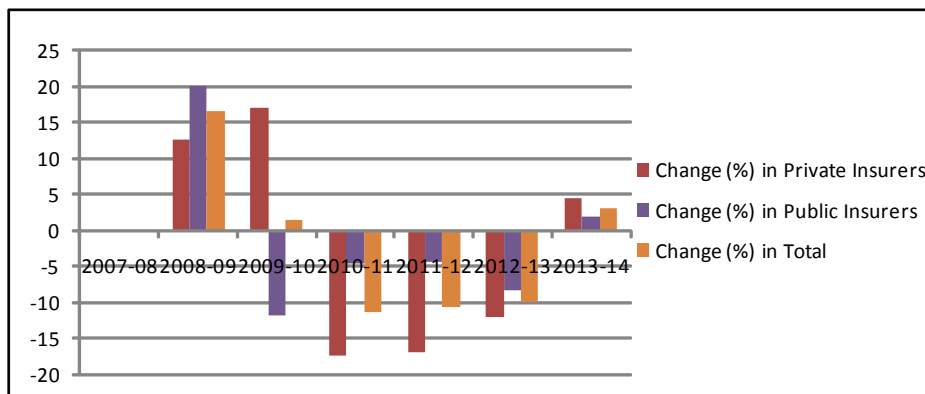
Earlier insurance was a unsought product. People were not showed much interest to buy insurance policy unless they expect some loss in future and forced by the insurance agents. Agents had played a vital role in selling insurance products. There is change in thinking of public towards insurance products due to tremendous changes in the economic environment. Public are coming forward to buy the insurance products without any force from the agents. They are showing interest to buy policies through online after comparing the plans of various companies. Thanks to information technology, people are buying insurance products at cheaper rate through online compare to traditional agents method. This study reveals the facts about the changing role of insurance intermediary.

The following table explains about the trend of individual insurance agents in life insurance companies.

Table 1 shows the trend of no. of individual agents held by insurance companies both public and private sector during the period 2007-08 to 2013-14. According to the table 1, from the year 2007-08 to 2009-10 there is growth in individual agents of private life insurance companies.

Table 1 : Trend of Individual Agents of Life Insurance Companies

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Private Insurers	1193744	1344856	1575476	1302328	1080651	949774	992584
Change (%)		12.66	17.15	-17.34	-17.02	-12.11	4.50
Public (LIC)	1326748	1592579	1402807	1337064	1278234	1172983	1195916
Change (%)		20.04	-11.92	-4.69	-4.40	-8.23	1.95
Total	2520492	2937448	2978300	2639375	2358868	2122745	2188500
Change (%)		16.54	1.39	-11.38	-10.63	-10.01	3.10



$$\text{Change (\%)} = \frac{\text{Current year figure} - \text{Previous Year figure}}{\text{Previous figure}} \times 100$$

Figure 1: Trend of Individual Agents of Life Insurance Companies

12.66 percent increase in agent size from the year 2007-08 to 2008-09 and 17.15 percent increase in 2008-09 to 2009-10. From the year 2009-10 onwards there is decreasing trend in agent size of private insurance companies. No. of agents were decreased around 17 percent each from the period 2009-10 to 2010-11 and 2010-11 to 2011-12. Again there is decrease in number by 12.11 percent for the year 2012-13. But there is small growth in the 2013-14 at the rate of 4.50 percent because of rural penetration.

Public sector (LIC) insurance company is also trying to reduce the agents from the 2009-10 onwards. During 2007-08 to 2008-09 increase of agents by 20.04 percent after that there is a decreasing trend. For the year 2009-10, decrease in agent size by 11.92 percent after that decrease of 4.69 percent, 4.40 percent and 8.23 percent for the years 2010-11, 2011-12 and 2012-13 respectively. But in the year 2013-14, Agents of LIC were increased by 1.95 percentage.

Both (Private & Public) the sectors are reducing physical agents as they are diverting their channel of business from agents to direct selling. There is more than 10 percent decrease in each year in agent's strength from the year 2010-11 onwards.

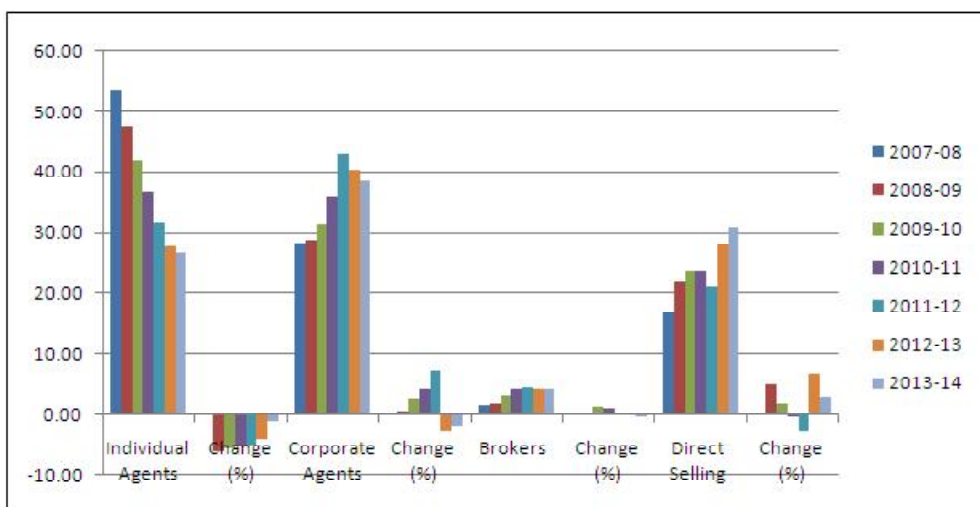
Number of Individual agents of private sector is decreased by 2,01,160, public sector (LIC) Agents are decreased by 1,30,832 and total strength of agents are decreased by 3,31,992 in life insurance sector. All the above analysis is presented in Figure 1.

**Table 2 : New Business Premium (Individual & Group) of Life Insurers - Channel Wise (Private)
(Fig. in percentage of premium)**

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Individual Agents	53.46	47.44	41.85	36.48	31.59	27.59	26.48
Change (%)		-6.02	-5.59	-5.37	-4.89	-4.00	-1.11
Corporate Agents	28.12	28.73	31.36	35.68	43.00	40.36	38.47
Change (%)		0.61	2.63	4.32	7.32	-2.64	-1.89
Brokers	1.61	1.96	3.16	4.22	4.42	4.14	4.21
Change (%)		0.35	1.20	1.06	0.20	0.28	0.07
Direct Selling	16.81	21.87	23.63	23.62	20.99	27.90	30.84
Change (%)		5.06	1.76	-0.01	-2.63	6.91	2.94

(Source: Compiled from Annual Reports)

Change (%) = Current year figure - Previous Years figure



(Source: Compiled from Annual Reports)

Figure 2: New Business Premium (Individual & Group) of Private Life Insurers

Table 2 represents the new business premium of private life insurers. Business through individual agents is decreasing throughout the study period. Year after year, it is decreasing around 5 percent of the business. But at the same time business through direct selling is increasing every year except in the

year 2011-12. Business from direct selling has increased by 5.06 percent from the year 2007-08 to 2008-09 and it is increased by 6.91 percent from the year 2011-12 to 2012-13. More than 30 percentage of the new business premium is received from direct selling in the year 2013-14 whereas, it was 16.81 percentage in the year 2007-08.

New business premium through individual agents has decreased from 53.46 percentage to 26.48 percentage during the span of 7 years period. But new business premium through direct selling has increased from 16.81 percentage to 30.84 percentage during same period. Business which was declined through individual agents i.e 26.98 percentage is compensated by Corporate agents (10.35%), Brokers (2.6 %) and Direct Selling (14.03%). Majority of the new business is contributed by Direct Selling only. Figure 2 presented the analysis of business from various channels and change from year to year.

**Table 3 :New Business Premium (Individual & Group) of Life Insurers - Channel Wise (LIC)
(Fig. in percentage of premium)**

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Individual Agents	82.68	76.90	71.14	61.79	52.55	53.96	45.25
Change (%)		-5.78	-5.76	-9.35	-9.24	1.41	-8.71
Corporate Agents	1.42	2.10	1.63	1.86	1.63	1.83	1.35
Change (%)		0.68	-0.47	0.23	-0.23	0.20	-0.48
Brokers	0.05	0.37	0.37	0.03	0.05	0.02	0.03
Change (%)		0.32	0.00	-0.34	0.02	-0.03	0.01
Direct Selling	15.85	20.63	26.86	36.32	45.77	44.19	53.37
Change (%)		4.78	6.23	9.46	9.45	-1.58	9.18

(Source: Compiled from Annual Reports)

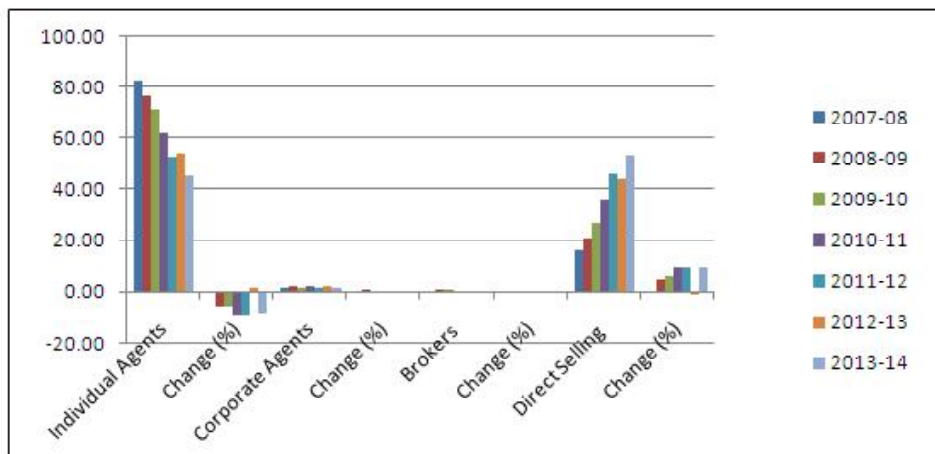


Figure 3: New Business Premium (Individual & Group) of LIC

Table 3 represents the new business premium of LIC. Business through individual agents is decreasing throughout the study period. Year after year, it is decreasing around 5-9 percent of the business except in the year 2012-13. But at the same time business through direct selling is increasing every year except in the year 2012-13. Business from direct selling has increased by 4.78 percent from the year 2007-08 to 2008-09 and it is increased by 9.46 percent from the year 2010-11 and 2011-12. Business from Direct selling has increased by 9.18 percentage in the year 2013-14. Figure 3 presented the analysis of business from various channels and change from year to year.

Public Sector undertaking (LIC) is also recognizing the importance of online selling. LIC has collected 53.37 percentage of new business premium through direct selling. In the LIC, business from Individual agents has decreased from 82.68 percentage to 45.25 percentage. But business through Direct Selling has increased from 15.85 percentage to 53.37 percentage. Business which is decreased through other channels like Individual agents, Corporate agents is compensated by Direct selling. Figure 3 presented the analysis of business from various channels and change from year to year.

Conclusion: The Indian life insurance industry has witnessed a quantum of increase in terms of no. of payers, worth of business, penetration of insurance etc.. Year 2000 is the milestone for Indian life insurance business. Before 2000, only one insurance company i.e Life Insurance Corporation of India (LIC) in life insurance business. But now there are 24 players in life insurance business. Life insurance business is also increased tremendously from the year 2000 to 2014 in terms premium, no. of policy holders and penetration. But at the same time life insurance companies are changing their traditional approach (Agents) to Modern approach (online selling) to attract policy holders and increase their business. Overall there is more than 10 percent decrease in agent's size per year. From 2010-11 onwards business from individual agents also decreased from 4-6 percent at the same time business through direct selling increased by 6.91 percent.

In Private sector, Individual Agents business has decreased by 26.98 percentage out of this Direct selling is compensated by 14.03 percentage.

In LIC, Direct selling is compensated the total business which was lost through Individual Agents business (37.43%), Corporate agents (0.07%) and Brokers (0.02%).

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Perception of Loan Officers on the Factors Contributing to the Incidence of NPAs in the Banking Industry - An Empirical Investigation

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Abstract

Higher non-performing assets lead the bank to collapse. One of the greatest risks involved in the banking sector is managing NPAs. This paper attempts to study the Perception of loan officers on the factors contributing to the incidence of NPAs in the banking industry in India. The researcher employs principal factor analysis, K- means cluster analysis, Non Parametric Chi square analysis to study the perception of loan officers. Results reveal that three clusters were formed from factors on causes for NPAs in both Public and Private sector banks in India are Aggressive Loan Officers, Scapegoat Loan Officers and Lethargic Loan officers. From the chi-square analysis it is found that there is no association between NPA causes with banking sector, gender, age group, education qualification, monthly income, banking sector experience, loan product experience, home loan product risk profile, consumer loan product risk profile, jewellery loan products risk profile, mortgage loan products risk profile, business loan products risk profile, personal loan products risk profile, loan against deposits, investments and insurance product risk profile, education loan products risk profile, and NRI loan products risk profile. It implies that the loan officers perceived same type of notions towards the causes for NPAs. The researcher concludes that there is an association between causes for NPAs and other loan products risk profile. It implies that loan officers agreed products not available, low risk, moderate risk and high risk of other loan product have perceived different type of notions towards the causes for NPAs.

Keywords: NPAs, Loan officers, Risk profile, NRI Loan, Financial Institutions

Introduction

The banking sector is emerging from the worst financial crisis for 80 years. Tighter regulation, an overhang of debt in the west and the immense growth in the power of banks in emerging economies will transform the landscape of banking. The Indian Banks are considered to be the backbone of Indian financial system. Presently, the Indian financial system is in a process of rapid transformation. There are about 67,000 branches of scheduled banks spread across India. During the first phase of financial reforms, there was a nationalization of 14 major banks in 1969. This crucial step led to a shift from class banking to mass banking. Since then, the growth of the banking industry in India has been a

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continuous process. Non-performing assets are otherwise called non-performing loans. These loans do not generate any periodical income to banks or the financial institutions in the form of interest and the principal which remain unpaid by the borrower for period of 90 days. Higher non-performing assets lead the bank to collapse. One of the greatest risks involved in the banking sector is managing NPAs.

1.2 Review of literature

Soumitra K. Mallick et al (2009) pointed out that the NPAs is an important measure of the success of the business. The authors attempted to bring out the dynamic relationship by using historical values of NPAs as an explanatory value for current NPAs in order to develop a model for forecasting the future NPAs. Finally, the author concludes that the banking crisis in emerging economic merit particular attention for two reasons i.e. the serious consequences for local economics and the fallout in other countries as financial markets become more integrated.

Jane Bogoev (2010) attempted to investigate the existence of a bank lending channel and its determinants in the Republic of Macedonia. The author identified the factors that affect the bank lending channel as bank size, liquidity and capitalisation ratio. Among the bank-specific factors that were explored, the non-performing loan ratio is estimated to be the most influential banks-specific character. The results of the study are that there is a robust statistical evidence in favour of the existence of a bank lending channel and the most influential bank specific characteristic is the non-performing loans ratio which might be a proxy for banks' risk preference.

MohdZainiAbd Karim et al (2010) investigated the relationship between non-performing loans and bank efficiency in Malaysia and Singapore during the period from 1995 to 2000. The authors highlighted that the banking sector plays an important role in the growth of the economy of the country. The result of the study is that there is no significant difference in cost efficiency of banks in Singapore and Malaysia and the regression results show that the higher non-performing loan reduces cost efficiency of banks. The authors conclude that the poor management in the banking institutions results in bad quality loans, and therefore, escalates the level of non-performing loans.

Kevin Greenidge and Tiffany Grosvenor (2010) attempted to forecast non-performing loans and macroeconomic factors through Multivariate model by using quarterly data from specific commercial banks in Barbados for the period from 1996 to 2008. The authors therefore evaluated whether taking classified loan data into account would improve the forecasts of future net loan losses. The result of the study is that the non-performing loans are essentially driven by external factors. Finally, the authors concluded that the banks should pay attention to the performance of the real economy when providing loans so as to reduce the magnitude of non-performing loans.

Manoj Kumar Dash and Gaurav Kabra (2010) analysed the sensitivity of non-performing loans with macroeconomic factors and bank specific factors in India. The authors also found that there is a positive relationship between the non-performing loans and the exchange rate. The authors concluded

that the commercial banks have to pay attention to several factors while providing loans in order to curtail the level of impaired loans.

Siraj K.K. and Sudarsanan Pillai P. (2011) investigated the performance of scheduled commercial banks in India in the pre and post global financial crisis era, during the period between 1999 and 2011. The performance of the banking sector is dependent on the profitability of banks and effective management of assets in banks. The study concluded that the Indian banking sector is vulnerable to the global financial crisis.

1.3 Statement of the Problem

RBI Report on Trends and Progress of Banking in India 2011 - 12 states that, though Indian banks remained well-capitalised, concerns about the growing non-performing assets (NPAs) loomed large. Eliminating the menace of non-performing assets is an uphill task for the banks. By implementing appropriate techniques including CDR, it would be possible for effectively managing the non-performing assets in banks.

1.4 Objectives of the Study

To study the perception of loan officers on the factors contributing to the incidence of NPAs in the banking industry

1.5 Research Methodology

The primary data is collected through well framed and structured questionnaire to elicit the perception of loan officers in the banking sector. Simple random sampling has been used to collect responses from the loan officers in both public and private sector banks in India. The geographical limit of the study confined to only one city of Tamil Nadu i.e. Chennai. A heterogeneous sample was adopted to cover a wide variety of demographic group. The prime respondents are loan officers in public and private sector bank branches situated in Chennai city. Since, they have 1059 public sector bank branches and 443 private sector bank branches in Chennai city, care was taken to ensure the selection of loan officers in a fairly proportionate manner. Out 1059 public sector banks branches 62 questionnaire were collected and out 443 private sector banks branches 37 questionnaire were collected. The total number of questionnaire is collected for main study is 99 out of 1502 branches in Chennai city.

2.1 Empirical Analysis

This section deals with the empirical research findings. The researcher has employed various statistical tools such as Cluster Analysis has been applied to group the loan officers with the help of factor analysis. Chi-Square analysis is used to find the association between independent and dependent variables.

a. Internal Impact - Factor Analysis

Two factors found to be the internal impact of NPAs in both Public and Private sector banks in India such as Financial Performance and Managerial Performance. The financial performance factor contains eight variables i.e. return on assets is affected by NPAs, the capital adequacy ratio is affected by NPAs, weak asset quality threatens the core capital, profitability of the banks is affected by NPAs, cost of capital increases due to NPAs, NPA erodes the value of assets, NPAs cause reduction in the availability of funds for further credit expansion and NPAs affect the recycling of funds. The managerial performance factor consists of six variables such as hiring additional employees is required for handling NPAs, the bank cannot remain competitive due to mounting NPAs, goodwill and brand image of the banks is affected due to NPAs, time and efforts of management are an indirect cost caused by NPAs, NPAs affect the risk facing ability of individual managers of branches of bank and hiring additional employees is required for handling NPAs.

b. External Impact - Factor Analysis

Two factors found to be the external impact of NPAs in both Public and Private sector banks in India such as Country Performance and Bank Credibility. The country performance factor contains five variables i.e. the living standard of people is affected due to mounting NPA, higher NPAs affect the growth of the economy, employment generation is affected due to mounting NPAs, bank credit risk is associated with the financial risk of the country and industrial and agricultural sector growth are affected due to mounting NPAs. The bank credibility factor consists of six variables such as higher NPA ratio that shakes the confidence of investors, depositors, lenders, and trust of general public, NPAs affect the market competitiveness of a bank and NPAs cause decrease in the value of bank's shares in the capital market.

2.2 Cluster Analysis of factors causing NPAs

The cluster analysis is applied to classify the 99 respondents based on twelve factors that emerged from the principal component analysis for both internal and external cause for NPAs in India. It has resulted in formation of three clusters on the basis of similar characteristics which is exhibited in Table 1 (Appendix).

Table 2 (Appendix) shows the number of respondents classified into three clusters with cluster size ranging from 20 to 39. From Tables 1 (Appendix) and 2 (Appendix), the three clusters are described as follows

2.2a. Cluster 1

First cluster constitutes 20.20 percent of the sample with 20 respondents. They strongly disagreed with the internal causes such as credit policy, Technical System and Performance Pressure and strongly agreed with the external factors such as borrower role and legal mechanism. Therefore, the first cluster labelled as Aggressive Loan Officers. The aggressive loan officers always believe that the

NPAs are raised due to uncontrollable external causes not because of internal issues.

2.2.b Cluster 2

Second cluster constitutes 40.40 per cent of the sample with 40 respondents. They strongly disagreed with one internal cause such as loan officer role and strongly agreed with one internal cause massive expansion and two external causes such as borrower role and legal mechanism. Therefore, the second cluster named as Scapegoat Loan Officers. The Scapegoat loan officers always believe that the NPAs are raised due to uncontrollable causes and not because of loan officers.

2.2 C Cluster 3

Third cluster constitutes 39.40 per cent of the sample with 39 respondents. They strongly disagreed with both internal and external causes such as credit policy, credit management, control system, technical system, loan officer role, massive expansion, priority sector lending, macro-economic indicators and external intervention. Therefore, the third cluster labelled as Lethargic Loan Officers.

2.3 Chi-Square Analysis between Clusters on Causes of NPAs with Demographic Variables

The researcher identified three clusters on causes of NPAs viz., Aggressive Loan Officers, Scapegoat Loan Officers and Lethargic Loan Officers. The researcher intends to associate the of NPAs with demographic variables.

a. Association between NPA Causes and Banking Sector

The causes for NPAs and loan officers in four different banking sectors are considered to test their association and the results are presented in Table 3 (Appendix)

From the Table 3 (Appendix), it is found that 60.0 per cent aggressive loan officers are found in public sector banks, 25.0 per cent scapegoat loan officers are distributed over new generation private-sector banks and 26.6 per cent lethargic loan officers are in old generation private-sector banks. Further, it is found that 20.0 per cent of scapegoat loan officers are distributed in State Bank Group.

From Table 4 (Appendix), it is found that Pearson Chi-Square value = 7.943 and p value = 0.242 are statically insignificant. Therefore, it can be concluded that there is no association between causes for NPAs and different types of banking sector. It also implies that loan officers in nationalised banks, State Bank Group, old generation private-sector banks and new generation private-sector banks have perceived same type of notions towards the causes for NPAs.

b. Association between NPA Causes and Gender

The causes for NPAs and loan officer gender are considered to test their association and the results are presented in Table 5 (Appendix).

It is found that 80.0 per cent aggressive loan officers are found male gender and 30.8 per cent lethargic loan officers are distributed over female gender. Further, it is found that 87.5 per cent of scapegoat loan officers are distributed in male gender.

From Table 6 (appendix) it is found that Pearson Chi-Square value = 3.966 and p value = 0.138 are statically insignificant. Therefore, it can be concluded that there is no association between causes for NPAs and gender. It also implies that male and female loan officers have perceived same type of notions towards the causes for NPAs.

c. Association between NPA Causes and Age Group

The causes for NPAs and loan officers in different age group are considered to test their association.

From the Table 7 (Appendix), it is found that 60.0 per cent scapegoat loan officers are found in age group of more than 51, 40.0 per cent aggressive loan officers are distributed over 41 - 50 age group and 17.9 per cent lethargic loan officers are in age group of 31 - 40. Further, it is found that 15.4 per cent of lethargic loan officers are distributed in the age group of less than 30.

From Table 8 (appendix) it is found that Pearson Chi-Square value = 8.316 and p value = 0.216 are statically insignificant. Therefore, it can be concluded that there is no association between causes for NPAs and different types of age group. It also implies that loan officers in the age group of less than 30, 31 - 40, 41 - 50 and more than 51 have perceived same type of notions towards the causes for NPAs.

d. Association between NPA Causes and Education Qualification

The causes for NPAs and loan officers in different education qualification are considered to test their association. From the Table 9 (appendix), it is found that 45.0 per cent aggressive loan officers are found CAIIB qualified, 45.0 per cent scapegoat loan officers are distributed over post graduate qualification and 17.9 per cent lethargic loan officers are graduate qualified.

From Table 10 (Appendix), it is found that Pearson Chi-Square value = 8.384 and p value = 0.211 are statically insignificant. Therefore, it can be concluded that there is no association between causes for NPAs and different types of education qualification. It also implies that loan officers qualified Graduate, CAIIB, Post Graduate and Professional are perceived same type of notions towards the causes for NPAs.

e. Association between NPA Causes and Monthly Income

The causes for NPAs and loan officers in different monthly income group are considered to test their association.

From the Table 11 (Appendix), it is found that 40.0 per cent aggressive loan officers are found in the monthly income group of Rs. 60001 - 90000, 17.5 per cent scapegoat loan officers are distributed

over monthly income of Rs. 90000 above and 51.3 per cent lethargic loan officers are in the monthly income of Rs. 30001 - 60000. Further, it is found that 12.8 per cent of lethargic loan officers are distributed in the monthly income up to Rs. 30000.

From Table 12 (Appendix), it is found that Pearson Chi-Square value = 8.225 and p value = .222 are statically insignificant. Therefore, it can be concluded that there is no association between causes for NPAs and different types of monthly income group. It also implies that loan officers' monthly income up to Rs. 30000, Rs. 30001 - 60000, Rs. 60001 - 90000 and above Rs. 90000 have perceived same type of notions towards the causes for NPAs.

f. Association between NPA Causes and Experience in Banking Sector

The causes for NPAs and loan officers having different experience in banking sectors are considered to test their association.

From the Table 13 (Appendix), it is found that 80.0 per cent aggressive loan officers are found in 16 or more years of experience in banking sector, 10.0 per cent scapegoat loan officers are distributed over 6 - 10 years of banking experience and 20.5 per cent lethargic loan officers are in 0 - 5 years of banking experience. Further, it is found that 7.5 per cent of scapegoat loan officers are distributed in 11 - 15 years of banking experience

From Table 14 (Appendix), it is found that Pearson Chi-Square value = 5.701 and p value = 0.457 are statically insignificant. Therefore, it can be concluded that there is no association between causes for NPAs and experience in banking sector. It also implies that loan officers in 0 - 5, 6 - 10, 11 - 15, and 16 or more years of banking sector experience have perceived same type of notions towards the causes for NPAs.

g. Association between NPA Causes and Experience in Loan Products

The causes for NPAs and loan officers having different experience in loan products are considered to test their association.

From the Table 15 (Appendix), it is found that 40.0 per cent aggressive loan officers are found in 16 or more years of experience in loan products, 35.0 per cent scapegoat loan officers are distributed over 0 - 5 years of loan product experience and 17.9 per cent lethargic loan officers are in 11 - 15 years of loan product experience. Further, it is found that 35.0 per cent of aggressive loan officers are distributed in 6 - 10 years of loan product experience.

From Table 16 (Appendix), it is found that Pearson Chi-Square value = 7.434 and p value = 0.283 are statically insignificant. Therefore, it can be concluded that there is no association between causes for NPAs and experience in loan products. It also implies that loan officers in 0 - 5, 6 - 10, 11 - 15, and 16 or more years of loan product experience have perceived same type of notions towards the causes for NPAs.

h. Association between NPA Causes and Home Loan Product Risk Profile

The causes for NPAs and loan officer's perception towards home loan product risk profile are considered to test their association.

From the Table 17 (Appendix), it is found that 70.0 per cent aggressive loan officers are agreed home loans are low risk products, 30.0 per cent scapegoat loan officers are agreed over moderate risk involved in home loan products and 12.8 per cent lethargic loan officers are agreed high risk involved in home loan products.

From Table 18 (Appendix), it is found that Pearson Chi-Square value = 5.504 and p value = 0.239 are statically insignificant. Therefore, it can be concluded that there is no association between causes for NPAs and home loan products risk profile. It also implies that loan officers agreed low risk, moderate risk and high risk of home loan product have perceived same type of notions towards the causes for NPAs.

i. Association between NPA Causes and Consumer Loan Product Risk Profile

The causes for NPAs and loan officer's perception towards consumer loan product risk profile are considered to test their association.

From the Table 19 (Appendix), it is found that 45.0 per cent aggressive loan officers are agreed consumer loans are high risk products, 15.0 per cent scapegoat loan officers are agreed over low risk involved in consumer loan products and 43.6 per cent lethargic loan officers are agreed moderate risk involved in consumer loan products.

From Table 20 (Appendix), it is found that Pearson Chi-Square value = 3.851 and p value = 0.427 are statically insignificant. Therefore, it can be concluded that there is no association between causes for NPAs and consumer loan products risk profile. It also implies that loan officers agreed low risk, moderate risk and high risk of consumer loan product have perceived same type of notions towards the causes for NPAs.

j. Association between NPA Causes and Jewellery Loan Product Risk Profile

The causes for NPAs and loan officer's perception towards jewellery loan product risk profile are considered to test their association.

From the Table 21 (Appendix), it is found that 70.0 per cent aggressive loan officers are agreed jewellery loans are low risk products, 17.5 per cent scapegoat loan officers are agreed over high risk involved in jeweller loan products and 20.5 per cent lethargic loan officers are agreed moderate risk involved in jewellery loan products.

From Table 22 (Appendix), it is found that Pearson Chi-Square value = 3.436 and p value = 0.488 are statically insignificant. Therefore, it can be concluded that there is no association between

causes for NPAs and jewellery loan products risk profile. It also implies that loan officers agreed low risk, moderate risk and high risk of jewellery loan product have perceived same type of notions towards the causes for NPAs.

k. Association between NPA Causes and Mortgage Loan Product Risk Profile

The causes for NPAs and loan officer's perception towards mortgage loan product risk profile are considered to test their association.

From the Table 23 (Appendix), it is found that 45.0 per cent aggressive loan officers are agreed mortgage loans are moderate risk products, 25.5 per cent scapegoat loan officers are agreed over high risk involved in mortgage loan products and 51.3 per cent lethargic loan officers are agreed low risk involved in mortgage loan products.

From Table 24 (Appendix), it is found that Pearson Chi-Square value = 2.596 and p value = 0.628 are statically insignificant. Therefore, it can be concluded that there is no association between causes for NPAs and mortgage loan products risk profile. It also implies that loan officers agreed low risk, moderate risk and high risk of mortgage loan product have perceived same type of notions towards the causes for NPAs.

l. Association between NPA Causes and Business Loan Product Risk Profile

The causes for NPAs and loan officer's perception towards business loan product risk profile are considered to test their association.

From the Table 25 (Appendix), it is found that 80.0 per cent aggressive loan officers are agreed business loans are moderate risk products, 12.5 per cent scapegoat loan officers are agreed over low risk involved in business loan products and 43.6 per cent lethargic loan officers are agreed high risk involved in business loan products.

From Table 26 (Appendix), it is found that Pearson Chi-Square value = 7.162 and p value = 0.128 are statically insignificant. Therefore, it can be concluded that there is no association between causes for NPAs and business loan products risk profile. It also implies that loan officers agreed low risk, moderate risk and high risk of business loan product have perceived same type of notions towards the causes for NPAs.

m. Association between NPA Causes and Personal Loan Product Risk Profile

The causes for NPAs and loan officer's perception towards personal loan product risk profile are considered to test their association.

From the Table 27 (Appendix), it is found that 85.0 per cent aggressive loan officers are agreed personal loans are high risk products, 30 per cent scapegoat loan officers are agreed over moderate risk involved in personal loan products and 5.1 per cent lethargic loan officers are agreed low risk involved in personal loan products.

From Table 28 (Appendix), it is found that Pearson Chi-Square value = 4.347 and p value = 0.361 are statically insignificant. Therefore, it can be concluded that there is no association between causes for NPAs and personal loan products risk profile. It also implies that loan officers agreed low risk, moderate risk and high risk of personal loan product have perceived same type of notions towards the causes for NPAs.

n. Association between NPA Causes and Loan against Deposits, Investments and Insurance Product Risk Profile

The causes for NPAs and loan officer's perception towards deposits, investments and insurance loan product risk profile are considered to test their association.

From the Table 29 (Appendix), it is found that 25.0 per cent aggressive loan officers are agreed loans against deposits, investments and insurance are high risk products, 12.5 per cent scapegoat loan officers are agreed over moderate risk involved in loan against deposits, investments and insurance products and 74.4 per cent lethargic loan officers are agreed low risk involved in loan against deposits, investments and insurance products.

From Table 30 (Appendix), it is found that Pearson Chi-Square value = 2.990 and p value = 0.559 are statically insignificant. Therefore, it can be concluded that there is no association between causes for NPAs and loan against deposits, investments and insurance products risk profile. It also implies that loan officers agreed low risk, moderate risk and high risk of loan against deposits, investments and insurance product have perceived same type of notions towards the causes for NPAs.

o. Association between NPA Causes and Education Loan Product Risk Profile

The causes for NPAs and loan officer's perception towards education loan product risk profile are considered to test their association.

From the Table 31 (Appendix), it is found that 5.0 per cent aggressive loan officers are agreed education loans are low risk products, 67.5 per cent scapegoat loan officers are agreed over high risk involved in education loan products and 33.3 per cent lethargic loan officers are agreed moderate risk involved in education loan products.

From Table 32 (Appendix), it is found that Pearson Chi-Square value = 3.087 and p value = 0.543 are statically insignificant. Therefore, it can be concluded that there is no association between causes for NPAs and education loan products risk profile. It also implies that loan officers agreed low risk, moderate risk and high risk of education loan product have perceived same type of notions towards the causes for NPAs.

p. Association between NPA Causes and NRI Loan Product Risk Profile

The causes for NPAs and loan officer's perception towards NRI loan product risk profile are considered to test their association.

From the Table 33 (Appendix), it is found that 70.0 per cent aggressive loan officers are agreed NRI loans are low risk products, 25.0 per cent scapegoat loan officers are agreed over high risk involved in NRI loan products and 30.8 per cent lethargic loan officers are agreed moderate risk involved in education loan products.

From Table 34 (Appendix), it is found that Pearson Chi-Square value = 3.442 and p value = 0.487 are statically insignificant. Therefore, it can be concluded that there is no association between causes for NPAs and NRI loan products risk profile. It also implies that loan officers agreed low risk, moderate risk and high risk of NRI loan product have perceived same type of notions towards the causes for NPAs.

q. Association between NPA Causes and Other Loan Products Risk Profile

The causes for NPAs and loan officer's perception towards other loan products risk profile are considered to test their association.

From the Table 35 (Appendix), it is found that 90.0 per cent aggressive loan officers are agreed other loan products are not available, 15.0 per cent scapegoat loan officers are agreed over high risk involved in other loan products and 10.3 per cent lethargic loan officers are agreed low risk involved in other loan products. Further, it is found that 12.5 percent of scapegoat loan officers are agreed that moderate risk involved in other loan products risk profile.

From Table 36 (Appendix), it is found that Pearson Chi-Square value = 15.849 and p value = 0.015 are statically significant. Therefore, it can be concluded that there is an association between causes for NPAs and other loan products risk profile. It also implies that loan officers agreed products not available, low risk, moderate risk and high risk of other loan product have perceived different type of notions towards the causes for NPAs.

3. Conclusion

NPAs are universal problems faced by all banks irrespective of the sector. It is mainly due to fall in the quality of loans sanction and failure in recovery. The present study finds that the major loss on account of NPA is caused by public sector banks as compared to private sector banks where fall in the quality of loans sanction and follow up is a common phenomenon. Though some of the public sector banks have done better in the past but most of them suffered by NPA syndrome owing to mergers of few financially weaker banks and this affected the financial position of the strong bank. There are common characteristics which are responsible for NPAs in both public and private sector banks such as faulty lending policy, unsecured loans, lack of supervision, misutilisation of loans, wilful defaults, lengthy and tedious legal processes, priority sector lending, political intervention, performance pressure, lack of accountability, lack of techniques and technology, other external factors. Thus, NPA is a threat to the existence of a bank. Default on account of big borrowers is a major problem for both public and private sector banks though such borrowers are less in number.

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Appendix

Table 1 : Cluster Centres for Causes for NPAs

Causes for NPAs	Cluster		
	1	2	3
Credit Policy	2.00	3.12	2.12
Credit Management	3.55	3.62	2.69
Control System	3.45	3.01	2.23
Technical System	2.78	3.80	2.88
Loan Officer Role	3.23	2.89	2.58
Performance Pressure	2.70	3.77	3.02
Massive Expansion	3.15	4.12	2.91
Borrower Role	4.30	4.49	3.95
Priority Sector Lending	2.50	3.59	2.82
Legal Mechanism	4.20	4.24	3.56
Macro-Economic Indicators	3.45	3.76	2.92
External Intervention	3.06	3.63	2.85

Source: Computed Data

Table 2 : Frequency Distribution of Clusters of Factors Causing NPAs

Cluster	No of Respondents	Percentage
1	20	20.20
2	40	40.40
3	39	39.40
Total	99	100.00

Source: Computed Data

Table 3 : Association between NPA Causes and Banking Sector

Causes for NPAs - Clusters	Banking Sector								Total	
	Nationalised Bank		State Bank Group		Old Private-sector Bank		New Private-sector Bank			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Aggressive Loan Officers	12	60.0	2	10.0	5	25.0	1	5.0	20	100.0
Scapegoat Loan Officers	15	37.5	8	20.0	7	17.5	10	25.0	40	100.0
Lethargic Loan Officers	20	51.3	5	12.8	10	26.6	4	10.3	39	100.0
Total	47	47.5	15	15.2	22	22.2	15	15.2	99	100.0

*Source: Computed Data***Table 4 : Chi-Square Test for NPA Causes with Banking Sector**

Particulars	Value	Degrees of freedom	Significant
Pearson Chi-Square	7.943	6	.242
Likelihood Ratio	8.111	6	.230
Linear-by-Linear Association	.057	1	.811
N of Valid Cases	99		

*Source: Computed Data***Table 5 : Association between NPA Causes and Gender**

Causes for NPAs - Clusters	Gender				Total	
	Male		Female			
	Freq.	%	Freq.	%	Freq.	%
Aggressive Loan Officers	16	80.0	4	20.0	20	100.0
Scapegoat Loan Officers	35	87.5	5	12.5	40	100.0
Lethargic Loan Officers	27	69.2	12	30.8	39	100.0
Total	78	78.8	21	21.2	99	100.0

*Source: Computed Data***Table 6 : Chi-Square Test for NPA Causes with Gender**

Particulars	Value	Degrees of freedom	Significant
Pearson Chi-Square	3.966	2	.138
Likelihood Ratio	4.015	2	.134
Linear-by-Linear Association	1.686	1	.194
N of Valid Cases	99		

Source: Computed Data

Table 7 : Association between NPA Causes and Age Group

Causes for NPAs - Clusters	Age Group								Total	
	Less than 30		31 – 40		41 – 50		More than 51			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Aggressive Loan Officers	3	15.0	1	5.0	8	40.0	8	40.0	20	100.0
Scapegoat Loan Officers	2	5.0	7	17.5	7	17.5	24	60.0	40	100.0
Lethargic Loan Officers	6	15.4	7	17.9	9	23.1	17	43.6	39	100.0
Total	11	11.1	15	15.2	24	24.2	49	49.5	99	100.0

*Source: Computed Data***Table 9 : Association between NPA Causes and Education Qualification**

Causes for NPAs - Clusters	Education Qualification								Total	
	Graduate		CAIIB		Post Graduate		Professional			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Aggressive Loan Officers	1	5.0	9	45.0	4	20.0	6	30.0	20	100.0
Scapegoat Loan Officers	6	15.0	9	22.5	18	45.0	7	17.5	40	100.0
Lethargic Loan Officers	7	17.9	11	28.2	16	41.0	5	12.8	39	100.0
Total	14	14.1	29	29.3	38	38.4	18	18.2	99	100.0

*Source: Computed Data***Table 8 : Chi-Square Test for NPA Causes with Age Group**

Particulars	Value	Degrees of freedom	Significant
Pearson Chi-Square	8.316	6	.216
Likelihood Ratio	8.758	6	.188
Linear-by-Linear Association	.467	1	.494
N of Valid Cases	99		

*Source: Computed Data***Table 10 : Chi-Square Test for NPA Causes with Education Qualification**

Particulars	Value	Degrees of freedom	Significant
Pearson Chi-Square	8.384	6	.211
Likelihood Ratio	8.732	6	.189
Linear-by-Linear Association	1.141	1	.285
N of Valid Cases	99		

Source: Computed Data

Table 11 : Association between NPA Causes and Monthly Income

Causes for NPAs - Clusters	Monthly Income (Rs)								Total	
	Up to 30000		30001– 60000		60001– 90000		Above 90000		Freq.	%
	Freq.	%	Freq.	%	Freq.	%	Freq.	%		
Aggressive Loan Officers	0	0.0	7	35.0	8	40.0	5	25.0	20	100.0
Scapegoat Loan Officers	4	10.0	15	37.5	14	35.0	7	17.5	40	100.0
Lethargic Loan Officers	5	12.8	20	51.3	12	30.8	2	5.1	39	100.0
Total	9	9.1	42	42.4	34	34.3	14	14.1	99	100.0

Source: Computed Data

Table 12 : Chi-Square Test for NPA Causes with Monthly Income

Particulars	Value	Degrees of freedom	Significant
Pearson Chi-Square	8.225	6	.222
Likelihood Ratio	10.346	6	.111
Linear-by-Linear Association	7.392	1	.007
N of Valid Cases	99		

Source: Computed Data

Table 13 : Association between NPA Causes and Experience in Banking Sector

Causes for NPAs - Clusters	Experience in Banking Sector (Years)								Total	
	0 – 5		6 – 10		11 – 15		16 or more		Freq.	%
	Freq.	%	Freq.	%	Freq.	%	Freq.	%		
Aggressive Loan Officers	2	10.0	2	10.0	0	0.0	16	80.0	20	100.0
Scapegoat Loan Officers	6	15.0	4	10.0	3	7.5	27	67.5	40	100.0
Lethargic Loan Officers	8	20.5	4	10.3	0	0.0	27	69.2	39	100.0
Total	16	16.2	10	10.1	3	3.0	70	70.7	99	100.0

Source: Computed Data

Table 14 : Chi-Square Test for NPA Causes with Experience in Banking Sector

Particulars	Value	Degrees of freedom	Significant
Pearson Chi-Square	5.701	6	.457
Likelihood Ratio	6.744	6	.345
Linear-by-Linear Association	.912	1	.340
N of Valid Cases	99		

Source: Computed Data

Table 15 : Association between NPA Causes and Experience in Loan Products

Causes for NPAs - Clusters	Experience in Loan Products (Years)								Total	
	0 – 5		6 – 10		11 – 15		16 or more			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Aggressive Loan Officers	4	20.0	7	35.0	1	5.0	8	40.0	20	100.0
Scapegoat Loan Officers	14	35.0	5	12.5	5	12.5	16	40.0	40	100.0
Lethargic Loan Officers	14	35.9	6	15.4	7	17.9	12	30.8	39	100.0
Total	32	32.3	18	18.2	13	13.1	36	36.4	99	100.0

*Source: Computed Data***Table 16 : Chi-Square Test for NPA Causes with Experience in Loan Products**

Particulars	Value	Degrees of freedom	Significant
Pearson Chi-Square	7.434	6	.283
Likelihood Ratio	7.258	6	.298
Linear-by-Linear Association	.420	1	.517
N of Valid Cases	99		

*Source: Computed Data***Table 17 : Association between NPA Causes and Home Loan Product Risk Profile**

Causes for NPAs - Clusters	Home Loan Products Risk Profile						Total	
	Low		Moderate		High			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Aggressive Loan Officers	14	70.0	2	10.0	4	20.0	20	100.0
Scapegoat Loan Officers	18	45.0	12	30.0	10	25.0	40	100.0
Lethargic Loan Officers	23	59.0	11	28.2	5	12.8	39	100.0
Total	55	55.6	25	25.3	19	19.2	99	100.0

*Source: Computed Data***Table 18 : Chi-Square Test for NPA Causes with Home Loan Products Risk Profile**

Particulars	Value	Degrees of freedom	Significant
Pearson Chi-Square	5.504	4	.239
Likelihood Ratio	6.077	4	.193
Linear-by-Linear Association	.035	1	.852
N of Valid Cases	99		

Source: Computed Data

Table 19 : Association between NPA Causes and Consumer Loan Product Risk Profile

Causes for NPAs - Clusters	Consumer Loan Products Risk Profile						Total	
	Low		Moderate		High			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Aggressive Loan Officers	3	15.0	8	40.0	9	45.0	20	100.0
Scapegoat Loan Officers	6	15.0	16	40.0	18	45.0	40	100.0
Lethargic Loan Officers	11	28.2	17	43.6	11	28.2	39	100.0
Total	20	20.2	41	41.4	38	38.4	99	100.0

Source: Computed Data

Table 20 : Chi-Square Test for NPA Causes with Consumer Loan Products Risk Profile

Particulars	Value	Degrees of freedom	Significant
Pearson Chi-Square	3.851	4	.427
Likelihood Ratio	3.864	4	.425
Linear-by-Linear Association	2.892	1	.089
N of Valid Cases	99		

Source: Computed Data

Table 21 : Association between NPA Causes and Jewellery Loan Product Risk Profile

Causes for NPAs - Clusters	Jewellery Loan Products Risk Profile						Total	
	Low		Moderate		High			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Aggressive Loan Officers	14	70.0	1	5.0	5	25.0	20	100.0
Scapegoat Loan Officers	25	62.5	8	20.0	7	17.5	40	100.0
Lethargic Loan Officers	26	66.7	8	20.5	5	12.8	39	100.0
Total	65	65.7	17	17.2	17	17.2	99	100.0

Source: Computed Data

Table 22 : Chi-Square Test for NPA Causes with Jewellery Loan Products Risk Profile

Causes for NPAs - Clusters	Mortgage Loan Products Risk Profile						Total	
	Low		Moderate		High			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Aggressive Loan Officers	7	35.0	9	45.0	4	20.0	20	100.0
Scapegoat Loan Officers	15	37.5	15	37.5	10	25.0	40	100.0
Lethargic Loan Officers	20	51.3	13	33.3	6	15.4	39	100.0
Total	42	42.4	37	37.4	20	20.2	99	100.0

Source: Computed Data

Table 23 : Association between NPA Causes and Mortgage Loan Product Risk Profile

Particulars	Value	Degrees of freedom	Significant
Pearson Chi-Square	2.596	4	.628
Likelihood Ratio	2.572	4	.632
Linear-by-Linear Association	1.424	1	.233
N of Valid Cases	99		

*Source: Computed Data***Table 24 : Chi-Square Test for NPA Causes with Mortgage Loan Products Risk Profile**

Causes for NPAs - Clusters	Business Loan Products Risk Profile						Total	
	Low		Moderate		High			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Aggressive Loan Officers	1	5.0	16	80.0	3	15.0	20	100.0
Scapegoat Loan Officers	5	12.5	19	47.5	16	40.0	40	100.0
Lethargic Loan Officers	3	7.7	19	48.7	17	43.6	39	100.0
Total	9	9.1	54	54.5	36	36.4	99	100.0

*Source: Computed Data***Table 25 : Association between NPA Causes and Business Loan Product Risk Profile**

Causes for NPAs - Clusters	Business Loan Products Risk Profile						Total	
	Low		Moderate		High			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Aggressive Loan Officers	1	5.0	16	80.0	3	15.0	20	100.0
Scapegoat Loan Officers	5	12.5	19	47.5	16	40.0	40	100.0
Lethargic Loan Officers	3	7.7	19	48.7	17	43.6	39	100.0
Total	9	9.1	54	54.5	36	36.4	99	100.0

*Source: Computed Data***Table 26 : Chi-Square Test for NPA Causes with Business Loan Products Risk Profile**

Particulars	Value	Degrees of freedom	Significant
Pearson Chi-Square	7.162	4	.128
Likelihood Ratio	7.593	4	.108
Linear-by-Linear Association	2.187	1	.139
N of Valid Cases	99		

Source: Computed Data

Table 27 : Association between NPA Causes and Personal Loan Product Risk Profile

Causes for NPAs - Clusters	Personal Loan Products Risk Profile						Total	
	Low		Moderate		High			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Aggressive Loan Officers	1	5.0	2	10.0	17	85.0	20	100.0
Scapegoat Loan Officers	4	10.0	12	30.0	24	60.0	40	100.0
Lethargic Loan Officers	2	5.1	9	23.1	28	71.8	39	100.0
Total	7	7.1	23	23.2	69	69.7	99	100.0

Source: Computed Data

Table 28 : Chi-Square Test for NPA Causes with Personal Loan Products Risk Profile

Particulars	Value	Degrees of freedom	Significant
Pearson Chi-Square	4.347	4	.361
Likelihood Ratio	4.657	4	.324
Linear-by-Linear Association	.172	1	.679
N of Valid Cases	99		

Source: Computed Data

Table 29 : Association between NPA Causes and Loan against Deposits, Investments and Insurance Product Risk Profile

Causes for NPAs - Clusters	Loan against Deposits, Investments and Insurance Products Risk Profile						Total	
	Low		Moderate		High			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Aggressive Loan Officers	14	70.0	1	5	5	25.0	20	100.0
Scapegoat Loan Officers	25	62.5	5	12.5	10	25.0	40	100.0
Lethargic Loan Officers	29	74.4	5	12.8	5	12.8	39	100.0
Total	68	68.7	11	11.1	20	20.2	99	100.0

Source: Computed Data

Table 30 : Chi-Square Test for NPA Causes with Loan against Deposits, Investments and Insurance Product Risk Profile

Particulars	Value	Degrees of freedom	Significant
Pearson Chi-Square	2.990	4	.559
Likelihood Ratio	3.270	4	.514
Linear-by-Linear Association	.916	1	.338
N of Valid Cases	99		

Source: Computed Data

Table 31 : Association between NPA Causes and Education Loan Product Risk Profile

Causes for NPAs - Clusters	Education Loan Products Risk Profile						Total	
	Low		Moderate		High			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Aggressive Loan Officers	1	5.0	6	30.0	13	65.0	20	100.0
Scapegoat Loan Officers	5	12.5	8	20.8	27	67.5	40	100.0
Lethargic Loan Officers	2	5.1	13	33.3	24	61.5	39	100.0
Total	8	8.1	27	27.3	64	64.6	99	100.0

*Source: Computed Data***Table 32 : Chi-Square Test for NPA Causes with Education Loan Products Risk Profile**

Particulars	Value	Degrees of freedom	Significant
Pearson Chi-Square	3.087	4	.543
Likelihood Ratio	3.091	4	.543
Linear-by-Linear Association	.025	1	.876
N of Valid Cases	99		

*Source: Computed Data***Table 33 : Association between NPA Causes and NRI Loan Product Risk Profile**

Causes for NPAs - Clusters	NRI Loan Products Risk Profile						Total	
	Low		Moderate		High			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Aggressive Loan Officers	14	70.0	3	15.0	3	15.0	20	100.0
Scapegoat Loan Officers	22	55.0	8	20.0	10	25.0	40	100.0
Lethargic Loan Officers	19	48.7	12	30.8	8	20.5	39	100.0
Total	55	55.6	23	23.2	21	21.2	99	100.0

*Source: Computed Data***Table 34 : Chi-Square Test for NPA Causes with NRI Loan Products Risk Profile**

Particulars	Value	Degrees of freedom	Significant
Pearson Chi-Square	3.442	4	.487
Likelihood Ratio	3.430	4	.489
Linear-by-Linear Association	1.172	1	.279
N of Valid Cases	99		

Source: Computed Data

Table 35 : Association between NPA Causes and Other Loan Products Risk Profile

Causes for NPAs - Clusters	Other Loan Products Risk Profile								Total	
	Nil		Low		Moderate		High			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Aggressive Loan Officers	18	90	0	0.0	2	10.0	0	0.0	20	100.0
Scapegoat Loan Officers	29	72.5	0	0.0	5	12.5	6	15.0	40	100.0
Lethargic Loan Officers	33	84.6	4	10.3	0	0.0	2	5.1	39	100.0
Total	80	80.8	4	4.0	7	7.1	8	8.1	99	100.0

*Source: Computed Data***Table 36 : Chi-Square Test for NPA Causes with Other Loan Products Risk Profile**

Particulars	Value	Degrees of freedom	Significant
Pearson Chi-Square	15.849	6	.015
Likelihood Ratio	20.765	6	.002
Linear-by-Linear Association	.087	1	.768
N of Valid Cases	99		

Source: Computed Data

A Study on Preferences of Television Viewers-with Reference to Nizamabad District

– Dr. K.Aparna*

Abstract

Television has become a necessary commodity for most of the people in 21st century. A day begins and ends with watching one or the other television programme for most of them. It is unimaginable to think of a day without watching television for most of the children, youngsters, housewives and retired employees. Visuals, colours and sound at a time attract every individual irrespective of their age. Viewers have different attitudinal or liking measures for different type of programmes being telecasted on television. Thus, the need for comparing peoples of different age and gender in their fondness towards the programmes they chose to watch at a given point of time arises. In this paper an attempt is made to find out the preferences of individuals towards various programmes being telecasted every day on television. The sample size of the study is 80. The study is confined to the audiences of television of urban and rural areas of Nizamabad district of Telangana State. The data is analyzed with the help of non-parametric test Chi-square. The study reveals that both rural and urban viewers preferences for TV programmes are similar except in case of informative programmes. News and entertainment programmes are independent of the occupation, education level, gender, place of residence and age of the respondents.

Keywords: Television Programmes, Preferences of viewers, Chi-square.

I. Introduction

Television has become a necessary commodity for most of the people in 21st century. A day begins and ends with watching one or the other television programme for most of them. It is unimaginable to think of a day without watching television for most of the children, youngsters, housewives and retired employees. Parents are finding new ways of feeding children i.e keep child busy in watching a programme on television so that they in their transition mood eat fast as well as without any complications. This makes the work of both parents and children easy. Visuals, colours and sound at a time attract every individual irrespective of their age. On the other hand, the cities are being overcrowded. It takes hours together to visit a place with heavy traffic. In their busy schedule the people are selecting an option at home for entertainment or pleasure or relaxing or recreation or reducing work pressure. At the other end, the human relations are affected to a large extent by spending more time in front of television. Visuals, colours and sound at a time attract every individual irrespective of their age. Viewers

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have different attitudinal or liking measures for different type of programmes being telecasted on television. Thus, the need for comparing peoples of different age and gender in their fondness towards the programmes they chose to watch at a given point of time arises. In this paper an attempt is made to find out the preferences of individuals towards various programmes being telecasted every day on television.

II. Objectives of the Study

The objective of the study is to identify the preferences of the individuals towards various television programmes.

III. Review of Literature

J.O. Onah and A.V. Anyaruvu (1988) examined viewers preferences for the two TV stations being operated at that time in Nigeria and the programmes preferences as well in their article entitled "Viewer Preference for TV Stations and Programmes: A Pilot Study". The sample size was 500 with a response rate of 63.6 percent. They concluded that the ABS TV station was the most preferred station and regarding the programme preferences the respondents preferred entertainment programmes than that of the informative and educational programmes. The viewing period was during evenings followed by mornings and afternoons during weekends.

Jake Harwood (1999), in his study 'Age identity and television viewing preferences' investigated the role of a particular social identity i.e. age identity in influencing individuals TV viewing choices. With 202 respondents who were students under the age group of 30 years were given a choice as to disclose and not to disclose their actual age. They were termed as age-silent and non-age-silent respondents. They concluded using t-test that the respondents who have given age-silent descriptions had significantly higher levels of age identity.

Gurleen Kamwal, E.R. and Dr. Sukhmani, (2011) observed that there is no difference among male and female viewers with respect to their television watching habits. A negative relationship between income of the respondents and the time spent on watching television is also revealed in their study entitled 'A study of T.V. viewership patterns Among Youngsters in Northern India'.

Hamadiyah Alhassan and Paul Adjei Kwakwa (2013) in their research article entitled 'Preference for Television Stations among Inhabitants of Akropong Akuapem, Ghana' made an attempt to study the preference of individuals living in semi-rural areas as to their choice and preference for television stations and programmes. They took a sample of 70 respondents and used chi-square test to study the factors determining TV station choice. The overall image of the station, clear reception, station heritage, news coverage and kinds of programme. They observed that respondents placed importance for health, religious/inspirational, current affairs, business, educational and other related educational programmes. They also studied the reasons for watching TV. They concluded that the respondents were watching TV for education so as to aid in their studies/work, relaxation and entertainment.

Tarit Kanti Sen, Krishanu Guha Majumder and Pronab Karmokar (2015) in their article entitled 'Characteristics of TV viewership vis-à-vis GRP-A study with special reference to Siliguri' made an attempt to measure the popularity of different national entertain and informativetelevision channels and programmes within Siliguri Municipal Corporation in terms of Gross Rating Point (GPR). They took a sample of 100 respondents and the survey was conducted during November 2014. They have suggested that, GRPs are not assured one, but rather an estimation of the audience that could be reached. Also they have concluded that GRP is about number and it is not the measure the size and it cannot identify effectively the characteristics of the viewers.

IV. Methodology

The present study is designed to assess the preferences of television viewers of Nizamabad district towards different television programmes like News, Entertainment, sports, Cartoon, Informative and Documentary programmes. The study also examines the time spent on watching television, the gender, age group distribution, the educational levels and occupational pattern of the respondents. The association between the independent factors and the preference of the respondents to various television programmes is tested using Chi-square at 5 per cent significance level. The independent factors chosen for the present study are gender, age, occupation, level of education and the place of residence.

Convenient sampling method is used to identify the respondents. The sample size is 80, comprising 44 from urban area and 36 from rural area. The study is confined to the audiences of television of urban and rural areas of Nizamabad district of Telangana State. The questionnaire comprised of questions for which respondents were given to opt one of the answers mentioned on a 5 point likert scale. The data collected through questionnaires was coded and tabulated. It was further analyzed by calculating frequencies, mean score and Chi-square technique. The data was analyzed using SPSS.

V. Hypothesis

The following hypothesis has been designed to achieve the objectives of the study:

Ho : There is no association between independent factors and the preferences for TV programmes.

VI. Analysis and Inferences

The preferences of television viewers of towards different television programmes i.e News, Entertainment, Sports, Cartoon, Informative and Documentary programmes is presented in table-1. First preference is given for the entertainment programmes by majority of the respondents with a mean score of 4.33 followed by news with a mean score of 3.79. Least preference is given for cartoons and the next least for sports.

Table 1 : Opinion of the Respondents towards various Programmes

Programmes	News	Entertainment	Sports	Cartoons	Informative	Programming features & documents
Strongly agree	29	42	9	9	21	15
Agree	19	25	16	7	29	20
Neutral	22	11	20	16	18	26
Dis-agree	6	1	24	18	9	9
Strongly dis-agree	4	1	11	30	3	10
Total respondents	80	80	80	80	80	80
Total score	303	346	228	187	296	261
Mean score	3.79	4.33	2.85	2.34	3.7	3.26

Source: Primary data.

The association between the independent factors and the preference of the respondents for various television programmes is tested using Chi-square at 5 per cent significance level. The association between the independent factors and the preferences for programmes on television is presented in table-2.

Table 2 : Values of Chi-square for the association between independent variables and Preferences for TV programmes

TV Programmes/ Independent variables	Gender	Age	Place of residence	Education	Occupation
News	4.41(0.353) Accept Ho	16.79(0.159) Accept Ho	3.93(0.416) Accept Ho	18.66(0.097) Accept Ho	20.95(0.051) Accept Ho
Entertainment	6.95(0.139) Accept Ho	Accept Ho	6.20(0.185) Accept Ho	16.05(0.189) Accept Ho	11.12(0.519) Accept Ho
Sports	19.98(0.001) Reject Ho	27.75(0.006) Reject Ho	6.32(0.176) Accept Ho	31.43(0.002) Reject Ho	4086(0.00) Reject Ho
Cartoons	5.06(0.281) Accept Ho	34.72(0.001) Reject Ho	3.13(0.536) Accept Ho	26.09(0.10) Reject Ho	31.53(0.002) Reject Ho
Informative	5.98(0.200) Accept Ho	13.57(0.329) Accept Ho	9.63(0.047) Reject Ho	40.76(0.00) Reject Ho	19.73(0.072) Accept Ho
Programming Features and documents	10.98(0.029) Reject Ho	18.08(0.093) Accept Ho	7.99(0.92) Accept Ho	39.02(0.00) Reject Ho	20.78(0.054) Accept Ho

Source: Calculations are based on primary data, Figures in the brackets are the p-values .Decisions are based on at 5 % level of Significance

VII. Findings

Important findings of the study are:

- Preference for TV programmes like news, entertainment, cartoons and informative programmes are independent of the respondent's gender(Null hypothesis is accepted). In case of sports, features and documents it is observed that the preference for these programmes and the gender of the respondents is dependent by rejecting the null hypothesis.
- Taking age of the respondents as an independent factor, we found that there is an association between preference for sports and cartoons and that of the age. Preference for news, entertainment, features and documents and informative programmes are independent of the respondents age.
- Both rural and urban viewers preferences for TV programmes are similar except in case of informative programmes.
- Level of education of the respondents and the preference for sports, cartoons, features and documents and informative programmes are dependent. News and entertainment programmes are independent of the education level of the respondents.
- Preference for sports and cartoon programmes are dependent on the occupation of the respondents. Whereas news, entertainment, features and documents and informative programmes are not dependent on the occupation of the respondents.
- 96.25 percent of respondents have dish TV connection.
- Around fifty percent of viewers prefer to watch TV during nights.
- 67.5 percent of respondents watch television for not more than 2hrs in a day.
- 56.25 percent of the respondents expressed strong agreement towards their preference for watching television than reading a news paper. For the same statement, another 20 percent of respondents agreed.

VIII.Suggestions and Conclusion

The analysis of the data reveals that the preferences for various programmes on television are independent of the [place of residence. Both rural and urban viewers preferences for TV programmes are similar except in case of informative programmes. News and entertainment programmes are independent of the occupation, education level,gender, place of residence and age of the respondents.

Programmes on television are to be designed taking into account the preferences of the viewers. As news and entertainment programmes are preferred by everyone, the timings for telecasting of the programmes is to be given due importance. Taking advantage of the advancement of technology,

within a channel a viewer is to be given a choice to choose his/her desired programme at a particular point of time. Concentration of the viewers on important programmes which give information about past, present and future is the need of the hour. This is possible by reducing the time of the programmes to 10-15 minutes on a particular informative topic, as the present generation viewers can't spare more time. Another possibility is to telecast the sport highlights and the important information in between two entertainment programmes.

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Do Indian Active Fund Managers Wealth Creators?

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Abstract

Indian households have plethora of avenues to save and invest. The options range from the safest investment avenues such as Post Office small savings schemes, Provident Funds to risky avenues such as Mutual Funds, Stocks in case of financial investments. In case of non-financial investment avenues they park their money in Real Estate and Gold. When we look in to the savings and investment patterns of Indian households the major chunk of the money is put in the safest investment options mentioned above and the amount of money invested in risky assets such as mutual fund and stocks are very less. One of the many reasons is the risk involved in such investments and the other is the doubt about the ability of the options to provide better returns than the safest options available. Those who are ready to take some risk might first try mutual funds before taking part in the capital market by investing in stocks directly. Once, they feel that the active fund managers are giving better returns and they beat passive funds performance, they could realise the importance of investing in risky assets such as active funds. Thus the study made an attempt to see whether the active fund managers are creating wealth to the subscribers of the scheme, by selecting 6 Equity Linked Savings Scheme (ELSS) and found that on an average they were not able to create wealth. However, the study also found one or two manager(s) among them creates wealth. Thus, it calls for the investors to identify the fund managers who could create wealth and put their money in their schemes to grow their investments to fulfil their objectives.

Keywords: Alpha, Risky Investments, Active funds, Wealth Creators.

Introduction

Indian investors have different investment avenues to park their surplus. Each and every investment alternative differs from the other option in terms of risk and return. Households, who prefer to be on the safer side, park their surplus in safe investment options like Bank Fixed Deposits, Provident Funds, and Insurance etc. On the other extreme investors who are ready to take risk, put their money directly in the stock market with the expectation of getting better returns. However, there are investors who are not ready to take the risk of direct investment in the capital market, but do take relatively less risk by investing their money in mutual funds to create wealth. Studies related to the ability of the fund managers in creating over and above the risk adjusted return are mixed. Hence, this study made an attempt to see whether the Indian fund managers created return above the return commensurate with

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the risk taken by them in their investment. In other words, whether they create extra wealth or Alpha by considering six Equity Linked Saving Schemes which exist for more than 10 years and found that, in general, they were not able to create extra wealth or Alpha with the exception of one fund - HDFC Tax Saver. Thus, the study found that by merely opting for any active funds they could not create wealth but they have to select the active fund managers among the plethora of fund managers existing in the investment arena who create wealth to enhance their wealth.

Returns from the bank deposits are not what they used to be and now in fact they offer negative real return to the investors. Company bonds and deposits today also offer the same kind of returns. Even those old faithfuls, small savings schemes, are losing sheen, with the government steadily aligning their returns to market rates and phasing out tax breaks. Although they still offer safe, stable returns, they are no longer the potent wealth-creation tools one could count on to comfortably see oneself through a lifetime. So, where do the investors go? if the investors have no time and they believe stock picking is only for the financially savvy. Yet, the growth that equity offers tempts them to investment in the capital market, they could reconcile by buying an index fund-a mutual fund that invests exclusively in the shares of companies that comprise the stock market indices. In India, we have two such widely tracked indices in the country: the Bombay Stock Exchange's (BSE) Sensex comprising 30 stocks and the National Stock Exchange's (NSE) Nifty comprising 50 stocks apart from number of other indices. The advantage of investing in such indices is that their underlying stocks are of companies with large market capitalisation and high investor interest.

An index fund used to be the industry standard for those who liked index investing. Founded by John Bogle, founder and retired CEO of the Vanguard Group of the US, index investing was quite the rage in a maturing US market that was disenchanted with the inconsistent performance of managed funds. Index investing took the stress out of stock market investing. In developed market like US and UK index funds have provided similar returns of active funds at reduced costs. Studies have proved that active fund managers were not able to beat the market. However, some experts are the view that in emerging markets, fund managers could beat the market. This means, investors could get a better return by investing in actively managed mutual funds than index funds which mimic a benchmark index, thus enhance their wealth. Hence, the present study aims to know whether the fund managers in India create wealth to their investors by beating the market and if so, are they doing it consistently.

Jensen (1967) analysed performance of 115 mutual fund and found that these mutual funds were on average not able to outperform a buy-the-market-and-hold policy, but also that there is very little evidence that any individual fund was able to do significantly better than that which we expected from mere random chance.

Jayadev (1996) evaluated the performance of 62 mutual funds schemes using NAV data for varying period between 1987 and 1995. He reported superior performance for bulk (30 out of 44) of the sample schemes when total risk was considered. However, in terms of systematic risk only 24 out of 44 schemes outperformed the benchmark portfolio. He also found that Indian mutual funds were

not properly diversified. Further, in terms of Fama's measure, he did not find selectivity ability of the fund manager.

Amitab Gupta (2001) in his study, evaluated the selected schemes with respect to the broad based BSE National Index to find out whether the schemes were able to beat the market. It also examined whether the returns were commensurate with the risk undertaken by the fund managers. It used three risk adjusted performance. The study also tested the market timing abilities of the fund managers. The results indicate that 38 schemes (52%) earned higher returns in comparison to the market return while the remaining 35 schemes (48%) generated lower returns than that of the market. The results pertaining to market timing abilities of fund managers in terms of both the two models, Treynor and Mazuy and Henriksson and Merton do not lend support to the hypothesis that the India fund managers are able to time the market correctly.

M S Turan, Dr. B S Bodla and Sh. Sushil Kumar Mehta (2001) analyzed the performance of 54 listed schemes of mutual funds on the basis of weekly data on NAVs. For this purpose, besides risk and return analysis, the risk adjusted performance measures have been employed. The study reveals that a considerably low level of risk is associated with the selected schemes, irrespective of the sector concerned.

Biswadeep Mishra (2002) the research paper attempts to evaluate the timing and selectivity skills of mutual funds. It was concluded that the selected mutual fund schemes had no timing ability, even though at individual level some of the schemes had timing skills. The generalized varying parameter (GVP) estimates also revealed that the systematic risk of Indian mutual funds did not remain stable over time.

Anand, S. and Murugaiah, V. (2006) using Fama's methodology examined the performance of 113 selected schemes of 25 fund houses for the period April 1999 to March 2003. They found that the mutual funds were not able to compensate the investor for the additional risk that they have taken by investing in the mutual funds.

Cremers & Petajisto (2009) found that on average actively managed fund has underperformed its benchmark index. However, they also found that the performance of the fund depend on the degree and the type of active management. In their conclusion, they suggest to pay attention to measure of active management-active stock picking to the mutual fund investors.

Hence, the objective of the study is to see whether Indian Fund managers create wealth to their investors by beating the performance of the Market?

Data: First top 10 Asset Management Companies were selected on the basis of the corpus managed by them as on 1st Feb 2012, and the Equity Linked Savings Scheme (ELSS) offered by each AMC was identified. Among the identified ELSS schemes, schemes which exist in the market for more than 10 years were then considered for this study. Thus only 6 ELSS schemes namely - HDFC Tax Saver, ICICI Prudential Tax Plan, SBI Magnum Tax Gain, Franklin Templeton India Tax shield, Birla Sun Life Tax Relief 96, and UTI Tax Savings- were considered for the study. The Net Asset

Values (NAV's) of the 6 Equity Linked Savings Schemes since inception are derived from the concerned AMC websites. Thus, the monthly data from 2nd April 1996 to 1st Mar 2012 were used for the study. Thus a total of 144 months to 192 months data were used for testing whether the fund managers delivered more than its benchmark or not.

The hypothesis the authors are interested to test is given below.

Null Hypothesis: Indian Fund Managers cannot beat the performance of the market to create wealth to their investors.

Alternate Hypothesis: Indian Fund Managers can beat the performance of the market to create wealth to their investors.

Data Analysis: The monthly log returns for the six funds selected for the study were calculated. One to three year deposit rate of Commercial Bank for the concerned period is considered as risk-free rate. Three years rolling excess return of portfolio over the risk-free return is regressed against the three year rolling excess return of the relevant benchmark over the risk-free return to see whether the fund manager's beat the market (it's Benchmark), in other words, they delivered excess return (Alpha).

Results and interpretation: The study found that the Fund Managers of the funds HDFC Tax Saver generated alpha 63 times out of 191 times of 3 years duration. In case of Franklin Templeton India Tax shield, UTI Tax Savings Plan, Birla Sun life Tax Relief 96, SBI Mangnum tax gain they were 14 out of 157, 11 out of 147, 8 out of 148 and 2 out of 184 respectively. However, the fund manager of ICICI Prudential Tax Plan was not able to beat the market at least once since their inception.

Dependent Variable: ERPORT
 Method: Least Squares
 Sample: 5 41
 Included observations: 37

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.922255	0.942099	2.040397	0.0489
ERBENCH	0.762933	0.118322	6.447931	0.0000
R-squared	0.542937	Mean dependent var		1.570083
Adjusted R-squared	0.529878	S.D. dependent var		8.343738
S.E. of regression	5.720923	Akaike info criterion		6.378676
Sum squared resid	1145.514	Schwarz criterion		6.465752
Log likelihood	-116.0055	Hannan-Quinn criter.		6.409374
F-statistic	41.57581	Durbin-Watson stat		2.122864
Prob(F-statistic)	0.000000			

Fig 1: EViews Result for Alpha generation

Thus the Null hypothesis that the fund manager can't beat the market is accepted for all the fund managers except HDFC Tax Saver.

The result of Eviews for the FT Tax Saver for one 3 year period is shown in Fig 1.

The performance of the above mentioned fund managers are also evaluated since inception on annual basis. The data used for performance evaluation ranges from 12 years to 15 years depending up on the inception of the various schemes considered for this study. The result with respect to generation of ALPHA for the above mentioned schemes is given in Table 1.

Table 1: Details of Alpha Generated by different ELSS Schemes

Period	HDFC TS	SBI MTG	ICICI PTP	FTTS	BSL TR96	UTITS
Last 15 years	-	-				
Last 14 years	1.01	-	-			
Last 13 years	-	-	-			
Last 12 years	-	-	-	-	-	-
Last 11 years	1.05	-	-	-	-	-
Last 10 years	1.02	-	-	-	-	-
Last 9 years	1.04	-	-	-	-	-
Last 8 years	0.93	-	-	-	-	-
Last 7 years	-	-	-	-	-	-
Last 6 years	-	-	-	-	-	-
Last 5 years	-	-	-	-	-	-
Last 4 years	-	-	-	-	-	-
Last 3 years	1.51	-	-	0.76	-	-
Last 2 years	-	-	-	0.57	-	-
Last 1 year	-	-	-	-	-	-

From the above table, one can infer that the fund manager of HDFC Tax Saver generated alpha 6 times out of 15 years. In case of Franklin Templeton India Tax Shield the fund manager generated alpha 2 times out of 12 years. However, other fund managers have not generated alpha. Thus, one can conclude that on an average the fund managers are not able to create wealth to their investors by beating the market. At the same time, one can also find one or two fund managers who consistently beat the performance of the market.

Limitations: The study is restricted to only ELSS Mutual Fund Schemes having a minimum of 10 years existence among the top 10 AMCs. Hence, one should not generalise that this result represents the Indian Fund Managers Universe.

Conclusion

Thus the study once again brings out the fact that on an average one can't beat the market, at the same time there are fund manager(s) who beat the market consistently as concluded by Biswadeep

Mishra (2002) and Cremers & Petajisto (2009) in their study. Thus, investors have to look for active fund managers among the plethora of fund managers who beat the performance of the market to create wealth.

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A Study on Impact of Industrialization on Agriculture Reference to Mangalore Taluk

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Abstract

Economic development includes the development of agriculture, industry, trade, transport, means of irrigation, power resources etc., It thus indicates a process of development. The sectorial improvement is the part of the process of development which refers to the economic development. Agriculture occupies significant place in the economic life of the nation. Despite concerted industrialization in the last few decades, still agriculture forms the backbone of the Indian economy.

Industrialization is widely recognized as one of the important means to usher in economic and social transformation in developing countries. At the same time, there are controversies about the weightage to be given to industrialization as an element of the development mix. The industrial revolution which enabled the advanced countries of today to take off to economic prosperity yet, industrialization, hard task as it is indispensable for survival and growth.

Due to uncontrolled industrialization in India migration of the rural people to urban area, shortage in housing, decrease of ground water, excessive air pollution, heat dust, problems of disposal of solid waste have been occurred. Industrial development caused the migration from Rural to Urban Area.

The present study has been undertaken to assess the "Impact of Industrialization on Agriculture with reference to Mangalore taluk". This study mainly focused to ascertain the impact on agriculture land, farmers and diversification of cropping pattern.

Keywords:

Introduction

Economic development is necessary for developing countries like India because, they can solve burning problems like poverty, unemployment, low production etc. The Government at various levels have been using various strategies to modernize agriculture, development of small and large industries, development of service sector, promotion of internal and international trade, etc., which have encouraged continuously to achieve economic development. The important aims and objectives of industrialization

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as a process which accelerated economic growth: affects structural changes in the economic, particularly in respect of resource utilization, production functions, income generation occupational pattern, population distribution and foreign trade; and include social changes. It means, the industrialization aims to remove the problems such as unemployment, poverty, hunger and farmers suicide.

Agriculture contributes about 22 percent of gross domestic product. The contribution of agriculture to foreign trade and foreign exchange earnings is very significant. Agriculture contributes about 14.7 percent of India's total export earnings. The foreign exchange to import trade comes from the export of the agriculture commodities. Moreover agriculture contributes to the development of rural area. Role of agriculture in protecting environment and in maintaining ecological balance is immense.

India is primarily an agrarian economy, after independence. It is one of the great industrial power of the world. The large investments have been made in building up capacity over a wide spectrum of industries. In certain sector productivity is falling and consequently the cost of production are rising because of the great demand. It leads to Agricultural Food inflation. The conflicts between Agricultural sectors and industrial sector, pose difficult problems to compromise by a proper trade of between them, keeping in mind larger- long term interest of the nation.

Agriculture and Rural Development in India

India is a primary rural in character. In Indian context development means mostly rural development since most of the live and seeks employment in rural areas. Development of national economy is not successful unless and until there is development of rural sector.

One of the pre-requisites of rural development in India is to develop the most predominant economic activity of this economic i.e. agriculture. It is because large number of people in India is living in rural areas. Agricultural development is critical for meeting the growing demand for food, raw material and for creating more employment opportunities in rural sector. Consumer has to spend huge amount of money on agriculture commodities.

The progress of the rural economy depends upon the performance of agriculture. Yet living conditions in the rural area have not improved significantly over the years. Educated rural youth seek employment in urban areas. In the absence of regular and gainful employment, the rural labour migrates and joins the ranks of persons of informal sector in urban areas, where conditions are no better.

Changing Scenario of Dakshina Kannada through industrialisation

After independence, the industrialization changed the Scenario of Dakshina Kannada by starting various industries. The contradiction among industrialization being a special role for depleting the real structure and beauty of Dakshina Kannada. The foundation of MRPL-ONGC in Mangalore, paved the way for starting of other industries. All these industries are being located in most fertile area of Dakshina Kannada. People used to cultivate rice, coconut, aracanut and various cash crops.

Industrialization is creating a serious ecological problems. The fast depletion of non-renewable resource is another problem arising from indiscriminate and short sighted industrialization. The real birth of these environmental problem was "Dumping yards of Moodusheddye" in Mangalore releases the poisons and Hazardous gases to spoil atmosphere. Most of the waste coming from industries such as Mangalore chemical and fertilizer industries etc., (MCF), Many Icon and Steel Industries located in Mangalore city.

Yethinaole is one of tragedy faced by people of .D.K. caused by the industrialist ion. This industrialization also laid the foundation stone to welcoming the another harmful project in D. K. called "Niddodi hydro power project" This project led the fear in the minds of people and their household living in Niddodi located between Kateel and Moodbidre. The numerous project of people against this project because it have fallen deaf ears and plant continues to pollute atmosphere to irreparable damage, It effected the surrounding areas of Niddodi was Tenkamijaru, Badaga Mijaru, Muchur, Puttige, Ganjimatta, Kallamundukur, Kateel, kinnigoli and yedapadav. The root cause of existing power plants are a destructiveness of people of D.K. by industrialization.

Agriculture and Rural Development in India

India is a primary rural in character. In Indian context development means mostly rural development since most of the live and seeks employment in rural areas. Development of national economy is not successful unless and until there is development of rural sector.

One of the pre-requisites of rural development in India is to develop the most predominant economic activity of this economic i.e. agriculture. It is because large number of people in India is living in rural areas. Agricultural development is critical for meeting the growing demand for food, raw material and for creating more employment opportunities in rural sector. Consumer has to spend huge amount of money on agriculture commodities.

The progress of the rural economy depends upon the performance of agriculture. Yet living conditions in the rural area have not improved significantly over the years. Educated rural youth seek employment in urban areas. In the absence of regular and gainful employment, the rural labor migrates and joins the ranks of persons of informal sector in urban areas, where conditions are no better.

Industrialization in India

In England Industrial revolution has been taken place during the period of 1760to 1830. Because of this revolution England has strongly build up in its economic system. This revolution states that the industrialization is very necessary for economic development of a country. Sir M. Vishweshwarayya as clearly warned to India that "industrialization or Ruin". Industrialization as given a good opportunity for urbanization. The Urban development includes the economical and social development of the country.

The analysis reveals that Industrialization in India has grown at a much faster rate. Rapid Industrialization creates inequalities in the total development which in turn leads to several problems in urban and rural areas.

Statement of the research problem

Industrialization is a prerequisite for economic development. Rapid industrialization has resulted in the development of urban centers. Karnataka is one of the industrialized states in India. Urban centers are growing rapidly due to rapid industrialization. Growth of urban centers has a great impact on agriculture. Dakshina Kannada is one of the most industrialized districts of Karnataka. Process of Industrialization resulted in changes in crop pattern from traditional crops to commercial crops, supply of the agriculture labour due to rural -urban migration, conversion of rural land into urban areas and industrial land, reducing the availability of land for agriculture. These changes changed cropping pattern of Mangalore Taluk.

Review of Literature

Dr. B.K. Murthy in his article of "Kurukshehra" published in July 2010 (Dr.B.K.Murthy, 2010) has put forth about the standstill in the production of Indian agriculture sector and warned that after 1996-1997 to 2004-2005, the country has been facing an acute shortage input supply and if it is not set right within a short time it will lead to a disaster.

M. J. Prabhu, the agriculture correspondent of The Hindu, in his article "importing food grains will not solve the problems" (M.J.Prabhu, 2011) has said that government cannot neglect agriculture and if it does so then it will have an adverse impact on economy of the nation. In the same way, he has argued that if there is deficit in food production then the nation cannot depend on foreign imports to meet its domestic food requirements.

Because of new agricultural strategy, proper land utilization, green revolution and easy availability of chemical fertilizers made the changes in crop pattern in India (R.G.Desai, 1998).

In many previous studies scholars discussed various impact of industrialization related to agriculture, but there is no literature regarding to Dakshina Kannada district. So in this study gave more importance to industrialization and agricultural relationship in Dakshina Kannada district.

Objectives of the Study

1. To study the effects of Industrialization on agriculture.
2. To study effect of Industrialization on productivity and production of food crop.
3. To examine the effect of Industrialization on agriculture land.
4. To examine the effect of industrial wastage on agriculture field.

Study area

To examine and analyses the research problem in Mangalore Taluk of Dakshina Kannada district is selected as the study area. There are five taluks in Dakshina Kannada namely Mangalore, Belthangady, Bantwal, Puttur and Sullia. In order to have detailed Analysis the Mangalore taluk of Dakshina Kannada district is selected. In Mangalore taluk rural areas like Niddodi, kateel, moodabidri, Katipalla, chelar, Bajpe etc., are selected.

Methodology

1. Study includes primary as well as secondary data.
2. To provide good foundation to study its also referred many books, research publications and government journals etc.,
3. The study proposes to use sample survey method to collect primary data of large number of farmers in study region.

After collecting above information the study proposes to use appropriate statistical tools to analyses research problem.

Data Analysis

Our Survey gives a clear picture of the Impact of Industrialization on Agriculture. It concentrates, Impact on food Production and harm incurred on Agriculture by Industrialization.

The data analyzed by interview with questionnaire and observation. This research includes diagram and tables. In this research the needed information is collected by the Mangalore Taluk of Dakshina Kannada. Mainly the information is accumulated in the rural region of Mangalore that is surinje, niddodi, Bajpe, Parari, Moodabidri etc., The detailed analyzed data collected through primary data are mentioned below

Table 1 : Family Background

S L No	Age	Nuclear Family	Joint family
1	18-28	20	9
2	29-38	21	6
3	39-48	18	3
4	49-58	08	4
5	Above 59	10	1

In table Respondents Family background is being shown. Out of 100 Respondents nearly 77 people are from nuclear family and 23 belongs to joint family.

There is a notion that an agrarian usually belongs to joint family. But the study as surely has

made it clear that like urban areas in villages also nuclear families are seen like cities in rural areas also people are favourable towards nuclear family. The following diagram makes it clear.

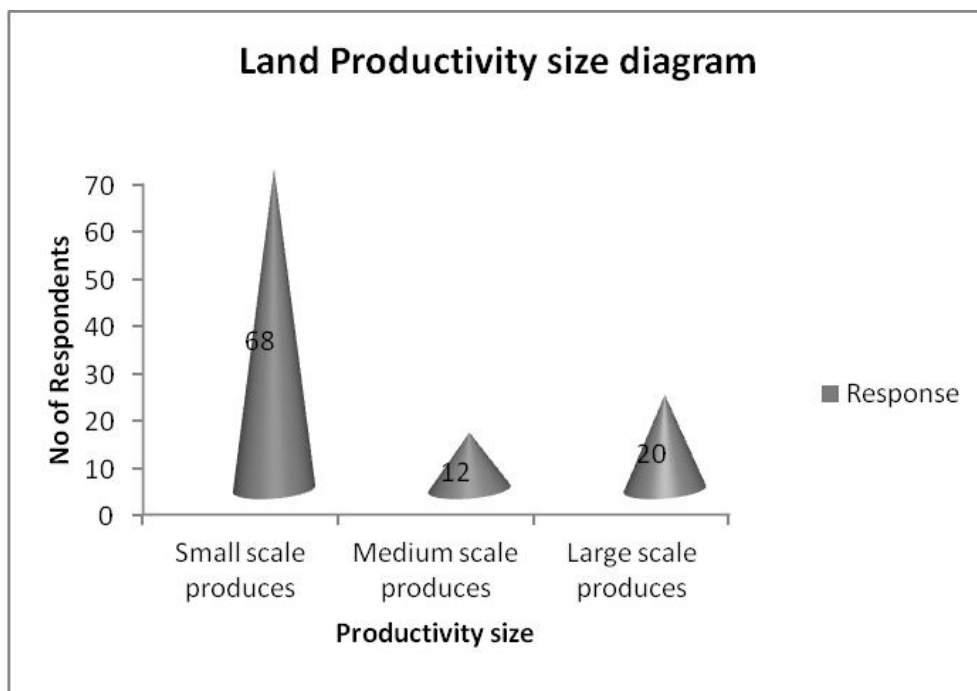
Land Productivity size

Table 2 : Family Background

No	Large Productive size	Respondents
1.	Small scale produces	68
2.	Medium scale produces	12
3.	Large scale Produces	20

The above table shows the Land Productivity size. According to it 68 people possess small scale production, 12 large scale production, 20 medium productive land. The above information suggested that small productivity means Agricultural Land less than 1 acre. Small scale productivity means Agricultural Land more than 2 acre. Medium means Agricultural Land Holder between 1 to 2 acre. Usually here amount 58% of people are small scale producers because of nuclear family.

When a joint family divides into nuclear family Land gets scattered into fragments. This is in the case of almost all large productivity land. Land Productivity size has been shown in the below diagram.

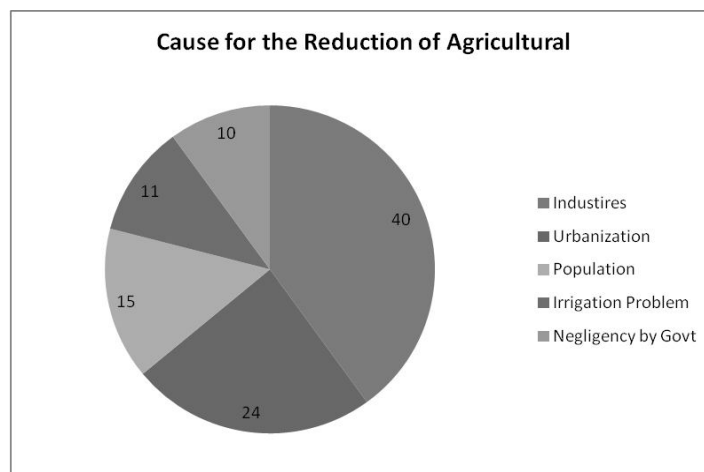


Cause for the Reduction of Agricultural Land

Table 3 : Cause for the Reduction of Agricultural Land

No	Causes	No of Respondents
1.	Industries	40
2.	Urbanization	24
3.	Population	15
4.	Irrigation problem	11
5.	Negligence by Govt	10

According to the Respondents Agricultural Land has reduced by Industries and this has been informed by 40 respondents and 10 people blamed on the negligence of the Govt. 24 people Urbanization is the reason for the reduction of Agricultural Land, population by 15 people, Lack of irrigation facility by 11 people. According to survey reduction in the Agriculture Land is due to Industrialization. Urbanization has generated due to Industrialization and the diagram makes it clear that nearly 70% of Industrialization is the cause for decline of Agricultural Land.

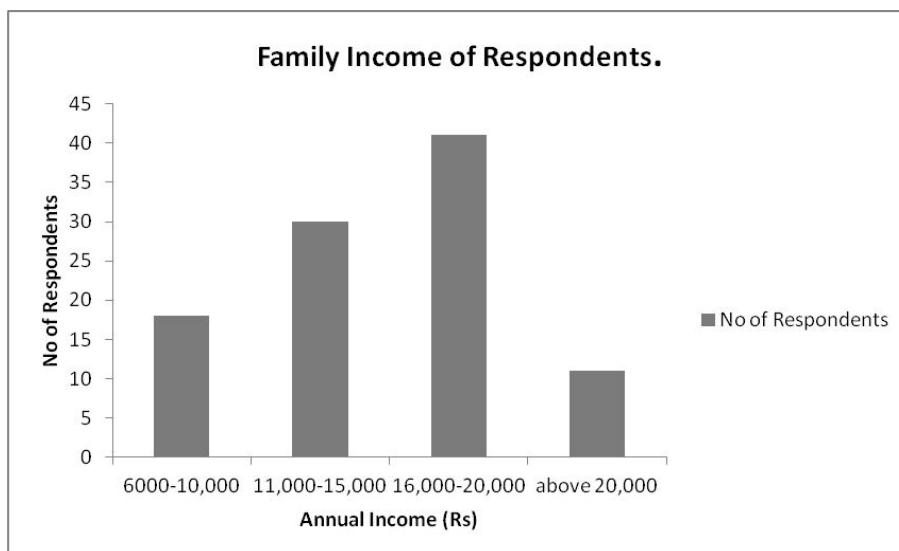


Family Income of Respondents.

Table 4 : Family Income of Respondents

No	Annual Income (Rs)	No of Respondents
1.	6000-10,000	18
2.	11,000-15,000	30
3.	16000-20,000	41
4.	Above 20,000	11

In this table among 100 respondents 18 people earn 6,000 to 10,000, 30 people earn 11,000 to 15,000, 41 people earn 16,000 to 20,000 & 11 people earn more than Rs. 20,000 annual Income. In this nearly 19% of people get less than 20,000 annual Income.



These people of dependent on agriculture earn their bread through agriculture but this occupation has failed in giving them a good/better income. This is due to the reason that most of the fertile land is not been able to use for the purpose of agriculture. Irrigation problem of technology, use of poisonous chemicals or fertilizers made the cultivation impossible. Low annual Income has made the better agricultural activity impossible due to the insufficient capital. The following diagram makes it clear.

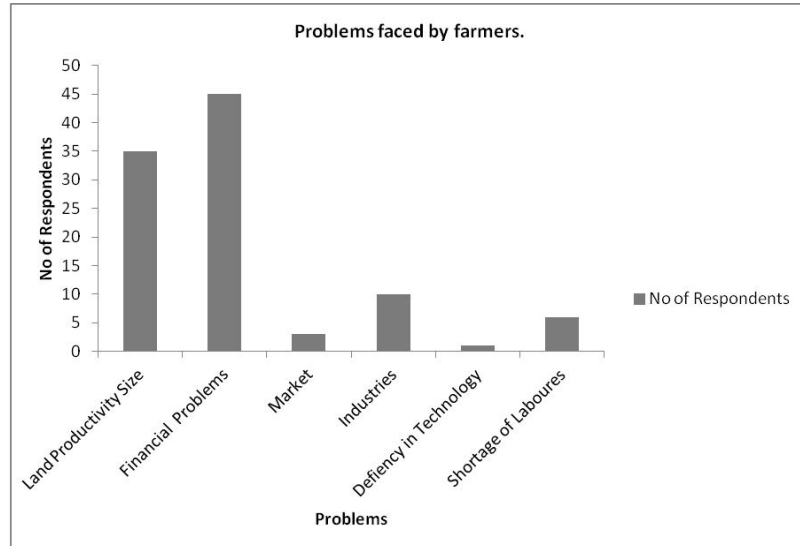
Problems faced by farmers.

Table 5 : Problems faced by Farmers

No	Problems	No of Respondents
1	Land Productivity size	35
2	Financial problems	45
3	Market	03
4	Industries	10
5	Deficiency in Technology	01
6	Shortage of Laborers	06

This table makes clear the problems faced by the rural agrarian in Mangalore Region. According to this table 45 farmers face financial problem, 35 people face Land 3 people face reasonable market problem. 10 people face Industrial problem It highlights that most of the farmer have deficit of capital. It means that to cultivate is a better way sufficient capital is necessary.

According to this table land productive size has become a problem to the farmers. Most of the farmers possess small size of Land. According to these farmers Financial problem and Land productive size has these farmers Financial problem and land productive has caused them from getting better agricultural production.



Experience in Agricultural activities

Table 6 : Experience in Agricultural activities

No	Work experience	No of Respondents
1	1-5	16
2	6-10	47
3	Above 10	37

This table shows the experience of respondents in Agricultural activities. According to it 14 people have less than 5 years of experience 47 people have the experience for a period of 5 to 10 years, 37 people have more than 10 years of experience.

According to the survey numbers of youth is getting law. It shows that youth getting does not possess much interest in agricultural activities. Financial pressure has promoted most of the respondents to depend agriculture. According to these respondents farmers above 50 years have the belief that it is Indian culture to follow ancient occupation.

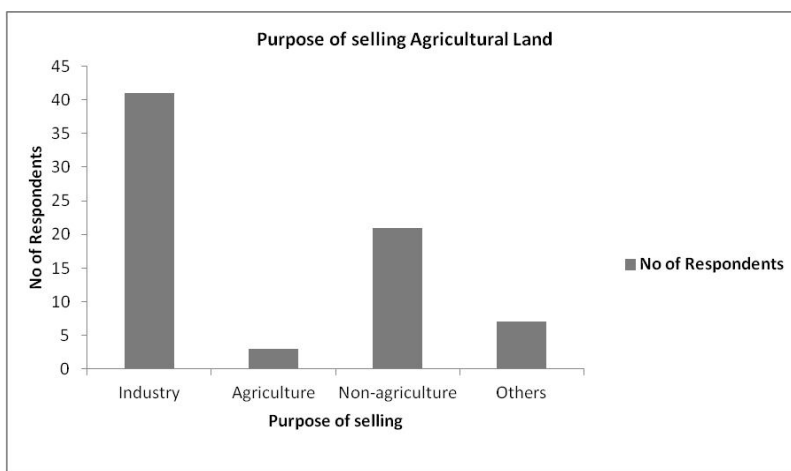
Purpose of selling Agricultural Land

Table 7 : Purpose of Selling Agricultural Land

S. No	Purpose of sale Industry	No of Respondents
1	Industry	41
2	Agriculture	03
3	Non-Agriculture	21
4	Others	07

The above Table shows the purpose of selling agricultural Land. Among the 100 respondents 72 people have sold their Agriculture Land. In it 41 people have sold it for the purpose of Industries, 3 for agriculture, 21 people sold it for non-agriculture purpose. Among the respondents nearly 57% of them have sold it for Industrial purpose. In the same way for non-agriculture purpose.

Non-agriculture purpose means accommodation, building construction etc., This clearly shows that Industrialization has directly effected on Agricultural Land.



Reason for the migration of Agriculture labors to urban Areas

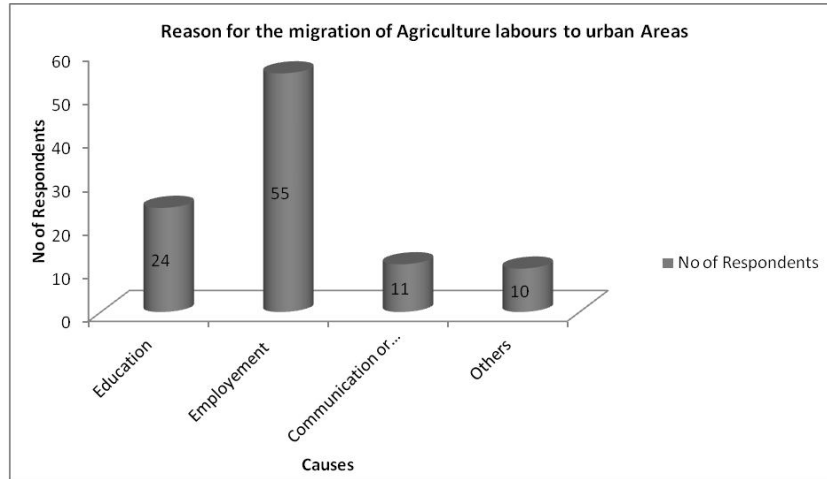
Table 8 : Reason for the migration of Agriculture labors to urban Areas

No	Cause	No of Respondents
1	Education	24
2	Employment	55
3	Communication or Transportations	11
4	Others	10

The above table shows the cause for the migration of Agricultural Land to Urban areas. As per the table shows 24 people given the reason of education, 55 people employment, 11 people communication and transportations and 10 people given other reasons. To a large extent better employment can be said as a reason for their migration

It is visible that in urban areas getting more income and employment throughout the year is the main reason for the migration.

This migration has made most of the Agriculture land to barren land. The main reasons for the migration of Agriculture labors shown in the below diagram.



Impact of Industrialization on Agricultural

No	Impact	No of Respondents
1	Reduction in Agricultural Land	35
2	Shortage of Agricultural Labour	30
3	Lack of Irrigation facility	10
4	Shortage of food production	25

The above table shows the impact of Industrialization on agriculture. The provided facts shows that the problems faced by 35 people due to shortage of agricultural Land. Shortage in the supply of Agriculture Laborers by 30 people shortage of food production by 25 people Lack of irrigation facility by 10 people has effected on Agriculture.

Findings

1. Research data information are collected by the Rural Area of the Mangalore Taluk.
2. In all the Regions Agriculture production is getting reduced due to the problems faced by farm labors.
3. Industrial have dominated Agricultural land in Mangalore
4. Due to increase in the number of Industries farmers are migrating from their Rural Land.
5. The excessive use of water by industries has caused irrigation problem.
6. The fertility of Agricultural land has reduced or diminished.
7. Industrialization has converted the food crops into commercial crops in rural areas.
8. For financial benefit farmers are growing commercial crops like Rubber, arrecunut etc.,

9. One of the popular food crops of Mangalore Taluk that is Paddy has reduced.
10. Industrial water had effected the agricultural land by reducing its production capacity.
11. Due to the support by the govt for Industries, agriculture is moving towards destruction.

Suggestions

1. Fertile agricultural land should be used only for agricultural purpose.
2. Youth should get enriched with importance of agriculture.
3. Industrial wastes has to be recycled in an appropriate way.
4. SEZ (Special Economic Zone), Thermal Power Plant, for such a large Industrial area agricultural land should not be used.
5. To stop the migrating farmers small scale business must be nurtured in rural areas. It will enable the farmers with job for throughout the year which otherwise will be only on occasional seasons.
6. Industries should not be established in rural areas. In such case they should be allotted by nonagricultural land.
7. Farmers should be encouraged to make more food production.
8. Farmers should be made aware by the importance of agricultural growth and precaution to deal with food problems.
9. Farmers should be provided with more Subsidy for food crops.
10. Govt should provide good educational facility for farmers in rural areas.
11. Govt should not seize agricultural land while building SEZ.
12. Farmers should get productive seeds & fertilizers from the Govt.
13. Govt should provide good market facility along with good prize for Agricultural products.

Conclusion

The agricultural development must be included within the notion of India is a developing country' The socio-economic progress of the country cannot be achieved until the progress of agriculture sector. Since India is primarily an agricultural country due concentration must be paid to the agricultural development. It would be difficult to produce enough food for country people, if industries start to utilize the agriculture lands to construct their plants. Today, the popular paddy cultivation has disappeared from the land of rural Mangalore.

The country only be developed if industries act in favor of agricultural and being complementary to each other. Hence I argue industries have larger impact on agriculture sector of the country. This

action research study has revealed that, both agriculture and industrial sectors are complementary each other.

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Determinants of Employee Empowerment Enhance the Efficiency among the Employees of Private Sector Life Insurance Companies in Chennai City

– Dr.Jayanthi Lakshmanaswamy*

Abstract

The concept of Employee empowerment is giving employees a certain degree of autonomy and responsibility for decision-making regarding their specific organizational tasks. The employee empowerment is rapidly gaining popularity and is used in workplace to retain quality employees. It is the art and science of engaging people in authentic and recognized connections to strategy, roles, performance, organization, community, relationship, customers, development, energy, and wellbeing to leverage, sustain, and transform work into results. Since the employee empowerment is about both the heart and the mind, it stands for the extent to which the employees are groomed in terms of job involvement, organization commitment and job satisfaction. This study examines the factors that influence employee empowerment and measures the overall level of employee empowerment in private sector life insurance companies in Chennai city. Sample for the study was collected from 200 marketing managers working in private sector life insurance companies in Chennai city. The data were collected with the help of a structured questionnaire and analyzed using frequency distribution, factor analysis and one-sample t test and ANOVA applied to attain the objectives. The findings reveal the various factors that influence the level of employee empowerment and suggest measures to improve it. From the study, it is concluded that vibrant measures of employee empowerment are needed for achievement of organization goals.

Key words: Employee empowerment, job satisfaction, consumer, life insurers and organizational goals

Introduction

Employee empowerment is a management technique that gives employees more autonomy and freedom in their jobs. It is a strategy that permits employees to make decisions with regard to their jobs, ultimately helping them assume accountability and facilitate consumer interface. Empowerment allows an individual to resolve a problem and assists him in taking critical decisions. Participative management is one of the most commonly practiced styles in organizations that follow modern management techniques. Employee empowerment is a breed of this modern approach that leads to a

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positive change within an organization. Employees are given responsibilities that do not confine them to certain processes, but provide them with opportunities, thereby permitting them to perform more than mere subservient roles in the organization. There is a need for employee empowerment in every organization so that employees will be equipped with decision-making skills and adapt to changes in their work environment. Organizations that are encouraging employee empowerment practices have been known to experience low attrition.

Literature Review

Sarra BERRAIES, et.al (2014) Employee empowerment is recognized as a key for building trustful-relationships in the organizations, which in turn lead to innovation and higher level of performance. Jafari and Iranzadeh, (2013) claimed that employee, who makes self-determined choice about his day to day activities, tends to be more effective and efficient than non-empowered employee. Sun et al. (2012), for instance, claim that empowerment has three broad categories including leadership empowerment, structural empowerment, and psychological empowerment. Jha (2010) offers a more detailed definition of empowerment through defining such a concept as "a process of enhancing feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness and through their removal by both formal organizational practices and informal techniques of providing efficacy information" (Jha, 2010, p: 380). Ahmad and Oranye (2010) also use a very traditional view of empowerment, considering it as "energizing followers through leadership, enhancing self-efficacy by reducing powerlessness and increasing intrinsic task motivation (p: 583). Odeh (2008) found that employees who are psychologically empowered are more likely to attain a positive relationship with customers and engage in behaviors that lead them to assist the customers. The term empowerment has been defined in relationship to leadership and independence of the employee regarding service encounter and is compared to the opposite approach referred to as the production line method which is the traditional method of delegating authority to subordinates by their superiors (Deal, 2005). According to Looy, Gemmel and Van Dierdonck (2003) "empowerment means providing service employees with enough autonomy to allow them to handle unforeseen problems situations such as complaints". It also refers to employees being more proactive and self-sufficient in assisting an organization to achieve its goal (Herrenkohl, Judson and Heffner, 1999). Empowerment means encouraging people to make decisions with the least intervention from higher management (Handy 1993).

Statement of the Problem

The services performed by the life insurance sector are almost similar, but the approaches undertaken to gain more market share and customers may be different. Service providers seek to differentiate themselves from their competitors by providing high quality service. Employees in the insurance sectors must be competent enough, not only to provide good quality service but also possess extensive knowledge about the execution of the job. Employee empowerment requires the employee to be given certain degree of authority and freedom to perform the job and make appropriate decisions.

Usually in a service industry, the employers prefer to overlook the interaction between the employees and the consumers, hence imposing certain restrictions on the employee. The aforementioned issue prompted the researcher to study and infer the impact of employee empowerment and its impact with regard to efficiency and effectiveness in an organization. That said the researching attempts to study the perception of marketing managers of private sector life insurance companies with respect to employee empowerment, and concurrently comprehending the level of authority given to them with regard to making certain decisions and accordingly apprehends the degree of employee empowerment.

Research Methodology

The present paper's important objectives are to find out the factors influencing the employee empowerment and whether the determinants of employee empowerment enhance the efficiency among the private sector employees in Chennai city. The data were obtained from both primary and secondary sources. The relevant data were collected from the customers of four private sectors life insurance company's viz., ICICI Prudential Life Insurance Company limited, Bajaj Allianz life insurance Company limited, SBI Life insurance company limited and Reliance Life Insurance company limited. The private sector life insurance companies were selected on the basis of their market share. The market share data were obtained from the IRDA reports. From each company 50 respondents were selected altogether total 200 respondents for final study. The study was conducted in branches/ offices with a sample survey from the customers of private sector life insurance companies in Chennai city. The respondents were marketing managers who were engaged in selling of life insurance products. The data was collected during the period from June 2015 to September 2015. The data collected was classified, tabulated, processed and analyzed in a systematic manner mainly to identify the group of determinants. Since the study consisted of an evaluation of 20 variables, the researchers felt a strong need for identifying the critical factors that influenced the employee empowerment among the private sector life insurance employees in Chennai city. The data was run using SPSS 21.0 version by relying on the principal component analysis (factor analysis) and one-sample t test used to find out whether employee empowerment enhance the efficiency and effectiveness among the private sector life insurance employees in Chennai city.

Objectives of the Study

1. To identifying the factors influencing employee's empowerment among the private sector life insurance companies in Chennai city.
2. To find out the determinants of employee empowerment that enhances the efficiency among the private sector life insurance companies employees in Chennai city.

Data Analysis and Discussion

Table 1 : Demographic distribution of respondents

Category		Frequency	Percent
Gender	Male	158	79
	Female	42	21
Age	Up to 25 years	40	20
	26-35 years	80	40
	36-45 years	60	30
	Above 45 years	20	10
Educational Qualification	UG	120	60
	PG	50	25
	Professional	30	15
Experience	Up to 5 years	83	42
	6-10 years	60	30
	11-15 years	34	17
	Above 15 years	23	11

Source: Primary data

Table 1 shows that demographic profile of respondents. Out of 200 respondents, majority 158 (79%) of respondents are male and 42(21%) of respondents are female. In connection with age wise distribution, majority 40% of respondents of private sector life insurance companies employees were in the age group of 26-35 years, followed by 30% of respondents were in the age group of 36-45 years, 20% of private sector life insurance companies employees were in the age group of up to 25 years and only 10% of respondents were in the age group of above 45 years. Regarding educational qualification, majority 60% of respondents were graduates, 25% of respondents were post graduates followed by 15% of respondents were professionals. Experience wise, majority 42% of the employees having experience up to 5 years, 30% of the employees having experience between 6 to 10 years followed by 17% between 11 to 15 years and 11% with an experience above 15 years.

Factor Analysis

Factor Analysis to identify the variables influencing the private sector life insurance employees for empowerment in Chennai city:

Table 2 shows that the KMO measure is 0.823. Thus, this is confirming the appropriateness of Factor Analysis. Bartlett's test of sphericity indicates whether a given correlation matrix is an identity matrix, which would indicate that the variables are unrelated. The significance level gives the result of the test. The values less than 0.05 indicate that there are probably significant relationships among the given variables. A value higher than that about 0.10 or so may indicate that the data is not suitable for factor analysis. In this case, the Significant level has a very small value i.e., 0.000, which is less than 0.05, thus, suggesting that the variables are highly correlated.

Table 2 : KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.823
Bartlett's Test of Sphericity	Approx. Chi-Square	6639.083
	df	190
	Sig.	0.000

Table 3 : Communalities Table- Factor influencing the private sector life insurance employees for empowerment in Chennai city

Communalities		
	Initial	Extraction
V1	1.000	.950
V2	1.000	.964
V3	1.000	.818
V4	1.000	.740
V5	1.000	.959
V6	1.000	.759
V7	1.000	.834
V8	1.000	.766
V9	1.000	.895
V10	1.000	.868
V11	1.000	.591
V12	1.000	.862
V13	1.000	.956
V14	1.000	.959
V15	1.000	.936
V16	1.000	.916
V17	1.000	.930
V18	1.000	.967
V19	1.000	.923
V20	1.000	.960

Extraction Method: Principal Component Analysis.

It is noted from the above table of communalities variance which ranges from 0.591 to 0.967. This indicates the 20 variables exhibited the variance from 59.1% to 96.7%. This variance limitation is statistically significant at 5% level to conclude the factor reduction out of 20 variables is meaningful to represent the commitment variables.

The following table shows the number of factors derived out of 20 variables of factors Influencing employees for empowerment.

Table 4 : Total Variance Explained- Factors influencing the private sector life insurance companies employees for empowerment in Chennai city

Total Variance Explained						
Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.225	46.123	46.123	8.923	44.615	44.615
2	2.966	14.830	60.952	2.862	14.308	58.923
3	2.510	12.552	73.505	2.070	10.352	69.275
4	1.798	8.992	82.496	2.054	10.269	79.544
5	1.053	5.265	87.761	1.643	8.217	87.761
6	.632	3.159	90.921			
7	.428	2.142	93.062			
8	.356	1.781	94.844			
9	.284	1.418	96.261			
10	.209	1.046	97.307			
11	.144	.722	98.029			
12	.095	.477	98.506			
13	.079	.396	98.902			
14	.071	.356	99.258			
15	.055	.275	99.532			
16	.049	.244	99.777			
17	.026	.130	99.906			
18	.009	.044	99.950			
19	.005	.026	99.976			
20	.005	.024	100.000			

Extraction Method: Principal Component Analysis.

The above table it is indicated that the 20 variables are converted into 5 predominant factors with Eigen value 8.923, 2.862, 2.070, 2.054 and 1.638 and individual variance 44.615%, 14.308%, 10.352%, 10.269% and 8.217%. The total variance of 20 variables is 87.761% which is statistically significant at 5% level. It also shows that the derivations of 5 factors are meaningful in explaining the factors influencing the private sector life insurance employees for empowerment in Chennai city.

Table 5 : Rotated Component Matrix (a)-Factors influencing the private sector life insurance employees for empowerment in Chennai city

Rotated Component Matrix ^a					
Variables	Component				
	1	2	3	4	5
I have complete knowledge about my job	.972				
My boss is happy with my job	.970				
I have clearly defined role and responsibilities for the work which is given to me	.966				
Job promotions are given fairly without any bias	.965				
I feel happy to do my job	.960				
I know exactly the way of performing my work	.944				
I finish my work before due date	.900				
My work environment gives me the opportunity to work on skills that prepares me to upgrade my self	.821				
I will not hesitate to work after normal working hours if necessary	.818				
My boss is happy with my work	.790				
I take initiative in my work	.533				
I am given full autonomy at the work place to do work my self		.957			
I am allowed to be creative when I deal with problems at work		.923			
I am involved in making decision that affect my work		.896			
I am a motivated person			.938		
I am encouraged and motivated and given opportunities to grow			.937		
I am allowed to be creative when I deal with problems at work				.947	
I am given opportunity to suggest improvements				.941	
My boss gives me helping hand to solve my work related problem					.804
Management gives me reward for the work exceptionally done					.793

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization

Rotation converged in 5 iterations

Employee empowerment is recognized as a major contributor for the success of any organization. Employee empowerment has positive and considerable impact on employee job satisfaction level. The above study endorses that employee empowerment leads towards higher levels of employee's job satisfaction. The study contributes to overcome the problem of employee empowerment in private sector life insurance employees and give a fair idea that employee satisfaction can be attained through empowerment. The first factor is the most important factor explaining 44.615% of total variance. It is named as "Job satisfaction"

The second factor explains 14.308% out of total variance. In total, three statements loaded on this factor. The second factor can interpret as "Autonomy". The autonomy and discretion given to the

employees to take decisions is always seen as a motivating factor which leads to greater profitability and retention.

The third factor explains 10.352% out of total variance. In total, two statements loaded on this factor. It can be interpreted as "Motivation". Employee empowerment can be enhanced if employees are motivated and committed to their work. The top management must emphasize on working hours, rewards, recognition and personnel development.

The fourth factor explains 10.269% out of total variance. In total, two statements loaded on this factor. It can be named as "Creativity". The above study shows that empowerment is essential to promote creativity among employees

The fifth factor explains 8.217% out of total variance. In total, two statements loaded on this factor. It can be interpreted as "work environment". The above study infers that the organization should not only create opportunities for job promotion but also reduce stress and tension in working environment.

Null Hypothesis 1

The determinants of employee empowerment are not enhancing the efficiency and effectiveness among the private sector life insurance companies employees in Chennai city.

Table 6 : One-sample t test for whether the determinants of employee empowerment enhance the efficiency and effectiveness among the private sector life insurance companies' employees in Chennai city

Dimension	N	Mean	Std. Deviation	Std. Error Mean	t value	p value
Work environment	200	3.61	1.207	.085	7.090	0.000**
Autonomy	200	3.64	1.232	.087	7.346	0.000**
Creativity	200	3.65	1.185	.084	7.756	0.000**
Motivation	200	3.69	1.159	.082	8.361	0.000**
Job satisfaction	200	3.91	.933	.066	13.719	0.000**

The above table shows that One-sample t test for whether the determinants of employee empowerment enhance the efficiency and effectiveness among the public sector private sector life insurance companies employees in Chennai city. Since the p values of all the dimensions are less than 0.01, therefore the null hypothesis is rejected at 1% level of significant. Hence it is concluded that the determinants of employee empowerment enhance the efficiency and effectiveness among the public sector private sector life insurance companies' employees in Chennai city.

Null Hypothesis 2

There is no significant difference among the employees of private sector life insurance companies with respect to determinants of employee empowerment in Chennai city

Table 7 : ANOVA test for whether there is any significant difference among the employees of private sector life insurance companies with respect to determinants of employee empowerment

Determinants	Companies	N	Mean	Std. Deviation	F value	P value
Job satisfaction	ICICI	50	18.51	6.135	0.45	0.979
	BALIC	50	18.39	6.274		
	SBI	50	18.38	6.319		
	Reliance	50	18.42	6.397		
Autonomy	ICICI	50	12.50	2.756	0.86	0.968
	BALIC	50	12.70	2.762		
	SBI	50	12.53	2.826		
	Reliance	50	12.43	2.668		
Motivation	ICICI	50	8.13	2.823	0.48	0.986
	BALIC	50	8.27	2.753		
	SBI	50	8.33	2.925		
	Reliance	50	8.21	2.832		
Creativity	ICICI	50	5.14	1.770	0.39	0.962
	BALIC	50	5.16	1.742		
	SBI	50	5.12	1.713		
	Reliance	50	5.12	1.710		
Work Environment	ICICI	50	6.23	1.117	0.279	0.84
	BALIC	50	6.32	1.063		
	SBI	50	6.21	1.286		
	Reliance	50	6.10	1.351		

Source: Primary data

The above table highlights that ANOVA test for whether there is any significant difference among the employees of private sector life insurance companies with respect to determinants of employee empowerment. Since the p value of all the determinants are greater than 0.5, therefore the null hypothesis is accepted at 5% level of significant. Hence it is concluded that there is no significant difference among the employees of private sector life insurance companies with respect to determinants of employee empowerment in Chennai city.

CONCLUSION

The purpose of the present study is to find out the factors influencing the employee empowerment, the determinants of employee empowerment enhance the efficiency among the private sector employees and there is any significant difference among the employees of private sector life insurance companies

in Chennai city. it is observed from the study there are five predominant factors are identified for employee empowerment in private sector life insurance companies namely Job satisfaction, Autonomy, Motivation, Creativity and Work Environment. The study also found that determinants of employee empowerment have enhanced the efficiency and effectiveness among the employees of private sector life insurance companies and there is no significant difference among the employees of private sector life insurance employees with respect to determinants of employee empowerment. The private sector life insurance companies should motivate the employees and enhance their efficiency for selling of insurance products and reduce the attrition ratio in their organization. Therefore, private life insurers should give more attention to improving and designing better and more effective structural empowerment programs. This can be done by implementing better managerial practices such as work rotation, better job design, the use of up-to date communication and technology and the revision of job regulations and legislation.

Limitations and Directions for Future Research

This study has some limitations. First, it is limited to few private sector life insurers in Chennai city. Secondly time and cost constraints limit the study only to four private sector life insurers. The study offers recommendations for future research namely a comparative study between private and public sector life insurers, not only in Chennai city but other cities of India and other implications of employee empowerment.

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