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(17 & 18 October, 2020)
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ON

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On

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17 & 18 October, 2020

(Conference Proceedings – Special Issue)

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About the organizing Institutions:

The University of the State Fiscal Service of Ukraine was established in 1921. It is one of the largest educational institutions in terms of territory and developed infrastructure, which is equipped according to European standards in the park area of Irpin (Ukraine). The university forms a strong qualification base of employees of the fiscal service throughout Ukraine. During its existence, the school has trained about 70 thousand specialists.

‘Research Culture Society’ is a Government Registered Scientific Research organization. Society is working for research community at National and International level to impart quality and non-profitable services. Society has successfully organized 100+ conferences, seminars, symposiums and other educational programmes at national and international level in association with different educational institutions.

Objectives of the International Conference:

Our main objective is to observe the current scenario towards the advancement of common citizens life by improving the theory and practice of various disciplines of Business, Management and Economy. The aim of the conference is to provide an interaction stage for researchers, practitioners from academia and industries to deal with state-of-the-art advancement in their respective fields.
Message

Dear Professional Colleagues.


The aim of the conference is to provide an interaction stage for researchers, practitioners from academia and industries to deal with state-of-the-art advancement in their respective fields. The main objective is to observe the current scenario towards the advancement of common citizen’s life by improving the theory and practice of various disciplines of Business, Management and Economy.

I believe, this International E-Conference will help in redefining the strong connect between commerce, management and economics education and the holistic development of students in the academic institutions. An additional goal of this international E-conference is to combine interests and scientific research related to business-economics to interact with members within and outside their own disciplines and to bring people closer for the benefit of the scientific community worldwide.

My best wishes to the organizers and Participants of the conference.

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Department of International Economics,
University of the State Fiscal Service of Ukraine, Ukraine
Conference Committee

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Juridical Analysis of the Sharia Bank Financing Agreement: Murabahah, Musyarakah and Mudharabah

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Abstract: Since earlier development, syariah banking offered free-interest products: mudharabah and musyarakah, two products assumed to be based on equity system, or often called as Profit and Loss Sharing. With these two products, bank does not operate through interest rate of bank, rather than it will share the profit with customers, either syariah bank or customers are collectively to carry the risk of business and to share the profit of business based on profit and loss sharing principle or revenue sharing methods between both parties, syariah bank and customers based on predetermined nisbah. In addition to costing above, syariah bank also distributes the fund to peoples through costing of murabahah. In costing of murabahah, the transaction, in which the bank mentioned the number of profit, bank acts as seller, while customer is a buyer, the sample price is the purchase price of bank and supplier plus the margin. All agreement of costing conducted by bank on syariah principle is not completely consistent with implementation of syariah, there is still some distortion especially in murabahah costing in which the point will be a transaction between customer and bank, however in the practice the transaction is between object owner (supplier) with customer proven by signing the Transaction Act, and then signature of agreement of murabahah costing. This is a juridical and normative research based on library research to get secondary data with qualitative description, i.e., the data gained from result of research about costing agreement with banking system of syariah (murabahah, musyarakah and mudharabah), and then it is analyzed qualitatively and descriptively The result of research indicated, the law aspect of costing agreement according to syariah principle, the syariah bank is obliged to make an agreement according to syariah principle complying with basic requirement of Islam Law, including justice principle and equilibrium (‘adl watawazun), kemaslahatan (maslahan) and universalism (alamiah) and containing no gharar, masiyr, riba, daqalim, riswah, and object of harm. The implementation of costing agreement in the bank of syariah principle still indicates some distortion in application especially in murabahah agreement in which the object bought still is right of others, actually the object sold to customers should belong to bank, thus the costing of murabahah will be based on true syariah principle, however in daily practice the implementation of bank is even opposite. Whereas on implementation of costing agreement of musyarakah and mudharabah, the agreement have used syariah principles because in clause of agreement, it has followed the Fatwa by National Syariah Board regulating about the syariah costing, i.e., musyarakah and mudharabah. The agreement of costing based on syariah principle in syariah banking system between bank and customers, it is made in writing whose content, requirements have been determined by bank by refering on rules of syariah bank, in which the agreement of costing can be made under hand or through notary. It is expected for government to publish the government regulation as enforcers of the Law No. 21/2008 regarding the syariah banking, and it is also expected for bank through syariah principle to comply with all rules that have been stipulated by Fatwa of National Syariah Board in preparation the costing agreement, especially the agreement of murabahah costing which in it’s implementation is not consistent with Fatwa of National Syariah Board (MUI) and Islamic Law. The costing agreement between syariah bank with customer is a standard agreement, in which customer is under weak position. Therefore, it is suggested for customers who want to propose the costing application to ask for accurate explanation with bank about the costing to be taken and intention or content of the agreement itself to prevent the occurrence of misunderstanding between bank and customers about the costing agreement taken.

Key Words: Costing Agreement, Murabahah, Musyarakah and Mudharabah.

1. INTRODUCTION:

The presence of Islamic banks in Indonesia is based on Law Number 7 of 1992 concerning Banking as amended by Law Number 10 of 1998. Transactions carried out in Islamic banks are expected to be based on the provisions contained in the Islamic treaty law. The author juridically examines the principles of sharia banking based on Islamic sharia with Indonesian laws and regulations, especially in the
implementation of financing based on sharia principles in Islamic banks (murabahah, musharaka and mudharabah), to find out how the form of agreement in financing based on sharia principles in Islamic banks, whether it has met the requirements in Islamic sharia and statutory regulations, what if there are legal provisions originating from the laws and regulations in a financing contract based on sharia principles, how do you resolve it if there is a dispute over an Islamic bank with its customers. The making of a financing agreement or contract is based on and may not conflict with the Fatwa of the National Sharia Council which regulates murabahah, musyarakah and mudharabah financing. The existence of statutory provisions in the financing agreement based on sharia principles is allowed, provided that it does not conflict with the Al-Quran and Sunnah. In the murabahah, musyarakah and mudharabah financing agreements there is a clause where the parties choose a dispute or dispute resolution institution in the National Sharia Agency.

However, at this time, Law Number 3 of 2006 concerning Amendments to Law Number 7 of 1998 concerning the Religious Courts has been enacted, which gives authority to the Religious Court in resolving disputes or disputes that occur between Islamic banks and their customers. Thus, the arrangements for murabahah, musyarakah and mudharabah financing as stipulated in the Fatwa of the National Sharia Council and statutory regulations should be completed immediately, and these regulations provide more detail on matters currently developing in business. So it is hoped that sharia banking business activities can run better. In addition, if there are provisions of laws and regulations in a financing contract based on sharia principles, supervision should be carried out by the Sharia Supervisory Board or the National Sharia Council, considering that the validity of an agreement is determined in these contracts, and the results of the supervision can be used to make further regulations.

In the formation of laws and regulations concerning sharia banks, supervision of sharia banking business activities should be carried out by Bank Indonesia which has the authority to supervise banking in Indonesia, where so far the Sharia Supervisory Board, the National Sharia Board and the National Sharia Arbitration Board are organizations under one umbrella Indonesian Ulema Council. Meanwhile, regarding the settlement of disputes in Islamic banking, the dispute or dispute settlement institutions in Islamic banking should be carried out in an alternative way. So that the parties are free to determine their will and are not required or determined to only choose one of the king’s institutions. Thus the arrangements regarding the settlement of disputes or disputes that occur should be immediately aligned in order to create legal certainty and Islamic banking can develop even better.

2. Research Value:

The initial topic, introducing Islamic banks that have financing agreements to ordinary people who may not be familiar with or do not know what products and laws are contained therein.

3. Textual Resources:

Islamic banking is one of the applications of the Islamic sharia economic system in realizing Islamic values and teachings that regulate the economic sector of the Ummah which is inseparable from the comprehensive and universal aspects of Islamic teachings. Comprehensive means that Islamic teachings cover all aspects of life, both ritual and social, including the economic field, universal means that Islamic sharia can be applied at any time and place regardless of differences in race, ethnicity, class, and religion according to Islamic principles as "rahmatan lil alamin".

Sharia banks are banks that operate in accordance with the principles of Islamic sharia which refer to the provisions contained in the Al-Qur’an and Hadith.

The meaning of sharia principles as referred to in Article 1 number 13 of Law Number 10 of 1998 concerning amendments to Law Number 7 of 1992 concerning Banking states as follows: Sharia principles are Islamic law rules between banks and other parties for depositing funds and / or business activities or other activities stated in sharia, including financing based on the principle of profit sharing (mudharabah), financing based on the principle of equity participation (musyarakah), the principle of buying and selling of goods, by obtaining profit (murabahah) or financing of capital goods based on the principle of pure lease without choice (ijarah) or by having the option of transfer of ownership of goods leased from the Bank by another party (ijarah wa iqtina).

Whereas in Law Number 20 of 2008 concerning Sharia Banking, it states that Sharia Principles are Islamic Law Principles in banking activities based on fatwas issued by institutions that have the authority to determine fatwas in the field of Sharia.
In general, the concept of Islamic banking offers an economic system, especially for banking institutions, which is a system that is in accordance with Islamic law / sharia principles, which is very different from the conventional banking concept which uses an interest system that contains elements of usury which are against Islamic sharia.

Riba, which is known as a supplement that is not accompanied by an exchange of compensation, is prohibited by the Qur’an. Al-Qur’an itself has explained in detail the stages of the prohibition of usury. The first stage simply describes the existence of a negative element in usury (QS. Al-Rum [30]: 39). Then followed by a sign of prohibiting usury by conveying criticism of the Jews who practice usury (QS. Al-Nisa’ [4]: 161). Next, the Qur’an explicitly prohibits usury with the limitation of adh’āfan mudha’āfan (QS. Ali Imran [3]: 130) which is followed by a total prohibition of usury in its various forms (QS. Al-Baqarah [2]: 275-281).

- The concept of prohibiting usury in various types in the Al-quran and hadith of the Prophet Muhammad, is found from various letters and traditions of the Prophet Muhammad, as follows:
  - In Surah Ar-Ruum verse 39 which means: "And something usury (extra) that you give so that he increases in human property. So that usury does not add to Allah's side. And what you give in the form of zakat that you mean to achieve the pleasure of Allah, then (who do so) are the people who multiply (the reward)."
  - In Surah Al-Baqarah verse 278 the meaning is: "O you who believe, fear Allah and leave the rest of usury, if you are believers"
  - In Surah An-Nisaa verses 160-161 which means; "So because of the cruelty of the Jews, We forbid those who (eat food) that was good (which was) legal for them, and because they prevented many (humans) from the path of Allah, and because they ate usury, when in fact they have been forbidden from it, and because they eat people's property in an evil way. We have made for the disbelievers among them a painful torment"
  - In Surah Ali Imran verse 30 which means; "O you who believe, do not eat usury multiplied and fear Allah so that you may have good luck."
  - In Surah Al Baqarah verses 278 - 279 which means "O you who believe, fear Allah and leave the rest of usury (which has not been collected) if you are believers. So, if you don't do (leave the remaining usury) then know that Allah and His Messenger will fight against you. And, if you repent (from taking usury) then for you the principal of your wealth; you are neither persecuting nor persecuted “.

4. CONCLUSION:

Islamic banking is one of the applications of the Islamic sharia economic system in realizing Islamic values and teachings that regulate the economic sector of the Ummah which is inseparable from the comprehensive and universal aspects of Islamic teachings.

In general, the concept of Islamic banking offers an economic system, especially for banking institutions, which is a system that is in accordance with Islamic law / sharia principles, which is very different from the concept of conventional banking which uses an interest system that contains elements of usury which are against Islamic sharia.

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GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY OF HINDUSTAN ZINC LIMITED.

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Abstract: Corporate Social Responsibility focuses on wealth creation for the optimal benefits to the society. This research paper finds the scope of corporate social responsibility, the case study of the Hindustan Zinc Limited and is India’s largest and world’s second largest zinc-lead miner. The expenditure during the financial year 2014-2019 showed the implantation practices in the eight development sectors. The data included in qualitative and quantitative level were grouped as much as possible in a statistical manner. The supreme need of the time is the implementation of CSR on the Health and sustainable livelihood sector in the country.

Key words: Corporate Social Responsibility, HZL: Hindustan Zinc Limited, Sectors, Productivity, Stakeholders.

Introduction:

The Corporate Social Responsibility (CSR) is a concept whereby companies integrate social, environmental and health concerns in their business strategy (policy) and operations and in their interactions with stakeholders on a voluntary basis. The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that the society has of organizations at a given point in time (Carroll, 1979). The CSR is defined by The Prince of Wales International Business Leaders Forum as, “CSR means open and transparent business practices that are based on ethical values and respect for employees, communities, and the environment. It is designed to deliver sustainable values to the society at large, as well as to shareholders” The concept of CSR is a very broad one, encompassing the various dimensions of the business world. The Society and business, social issue management, public policy and business, stakeholder management and corporate accountability are just some of the terms used to describe the phenomena related to corporate responsibility to the society (Garriga and Melé 2004). Under the Companies Act, 2013, any company having a net worth of rupees 500 crore or more or turnover of rupees 1,000 crore or more or net profit of rupees 5 crore or more should mandatorily spend 2% of their net profits per fiscal on CSR activities. The rules came into effect from 1 April 2014 in India.

Purpose

To understand the concept and scope of corporate social responsibility and getting an insight in governance and CSR practices in the light of the case study of the HZL.

Objectives of the study

- To understand the concept of CSR.
- To find out the specific activities and programs as implemented by HZL.
- To analyse the company’s governance and CSR implementation models.
Hindustan Zinc Limited and Corporate Social Responsibility

Hindustan Zinc is India’s largest and the world’s second largest zinc-lead miner. With more than 50 years of operational experience, HZL gives top priority to safety of the people and conservation of scarce natural resources through technology and innovations. With a reserve base of 114.7 Million Metric Ton with an average zinc-lead grade of 8.7% and mineral resources of 288 Million Metric Ton, the mine’s average life is over 25 years. Our fully integrated zinc operations currently hold 78% market share in India’s primary zinc industry. The HZL is the sixth largest silver producers globally with an annual capacity of 800 Metric Ton. HZL is committed to the principles of harmonious and sustainable development; protecting human life, health and environment, ensuring social well-being and adding value to the various communities.

Implementation models for delivering its CSR programs HZL

- Through forming partnerships with third parties such as Civil Society/NGOs and Community groups.
- House implementation by HZL – including design and delivery of the projects.
- Sponsorships or one time grants.

- Education
  The child hood education programmes, developed by HZL, mainly HZL focus on the education for children. The main project of education is ‘Kushi Angavan Wadi’ programme, Kushi has directly reached out to 58,000 children and 1,00,000 members from the community. The project is being implemented in partnership with reputed NGOs like Gramin Avam Samajik Vikas Sansha (Ajmer), CARE India (Bhilwara & Chittorgarh), Jatan Sansthan (Rajsamand) and Seva Mandir (Udaipur). The Nandghars provide a child-safe and friendly learning environment with amenities like safe drinking water, uninterrupted supply of solar power, digital learning facilities, etc. Shiksha Sambal project aims at quality teaching of Science, Maths and English subjects and is now reaching out to more than 7300 students in 64 Government schools. Unchi Udaan project is built on the foundation of shiksha sambal and create an opportunity for high performing students from the project schools to enter engineering institutions of national repute.

- Sustainable Livelihoods
  Hindustan Zinc Limited has partnered with Skill Council of Mining Sector (SCMS) and Indian Institute of Skill Development (HSD) to start India’s first intensive skill building training on underground mining. The foundational element such as types of land holding and farm activity to help them to collectively overcome challenges related to market access and product pricing. Hindustan Zinc Limited has ventured into the area of skill development to develop and enhance skills of youth and provide them with employment opportunities.

- Women’s Empowerment
  It focus on women empowerment, the flag ship project is geared towards mobilizing rural women into self help groups and developing their capacities around leadership, skill development, savings and entrepreneurship.

- Health, Water & Sanitation
  Currently HZL has four Mobile Health Vans covering 110 villages and four of its locations are in Rajasthan and Uttrakhand in the country. The company has always supported people who are having inadequate access to drinking water. For water harvesting, HZL in association with Urban Development Trust had taken up the project of deepening the Fatehsagar Lake by desilting when it is dry.

- Sports and Culture
  The company has initiated the massive program directed at achieving grass root development as well as excellence in football in Rajasthan. In culture programmes contributions in the project look in to aspects like improving the facilities for pilgrims in their visit by improving conveniences like approach roads, stay facilities, etc.

The CSR activities implemented by the HZL during this period concentrated on the 14 sectors of Rajasthan, (Figure-1) in India with an average amount of Rs. 59.28Cr.
Details of CSR in the Financial Year 2015-16.
The CSR activities implemented by the HZL during this period concentrated on the 14 sectors of Rajasthan, (Figure-2) in India with an average amount of Rs. 1.70 Cr.

Details of CSR in the Financial Year 2016-17.
The CSR activities implemented by the HZL during this period concentrated on the fourteen sectors of Rajasthan (Figure-3) in India with an average amount of Rs. 49.40 Cr.
Details of CSR in the Financial Year 2017-18.
During this period the CSR activities were not mentioned by the company in detail.

Details of CSR in the Financial Year 2018-19.
The CSR activities implemented by the HZL during this period concentrated on the 14 sectors of Rajasthan (Figure-4) in India with an average amount of Rs. 1.30 Cr.

Figure-4
Conclusion: As far as the HZL is concerned, it has gone a long way in fulfilling their duty and obligation towards the society and the Nation. The Company spent the major share of the CSR amount for Education, Sustainable livelihood, Women empowerment, Health, Water and sanitation, Sports and Culture. The company CSR philosophy also includes harmonious and sustainable development, Protecting human life, health and environment, Ensuring social well-being and Adding value to communities. The governance and CSR policies of the company are very commendable.

References:

Web References.
2. https://www.hzlindia.com/csr/overview/
An Empirical Study of Overconfidence Bias among Investors and Its Impact on Investment Decisions: An Evidence from Indian Equity Market

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2Managing Trustee, Shree H. N. Shukla College, Rajkot.
Email – 1harshas.research@gmail.com,   2mrupani2005@gmail.com

Abstract: According to conventional financial theory, investor are fully rational and make decision that reflects all available information. But still Efficient Market Hypothesis has failed to explain market behaviour. That’s when Behavioural Finance comes into picture. In current scenario, behavioural finance plays an important role in investment decision making. So the purpose of this study is to determine the key behavioural factors that influences investors in Indian Equity Market. Many researchers have found that number of biases do have impact on investment decision making. But, here, in this paper we have discussed the two biases - overconfidence and optimism, as they are most dominant influencing factor on investors’ behaviour. Apart from optimism, overconfidence variables were identified with extensive literature review as self-attribution, better than average effect, miscalibration and illusion of control, trading frequency and trading experience. To identify the influence of these variables in investor’s decision making, structured questionnaire based on 5-point Likert Scale was used among investors of Rajkot region. With relevant statistical tools, it was found that investors are overconfident about their investment decisions, skills, knowledge and their ability to choose stocks, control of portfolio, future investment plans and views about the stock market.

Key Words: Behavioural Finance, Overconfidence Bias, Illusion of Control Bias, Investment Decision, Optimism Bias, Indian Equity Market.

1. INTRODUCTION:

Too many people overvalue what they are not and undervalue what they are.

— Malcolm S. Forbes

Behavioural finance is a study that deals with investors’ psychology and its role in making financial decisions. This field provides an alternative explanation of market behaviour where traditional finance theories have failed. It relaxes the assumption of rationality present in standard finance theories and explains that real investors are influenced by their psychological biases. These biases get translated into their behaviour due to which they can take suboptimal decisions. Thus, behavioural finance highlights the fact that we are dealing with real people in the real markets that are far from being either perfect or rational.
Kahneman and Riepe (1998) introduced behavioural biases in three categories (1) biases of judgment, (2) errors of preference, and (3) biases associated with living with the consequences of decisions. Biases of judgment include overconfidence, optimism, hindsight, and overreaction to chance events. Several studies have been done to understand the psychology of investors and existence of biases in financial decision making in the western context, but very little study has been done to understand the psychology of Indian investors. Overconfidence has been well researched by western researchers hence; we propose to study the existence of overconfidence in the Indian scenario.

Overconfidence is defined as an unwarranted faith in one’s intuitive reasoning, judgments, and cognitive abilities. It is a tendency of people to overestimate their abilities of prediction, precision of information and knowledge. Under overconfidence, investors assume that they have accurate information and are smarter. When investors are too certain about their decision, it is known as certainty overconfidence. When investors assign narrow confidence intervals to their investment predictions it is known as prediction overconfidence. Both certainty and prediction overconfidence can lead investment mistakes that causes harm to investor’s portfolio.

The purpose of this study is to identify the presence of overconfidence bias among the investors of Rajkot region. Overconfidence variables were identified with extensive literature review as self-attribution, optimism, better than average effect, miscalibration, and illusion of control, trading frequency and trading experience. This paper arranged in following manner like first part deal with introduction to Overconfidence behavioural bias. Second part describe reviews of earlier papers. The third section deal with objective and methodology used for the study, and fourth section describe findings, results analysis and conclusion.

2. LITERATURE REVIEW:

Mounika (2017) studied the relevance of behavioural finance in investment decisions using behavioural biases impact on investors. The study concluded that investors do not always act in rational and behavioural biases have an impact on investor’s decision making.

Atif Sattar, Toseef, & Fahad Sattar (2020) Findings revealed that there was an effect of behavioural biases on investment decisions. Empirical results concluded investment decision making influenced by heuristic behaviours more than prospects and personality characteristics.

Odean, (1998) People are overconfident and it affects financial markets. Overconfident traders can cause markets to underreact to the information of rational traders and may overreact to salient, anecdotal, less relevant information. So he defines overconfidence as the investors’ tendency to overestimate the precision of their knowledge about the value of a security.

Terrance Odean, (2001) Men are more overconfident than women and hence former trades excessively than later.

Kansal & Singh (2018) the four constituents of overconfidence considered for the study are “better than average effect,” “planning fallacy,” “self-attribution” and “positive illusion.” The results show that those who earn high, have more dependents, share the earning responsibility, have high investment frequency, less time horizon and more investment experience and invest in large cap stocks are more subject to the overconfidence. The study also concludes that gender, age and general education do not affect the level of overconfidence.

Jaya, M.P. (2014) Analysed that men are more overconfident. And in case of the intraday traders; traders with high practice and investor of latest companies are affected by overconfidence bias.

Tanmay Bansal (May 2020) explored such phenomena from a behavioural finance lens and discuss some cognitive errors and biases relevant during and after the crisis - overconfidence (miscalibration, better-than-average effect, illusion of control, optimism bias) This cognitive bias is glaringly reflected in the GDP growth projections across the globe as the pandemic became more widespread. Specifically, in the case of India, GDP growth projections for 2020 were miscalibrated as much higher than the actual likely figure even as investors witnessed the crisis unfold in other developing and developed nations. Also, this illusion of control
is prevalent in firm reactions to the current crisis as well. In a study of corporate firms during the first quarter of 2020 reveals a negative market reaction. This suggests that the market underestimated the impact of the COVID-19 outbreak on the firms.

With extensive literature review of overconfidence, it indicates that too much trading, self-attribution, better than average effect, optimism, trading experience, miscalibration and illusion of control are prominent characteristics of overconfident investors.

3. RESEARCH DESIGN:

Statement of the problem

The purpose of the paper is to investigate the presence of overconfidence bias in the Indian investors. It further explores the factors that lead to overconfidence and the factors which are prominent in the behaviour of the investors. Several western researchers have surveyed the existence of overconfidence in countries, even in India research in this field is increasing but there is hardly any research in Gujarat. So our respondent will be investors from Rajkot region who invest in Indian Equity Market.

Objectives

- To investigate the presence of overconfidence bias in the Indian investors of Rajkot region.
- To further explores the factors that lead to overconfidence.

Hypothesis

- H0: Overconfidence bias does not exist in Indian investors while taking investment decisions.

Methodology

The present study adopts descriptive research design. A well-structured questionnaire is designed to collect primary data from the respondents. It is divided in two sections – Section A is fetching information of Demographic factors and investors experience. Section B asks question which judges and tests the influence of underlying bias i.e. Overconfidence bias. Snow ball sampling method is used to collect data from the respondents. Total 120 respondents were approached which includes stock market investors who have DEMAT account and are from Rajkot region of Gujarat. 4 responses were ignored because improper reply, hence total comes 116 respondents.

4. DATA ANALYSIS:

From 116 respondents, 78.45% were male and 21.55% were female.

<table>
<thead>
<tr>
<th>Age</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 - 25 years</td>
<td>6.03</td>
</tr>
<tr>
<td>26 - 35 years</td>
<td>74.14</td>
</tr>
<tr>
<td>36 - 45 years</td>
<td>12.93</td>
</tr>
<tr>
<td>46 - 60 years</td>
<td>5.17</td>
</tr>
<tr>
<td>&gt; 60 years</td>
<td>1.72</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Educational Qualification</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td>4.31</td>
</tr>
<tr>
<td>Graduate</td>
<td>19.83</td>
</tr>
<tr>
<td>Post-Graduate</td>
<td>70.69</td>
</tr>
<tr>
<td>Doctorate</td>
<td>5.17</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Occupation</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed</td>
<td>50</td>
</tr>
<tr>
<td>Housewife</td>
<td>5.17</td>
</tr>
<tr>
<td>Business</td>
<td>21.55</td>
</tr>
<tr>
<td>Professional</td>
<td>17.24</td>
</tr>
<tr>
<td>Student</td>
<td>1.72</td>
</tr>
<tr>
<td>Retired</td>
<td>1.72</td>
</tr>
<tr>
<td>Freelancer</td>
<td>2.59</td>
</tr>
</tbody>
</table>

From above tables, we can identify that majorly investors belong to age group of 25 – 35 years of age and hold post-graduation degree, and are employed.
5. FINDINGS AND CONCLUSION:

Descriptive statistics with mean and standard deviation (annexure 1) was used to investigate the existence of overconfidence with the help of 10 factors. The study concludes that overconfidence exists in investors while taking investment decisions. It was evident that investors were overconfident about their knowledge, ability to pick stocks, holding of stocks, optimism, control over portfolio, and other factors. The investors take credit for their successes, assume to have full control over their portfolio, trade frequently, and are quite optimistic about Indian stock market. So we reject our H0: Overconfidence bias does not exist in Indian investors while taking investment decisions.

Among various variables of overconfidence, trading frequency & experience was prominent factor leading to overconfidence among investors followed with optimism for Indian equity market. Thus, as said by Tanmay Bansal (May 2020) proved to be correct.

6. RECOMMENDATION / SUGGESTIONS:

The study is extremely relevant for investors and financial advisors that help them to understand psyche behind the investment decisions. One of the most common biases among investors is overconfidence. Investors can understand the variables of overconfidence that influence their investment decisions and where do they go wrong. The financial advisors can gain insights about the client’s psychology that would aid them to develop behaviourally modified portfolio. Also, there is great scope of further research in studying the relationship between demographics and overconfidence bias of investors of Gujarat.

7. REFERENCES:


Annexure

Descriptive Statistics

<table>
<thead>
<tr>
<th>Overconfidence Variable</th>
<th>N = 116</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illusion of Control</td>
<td>3.25</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Self attribution</td>
<td>2.8</td>
<td>2.55</td>
<td></td>
</tr>
<tr>
<td>Better than average</td>
<td>3.32</td>
<td>3.11</td>
<td></td>
</tr>
<tr>
<td>Miscalibration</td>
<td>3.09</td>
<td>2.81</td>
<td></td>
</tr>
<tr>
<td>Too much trading</td>
<td>3.67</td>
<td>3.35</td>
<td></td>
</tr>
<tr>
<td>Rating self</td>
<td>3.27</td>
<td>3.02</td>
<td></td>
</tr>
<tr>
<td>Optimism for market</td>
<td>3.36</td>
<td>3.02</td>
<td></td>
</tr>
<tr>
<td>Optimism for market</td>
<td>3.16</td>
<td>2.81</td>
<td></td>
</tr>
<tr>
<td>Optimism over knowledge</td>
<td>3.2</td>
<td>2.85</td>
<td></td>
</tr>
<tr>
<td>Trading Experience</td>
<td>3.7</td>
<td>3.4</td>
<td></td>
</tr>
</tbody>
</table>

Reliability Test Result

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>No. of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.915</td>
<td>10</td>
</tr>
</tbody>
</table>
Empirical Analysis of Survey Expectations and Investment

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Email - muskaanaggrawal@gmail.com

Abstract: Survey Expectations data are crucial for understanding corporate investment decisions. We take data from Duke University quarterly survey of Chief Financial Officers to show that expected earnings contain crucial information about the investment plans as well as the actual investment decision of the Chief Financial Officer and is better than traditional measures of investment like Tobin q and stock price volatility. Our paper also performs a comparative analysis to show the influence of expected earnings on investment decision of CFOs' across three economies namely US, AFRICA and ASIA. The evidence from our results points to the usefulness of survey expectations data in evaluating investment behaviour.

Keywords: Survey Expectations, CFOs, Investment Plans, Comparative Analysis.

1. INTRODUCTION:
Since the dawn of civilization, human beings have been concerned about making the best possible decision for their future. Understanding expectation formation is therefore very important because it has a huge influence on our decisions. At the initial level, we form expectations on how much to save and how much to invest, whether or not to invest in higher education and whether to rent an apartment or buy one. We form expectations on which stocks to invest. For a businessman, it is crucial to decide on how the market will react to its product and how other businessmen will react to the price set by him. For an employee, before taking a job offer, he ought to take a view on the wages and conditions in the market. The importance of expectations in the economic sphere makes it vitally important to understand the formation of expectations in real-world situations.

During the 1940s, survey expectation data was used by some economists for their empirical analysis, for instance, Modigliani's work on "The quality and economics significance of anticipations data:" exhibited that forecast can be used to understand real decisions by firms. However, the importance of survey Expectations data took a nosedive with the emergence of the Rational Expectations theory. Firstly because according to the rational expectations theory agents have all the information available to them, and secondly the model dictates what expectations agents should hold (MUTH, 1961). Therefore, actual expectations data became redundant as the model no longer required the data from survey expectations. Besides, economists were highly sceptical of actual expectation data; they tend to believe more in what people do and not on what they say. "Like Utility expectations can't be observed, the survey also can't be used to test the Rational Expectation hypothesis."(Prescott,1977). Not having data on expectations, economists tend to make strong assumptions about preferences, the information set of people, and how they use this information to form expectations. However, the problem is, researchers themselves don't always agree on how the economy functions then how can they expect the economic agent to know how the economy will function? Researchers and Economic agents both face the same inferential problem of identification and statistical imprecision. Moreover, rational expectations assumptions are credible only in a stationary environment, where it is easy for the agents to learn from their past mistakes. Conversely, much of economic decisions are not taken on a stable environment, hence it is not reasonable to think Rational Expectations holds always. Hence there are many good reasons to conjecture that expectations might not be rational particularly because people have different knowledge about the state of the economy and have a different belief about how the economy functions. Whether Survey expectations data predict behaviour or not is an empirical question but rational expectations should not be taken for granted and must be confronted with survey expectations data.
Today, we have data from survey expectations measures and have better theoretical models and don't rely entirely on the rational expectations assumption. Since the 1990s the use of survey measures of expectations has been mounting and has become necessary in distinguishing different models in economics. For instance, for a long time in the field of finance, it was believed that where data on expectations of asset returns are vague. Yet, we can find growing evidence that expectations are highly consistent across different surveys of different types of investors and that they predict investor behaviour, and are useful in predicting returns (e.g., Greenwood and Shleifer, 2014). Survey expectations are now performed regularly in many countries. Many fields in research are now using survey expectations data. Most evidently, it is related to a large strand of literature on determinants of investment, macroeconomics, and behavioural economics.

We can conjecture from the above discussion that survey expectations data do affect behaviour and rational assumption should not always be taken for granted. In this paper, we attempt to validate this discussion for the case of corporate decision. There is a large thread of research on the importance of survey expectation data for measuring inflation, income volatility, but few have touched upon the expectations that Chief Financial Officers hold and how it affects their investment decisions. We attempt these questions in our analysis. For this, we have taken data from the Duke/CFO quarterly survey and examine the relationship of CFO's expectations with the investment plans decision and actual investment decision of the firm. The questions in the Survey largely deal with the business sentiments of the firms, expectations of CFOs on the performance of their firms, and their expectations on the performance of the US economy as a whole. To formulate our methodology, we have used a simple q theory-based model of investment and have used survey expectations data rather than stock price data. We have performed several empirical tests using various models for the relationship between earning growth expectations and investment growth using CFO survey data. Our results confirm the significance of survey expectations data. We then further extend our research by performing a comparative study of survey expectations in three economic regions namely US, Asia, and Africa.

In the next section, we briefly summarize some of the work that has been done using survey expectations data. Section 3 describes our data. Section 4 describes the q theory method of investment. Section 5 discusses the empirical work on expectations and investment. Section 6 concludes the paper.

2. LITERATURE REVIEW:
Since the early 1990s, the skepticism towards survey measures of expectations has declined, which has led to an evolution of a large strand of research on survey expectations data. Currently, there are many review articles on the nature and significance of survey expectations data, among these two articles particularly stand out, “Measuring Expectations” (Manski, 2004) and “Survey Measure of Probabilistic Macroeconomic Expectations: Progress and Promise,” (Manski, 2017). In the former Manski discussed the history of survey expectations data, and has emphasized the crucial need to carry research on expectations formation. In the later Manski has expanded his research on the progress that has been done on survey expectations data. He then goes on to describe research on three subjects: expectations of equity returns, inflation expectations, and professional macroeconomic forecaster. Research on Survey expectations is also evolving in developing economics. Expectations data is feasible and valuable and even people in developing countries can understand and answer probability question- if the proper methodology is used for collecting expectation data. (Delavande Adeline, Xavier Giné, and David McKenzie, 2011). Our paper is significantly related to large threads of research in the determinants of expectations such as Guiso, Pistaferri, and Suryanarayanan (2006) have used direct expectations data on Italian firms to study the relationship between expectations, investment plans, and actual investment decision. Arif and Lee (2014) Lee have shown in their research that high aggregate investment precedes earnings disappointments and fluctuations in aggregate investment are to be accountable for the evidence. Perhaps, most closely related to our work is the work of Yurean Ma and Shleifer where they have shown the relationship between corporate expectations and investment decisions and have argued that expectations are not rational and they have an extrapolative structure. Expectations are not random noise, and they have a fairly precise systematic pattern to their error. Our research is also very closely related to research in behavioral finance, where for many years the biases in expectations have been examined. For our study, the most relevant paper is Greenwood and Shleifer (2014). In their research, they have used data on expectations of returns from six different surveys of investors which includes the Gallup investor survey, the Graham-Harvey Chief Financial Officer surveys, the American Association of Individual Investors survey, the Investor Intelligence survey of investment newsletters, Robert Shiller's investor survey, and the Survey Research Center at the University of Michigan.
This paper is extremely important for our research because it shows that expectations of aggregate stock returns are highly correlated across investor survey. The result is given below in shown below in Table 1.

<table>
<thead>
<tr>
<th></th>
<th>Gallup</th>
<th>CFO Survey</th>
<th>AAII</th>
<th>Investor Intelligence</th>
<th>Shiller</th>
<th>Michigan</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFO Survey</td>
<td>0.77</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AAII</td>
<td>0.64</td>
<td>0.56</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investor Intelligence</td>
<td>0.60</td>
<td>0.64</td>
<td>0.55</td>
<td></td>
<td>0.43</td>
<td></td>
</tr>
<tr>
<td>Shiller</td>
<td>0.39</td>
<td>0.66</td>
<td>0.51</td>
<td>0.43</td>
<td>0.19</td>
<td>-0.56</td>
</tr>
<tr>
<td>Michigan</td>
<td>0.61</td>
<td>-0.12</td>
<td>0.60</td>
<td>0.19</td>
<td>-0.56</td>
<td></td>
</tr>
</tbody>
</table>

Even though different surveys have different respondents and ask somewhat different questions (table), these measures of expectations are highly positively correlated. Hence, we can infer that the survey expectations data that we are taking from the Graham-Harvey Duke CFO survey is not misleading or uninformative, or else why would there be such a high correlation among different survey measures. Furthermore, we can deduce that survey expectations are useful and they have a well-defined structure across different surveys.

2.1 DATA

The primary motive of our paper is to show the importance of survey expectations data on the investment decisions of CFOs over traditional measures of investment like Tobin q, uncertainty in the economy, discount rate and macroeconomic factor like GDP Growth rate. For these purpose two main categories of data is required:

1. Data on expectations, mainly of firms Future Profitability and Investment Plans.
2. Data on actual investments and other investments measures

3.1 Expectations Data:

Survey expectations data is crucial to carry out our empirical analysis on corporate decisions. Expectations data has been taken from the Duke/CFO survey. The survey was started in 1996 by Duke University’s Fuqua School of Business and was led by John Graham and Campbell Harvey, however since July 8, 2020 the survey is been conducted in collaboration with Federal Reserve Banks of Richmond and Federal Reserve Bank of Atlanta to bring about an improved version of survey. The survey covers a wide selection of firms ranging from the fortune 500 to the firms with small and medium operations. The questions in the Survey largely deal with the business sentiments of the firms, expectations of CFOs on the performance of their firms, and their expectations on the performance of US economy as a whole. The survey takes place globally and gathers worldwide responses from Firms in Asia, Europe, Latin America, Africa and US. The survey takes place on an aggregate level and is available at quarterly frequencies. The original question on survey expectations is presented to the CFO’s as follows:

“Relative to the previous 12 months, what will be your company’s Percentage change during the next 12 months? (e.g., 3%, -2%) on Earnings________; capital spending____________; Cash on balance________________;
Price of your product________________; Number of domestic full-time employees________;
Wages________; Dividends________.”

Our analysis requires expectations data of firm’s future profitability and firm’s investment plans. For this purpose we have taken two proxy variables 1. Expectations on earning growth over the next 12 months are taken as proxy for CFOs expectations on the future profitability and 2. Expectations on capital spending for the next 12 months are taken as proxy for investment plans

3.2 Data for countries:

We also conduct a comparative analysis on the influence of expected earnings on investment decision of CFOs’ across three economies namely US, AFRICA and ASIA. The survey expectation of CFO covers firms Predominately from South Africa to construct the African Survey data. To construct the Asian
survey. CFO survey took responses of firms predominantly from China, Japan, India, Hong Kong and Indonesia. The data for Actual Investment and Other Investment Measures is also taken for the same set of countries.

### 3.3 Data Description

A formal definition of a list of key variables is provided in Table 2:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Description</th>
<th>Source</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expectations data</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected Earnings</td>
<td>Expectations on earning growth over the next 12 months</td>
<td>DUKE CFO Survey</td>
<td>Quaterly</td>
</tr>
<tr>
<td>Investment Plans</td>
<td>Expectations on capital spending for the next 12 months as a proxy for investment plans</td>
<td>DUKE CFO survey</td>
<td>Quaterly</td>
</tr>
<tr>
<td><strong>Actual Investment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actual Investment</td>
<td>Gross Fixed Capital Formation</td>
<td>OECD</td>
<td>Quaterly</td>
</tr>
<tr>
<td><strong>Alternative Theories Of Investment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tobin Q</td>
<td>Market value of all companies/replacement cost</td>
<td>Ycharts</td>
<td>Quaterly</td>
</tr>
<tr>
<td>Log Dividend Yield</td>
<td>(Dividend/share)</td>
<td>Yahoo Finance</td>
<td>Quaterly</td>
</tr>
<tr>
<td>Stock Price volatility</td>
<td>A statistical measure of dispersion of return.</td>
<td>Yahoo Finance</td>
<td>Quaterly</td>
</tr>
<tr>
<td>GDP Growth</td>
<td>Gross Domestic product</td>
<td>OECD</td>
<td>Quaterly</td>
</tr>
</tbody>
</table>

### 3.4 DESCRIPTIVE STATISTICS

<table>
<thead>
<tr>
<th>Observations</th>
<th>Observations</th>
<th>Mean</th>
<th>Std.Dev</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UNITED STATES OF AMERICA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CFO Expectations of next 12 months earnings growth</td>
<td>60</td>
<td>.0774</td>
<td>.0576</td>
<td>-.198</td>
<td>.198</td>
</tr>
<tr>
<td>CFO Expectations of Next 12month Investment Growth</td>
<td>60</td>
<td>.0414</td>
<td>.0465</td>
<td>-.133</td>
<td>.121</td>
</tr>
<tr>
<td>Actual Investment</td>
<td>60</td>
<td>.0043</td>
<td>.0159</td>
<td>-.0633513</td>
<td>.0320526</td>
</tr>
<tr>
<td>Log Dividend Yield</td>
<td>60</td>
<td>.0807</td>
<td>.5638</td>
<td>-.2344548</td>
<td>4.315194</td>
</tr>
<tr>
<td>Tobin q</td>
<td>60</td>
<td>.0104</td>
<td>.1012</td>
<td>-.2344548</td>
<td>.2492158</td>
</tr>
<tr>
<td>Stock Piece Volatility</td>
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<td>-.0167</td>
<td>.7495</td>
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<tr>
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<td>.0057</td>
<td>-.0216381</td>
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<th>Observations</th>
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<th>Std.Dev</th>
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<th>Max</th>
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<td>CFO Expectations of next 12 months earnings growth</td>
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<td>.198</td>
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Correlation Analysis:

Doing a correlation analysis is important for us for two reasons, firstly to detect if there is presence of multicollinearity and secondly to decipher the extent of relationship between the variables. Table (4),(5) and (6) shows that there is no multicollinearity in our data.

The correlation matrix for the US data shows that the correlation of survey expectations with actual investment and planned investment is fairly high. Also, the GDP growth data is highly related to investment plans and Actual investment.

The data for ASIA exhibit somewhat similar relationship as that of US; only the extent of association is less.

African survey gives peculiar results. There is a negative correlation between planned investment and actual investment. Also, the degree of correlation of survey expectations with actual investment and Planned investment is very less.

The detail result is given in Table-4,5,and 6 below.

<table>
<thead>
<tr>
<th>ASIA</th>
<th>CFO Expectations of next 12 months earnings growth</th>
<th>56</th>
<th>.0744768</th>
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<th>.273</th>
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<tr>
<td>GDP Growth</td>
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Table 4: Correlation Matrix ( US)

<table>
<thead>
<tr>
<th></th>
<th>Actual Investment</th>
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<th>Tobin Q</th>
<th>Log dividend yield</th>
<th>Stock Price Volatility</th>
<th>Expected Earnings Growth</th>
<th>Investment Plans</th>
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<td>StockPrice Volatility</td>
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<td>-0.05</td>
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Table 5: Correlation Matrix ( Africa)

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<th>Actual Investment</th>
<th>GDP Growth</th>
<th>Log dividend yield</th>
<th>Stock Price Volatility</th>
<th>Expected Earnings Growth</th>
<th>Investment Plans</th>
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<td>Actual Investment</td>
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<tr>
<td>Expected Earnings Growth</td>
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<td>0.10</td>
<td>0.02</td>
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<td>Investment Plans</td>
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<td>-0.57</td>
<td>-0.07</td>
<td>0.16</td>
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Table 6: Correlation Matrix (ASIA)

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<th>Actual Investment</th>
<th>GDP Growth</th>
<th>Expected Earnings Growth</th>
<th>Investment Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Investment</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP Growth</td>
<td>0.75</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Available online on - www.ijirmf.com
Expected Earnings Growth | 0.34 | 0.33 | 1.00
Investment Plans | 0.23 | 0.21 | 0.38 | 1.00

**Graphical Analysis:**
Figure 1, 2, and 3 gives us a visual representation of the relationship between Expected Earnings growth of CFO and Investment plans for US, Africa, and Asia.

**Figure 1.1- CFO Earnings Expectations and Investment Plans (US)**

**Figure 1.2- Investment Plans and Actual Investment (US)**
Africa:

**Figure 2.1- CFO Earnings Expectations and Investment Plans (Africa)**

![Graph showing CFO Earnings Expectations and Investment Plans in Africa. The x-axis represents the years 2013q3 to 2019q3, and the y-axis shows earnings and investment plans ranging from 0 to 3. Two lines are plotted: one for ExpectedEarnings and another for InvPlans.](image1)

**Figure 2.2- CFO Investment Plans and Actual Investment (Africa)**

![Graph showing CFO Investment Plans and Actual Investment in Africa. The x-axis represents the years 2013q3 to 2019q3, and the y-axis shows investment plans and actual investment ranging from 0 to 2. Two lines are plotted: one for InvPlans and Actual Inv.](image2)

**Figure 3.1- CFO Earnings Expectations and Investment Plans (Asia)**

![Graph showing CFO Earnings Expectations and Investment Plans in Asia. The x-axis represents the years 2005q1 to 2020q1, and the y-axis shows earnings and investment plans ranging from 0 to 3. Two lines are plotted: one for ExpectedEarnings and another for InvPlans.](image3)
For the US we can see that there is a strong co-movement between expected earnings and investment. For Asia, we can see a co-movement between expected earnings and investment but not as strong as US. For Africa, however the degree of association is significantly less compared to the US and ASIA.

The figure above also represents the association between investment plans and actual investment. It is important to show their relations so to know whether or not investment plans translate into actual investment. For US there is a strong association, for Asia there is an association but not as strong as US. The association is the least for African survey data

4. METHODOLOGY:

We motivate our empirical study with a basic q theory model, where the firm seeks to maximise the present value of its earnings. To conduct the empirical specification, we assume the firm is run by a risk neutral owner who discounts the future by factor β where the factor β is less than 1. To keep the study simple, the discount rate has been kept constant throughout. Also, the firm has an infinite horizon. The production function is a Cobb-Douglas function with constant returns to scale. Labour and Capital are the two inputs taken for the production function. The production function is given as 

\[ A_t K_t^{\alpha} L_t^{1-\alpha}. \]

In the model, we construct t to be for 12 months. The owner hires labour \( L_t \) at wage \( w \) in the beginning of the period and also makes investment decisions during this year \( I_t \). The Investment takes one year to implement so it follows that \( K_{t+1} = (1-\delta)K_t + I_t \) where \( \delta \) is the depreciation rate.

The firms main aim is to maximise the expected present value of its earnings:

\[
\text{max (I, L)} \sum_{s=t}^{\infty} \beta^{s-t} \left[ A_s K_s^{\alpha} L_s^{1-\alpha} - wL_s - C(I_s, K_s) \right]
\]

subject to \( K_{t+1} = (1-\delta)K_t + I_t \)

We have assumed the commonly used quadratic investment costs:

\[
C(I_s, K_s) = \frac{b}{2} (I_s / K_s - \alpha)^2 K_s.
\]

The quadratic function allows for convex adjustment (\( b > 0 \)) and shows constant return to scale.

In the optimization problem of firm (figure), the operator \( E_t \) represents the expected return of the firm which is conditioned on the information that the firm receives at the beginning of year \( t \).

We now solve the optimisation function of the firm:

The 1st order equation is given by

\[
(1-\alpha)A_t K_t^{\alpha} L_t^{1-\alpha} = w \quad (1.1)
\]

\[
\gamma C/\gamma I_t = \beta E_t (\Lambda_t) \quad (1.2)
\]

\[
\alpha A_t K_t^{\alpha} L_t^{1-\alpha} - \gamma C/\gamma K_t - \Lambda_t + \beta (1-\delta) E_t (\Lambda_t) = 0 \quad (1.3)
\]

Under quadratic equation, Equation (1.1)–(1.3) imply the standard Q theory investment equation:
\[ I_t / K_t = (a - l/b) + \beta/b E_t(C_{t+1}) \].

It is immediate to link \( E_t(C_{t+1}) \) to \( \Lambda \) however.

To do so we need to make the following adjustments:

1. Multiply both sides of equation (A.3) by current capital stock \( K_t \).
2. Use the capital accumulation equation to replace \( K_t \) with \((K_{t-1} - I_t)/(1-\delta)\) in front of \( \Lambda_{t+1} \) and
3. Exploit Constant return to scale of output and investment cost.

By doing this, we obtain the stochastic difference equation as:

\[ \Lambda_t K_t \frac{[\mathcal{I}]}{K_t} + \beta E_t[\Lambda_{t+1}K_{t+1}] = 0 \]

Where \( \mathcal{I} = A K_t s^{-a} - wL C(I_t, K_t) \) are the firms earnings in period t. By iterating equation (A.5) forward, and by imposing the transversality condition we find

\[ E_t(\Lambda_{t+1}) = \frac{E_t[\sum_{s=t+1}^{\infty} \beta^{s-(t+1)} [\mathcal{I}]]}{K_{t+1}} \] \hspace{1cm} (2.1)

Where \( \mathcal{I} = A K_t s^{-a} - wL C(I_t, K_t) \) denotes the firm’s earnings in year s. The equation 2 corresponds to a generic Q theory model with quadratic investment cost, which takes the form \( I_t/ K_t = \alpha + \beta Q_t \).

We have data for the expectations of earnings growth of CFOs for next twelve months hence we cannot take expectations of earning growth for all future periods and keep our study limited to the expected earnings growth in the following twelve months. For investment we have information on planned investment over next 12 months and actual investment spending in each quarter. We approximate equation 2 as

\[ I_t^p / K_t = \theta_0 + \theta_1 E_t(\mathcal{I}) / K_t \] \hspace{1cm} (3)

Given the limits of data we can approximate our main equation as equation(3). For the purpose of empirical analysis, we have further log linearize the equation and expressed it in growth rates. Equation 4 shows the final log form value of equation, where lowercase id denoted by log.

\[ I_t^p - I_{t-1} = \mu_1 [E_t(\mathcal{I}) - I_{t-1}] + (1- \mu_1) (K_t - K_{t-1}) \] \hspace{1cm} (4)

Here, \( \mu_1 \) is a log linearized constant. The left hand side is planned investment growth in next 12 months; the first term in right hand side is the expected earnings growth for next 12 months, the second term represent the additional controls.

5. RESULTS AND DISCUSSION:

The main aim of our paper is to show that expected earnings contains crucial information about the investment plans as well as the actual investment decision of the Chief Financial Officer and is better than traditional measures of investment like Tobin stock price volatility and log dividend yield. Using a Tobin q framework, we approximated the equation for investment plan as

\[ \Delta \text{CAPX}_{qt} = \alpha + \beta_0 [\Delta \text{EARNINGS}] + \lambda X_{qt} + \epsilon_{qt} \]

Where \( \Delta \text{CAPX}_{qt} \) is the planned capital expenditure of the firm one year ahead from now which is taken as proxy for planned investment and \( \Delta \text{EARNINGS} \) is the earnings firm is expecting to have one year from now( proxy for expectations). \( X_{qt} \) includes all the controls we will be taking in our models. We have used Newey-West Standard error regression test. We choose this regression technique as the Newey-West Standard error errors are robust for heteroscedasticity and autocorrelation. The stationarity of the data was checked using Phillips- Perron. The data was found to be stationary.

We want to address two questions in our analysis. Firstly; whether or not the earnings expectations of CFO have better explanatory power than the alternative theories of investment. Secondly, to compare the performance of survey expectations in three economic region- the US, Africa and Asia.

Table 7 presents our baseline results. Column 1 to column 6 represents various versions of results.
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</table>
Column 1 shows the explanatory power of expected earnings growth for predicting investment plans. Column 2-4, we control for alternative measures of investment like Tobin q, log dividend yield and stock Price Volatility. In column 5, we additionally control for GDP Growth. In the last column, we take all the control variables together.

Column 1 in Table 7 shows the explanatory power of CFO survey expectations. We find that CFOs’ earnings in US have significant explanatory power for investment plans. The t-stat is highly significant for all lags. The β for the earnings expectation for the US is 0.66, which implies that a 1 percentage change in earnings expectations of CFO increases planned investment by 0.66 percentage points. When controlled for all other alternative measures of investment, the t-stat is coming significant, and the β is also very high. The last column shows the results of the significance of explanatory variable, we control for all variables together. Here, too, the β is highly significant.

Country wise Analysis:
It can be seen in Table 7 that US and ASIA both give significant results for survey expectations. They give significant results, even when all the control variables are taken together. Similar to the results of correlation analysis, the t-stat of US is more significant than that of ASIA, and has a higher β value. The results for AFRICA are insignificant. Expectations are not related to investment.

6. CONCLUSION:
The primary motive of our paper was to show the importance of survey expectations data on the investment decisions of CFOs over traditional measures of investment like Tobin q, uncertainty in the economy, discount rate, and macroeconomic factors like GDP Growth rate. Our analysis of data has two broad conclusions. First, the earnings expectations of CFO have better explanatory power than the alternative theories of investment. Second, expectations affect investment plans in ASIA and US but not in Africa. Henceforth, we can infer that survey expectations data does matter, and they are not just random noise but carry crucial information for investment decisions. At a minimum, our results support the work of Manski’s (2004) call for collecting and using expectations data to evaluate economic theories. The results from our research are very preliminary and suggest some directions for future work. First is to check the nature of expectations; to check whether the errors have any systematic pattern to it, or just vibrate randomly. Second is the need to construct plausible models of expectations.

REFERENCES:
Role of Social Capital in Combating Poverty: An Analytical Study Of the Indian States for 2004-14

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Email - 8swarnimaa@gmail.com

Abstract: This paper explains the concept of social capital and its effect on Poverty. Poverty as an obstacle to the road of prosperity always attracts the attention of policymakers. In India, it all started with the 1970s Garibi Hatao Movement. It’s been 50 years and 73 million people are still below the poverty line. Trust, Confidence, Co-operation etc. like invisible elements in a society plays a major role in dealing with poverty either directly or indirectly. This study addresses the role of these variables as a determinant of poverty at the macro-level study with panel data from 2004 to 2014 for 15 states of India.

Key Words: Social Capital, Poverty, Trust, Co-operation, Confidence.

Introduction: In developing countries, policy debate revolves around poverty, health, education, housing, employment, etc. And poverty as a major obstacle to the road to prosperity always attracts the attention of policymakers. In India, the government came with constructive planning to deal with poverty in the 1970s Garibi Hatao Movement during the 4th Five Year Plan. For any development planning, it is important for policymakers to understand the mechanisms through which the expected result can be achieved. With 50 years of planning to combat poverty, India if not failed miserably however can’t be considered as a success story. In absolute value, the number of poor people isn’t declining at the same rate as the percentage of poor people to the total population is declining. Considering poor people in percentage, some states are performing better than others to control poverty to some extent and the reasons could be good governance and economic performance of those states. In the last thirty years many case studies have come to the conclusion that social capital works as an important factor to deal with poverty in different societies. So, it’s an interesting phenomenon for a diverse country like India dealing with so many development issues like poverty and this study tries to analyse the changes in value of social capital and poverty reduction in different states for a time period of a decade (2004-2014). Now, the question arises, what exactly is social capital? Social Capital of society includes its people, the relationship they share, the institutions, the attitudes and values that lead interactions among people, and directly or indirectly contribute to economic and social development.

Social Capital: Social capital is the web of social relationships in a society, organization, group, and institution which facilitates constructive and collective action by its members. There can be ties among family members, among Hindus, among people from the same region, language, and country, etc. because of shared norms, values, attitudes, and beliefs. And ties among people from different castes, religions, regions, countries, etc. because norms of respect and networks of trusting relationships between people who are interacting across explicit and formal and informal spaces in society, it can be more than norms, built from the historical foundations of culture and institutions within society. Using the concept of social capital in Economics isn’t that old tradition. With evolving development paradigm from an almost exclusive focus on physical capital at the time of orthodox dominance in economics towards a people-centered approach to sustainable development, more attraction towards the social dimensions of development led to the inclusion of social capital in the economics discipline.
Literature Review: In early works of social capital, three prominent figures were Pierre Bourdieu, James Coleman, and Robert Putnam. Bourdieu and Coleman focused their approaches to social capital at the level of the individuals and families and as an essential element in the social structure of relationships among people. However, where Bourdieu was concerned with power and status and the uneven distribution of social capital between individuals, Coleman saw social capital as a public good where the actions of individuals benefit the whole. Putnam explained the concept as a property of larger aggregates. Putnam argued that the decline in social capital (as measured by associational activity) matters because it is directly or indirectly linked to various indicators of well-being such as health, education, and income.

Based on the case study of Italy, Helliwell & Putnam (1995) found that the endowment of social capital helps to maintain higher levels of income per capita in some Italian regions. A similar outcome for per capita income and household income has been observed in the coming years, such as Narayan & Pritchett (1997) for rural Tanzania, Grootaert (1999) analysed the impact of social capital on household welfare and poverty in the case of Indonesia and Kirori (2015) gets finding that social capital works as an asset and an important component of a household’s survival portfolio. With increasing number of literatures, potential of social capital as a determinant of income is now well established. In this process, community based development plays a key role for generating better opportunity for society to progress as individual income increases. Krishna & Uphoff (1999) & Pantoja (2000) in their case study of Rajasthan & Orissa respectively, explored the concept of social capital and its relevance for community-based development. Social capital is significant predictors of child nutrition. At the household level, personal ties remain important in influencing nutritional status of children across all villages (Vikram, 2019). "Social capital has economic pay-offs for an economy as a whole” in their empirical study, Knack & Keefer (1997) emphasised on the idea that social capital has some economic value and got academic attention. Rodrick (1998) didn’t mention the term social capital but got findings like domestic social conflicts play a key role in lack of persistence in growth rates.

As suggested by Putnam in his study of social capital, social capital determines the comparative effectiveness of regional government in Italy “Making Democracy Work (1993)”. Stable democracy is essential for better governance and Interpersonal trust and subjective well-being are closely linked with stable democracy (Inglehart, 1996). These studies suggest that social capital and governance can be termed as wheels for well-being but it is social capital which leads to better governance to some extent. Porta, Lopez-de-Silane, Shleifer & Vishny (1997) points out that trust promotes cooperation in large firms and works as a propensity of people in a society to corporate to produce socially efficient outcomes. Morris (1999) study of poverty in India draws the conclusion that states which were initially well endowed with social capital were also more successful at reducing poverty and Akçay (2002) suggests that high trust nations tend to have lower levels of corruption while low trust nations tend to have higher levels of corruption. Government officials in societies with higher trust may be perceived as more trustworthy, and their policy pronouncements as thus being more credible (Knack & Keefer, 1999). Literatures suggest the idea of social capital as a determinant of governance quality which in turn leads to the well-being of people.

Social Capital and Poverty in India: To understand the relationship between social capital and poverty in India, paper analyses social capital at macro level; at state level. India is a country of enormous ethnic, linguistic, and cultural diversity; consisting of a federation of 29 states, 7 territories. There is a great deal of variation in the religious orientation, ethnic composition, languages, natural resources, and economic and social performance of the states. It is the second most populous country with more than 1.3 billion population as well as the most populous democracy in the world. In 2017, the Indian economy was the world's sixth largest by nominal GDP and third largest by purchasing power parity US$12.363 trillion. Being one of the fastest-growing economies in the world, It had 73 million people living in extreme poverty which makes up 6.3% of its total population according to Brookings report. The population of India in 2011 was 1.21 billion, the world’s second largest. Its per capita income, in purchasing power parity terms, was US$9,027. India has the world’s largest concentration of poor people with about one-third of the population living below the official poverty line. Although the Indian economy has grown steadily over the last three decades, its growth has been uneven when comparing social groups, economic groups, geographic regions, and rural and urban areas. One fact is also considerable that some states have been more successful than others at reducing poverty in all these years. In particular this paper tests the hypothesis that those states which have been relatively well endowed with social capital have had greater success at reducing poverty.
Objectives:
1. To analyse changes in value of social capital and poverty reduction in different states for a time period of a decade (2004-2014).
2. To examine the effect of social capital as a determinant in poverty reduction

Methodology: Definition and measurement of social capital remain two issues which are yet to be resolved, there is a problem of mapping the concept of social capital into an operational measure which can be used to carry out systematic studies. But many attempts have been made by scholars over different time and space to trace the role of social capital at economic level. Both micro level and macro level studies of social capital have been carried out also in India.

Data for Study: Data has been taken from different sources so the problem is; these are not for the same point of time. Data from WORLD VALUE SURVEY is for 3 consecutive surveys: Wave 4(1999-2004), Wave 5(2005-2009) and Wave 6 (2010-2014), Voting Turnout data are related to parliamentary elections for 2004, 2009, 2014, poverty for the year 2004-05, 2008-09, 2011-12 based on Tendulkar Methodology and state per capita income are for the years 2003-04, 2008-09, 2013-14. Data has been taken from the sources:

1. WORLD VALUE SURVEY (WVS), it contains survey data from thousands of respondents from more than 40 countries (in wave 6, survey was conducted in 60 countries).
4. Open Government Data official site (https://data.gov.in/)

Sample: With aim to analyses dependency of poverty on social capital, 15 states have been considered which are: ANDHRA PRADESH, BIHAR, CHATTISGARH, GUJRAT, HARYANA, JHARKHAND, KARNATAKA, KERALA, MADHYA PRADESH, MAHARASHTRA, ORISSA, PUNJAB, RAJASTHAN, UTTAR PRADESH and WEST BENGAL. In selecting the process of the state, it was kept in mind that at the end of the analysis, we can draw a clear picture of India as a whole but unavailability of data for North- eastern region, Jammu & Kashmir and Tamil Nadu leave us with already only 15 states of India.

Variables: As it is difficult to measure social capital for analysis, proxy variables have been used. It has been tried to capture not only horizontal social capital but also vertical social capital because it becomes crucial to take into consideration the both forms of social capital when it relates to public policies, inequalities and poverty. To measure social capital, 8 variables have been taken into account and these are:

- **Most people can be trusted:** It shows trust among people both within the group and outside the group.
- **Confidence in Police:** This variable is about vertical trust that enables to maintain a peace environment with a sense of security.
- **Confidence in Civil Services:** It also indicates vertical trust between groups. In India bureaucrats play a vital role in framing and implementing policies.
- **Importance of Religion in Life:** In a country like India one can’t ignore religion while talking about society. Religion is a factor that always affects the micro level in Indian social sphere so it becomes crucial to know how religion affects poverty. As we know religion plays an important role in framing social capital however social capital may generate both positive and negative externalities.

The strength of norms of civic cooperation is assessed from responses to questions about whether each of the following behaviors "can always be justified, never be justified or something in between”.

- **Cheating of Taxes if you have the chance**
● Avoiding a Fare on Public Transport
● Someone Accepting Bribe
● Voting Turnout: In a democratic country, political participation even on the level of only voters is crucial. It shows how civic society is choosing it’s representative.
● State Gross Product per capita for each 15 states is also taken into account for better understanding how social capital affects poverty while we know income of the state is crucial for poverty eradication.

Model: Structural: In this study Poverty is a dependent variable while all above mentioned variables are independent variables. This relationship can be shown as

\[ P = f(\text{trust, confidence on police, confidence on civil services, importance of religion in life, accepting bribe, cheating on taxes, avoiding fare on public transport, per capita income}) \]

Econometric Method: As this study tries to describe change in poverty in 15 states over time, a regression analysis for this panel data will be used because this model deals with the dependence of one variable on another variable over space and time. Panel data analysis has three different approaches, among which two will be considered: 1). Random Effect Model, 2). Fixed Effect Model.

RANDOM EFFECT MODEL: In this model parameters are random variables. Random effect models assist in controlling for unobserved heterogeneity when the heterogeneity is constant over time and not correlated with independent variables.

FIXED EFFECT MODEL: In this statistical model parameters are fixed or non-random quantities. Such models assist in controlling for unobserved heterogeneity when this heterogeneity is constant over time. This heterogeneity can be removed from the data through differencing.

As both models have some limitations, it’s a dilemma of choosing any one model between these two. For this, the Hausman Specification Test is used: If there is no correlation between regressors and effects, then FE and RE are both consistent, but FE is inefficient. If there is correlation, FE is consistent and RE is inconsistent.

In any econometric model it is crucial to check multicollinearity of independent variables so Pairwise Correlation Matrix has been generated, those variables which are highly correlated with another variable have been omitted from econometric model as Per Capita Income of States is correlated to all other independent variable, Confidence on Police(p) & confidence on Civil Services(c) are correlated to Most People can be Trusted(d) as well as Justified: Avoiding Fare on Public Transport(pt) is correlated to both Justified: Cheating on Taxes(ct) & Accepting Bribe(ab) so for efficient econometric model variables p, c, ab, ct and per capita income for states have been omitted.

Modelling Poverty and Social Capital: 1). Model contains three main components: 1).poverty as dependent variable 2).time dependent explanatory variables. The model therefore captures the way in which the evolution of poverty over time is a function of certain time specific factors. The following econometric model is estimated for measured poverty in state \(i\) and time \(t\).

\[ P_{it} = \alpha_i + \beta_i X_{it} + \varepsilon_{it} \]

Where \(P_{it}\), \(X_{it}\), \(\alpha_i\), \(\varepsilon_{it}\) are matrices of dependent variable, independent variable, constant and error term. The model is estimated by using a random effect approach as result of Hausman Specification test suggests to do so.

Table 1--

Random Effect GLS Regression:

Number of Obs. = 45
**Table 2--**

**Random Effect GLS Regression:**

*Number of Obs. = 45*

\[ \text{Wald chi2}(6) = 135.77 \]

*Prob > chi2 = 0.0000*

| Null Hypothesis | Coefficient | Std. Error | Z       | p>|z| |
|-----------------|-------------|------------|---------|-----|
| For d; H_0: \( \beta_1 = 0 \) | -19.7073 | 5.664157 | -3.48   | 0.001 |
| For r; H_0: \( \beta_2 = 0 \) | 33.32 | 13.67795 | 2.44 | 0.015 |
| For pt; H_0: \( \beta_3 = 0 \) | 17.46995 | 8.5664157 | 2.04 | 0.041 |
| For vt; H_0: \( \beta_4 = 0 \) | -0.5010789 | 0.1569969 | -3.19 | 0.001 |

\[ R-sq. within = 0.6193 \]
\[ \text{between} = 0.4883 \]
\[ \text{overall} = 0.5009 \]

- R-sq. explains about the explanatory power of the model, so from the above table we can conclude that independent variables are able to explain 50.09% of dependent variables.
- As for the model, null hypothesis \( H_0: \beta_i = 0 \) and p-value is less than 0.05 so null hypothesis may be rejected and the model is significant at 95\% confidence interval meaning independent variable(social capital) has effect on dependent variable(poverty).
- In model, as p-values are less than 0.05 for null hypotheses related to trust, importance of religion, avoiding fair on public transport, and voting turnout; it means all null hypotheses may be rejected and the model is significant. In other words, \( \beta_1, \beta_2, \beta_3, \beta_4 \) are not equal to zero which conclude that each independent variable has its own effect on poverty.

2). When time is considered as independent variable, model is like:

\[ P_t = \alpha_t + \beta_t + \gamma_1 t_1 + \gamma_2 t_2 + \gamma_3 t_3 + \epsilon_t \]

Where \( t_1, t_2, t_3 \) are three different points of time; 2003-04, 2008-09, 2013-14. From the above model we will be capable of analyzing how poverty changes with respect to time as social capital fluctuates in all 15 Indian states.
For $t_2$; $H_0: \gamma_2=0$

<table>
<thead>
<tr>
<th></th>
<th>1.962739</th>
<th>2.231655</th>
<th>0.88</th>
<th>0.379</th>
</tr>
</thead>
<tbody>
<tr>
<td>For $t_3$; $H_0: \gamma_3=0$</td>
<td>omitted</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
</tbody>
</table>

$R$-sq: within = 0.8758
between = 0.5596
overall = 0.4930

- From the above table it can be said, because of collinearity $t_3$ was omitted by Stata.
- As p-value for the model is less than 0.005 concluded that null hypothesis may be rejected and the model is significant while independent variables are able to explain 49.30% dependent variable.
- For $t_1$; p-value is less than 0.05 so null hypothesis may be rejected meaning with time $t_1$, there is an effect on poverty as $\gamma_1$ is not equal to zero.
- In this model, all independent variables seem to have no effect on poverty except RELIGION & $t_1$ meaning $\beta_1, \beta_3, \beta_4$ & $\gamma_2 = 0$ i.e. null hypotheses may be accepted.

Findings:
In data analysis, many of the social capital variables were not significant; many of them were highly correlated with one another. Refining regression, two models were developed. In our first model, four independent variables are: trust, importance of religion, avoiding fare on public transport and voting turnout. For TRUST, there is a negative sign for coefficient means states which have relatively high trust among people are doing better in reducing poverty or poverty is comparatively low than other states.

For religion, an interesting result has been found that, in states where people are more religious are stuck in a swamp of poverty as coefficient for IMPORTANCE OF RELIGION is positive. It seems weird at first because religion plays an important role for civic engagement but there are two sides of a coin, we are all aware from one side which works as positive externality in terms of social capital but the other side is horrifying. As for present time, we can understand when people become more religious there are always chances that the bridging social capital which works between different groups can be harmed (Communal riots and on the name of cow, people are being slaughtered).

Third variable for social capital is AVOIDING FARE ON PUBLIC TRANSPORT has high collinearity with CHEATING ON TAXES & ACCEPTING BRIBE so this variable is able to indicate one’s obligation towards society and his honesty. Positive sign of coefficient for variable concludes that states where people are honest and believe in doings which help to maintain law and order of state, are seems to do better in combating poverty with time.

VOTING TURNOUT is related to poverty in the opposite way as coefficient indicates negative sign. It can be understood as, when people are involved in political debates, show interest in government policies and cast votes to choose their representative; it turns out to be an active factor to build up a strong civic society in a developing country. Negative sign of coefficient for vt, sheds light on the fact that, states where people are more conscious about voting, in long terms have been benefited with low levels of poverty.

For the second model, it turns out that all independent variables have no impact on poverty except IMPORTANCE OF RELIGION & $t_1$, in other words social capital in the form of ‘to be more religious’ is associated with high levels of poverty. Coefficients for $t_1$ and $t_2$ are 12.05165 and 1.962739 means with time (from $t_1$ to $t_2$) poverty is declining even if there is no or negligible impact of social capital on poverty.

Conclusion & Policy Implications:
The analytical explanation of the concept of social capital reveals that it acts a major source in combating poverty. The enquiry into the concept of “what is social capital?” its historical evolutions, types of social capital, social capital and poverty, the role of social capital in the process of poverty eradication etc. This study reaches out where all earlier concepts have in common the idea that trust and norms of civic cooperation are essential to well-functioning societies, and to the economic progress of those societies. Social capital in the form of trust, political participation, and honesty turn out to associate negatively with poverty means if the value of these variables will be high then the percentage of poor will
decline but social capital in the form of importance of religion associates positively with poverty. Kerala, Gujarat and Andhra Pradesh are one of the most successful states in combating poverty in the last two decades with high levels of physical, human and social capital. Bihar, Odisha, Uttar Pradesh, Madhya Pradesh are some least performing states in reducing poverty with low endowment of social capital. When social capital complements with both physical & human capital it turns out a new way in the direction of prosperity for a society.

Actually social capital is not an alternative to providing greater financial resources and public services to poor communities. Rather, it constitutes an essential means to increase such resources and to make more effective use of them. Instead, the causes of poverty lie in the broader economic, political, and caste structures of Indian society. So it becomes crucial for any economy to focus on investment in social capital for fostering development.

The concept of social capital suggests a way to create links between sociological and economic perspectives for development theory thereby providing a richer and far better explanation of economic backwardness in terms of development. Social capital is a possible means to an end so, to design the right policy, it becomes crucial for policy makers to integrate elements of social with physical and human capital. In this process it is vital to understand the nature of a society’s formal and informal institutions. Now it’s time for governments to accept that social capital does matter and it should be seen as orthodox development projects.

In practical terms, there can be following policy implications:

- Investment in associational activities among groups at micro level and by maintaining law & order and providing security to people at macro level.
- Education plays a vital role in building up social capital in any society; it is just not a contributing factor for social capital but brings direct impact on poverty. Governments of every state should concentrate on education.

Government should promote changes in values and norms to support inclusion of people from different segments in the economy.

**Scope for Further Research:** There are so many problems associated with conceptualizing and measuring social capital especially for macro level study. In this study, secondary data has been used which was collected from a primary survey of thousands of people and there is scope for insufficient information means data is not ideal. With time and resource constraints, I was not able to put all elements of social capital in one frame as many variables of social capital have been ignored due to insufficient data and information. The concept of social capital is so vast and multidisciplinary, I just tried to take and explore a drop from the whole ocean and here, only “how social capital can work in reducing poverty” has been analyzed. There is a long way to go and explore the concept of social capital. Many works have been done and many are required to be. My study tries to contribute a little but there are limitations with this work as explained above, which leave scope for me and other researchers to work further in this direction.

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Digital Media as an Ethical Challenge: Impact of Digital Media Platforms on Education System

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Abstract: Educators accept that the advancement of digital media presents extraordinary possibilities to modernize instruction. Digital learning has been making an uprising in the training framework. Dug in with current day advances, present day study halls present never-ending satisfaction. This paper is all about the effect of digital media on education system. It means learning get effected due to digitalization not only in positive way but also in negative way also. Students become smarter via digital learning and usage of digital platforms. Students become accountable and self motivated, online media platforms improve their efficiency and capability. There are various learning platforms but it is difficult to tackle all new learning websites and platforms due to distracting advertisement. This study consists of digitalization as an ethical challenge, some digital platforms of learning and impact of digital media on education.

Keywords: Digital media, Impact, Education, Educators, Platforms.

Introduction:

Education" characterizes the demonstration or cycle of conferring or gaining general information, building up the forces of thinking and judgment, and for the most part of getting ready oneself or others mentally for develop life. More naturally, education speaks to exercises and methods for a gathering of individuals or a network to pass interests, objectives, and propensities starting with one age then onto the next. The way toward learning is the securing of abilities through investigation, experience, or being instructed. Instructing is the movement of passing on information. In these terms, education can be characterized likewise as the way toward getting (learning) and giving (instructing) orderly guidance at a school or college. The procedure of granting and securing information vigorously relies upon one's psychological capacities. Since the start, education has been impacted by an assortment of variables, for example, social, monetary, political, and media innovation. In any case, the most compelling factor is media innovation.

Positively, media technology has progressed massively over the most recent fifty years, and it has grandly impacted the education framework. The two major progressions in media technology incorporate the World Wide Web (the Internet) and the versatile (remote technology). On one hand, these progressions not just have changed the method of getting and giving data yet additionally have given the entryway to a gigantic measure of data beforehand unexposed. Presently, the data and information come in numerous structures including digital books, recordings, games, sites, and web-based media. Libraries have changed from structures loaded up with books to online vaults of data.
Review of Literature:

- **Khan (2013)** explored the impact of social networking websites on students. A research questionnaire was designed to determine the factors of social networking websites that have impact on students. Variables identified are age, gender, education, social influence and academic performance. 168 respondents that were only students were randomly selected. The data were statistically analyzed using descriptive statistics, correlation, regression, chi square etc. The study concluded that students whose age range from 15 to 25 mostly use social networking websites for entertainment. 60% of male students commonly used social networking websites for knowledge. Graduation students generally prefer social networking websites for entertainment. From this research study it was also found that people can use social networking websites due to social influence. This study determines that most of students use social networking websites due to their friends and its total average is 67.3% of total sample. Students having 3.0 to 3.5 GPA (Grade Point Average) mostly use social networking websites for entertainment.

- **Zanamwe, Rupere and Kufandirimbwa (2013)** explored social networking technologies being used in higher education, their uses, extent of use, benefits and skills learners acquire from use of these technologies. The study followed a descriptive research design wherein a questionnaire was used as the main research tool. Data was gathered from 124 university students from five institutions of higher learning in Zimbabwe. 87.9 percent of the respondents were against the banning of social networking sites in universities. Furthermore, it also emerged out that learners used social networking technologies for academic purposes and more specifically to conduct group work. It was also established that social networking technologies improved learners” technology 45 proficiency, enhanced learners” social skills and help learners to communicate in new ways with new people.

- **Lim and Meier (2011)** studied International students” use of social network services in the new culture: a case study with Korean youths in the United States. In the United States, international students, especially from Asia, have reportedly experienced difficulty adjusting to their new life and culture. Little research has been done to understand the role of social network service (SNS)s, including instant messaging, blogs, chatting websites, and email on these students. Korean students are the largest international student group in the United States and were selected for the qualitative case study. For the data collection, the participants were interviewed individually. Results showed that the participants used SNSs in various ways for their emotional well-being and for academic purposes. Internet messaging was preferred to other communication tools by most of the participants.

- **Chawla (2014)** tried to identify the positive as well as negative aspects of the use of Social networking sites (SNSs) among college students.

- **Kasturi and Vardhan (2014)** examined the key issues and new challenges of the social media.

- **Mahat and Mundhe (2014)** conducted a research on youths between age group of 12-30 years with a view to know the level of consciousness on the community issues and how far social networking sites get up the today’s youth in expressing their views on present and burning issues like corruption, human rights, education etc.

**Need of the study:** - The paper helps to know the introductory detail of education and impact of digital media on education system including positive and negative effects as well.

**Objective of study:** - To understand the impact of digital media platforms on education and learning of students.

**Research methodology:** - Research is an art of scientific investigation. It develops concept and the theories. It is conducted to verify the acceptability of a given theory or to know more about the concept.

- To prepare this paper empirical data is collected from various articles and websites.

**Digitalization as an ethical challenge**

Digitization has stunningly advanced over the most recent twenty years suggests no less an adjustment in our self-comprehension. Yet, who is implied when we talk about “our” self-comprehension? We are subjects inserted in a worldwide organization of arranged items. Being human methods being-in-the-organized world, most however not constantly. The cutting edge subject-object division just as the dualism of independence.
versus heteronomy has changed. Organized things are not equivalent to the articles in the rest of the world envisioned by Modernity, nor people can be considered as simply as self-governing creatures, something that was at that point addressed by the advanced logical and innovative revelations themselves. What makes the computerized period special is likely that despite the fact that digitization is an undertaking of Modernity it doesn't depend on the matter article polarity in its unique supreme structure alone. Digitization changes the anthropological self-comprehension of epitomized wordless subjects confronting objects in the purported external world.

This was a smart thought yet after ten years the circumstance of government funded instruction in Uruguay is sensational and can be looked at, as indicated by Jorge Grünberg, Rector of the ORT University in Montevideo, with the one in Tanzania. There are social and financial purposes behind this. Working class kids, living in a superior neighborhood, approaching books, and whose guardians have college training are in a vastly improved position when they go to a school that can't be compared with innovation alone.

Some digital media platforms for education:

- **The connected educator:** - An incredible site for associating with different educators is EdConnectr. It gives educators a few roads with which to discover other similarly invested educators. A Visual Mapping Engine limits certain standards permitting educators to spare significant time and energy.
- **Edmodo:** - Edmodo goes about as a play area for educating and learning with a spot for posts, schedules, and general correspondence for educators and students. Connecting to students becomes more straightforward and more productive just as more compelling when students appreciate its introduction. It makes it simple to share important applications with students.
- **Google+:** - Google+ takes instructors to their students with circles that make overseeing virtual correspondence a workmanship. Students may need to find out about a specific exercise since they didn't exactly get it the first run through. Maneuver them into their very own hover with the perfect apparatuses to associate them to their way to comprehension and learning.
- **Blogger:** - Using specific themes as well as diary-style writing, Blogger links educators with students. With access to the links, lessons, and thoughts shared by teachers, students become more productive and relaxed with the instructor when learning online.
- **Skype:** - Utilizing Skype implies interfacing with anybody, anyplace, whenever. This implies students associate with instructors as well as educators urge students to expand their perspective on the world. Set up virtual associations by reaching different educators at that point interface the students to one another
- **Wordpress:** - Wordpress has become a popular way for teachers to create with their students a web of communication and lessons. Teachers may also use it to motivate learners to write more by making their own blogs and meeting the challenges of Wordpress
- **Academia.edu:** -Academia.edu, for academics whose main aim is to exchange research papers, the influence of their research will be tracked by academics and the research of the other academics they follow can be monitored. For those wanting data and knowledge on different subjects and interests, it is a fantastic tool.
- **LinkedIn:** - LinkedIn is utilized for far beyond that. Having students post proficient resumes there and afterward reaching them about the activity market and the business world around them keeps them in contact with the real world and the unlimited prospects through a focused on instruction
- **Labroots:** - LabRoots, a long range informal communication site obliging researchers, designers and specialized experts. Other than the plenty of data, it helps remain associated with partners and friends.
- **Researchgate:** - Ijad Madisch established ResearchGate, which is like LabRoots uniting researchers for cooperation. The distinction truly lies with the mission and the makers who are researchers attempting to offer perceivability to the committed analysts everywhere on the world.

Impact of digital media on new generation education:

With the beginning and effect of innovation in instruction, we are seeing a ton of imaginative changes in showing strategies of instructive establishments nowadays. Instructive foundations are improving their frameworks to upgrade scholarly thoroughness. Colleges are utilizing web-based media in the instructing learning cycle to discover new an incentive for making reasonable learning among understudies. Online media usage is offering route to the advancement of the new instructive framework. Students are much of the time trading contemplations and information with one another via online media. Then again, researchers are
Positive impact of digital media in education: As a positive impact of digital media, it is anything but difficult to cooperate with topographically appropriated groups for venture tasks utilizing interpersonal organizations. Understudy can make WhatsApp and Facebook gatherings or even use Twitter hashtags to trade inputs with respect to the task and circulate data. In spite of the fact that this can in addition be finished through correspondence mediums, for example, email, anyway online media gives an intriguing conversational style to interface. So these are some benefits of digital media as follows:

- **Students become smarter through digital learning**: Learning devices and innovation empowers students to create successful self-coordinated learning abilities. They can recognize what they have to realize, find and utilize online assets, apply the data on the current issue, and even assess resultant input. This builds their proficiency and efficiency. Notwithstanding captivating students, computerized learning instruments and innovation hone basic reasoning aptitudes, which are the reason for the advancement of expository thinking. Kids who investigate open-finished inquiries with creative mind and rationale figure out how to decide, instead of just incidentally retaining the course reading.

- **Students become self motivated and accountable through digital learning**: Digital learning is much more immersive and memorable than lengthy textbooks or one-sided lectures, offering a better context, a greater sense of perspective, and experiences that are more engaging than conventional methods of education. This makes it possible for students to interact more with the learning content. In addition, they also provide a more interesting and involved way to digest results.

- **Resources for digital learning Include educators and parents to a deeper level**: Learning instruments and tools such as social learning networks make it easy to build and manage groups for teachers. The transition to digital learning can approximate the benefits of tutoring while allowing teachers time to address the needs of individuals and small groups. By closing learning gaps faster and speeding growth, the chance to tailor learning sequences for each student would make education more efficient. Parents can use interactive activities to encourage the interest of their child in learning, apart from educators, since gamification makes the process much more enjoyable and interesting. Parents should also discuss their child's online learning experiences that can function as an extension to what they learn in their classrooms.

- **Growing the employability of students with digital learning resources and technology**: Equipping students with higher education criteria and holding a job at a young age have become one of school education's most important obligations. Digital learning strategies focused on problem-based learning emphasize positive, interactive learning approaches that attract the attention of students to a real-world approach to learning.

- **Resources and technologies for digital learning are increasingly growing the exchange of knowledge**: Digital learning resources and innovations allow educators to easily exchange knowledge in real-time with other educators. The proliferation of free and open content and software has created an ecosystem of economic sharing. Classrooms around the country and around the world will not only communicate with each other to exchange experiences, but also increase learning, experience, and communication skills by embracing digital technology and connected learning. The activity helps teachers to experience a level playing field as well. As costly private schools, schools will save money while maintaining equal access to education materials.

Negative impact of digital media in education: Digital media is likewise having exceptionally negative consequences for students. They are getting dependent on this medium. Students squander a great deal of their energy on informal organizations. They are getting diverted from their real point throughout everyday life and getting constant of online media. It is removing them from the advantages of understanding books
and restricting the capability of their inventive personalities. Students can't work freely to deliver important substance. Unreasonable utilization of web-based media is contorting relational abilities. They neglect to outline linguistically address sentences while conveying. Subsequently, the other individual doesn't comprehend the genuine setting of the discussion. Such are negative effects as follows:

- **Distraction causes**: Social media networks are a big factor that contributes to mental distraction and hindrance. Students seem to lose their interest from learning these days and rather enjoy social media surfing. All of this allows time to be lost without learning anything about it. Students are more often unable to apply their work within the prescribed time period because they are more focused on the use of social media sites.

- **Health issues**: It can have emotional as well as physical effects on one's health by using social media sites with utter indifference. Students do not eat their meals on time, do not take proper rest and may even have adverse effects on their eyes from constantly being on the phone or laptop. These actions make learners lazy and unmotivated to research or even go out and meet individuals. Parents are encouraged to keep an eye on what their kids are doing when using the internet. Too much social media use can have detrimental effects on the brains of students and they can also be subjected to poor posture, eye strain, physical and mental stress.

- **Reduces learning and study capacity**: These days, students are relying more on such platforms to obtain information and expertise through the extensive use of social media rather than searching for the same in books, journals or notes. Since it is easier to extract data online, students’ reading habits are decreasing along with their learning and research capabilities.

**Conclusion:**

These are only a couple of the numerous effects social media and innovation has had on instruction and society all in all. Innovation is moving at an ever-expanding pace, so no rundown will actually be altogether finished, and as referenced over, any article even this one must be assessed regarding whether it bodes well in this associated universe of expanding commotion. While the advances in instructive innovation have positively affected training, social media cannot be gathered into those equivalent level points of interest to instructors. One thing which is always said by all that excess of anything will be dangerous, so digital have some disadvantages also. It means the negative and positive effects of digital media in education system show to utilize the digital media in each field with proper and sufficient time.

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An Overview on ‘Styles and Theories of Leadership’

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Abstract: Each and every person wants to become a leader but it is not possible for everyone to be a leader because leadership is a quality which can be possessed by very few members. Leader is the person who works for the benefit of organization for the fulfillment of the organization goals it is possible if leader properly guides the group under him. Leadership is the process of where a person influence the group or individual. Nowadays it is very important for the manger to guide the subordinates and team under him and he has to influence, motivate and show direction for the sake of work and fulfillment of organization goals the leader has to assess the work done by subordinates on time to time and he has to rectify the mistakes by this it help them to reduce the mistakes and improve the efficiency of the team members. Leadership is an ability to induce subordinates to work with zeal and confidence. Leadership is not a power to dominate subordinates it an opportunity to guide the subordinates for achievement of organization goals. It is not possible to work without any guidance or motivation. Leadership is very important aspect for every organization for fulfillment of organization goals. The main objective of paper is to study the styles and theories of leadership.

Introduction:
Leader is the person who guides and directs the other people by showing the best path for the sake of achieving the organizational goals. In order to achieve organizational goals the leader clears all the doubts that may arise for the subordinates during the work on accomplishing of the organizational goal. According to Louis A Allen” the leader is the one who guides and direct the other people he gives effort of his followers direction a purpose by influencing their behavior” During the accomplishment of the organizational goal if the leader of the subordinate get any problems then the leader may take initiative and solve the problem. If they get problem from the management then he takes the entire team in front of the management and helps in resolving the problem. A Class representative is also a leader in front of management like Teacher, Principal. Leader is the person who is having the leadership Qualities.

The leader expects the Co-operation and team work for the group members if the group is not having the proper communication. The leader may influence the group members by communicating and he also develops the two way communication by the voluntary efforts. The leader wants the team members to work with enthusiasm and zeal for the achievement of the organizational goal during the work for that the leader motivates all the subordinated to common work for the achievement of the common goal. According to James Gibbon - Leadership is "a process of influencing on a group in a particular situation at a given point of time and in a specific set of circumstances that stimulates people to strive willingly to attain organizational objectives, giving them the experience of helping attain the common objectives and satisfaction with the type of leadership provided”

Characteristics of Leadership:
- Leadership is a Personal Quality
- Develop trust and responsibility among team members
- Leaders must be willing to take and seek responsibility
• Leader should be aware of all situations and he has to take the responsibility according to the time and situation
• Leader has to utilize the capacity and resources available in the organization for achievement of organization goals
• The leader must clearly understood the mission vision goals and objectives of organization

Review of Literature:
According to Warren Bennis "Leadership is a function of knowing yourself, having a vision that is well communicated, building trust among colleagues, and taking effective action to realize your own leadership potential." According to John Maxwell "Leadership is influence - nothing more, nothing less."
Fielder (1967) said that A leader is the person in a group who directs and coordinates task-oriented group activities.” Richards and Engle (1986) said that “Leadership is about articulating visions, embodying values, and creating the environment within which things can be accomplished.”

Peter. F. Ducker said that “Leadership is the lifting of a man’s vision to higher sights, the raising of a man’s performance to a higher standard, the building of a man’s personality beyond its normal limitations.”

Fielder, P. & Blanchard said that “Leadership is the process of influencing the activities of an individual or a group in efforts toward goal achievement in a given situation.” Jeremy Tozer said that "A Leader: A person responsible for achieving objectives through others by creating the conditions in which they may be successful and for building and maintaining the team that he or she is a member of."

Research Objective:
• The main Objective of the research is to study the styles and theories of leadership.

Research Method:
• The data for the present study is collected through the secondary sources such as textbooks and libraries, Research papers and Internet

Styles of leadership:
Leadership style refer to the behavior of the person basing upon the situation. How a leader behaves to a particular situation when the situation arises. Leadership style is the personality of the person how he understands and acquire it when the situation arises. There are several types of leadership which are clearly discusses as under

• Authoritarian or Autocratic style of Leadership:
In Authoritarian style of leadership the leader commands or orders the followers which must be obeyed by the subordinates in the style of leadership decision making power is only in the hands of Leader. Generally leader takes all the decisions without consulting the subordinates

• Participative or Democratic style of Leadership:
In participative leadership style the leader usually gives the instructions only after consulting the group. The instructions are usually implemented after those are discussed with the consent of the other group members. By consulting all the employees it helps to increase the morale and also helps to improve the cooperation between all the employees.

• Free rein or Laissez fare Leadership:
A free rein leader does not leads the group and he gives maximum freedom for the subordinates. The leader gives the maximum independence for all the subordinates in performing the day to day operations. In the style of leadership the leader generally involves when the subordinate need help and this may help the subordinates to increase the self-confidence and talents in the subordinates.

• Paternalistic Leadership:
In paternalistic leadership style the leader assumes his function as a parent or fatherly. In paternalistic leadership the relationship between the group and leader as of the family. He provides them the good working conditions and employee services.

• Transactional leadership:
Transactional leadership is most common type of leadership that we see today. In this type of leadership the leader may transacts with the followers either through rewards or punishments and other exchanges for the job done. The leader sets the goal to the team members to know how they will be rewarded for their Compliance. Otherwise how they get punished for not getting the work done.
• **Transformational leadership:**
  Transformational leadership is always transforming and improving the company conventions. Employees might have a basic set of tasks and goals that they have to be accomplished and the leader encourage and empower them to achieve them and in this transformational leadership the leader serve as a role model better for achieving the target and goals for them the leader keeps the deadlines but the later he was constantly pushing them out of the comfort zone.

**Theories of leadership:**
There are various theories of leadership theories are:

- **Great man theory of Leadership:**
  The theory that proposes that the leaders are born not developed those are generally born with the leadership qualities as per the theory the leader either his or her possess the natural attributes like courage confidence as compared to the others

- **Trait Theory of leadership:**
  Trait Theory of leadership that assumes that people with natural qualities and traits make them effective leaders. The theory is used to predict effective leadership. It mainly focuses on attributes and traits such as appearance, weight and height, responsibility, self-confidence, intelligence decisiveness, judgment and knowledge.

- **Contingency Theory of leadership:**
  The contingency Theory of leadership emphasizes different variables in a specific settings that determine for setting a style of leadership best suited for the said situation. The theory itself proposes that a particular type of leadership style is not suitable for all the situations.

- **Situation Theory of leadership:**
  The theory itself proposes no one is superior to others the leader select the best course of action based upon the situation. Leader should always nullify their leadership as per their situation. By assisting the certain variables such as type of tasks and features of followers.

- **Behavior Theory of leadership:**
  Behavior Theory of leadership mainly focuses on the behavior and actions of the leaders rather than the traits and characters. The theory itself proposes that effective leadership is result of many learnt skills.

**Conclusion:**
The Study Concludes that each and every person want to become a leader but it is not possible for all the persons. Leadership is a quality which cannot be possessed by all it is a quality which makes him or her a leader. There are several types of leadership theories and styles and the leader may choose or adopt the style basing upon the situation and the place. The leader is person who shows the path for success but not the person who dominates the followers. The real leader always motivates, encourage and assist the followers for the achievement of the organizational goal. The real leaders teach from failure and turns the followers to become a leader.

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A Study of Factors Impacting Team Effectiveness

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Abstract: Building a team is tied in giving the necessary expertise, aptitudes, coaching and assets to the people which are required by them with the goal that they can work in consonance. So as to be genuinely compelling, this should be a consistent procedure, which must be embedded in the group and association’s day to day life. Team building exercises must be well designed with a clear purpose to bring about the effectiveness of the team. These should encourage collaboration among people rather than being competitive. In the present business scenario, team building has become an everyday priority. The impact of team building exercises are discussed which is defined by various variables such as problem solving, conflict management, motivation, organizational commitment and many others. The objective of the report is to examine the significant effect of these exercises on team effectiveness and on the motivation of employees keeping in view the factors that affect the effectiveness of team building exercises. Online survey was conducted to meet the following objectives. The findings show the team building exercises have a significant impact on the effectiveness of a team. The practical implications of the study are discussed as well.

Keywords: - team, team building exercises, effectiveness.

1. Introduction:  
As the word team itself defines it’s meaning - Together Everyone Achieves More. In the present business scenario, teams are considered to be the key component in the functioning of any business organization as an individual alone cannot perform all the tasks assigned to him. Since the time businesses have realized the importance of teams, they are focusing more on improving their techniques of learning and development to enhance teamwork. Organizations are utilizing team building as an essential component of developing and growing teams. Team work and team building is a fundamental part in corporates to ensure a better workplace. Wherein each and every member of the group should be equally active to contribute. However, the effectiveness of these teams can only be ensured through the various types of team building exercises that are necessary to be conducted in every organization because these exercises when conducted are able to bring the employees together providing them with the opportunity to know their peers better, understand them closely, as well as build healthy relationships with other members of the organization. In this way, organizations can build highly effective teams which will be more productive and will exhibit positive effects on the company. It is this effective team work, which allows the team to produce better outcomes as a whole which might not have been possible if the individuals worked separately as the work is divided among all the members of the team and thus the defined objectives can be achieved at a much faster rate which in return benefits the organization. However, there exists countless number of factors which are responsible to bring about the effectiveness of a team, of which one of the most dominant is the “team
building”. Team building exercises are prominent in bringing the employees together where they are able to enjoy and this makes work fun for them. Thus, empowering them to work towards shared objectives and achieve their common goals. Through these kind of activities, an individual gets a clear picture of his objectives, roles and responsibilities towards the organization which eliminates any chances of conflicts, confusions, mistakes and misunderstandings which further helps in improving interpersonal communication between the team members as well as between different teams as each and every member will be very clear about what is expected from him/her. Team building exercises help in building trust factor and respect among the employees. Performing team building exercises at workplace helps in employee motivation as every individual is able to enjoy work which in turn reduces stress factor. This enhances the personal performance of the employees as they feel recognized and are able to achieve their personal objectives. This further helps to achieve the mission of the organization at a faster pace because as the employees start to work with enthusiasm, they will take less leaves and will strive hard to concentrate more on their goals. Individuals start to feel more positive and confident at work which gives them a sense of satisfaction at workplace. This allows them to express themselves freely in front of other members of the team. Thus, building effective teams is the most important part of team building activities.

1.1. Objectives of the study: -
The aim of the paper is to study the “Impact of Team Building Exercises on Team Effectiveness” in an organization based on the following objectives: -

a) To study and analyze the factors affecting the effectiveness of team building exercises.
b) To study and analyze the impact of team building exercises in employee motivation at workplace.
c) To study and analyze the impact of team building exercises on the effectiveness of a team.

The study is conducted on an IT based organization situated in Noida, Uttar Pradesh in order to study the following objectives.

2. Literature Review:

By going through different kinds of research papers based on team building, it is found that conducting group building exercises in an organization is a new as well as very important concept in the present business scenarios to stimulate teams to work. The objective of conducting these exercises is purely based on to bring about the effectiveness of a team, to build team spirit, to motivate the employees by enhancing their skills in order to achieve organizational goals.

Various team building exercises were conducted to study the team effectiveness using these six parameters – leadership, trust and respect, reward and recognition, customer focus, decision making and team work. The findings suggest that there exists a significant relationship between performing team building exercises and team effectiveness for those who participated in these activities while there is no significant impact of these exercises on those who did not participate. There is a significant relationship between attending team building exercises and team effectiveness (Saraswat, N., & Khandelwal, S., 2015). Few of the various targets which could be achieved by conducting these type of exercises involve enhancing leadership skills, interpersonal communication, intellectual flexibility and improving problem-solving ability, building trust and respect (Williams, S.D., Graham, T.S. & Baker, B., 2002; Mazany, P., Francis, S., & Sumich, P., 1995). The efficacy of team building exercises is marked by various factors which must be taken into consideration by an enterprise in order to bring about the effectiveness of these exercises (Ying, L. Y., 2019). The application of the different types of team building interventions are successful when performed in an organization which leads to the better productivity in comparison to when these interventions are not performed (Mazany, P., Francis, S., & Sumich, P., 1995). Some studies claim that team building interventions are not successful and their application has no successful impact on the effectiveness of a team (Wolff, M. F., 1988). Team building activities have a direct impact on employee motivation. These activities motivate the employees to achieve their personal goals which further helps in achieving organizational goals. The employees who are inspired to be optimistic towards their job seems to enjoy working at their workplace yielding outstanding performance as compared to the less motivated employees (Khan, M. R., & Wajidi, A. 2019). Team building exercises have a very positive and a direct role on the cohesion which might be considered as an input variable for the processes of team work in business and marketing classrooms leading to potential benefits to the organization (Amato, C. H., & Amato, L. H., 2005). Team effectiveness can be examined through two types of team knowledge- teamwork knowledge and task work knowledge and also learning behavior which shows the relationship between teamwork knowledge and team outcomes. Both these types of knowledge should be incorporated in teams for maximum outcomes and effectiveness along with
learning behavior (Guchait, P., Lei, P., & Tews, M. J., 2016). The efficacy of team building exercises encouraged open discussion of team functioning. The designed interventions led to improvements in perceptions of team functioning such as trust, confidence in teammates, cohesion, communication, self-understanding and team performance. The participants related these team building interventions with sharing of information among themselves, developing trust, honesty, improved communication and open team discussions (Pain, M., & Harwood, C., 2009). Human resource development mechanisms have a direct relationship in building teamwork. Learning, performance appraisal and performance rewards are the three variables of HRD mechanism that affect teamwork building. Human resource development mechanisms are crucial for the growth of businesses as these are considered with the development of competency of people. The HRD mechanisms and its variables have an impact on building teamwork (Hourani, N., 2019).

3. Hypothesis of the Study:
Keeping in mind the research objectives, the following hypothesis has been formulated:

Null Hypothesis (H₀)- There is no significant effect of these exercises on the effectiveness of a team for p<0.01.
Research Hypothesis (H₁)- There is a significant effect of these exercises on the effectiveness of a team for p<0.01.

4. Research Methodology:
The most essential part of any study is the research methodology which specifically deals with the manner in which data is collected, analyzed and interpreted. This section of the paper aims to explain in detail the different types of research methods and methodology that have been used to meet the objectives of this study.

4.1. Research Approach
This is the first major step in conducting any study. In the present study, primary quantitative research method of approach has been used. The researcher collects the information through various sampling techniques by conducting online surveys through questionnaires. This type of research usually examines the quantifiable data, and then performs the various statistics and mathematics. It is conclusive in nature which investigates the what, where and when of the decision-making process. This type of approach is an iterative process whereby evidence is evaluated. The results of this are presented in the forms of tables and graphs. This study is a cross-sectional study where data is collected from the sample at a given point of time through the online survey questionnaire.

4.2. Research Design
The present study uses descriptive statistics as it takes into consideration all the points mentioned above to analyze the given set of data. It provides a comprehensive and detailed explanation of the phenomenon under study. The findings of this analysis are then used as input to decision-making.

4.3. Population and Sample
4.3.1. Population
The population represents all the elements of the data set that is to be studied. The population in this study is the employees that are currently serving in the organization.

4.3.2. Sample
The sample size is the representation of one or more sub-groups that are drawn from the population in order to study the various characteristics of the population. The sample size in this case is taken as 100.

4.3.3. Sampling Strategy
Convenience sampling method is adopted to conduct this research work as it is more quick, convenient and easy to reach out.

4.4. Data Collection Method
For the purpose of carrying out this research, both the primary as well as the secondary methods of data collection have been used.

4.4.1. Primary Data
The primary research tool used to carry out the current study is the online questionnaire survey. Employees of a selected organization were approached to collect the responses. The questionnaire was distributed online among the employees through social media platform and their views were taken.

4.4.2. Secondary Data: -
For the current study, secondary method of data collection has also been used in order to obtain the insights about the already prevailing thoughts about the given topic of interest and in order to fill in the gaps through this study.

4.5. Instrumentation: -
The data needed used to carry out the research study was the “online questionnaire survey”. The questionnaire designed for the present study was named “Impact of Team Building Exercises” in order meet the required objectives. The questionnaire was developed keeping in mind the above mentioned research objectives. The questionnaire consists of questions where the employees are required to fill in their essential details for example- gender, age, and qualification. These questions are then followed by the questions from the topic of interest i.e., Impact of Team Building Exercises on Team Effectiveness. Few items of this questionnaire for this study were taken from the “Team Effectiveness Questionnaire (TEQ) 2.0” and the “Team Assessment Questionnaire (TAQ)”.

The questionnaire consists of close- ended questions with a mix of multiple choice questions and semantic differential scale questions.

4.6. Method of Analyzing the Data: -
After the collection of raw data, data analysis for this quantitative research is done in order to derive statistical inferences so as to develop a relationship between the results and objective of the study. “Statistical Package for the Social Sciences (SPSS) Version 25” is used as the statistical data analysis tool for the current research work to study and examine the structures and hypothesis of the study. Firstly, descriptive statistics is performed using the SPSS for the demographic data trends and for individual data analysis. Secondly, correlation analysis is done to study the relationship between different variables. In this, p-value (p<0.01) is used to test the statistical significance. In addition, reliability analysis is performed in order to check the reliability of the defined variables on each other. These two methods are suitable for testing the formulated hypothesis and to meet the designed objectives.

5. Results and Discussions:
5.1. Descriptive statistics is used to study the demographics trends within the employees. Further, correlation analysis and reliability tests are performed on the collected responses.

<table>
<thead>
<tr>
<th>Table 1. Descriptive Statistics</th>
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<tbody>
<tr>
<td>Demographic profile of respondents</td>
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<td><strong>Qualification</strong></td>
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<td><strong>Role in the organization</strong></td>
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5.2. Correlation Analysis
Correlation Analysis is a statistical technique which is used to determine the relationships between different variables. In the present study, **Spearman’s correlation** is used to determine how strongly pairs of different variables are related. The result of the correlation is called the correlation coefficient which is represented by “r”. The value of “r” ranges from -1 to +1. The closer “r” is to -1 or +1, stronger is the relationship between variables. If r=0, it signifies that there exists no significant relationship between the two variables.

**Table 2. Designing of Team Building Exercises and Association with the organization**

<table>
<thead>
<tr>
<th>Spearman’s rho</th>
<th>Success</th>
<th>Association</th>
<th>Nature</th>
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<tbody>
<tr>
<td>Success</td>
<td>r</td>
<td>-.660</td>
<td>.605</td>
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<td></td>
<td>p</td>
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<td>Association</td>
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<td>Nature</td>
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**Table 3.1. Factors affecting the effectiveness of team building**

<table>
<thead>
<tr>
<th>Spearman’s rho</th>
<th>Social Media</th>
<th>Interpersonal Communication</th>
<th>Understanding peers</th>
<th>Respect</th>
<th>Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Media</td>
<td>r</td>
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<td>.603</td>
<td>.589</td>
<td>.510</td>
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<td>p</td>
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<tr>
<td>Interpersonal Communication</td>
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<td>.511</td>
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<tr>
<td>Understanding peers</td>
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<td>1.000</td>
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<td>.426</td>
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<td>p</td>
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<td>Respect</td>
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<td></td>
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</tbody>
</table>

**Table 3.2.**

<table>
<thead>
<tr>
<th>Spearman’s rho</th>
<th>Leadership</th>
<th>Group Size</th>
<th>Problem-solving Ability</th>
<th>Conflict Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>r</td>
<td>.431</td>
<td>.409</td>
<td>.535</td>
</tr>
<tr>
<td></td>
<td>p</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Group Size</td>
<td>r</td>
<td>.600</td>
<td>.577</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>p</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Problem- Solving Ability</td>
<td>r</td>
<td>1.000</td>
<td>-</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>p</td>
<td>-</td>
<td>-</td>
<td>.000</td>
</tr>
</tbody>
</table>

**Table 4. Employee motivation and organizational goals**
After studying the analyzed data, the key findings show that there exists a moderate positive correlation between the different variables assigned for-
- Designing of team building exercises and association with the organization
- Factors affecting the effectiveness of team building, and
- Employee motivation and organization goals

Because the “r” value lies between 0 and +1 at the significance level i.e., p= 0.01 which is assigned as the cut-off value.

Since, all the p-values are below the significant cut-off value that we have set as 0.01, we reject the null hypothesis and accept the alternative hypothesis. This implies that these exercises do effect the team effectiveness which means that the research is significant and accepted.

5.3. Reliability Analysis

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Cronbach’s Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team Building</td>
<td>0.902</td>
<td>4</td>
</tr>
<tr>
<td>Factors affecting the team building effectiveness</td>
<td>0.947</td>
<td>11</td>
</tr>
<tr>
<td>Employee Motivation and Productivity</td>
<td>0.931</td>
<td>6</td>
</tr>
</tbody>
</table>

- 4 items were considered under the construct “team building” namely- importance, designing, success and association.
- 11 items were considered under the construct “factors affecting team building effectiveness” namely- conflict management, understanding, respect, group size, leadership, social media, interpersonal communication, problem-solving ability, intellectual flexibility, trust and organizational commitment.
- 6 items were considered under the construct “employee motivation and productivity” namely- motivation, strengths and weaknesses, innovative, organizational goals, personal goals, belongingness and sincerity.

The above table shows the reliability statistics performed on the study. The questionnaire items for this study were borrowed from TAQ and TEQ 2.0. Cronbach’s Alpha is used to calculate the reliability of all the mentioned three constructs which is an indicative measure to estimate the inside consistency of the whole scale i.e., it is used to estimate the reliability of all the constructs on each other.

The reliability of the 4 items take for the construct “team building” is 0.902. The reliability of the 11 items used for the construct “factors affecting the team building effectiveness” is 0.947 and the reliability of the 6 items used for the construct “employee motivation and productivity” is found out to be 0.931.
Higher values of the Cronbach’s Alpha show that the overall reliability of the all constructs is very good. All the items of the respective constructs are highly reliable on each other which results in the effectiveness of the team building exercises.

6. Conclusion:
Analysis performed on the data shows that there is a significant impact of team building exercises on the effectiveness of a team if these exercises are conducted on a regular basis. These exercises are only beneficial for those who are attending these exercises. There exists a direct relationship between participating in team building activities and the effectiveness of a team. Various factors contribute to the effectiveness of team building processes such as trust, respect, problem-solving ability, intellectual flexibility, leadership, effectiveness interpersonal communication and many others. The organizations must take these factors into consideration for better results of the team building exercises. By performing these activities, the employees feel motivated which helps them to achieve their personal goals as well as organizational goals. The motivated employees have a very positive outlook towards their work and organization as compared to the ones who are less motivated. This shows that by participating in these exercises also have a very positive effect on the employee motivation and productivity of the teams. Team building interventions prove to be highly productive for an organization if designed and conducted properly.

7. Suggestions:
Beneath mentioned are a couple of suggestions with regard to the performing of “Team Building Exercises” and how these sessions can bring about the effectiveness of a team in an organization:
1) Team building exercises must be conducted on a regular basis in an organization for the developmental purpose.
2) These exercises should not deal with any sort of punishments as this may lead to a negative effect on the participants.
3) These kind of exercises must be designed and conducted properly in order to yield positive outcomes as the success of these exercises is dependent on its effective designing. Poorly designed team building exercises may lead to the failure of these exercises which may also affect team structure and team effectiveness.
4) Well planned follow up workshops should be conducted on a regular basis after the one time conduct of these exercises for successful team building process and team effectiveness.
5) For these exercises to prove to be truly effective and to get the extreme outcome out of it, it is important to incorporate these with real-time work goals.
6) The effectiveness of these team building exercises can be enhanced in the long run if the organizations make these exercises a part of the general organization structure.
7) Team building should result in actionable ideas to help motivate the employees achieve their personal goals which will ultimately lead to successful achievement of organizational goals as well.
8) Distinctive team building sessions must be planned inside and outside the organization in order to build a superior comprehension among the colleagues.
9) Team building exercises must be designed in a way where employees feel a sense of belongingness to the organization and where all ideas are welcomed with equal respect.

8. Limitations:
There were several problems and challenges encountered while conducting the research which are mentioned below:
1) Time span: - Time limit was a major constraint in conducting the study.
2) Proper response: - People also did not give proper and true response for questionnaire due to lack of interest and time.
3) Small sample size: - Another challenge was selecting a sufficient number of participants for filling in the questionnaire.
4) Methodology: - In terms of the methodology chosen, the limitation was because of small sample size due to which the data collected and the findings could not be explained on a broader scale.
5) Lack of data: - As the responses were collected through online survey, the probability of any additional information which could be gathered through face-to-face interviews was not possible.
References:


An Analysis of Virtual Performance Management System and its Impact on Employee Productivity

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Abstract: The need for an advanced tool to track employee activity has been in demand globally for a significant period of time. As more and more companies are investing in information technology to help them with this challenge and with the increasing competition in market, it becomes more imperative for organisations to come up with new innovations and ideas to improve upon the existing performance management system. In the present times, more and more organisations have been looking to track employee behaviour and enhance performance with the use of a virtual performance management system, or e-performance management system. Large organisations are waking up to the reality of incorporating the features of information technology to form a more consolidated and prevalent performance management process. This paper attempts to study and analyse virtual performance management system and how it affects employee productivity.

Keywords: Virtual PMS, e-PMS, e-compensation, employee performance.

1. INTRODUCTION

In the last decade, HRM has seen some major transformations, including the digitization of some significant HRM functions like performance management system and compensation process. Automation, computing and web technologies have made it possible to create an effective and vast framework for electronic HRM (e-HRM) applications. The transformation of the performance management system in organisations to a virtual one has been a crucial shift and remodelling in HRM practices. With more growth of this system expected in the future, applications of cloud-computing and HR analytics are gaining traction and are being used in the formation of this virtual system. Any constructive performance management system tends to uplift the overall performance of an organisation and that is what the e-performance management system proposes to do.

(Ravisha B) The escalating competition in the market, the ever-evolving technology and process re-engineering have forced businesses to rethink the conventional employee & organisational practices and competency. To create new scopes for the business and to improve employee productivity and accomplishments, stakeholders and organisations are using virtual or e-performance management systems for monitoring in a more effective way. It is a web based tool which makes the evaluation and management process of the workforce easier. Through the execution of this system, the performance management process gets re-focused in the hands of the managers. The general goals of the organisation and individual goals are connected through a virtual network which helps to assess the progress of work from the lowest level of the individual, to sub-divisions, to higher departments and finally to the organisation as a whole.
In current times, it is all the more important for organisations to develop an independent virtual performance management system to handle the global economic slump. Virtual performance management system can help save resources, find solutions to amplify labour force and manage performance all the while maintaining the brand image, employee knowledge, skill and intellectual capital.

2. Key Features of Virtual Performance Management System

(Rondeau, 2018) According to Rondeau, an integrated virtual performance management system helps in measuring performance, to accumulate and record reviews, and to give employee feedback. E-performance management system provides elaborate assessments of employee performance and amalgamated reports of employee feedback.

It enables effective comparison of performance of particular employees and also helps in keeping count of the number of hours spent on work, tasks completed, errors made, inactive time spent, etc. through employee monitoring which helps to construct a better supervisory control at the workplace. In a physical environment, it is only possible to manage a limited number of employees but in a virtual environment, the possibilities of managing a larger workforce are endless.

Intranet systems created through e-performance management system can be used to accumulate feedback given by multiple raters. In other words, it helps in including the views and perspectives of multiple evaluators.

Various group-level and unit-level activities in the organisation can be tracked and compared through this system with respect to many criteria such as punctuality, attendance, any disservice or complaint, complacency and yield of the business. The data collected through the system can be used to analyse HR problems, expose any discrepancy in the rating or even bring remarkable employee performance to the notice. HR analytics is also a very important aspect of virtual performance management system which can be effectively used by managers to collect information about performance of employees and to resolve issues and track outcomes.

Another positive aspect of virtual performance management system is that it been found that employees respond well to computerized feedback as it makes them feel more involved in the performance assessment process.

Employees can be remotely assessed from anywhere and anytime. Physical presence of employees is not essential while evaluation of their performance. Virtual performance management system ensures that the geographical location of employees is not a barrier and that employees stay continuously connected through the virtual network.

E-compensation systems, which form an integral part of virtual performance management system, help in reducing managerial costs and the quantity of time and effort spent in compensation planning. This system of compensation has successfully led to the automation of the payroll system, the comparative analysis of compensation process with respect to employee performance assessment and amalgamation of compensation and benefits to employee self-serving systems, which means that employees are able to view benefit options and select benefit plans online. It provides amenable benefit packages which can be modified by the employees according to their needs through the self-service feature of the system.

Other than that employees can also have access to personnel data, which comprises of performance-related data, engage in open enrolment schemes and sign up for further training and development. It ensures that the incentive system is appropriate and fair, which is only possible if employee performance matches the salary allocated to them. The employees also benefit and have greater satisfaction from this system as it offers them a clear and fair interrelation between performance and reward. An e-compensation system which provides a univocal and uncomplicated link between the presentation of employee behaviour or outcome and the delivery of the reward as a direct result of said behaviour is more likely to be favoured by employees.

3. Drawbacks of Virtual Performance Management System

Implementation challenges can hinder the application of a virtual performance management system. It also requires a certain amount of time for employees to adjust and accept a new system or change rather than the traditional one already in place.

Since physical presence is not required for a virtual system, it becomes laborious for head officers to manage the people working under them as they cannot assess the problems that the employees are facing, their behavioural patterns and also the areas in which they particularly stand out. An electronic system reduces the need to perform tasks in teams, therefore, it also becomes less advantageous for the organisation if there is no cohesiveness among its various levels of hierarchy of individuals.
Sometimes, overemphasizing the outcomes and results because of a virtual system can create undue pressure among employees to hone their abilities. It may also lead to unhealthy competition in the office if some employees profit from this system while others do not.

While monitoring employee performance, virtual performance management system can decrease the level of satisfaction of employees and cause consternation if the employees’ behaviour and goals setting are being rigidly supervised. It may lead them to think that their privacy is being invaded to an extent or that their freedom and autonomy is being limited. Computerized feedback can also decrease employee motivation as compared to feedback coming from a supervisor, especially if the feedback is negative.

A virtual performance management system also creates a gap between the supervisor and employee interactions if the supervisor is heavily depending on computerized information to manage performance and not engaging in face-to-face questioning and probing. When a scenario like this occurs, with declining face-to-face communication among employees and managers, employee behaviour, motivation and performance may be affected.

The self-service system used by employees in e-compensation planning can only be operated if the employees have had prior and adequate training. There is still an on-going need for HR to explain the benefit options to the employees which is not possible with the self-service system as it is a one-way communication where employees are unable to put up inquiries or suggest schemes.

4. Comparison Between Traditional PMS and Virtual PMS

(Modern Performance Management - Why companies are rethinking the annual performance review, 2016) One of the traditional performance management practices still in use in some organizations is the performance review rating score. Although most organizations have completely transformed the evaluation process to make it more digitized, some companies still use the performance review rating score method to review their employees’ performance. Many managers face difficulties while using this method as it is unnecessarily time-consuming, does not improve employee performance to a high extent, takes too long to achieve goals and is more prone to delayed feedback which is unprofitable. Moreover, training and coaching programs are not emphasized enough in this process and review rating can result in some unhealthy competition among colleagues in the workplace when in fact employees need to cooperate with each other to get better results. This can also cause employees to feel discouraged. However, this process is still in use in companies because it allows documentation and tracking and is useful for instruction of distribution of rewards. Administrative and labour agreements in organizations are also factors because of which this practice is still in use.

(Payal Vasudeva, 2017) However, traditional performance management systems are insufficient because they cannot focus on employee growth. They are not focussed on fulfilling individual goals rather are more concerned with achieving the goals of the entire business as a whole which can be harmful for organizations in the long run. Traditional performance management systems are also more focussed on the past rather than the future in terms of opportunities for business growth.

Virtual Performance Management System can, however, achieve a multiple number of goals, both individual and organizational, which is why it is being adopted so rapidly in the present scenario. (Lee-Emery, 2014) states that there are four features of online performance management system which sets it apart from the traditional performance management system. First, goal calibration is properly managed, goals are well defined and they are accomplished at a faster rate. Second, participation of employees has escalated due to virtual performance management system and managers have become more involved in the training process. Third, dilemmas arising out of performance management are being dealt with more quickly than in traditional performance management system. Fourth, organisational development designing and planning is becoming more apt with virtual performance management system than from performance review rating done in traditional method.

Virtual performance management system has the ability to make the performance evaluation process speedier for the managers as well as employees. It is being more favoured now because it completely terminates all the discrepancies of the traditional performance management system and gives better results which are crucial for handling of the fast-growing economy of the present day.

5. Literature Review

Applications, Models & Theories of Virtual Performance Management System:

According to (Tejshree D. Chungade, 2016), with the advent of digitalization, virtual organisations have been developed in the last few years, geographically dispersed across the globe. It is often referred to as
virtual office, or virtual teams. Performance evaluation in the case of virtual organisations in some spots is done by Domain Driven Data Mining (D3M) method using 360 Degree data mining, which is a hybrid automated system and a virtual technique. This data mining technology is built by making a certain sequence or order drawn from employee performance database. Another process called Sentiment Analysis is done to track and judge behavioural pattern of employees and their inclination towards the work and the organisation. Both these processes are subjective measurement tools for the evaluation of the main factors that affect employees’ performance in any industry that functions virtually, for example, IT industry or companies which offer work from home option to its employees. This, therefore, is a perfect example of the successful implementation of e-performance management system in a digital age.

According to (Gamage), some virtual teams make use of ICT tools for the purpose of knowledge transfer, retention, consolidation and documentation. In such environments, a technology called Agile Methodology is used to monitor the performance of the virtual team and the status and direction of any project at any point of time. Communication tools such as online discussion boards, web logs and employee intranet are used to connect and track the work movement. Various software tools such as Basic Communication Technologies, Enterprise Software Technologies and Group Collaboration Technologies are used to monitor performance.

(Nader Ale Ebrahim, 2009) suggests that the performance management of virtual teams should be done in such a manner that they have a clear picture of their job responsibilities and accountabilities. Proper positioning of team members makes it easier to evaluate them and if employees in virtual teams are placed in a proper, virtual team structure, they can work more consistently taking assistance from each other and their managers while performing their duties. An e-reward system in a virtual team is quite significant as it motivates employees to achieve higher performance levels, meet deadlines and coordinate to work more passionately towards goals.

According to (Gera, 2013), studies show that performance of virtual teams is more highly productive than that of physical teams, especially if the workforce comprises of people with different cultural backgrounds. Studies also showed that managers in a virtual organisation are more effortlessly connected to employees than in a physical environment. Technological advancement also plays a major role in the effectiveness of virtual teams, hence, affecting their management systems in a positive way.

(K. Karunakaran, 2018) proposed another model for virtual performance management system is the Free Form Evaluation Online System. This system was initiated and built for large organisations with substantial amount of employees comprising the workforce. Self-evaluation is the core part of this system wherein some employees are able to assess themselves, their co-workers and even their heads while others are not. This system is adjustable and flexible to draw up an outline or plan for any situation.

(Bahaudin Mujtaba, 2005) states that modern managers are making use of ICT tools to cope with the evolving circumstances in the area of evaluation and assessment. Some of these systems or tools are supply chain management systems, customer relationship management systems, enterprise systems, and knowledge management systems. Knowledge management systems in organisations have been able to harness and utilize existing technology and resources to virtually interact with employees which enables managers to organise, plan and control their duties. Furthermore there are various control systems and processes developed by IT teams in organisations to assess the performance.

(Abdulaziz Al-Raisi, 2011) mention in their research the Technology Acceptance Model (TAM) which was developed by Fred Davis and Richard Bagozzi. The model defines the two concepts of perceives ease of use and perceived usefulness of any user when exposed to new technology. (Abdulaziz Al-Raisi, 2011) use the same model to measure the rate of user-adoptive and satisfaction while using e-performance management system in some UAE organisations. They theorize that the quality of the virtual performance management system is a major factor to determine the ease of use by employees. If the e-performance management system works efficiently, it is more likely that it will be adopted quicker by the workforce and play a significant role in developing and sustaining employee productivity.

According to (Fitzpatrick), there are many existing interventions and strategies used to monitor the performance of virtual teams, which can be adopted by organisations in the present day. (Fitzpatrick) gives the example of a virtual Balanced Scorecard, an inclusive evaluation process which sets the goals of projects and oversees business priorities. It also helps to analyse the growth and profits incurred by any company and helps to study the user satisfaction suggesting areas for improvement. Feedback from customers assists the managers to assess the performance of their virtual teams, to create a level of transparency and to reward their employees accordingly. Supervisors who maintain a steady flow or passage of information through an interconnected virtual network also contribute in enhancing employee performance.
(Doreen A. Njeje, 2018) mentions in his research how Human Resource Information System (HRIS) has emerged as the latest trend in Human Resources because of the growing need and influence of Information and Communication Technologies (ICTs) and has been swiftly adopted in the Sacco Industry in Kenya. This system helps in collecting and analysing data and performing various functions like employee recruitment and selection, managing employee IT systems, employee salary administration, pension and benefits package and plans management, tracking employee responsibilities and goals fulfillment and job analysis. The existence and development of HRIS has greatly contributed to e-performance management resulting in more efficient functioning of organizations and its employees and strengthening the relationships of its workforce. According to (Santhamma, 2014), Opinion Mining is another virtual performance management tool that can be used to monitor employee performance and constantly find solutions for improvement. Opinion Mining is a method with the application of which information can be collected through gathering people’s opinions in the form of clustered or unstructured feedback and then processed to derive meaningful groups of feedback using virtual processes and algorithms after which certain patterns and relationships of employee behaviour and performance can be drawn and classified. Support Vector Machines (SVM) are also used for classification of data so that patterns can be studied and conclusions can be drawn for performance improvement.

(Mohammad H. Danesh, 2013) suggests a framework or a model for performance management in Service Oriented Virtual Organisations (SOVO) that proposes an inter-organisational performance management process which includes certain performance indicators to help in the evaluation. The performance management system design consists of three layers, namely, i) Value Network, which helps and measures the organisations’ ability of value creation, ii) Collaboration Performance, which helps in fair and unbiased interactions among colleagues from low-level to high-level in virtual organisations and iii) Service Performance, which helps in monitoring the effectiveness of services provided by the organisation and the number of goals and priorities fulfilled by the organisation. According to (Payal Vasudeva, 2017), a more data-driven approach to performance management is on the rise with digital advancement. Since data is objective, it allows for fair and unbiased evaluation and for the introduction of new initiatives at the workplace. Machine learning and new digital tools can assist in making that possible. Nowadays, artificial intelligence and other new softwares are making it viable for leaders to give real-time feedback. For example, Twitter and Intel are using a crowd-sourced goal-setting technological process that allows interaction between employees who can then regulate another’s customized goals and give real-time insights into the progress of each other’s tasks.

According to (Martin, 2017), an IT Supported Performance Management System (ISPMS) or operation and transaction based systems can benefit an organisation because they resort to using IT tools for the process of tracking performance. Enterprise Resource Planning (ERP), Supply Chain Management (SCM) and Customer Relationship Management (CRM) tools are currently in major use especially in the private sector. Many other IT models of performance management systems are being crafted by organisations to help them in organisating and planning. Drawing an outline of a virtual performance management system has many attributes to it. It relies on many factors which affects its functionality and the purpose for which it is designed. The structural framework of the organisation, the various business strategies, technical support, type of organisation and process for blending of numerous work cycles in the organisation to build a network are some of the factors that matter in the building of an effective virtual performance management system.

6. The Impact of Virtual PMS on Employee Productivity

When the terms performance and productivity are used in the workplace, they can be interchangeable or synonymous as they are directly interdependent on one another. If there is a boost in productivity, there will be improvement in the performance of an employee. An employee’s productivity can be dependent on multiple determinants, which can either uplift or hinder his or her performance. These determinants can include whether the employee has enough coherence of the goals and objectives of his work which can then proceed to better execution of the work. The rewards and appreciation of the work done by employees is also very important in deciding the level of productivity at the workplace, as when the employees’ perceive that their contribution has been rewarded, it makes them more motivated to work. Whether the management system provides satisfactory career opportunities for employees should also be considered when estimating the performance of employees. It has also been found through studies that the channel of communication in an organisation is only constructive if the transmission of information from manager to employees is clear. Therefore, the management system should be such that passage of instructions for work is unclouded and helps the employees understand their work better.
All these determinants should be considered in a successful management system to elevate an employee’s productivity. Ideally, the virtual PMS should be able to facilitate in a way that all the expectations of the employees are met and all these determinants are satisfied to improve employee productivity. To test this theory, a research was conducted to gather information about the repercussions of enforcing virtual PMS on employees’ productivity at the workplace.

7. **Research Objectives**

- To study and analyse Virtual Performance Management System
- To understand the benefits and drawbacks of Virtual Performance Management System
- To study the comparison between Traditional Performance Management System and Virtual Performance Management System
- To examine the various applications and models of Virtual Performance Management System
- To study the effect of Virtual Performance Management System on employee productivity

8. **Research Method**

This research was done by review of existing literature, primary data collected through sources and by the means of an online survey.

**Data Collection:** The online survey was carried out by using random sampling. The data was collected by designing a questionnaire and circulating it among individuals with the help of online tools and media. The questionnaire consisted of 21 questions, all aimed at testing or measuring employees response or reception to the virtual PMS and whether it influences their productivity. The respondents took the survey based on their own experience of Virtual Performance Management System. The survey was focussed mainly on working employees or those individuals who had some experience working in an organisation. The data was further analysed with the help of SPSS.

**Sample Size:** The survey was filled by 90 respondents.

9. **Discussion and Analysis**

1) **Correlation**

**Null Hypothesis:** Virtual PMS does not affect employee productivity

**Alternate Hypothesis:** Virtual PMS affects employee productivity

The relationship between Virtual PMS and Employee Productivity –

<table>
<thead>
<tr>
<th>CORRELATIONS</th>
<th>Employee Productivity</th>
<th>Virtual PMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Productivity</td>
<td>1.000</td>
<td>0.539</td>
</tr>
<tr>
<td>Virtual PMS</td>
<td>0.539</td>
<td>1.000</td>
</tr>
<tr>
<td>Sig. (1-tailed)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Productivity</td>
<td>.</td>
<td>.000</td>
</tr>
<tr>
<td>Virtual PMS</td>
<td>.000</td>
<td>.</td>
</tr>
<tr>
<td>N</td>
<td>Employee Productivity</td>
<td>90</td>
</tr>
<tr>
<td>Virtual PMS</td>
<td>90</td>
<td></td>
</tr>
</tbody>
</table>

- Since the significant value (p=0.000) is less than 0.001, the null hypothesis is rejected. We observe that the correlation of Virtual PMS and Employee Productivity, r=0.539 and that it is a positive association. Therefore, we say that Virtual PMS affects the employee productivity.

2) **Regression**

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Productivity</td>
<td>3.72</td>
<td>0.936</td>
<td>90</td>
</tr>
<tr>
<td>Virtual PMS</td>
<td>3.69</td>
<td>0.895</td>
<td>90</td>
</tr>
</tbody>
</table>
Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.539a</td>
<td>0.291</td>
<td>0.283</td>
<td>0.793</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Virtual Performance Management System

ANOVAa

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
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<tr>
<td>Regression</td>
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<td>22.694</td>
<td>36.07</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>55.362</td>
<td>88</td>
<td>0.629</td>
<td></td>
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</tr>
<tr>
<td>Total</td>
<td>78.056</td>
<td>89</td>
<td></td>
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</tr>
</tbody>
</table>

a. Dependent Variable: Employee Productivity
b. Predictors: (Constant), Virtual Performance Management System

table

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Correlations</th>
<th>Collinearity Statistics</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
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<td>Zero-order</td>
<td>Partial</td>
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<tr>
<td>(Constant)</td>
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<td>0.356</td>
<td>4.603</td>
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<tr>
<td>Virtual Performance Management System</td>
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<td>0.539</td>
<td>6.006</td>
<td>0.539</td>
<td>0.539</td>
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</table>

a. Dependent Variable: Employee Productivity

- The regression analysis reveals that since the Adjusted R Square is 0.283, it shows that Virtual Performance Management System produces a total variation of 28.3% in employee performance and productivity.

Graph

[Graph showing the relationship between Employee Productivity and Virtual Performance Management System]
• From the graph and the analysis, we can conclude that after conducting linear regression and observing the results, virtual PMS has a positive effect on employee productivity.

3) **Reliability**

**Scale: ALL VARIABLES**

<table>
<thead>
<tr>
<th>Case Processing Summary</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cases</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valid</td>
<td>90</td>
<td>100</td>
</tr>
<tr>
<td>Excluded*</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100</td>
</tr>
</tbody>
</table>

a. Listwise deletion based on all variables in the procedure.

<table>
<thead>
<tr>
<th>Reliability Statistics</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach’s Alpha</td>
<td>21</td>
</tr>
<tr>
<td>0.948</td>
<td></td>
</tr>
</tbody>
</table>

• Since the reliability coefficient is 0.948, (it is known that if a reliability coefficient is 0.70 or greater than 0.70, only then it is acceptable), therefore we observe that this test shows a high level of internal consistency for our scale.

10. Results/Findings

• From the study, it is apparent that Virtual Performance Management System does indeed have an effect of 28.3% on employee productivity as is indicated by the regression analysis.
• The correlation analysis shows that it is a positive association, meaning, Virtual PMS affects employee productivity in a positive way and therefore implies that having a virtual PMS would help in increasing employee productivity if it is introduced in businesses.
• The Cronbach Alpha reliability test indicates that the test to assess the impact of Virtual PMS on employee productivity shows a high reliability.

11. Conclusion

• To conclude, Virtual Performance Management System can indeed be a transformation in organisations for the better and a boon for e-HRM practices.
• It will contribute greatly to Human Resources as management processes will become more efficient and reliable through this system.
• It will increase employee productivity in the workplace and offer a better mode of surveillance of employee performance as has never been done before.

12. Recommendations /Suggestions

• Through the research and the survey it is evident that to an extent virtual PMS is very high-yielding in terms of employees’ acceptance of the system and their work in an organisation.
• However, it should be noted that for a better understanding of the system, employees need to be made more aware of its merits. To induct them more fully into the system, prior planning sessions need to be organised by office heads for the purpose of smooth transitioning.
• Opportunities for the growth or development of the occupation of employees should also be made more available through this system. Equal opportunity given to all the workers is a requirement that needs to be accomplished.
• Managers need to coordinate and plan a strategy to reap better results from the virtual system so that the demands and expectations of the employees are met. Organisations should make this their top priority.
13. Limitations & Research Gaps

- There are not enough research papers available on a Virtual Performance Management System. Information regarding the same is difficult to find because of a lack of a fully-fledged model that is functional and currently in use.
- Data of recent years is also unavailable which makes it difficult for gathering facts and figures.
- The sample size is not large enough because the survey could not be properly carried due to the global coronavirus pandemic situation. Since the sample size is small, it would be improbable to deduce concrete conclusions.
- There is also not enough research that has been done in the area of Virtual Performance Management System in the Indian context.

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17 & 18 October, 2020
Department of International Economics, University of the State Fiscal Service of Ukraine and ‘Research Culture Society’.

Opportunities in tourism development in Jammu & Kashmir

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Abstract: Tourism is an important sector of the economy. With its strong backward and forward linkages with other sectors of the economy, tourism has the potential to not only be the economy driver, but also an efficient tool for society upliftment. Tourism industry is one of the largest segments under the service sector of the J & K (J&K) economy. While it is a fact that tourism is a sunrise sector in J&K, primarily because of the tremendous variety and richness of its innumerable tourist destinations, it is also a fact but most of the potential, for its growth has not yet been exploited and much more is left to be desired and lot needs to be done to tap these. There are plenty of opportunities to develop tourism in the region, generate employment and earn a huge foreign exchange. This paper outlines an overview of opportunities for variety of tourism in J&K. Some valuable suggestions are also given to promote tourism and make J &K a prominent destination for tourism.

Key Words: Adventure Tourism, Cultural Tourism, Destination, Economy, J & K and Tourism.

1. Introduction :

India is fast emerging as an important tourism destination in the world. The “Incredible India” campaign which showcases the best that India has to offer to the tourists has now attracted worldwide attention. The WTTC has identified India as one of the world’s foremost tourist growth centres in the coming decade and India is expected to achieve the fastest growth of economic activities via tourism. India ranked 34 in the Travel & Tourism Competitiveness Report 2019 published by the World Economic Forum. Total contribution by travel and tourism sector to India’s GDP is expected to increase from Rs 15.24 lakh crore (US$ 234.03 billion) in 2017 to Rs 32.05 lakh crore (US$ 492.21 billion) in 2028. Total earning from the sector in India is targeted to reach US$ 50 billion by 2022. As of 2019, 4.2 crore jobs were created in the tourism sector in India, which was 8.1 per cent of the total employment in the country. International Tourists arrival is expected to reach 30.5 billion by 2028. During 2019, foreign tourist arrivals (FTAs) in India stood at 10.89 million, achieving a growth rate of 3.20 per cent. During 2019, FEEs from tourism increased 4.8 per cent to Rs 1, 94,881 crore (US$ 29.96 billion). In 2019, arrivals through e-Tourist Visa increased by 23.6 per cent y-o-y to 2.9 million. (IBEF report, 2020)

India is a country of all reasons and all seasons, full of different natural resources and varieties of tourist destinations. India is having a rich traditional heritage, which has created magnificent architectural flairs, temple cities and towns with fascinating glorious monuments. Besides this, India is having a long and attractive coastline, history, cultural diversity, natural variations e.g., hilly areas, sea beaches, deserts, mangrove forest, and many historical and archaeological sites with a huge potential in the scenario of world tourism. India has a suitable climate, improving tourism infrastructure and a tradition of hospitality. India has also the potential to achieve considerable share of the world tourism market. In a true sense, India possesses the essential qualities of ‘Incredible India’ as it is a heaven for all types of tourists. The vast geography and cultural diversity of India provides it with a no of tourist destinations to draw both domestic and foreign tourists and one of the most important and famous tourist destinations of the country is the J & K. All the two distinct regions of the region of J&K i.e. J & K have immense potential for tourism for both domestic and foreign tourists. Kashmir region is blessed by natural beauty and is known as “Paradise on Earth” and Jammu is famous for its temples.
Tourism and tourist attractions are interconnected with each other. According to Lew (1987), “Without tourist attractions, there would be no tourism and without tourism, there would be no tourist attractions”. This argument clearly shows the importance of attractions in tourism industry. Tourist attractions are the rudimentary origins on which the tourism is developed (Lew, 1987). According to MacCannell (1976), any phenomenon could be a tourist attraction if it has three characteristic - a tourist, a site which can be visited and an image which makes that particular site considerable. According to this generalized definition, an attraction would not only restricted to historical buildings, amusement parks and sceneries but also includes services and facilities which gratify tourist have to meet their everyday needs (Lew, 1987). J & K possesses numerous tourist attractions varied in type and appealing to a wide range of interests. The attractions include historical, cultural, archaeological, scenic, climatic, and adventure resources. Such a unique combination of attractions within a single state has no match in the Asian continent, or rarely anywhere else does. As such these attractions offer the diverse opportunities for tourism development in J & K to gain comparative advantage. These opportunities are debated in the next section. The aim of this study is to understand the J & K tourism industry and to find out opportunities of J & K tourism. This paper is prepared with the support of secondary sources like magazines, past literature from respective newspapers, government reports, journals, and magazines covering wide collection of academic literature. According to the objectives of the study, the research design is of descriptive in nature.

2. Discussion:

J & K is a region with substantial tourism potentials. One of the India’s most influential newspapers, The Hindustan times, claims that J&K is undoubtedly a blessed region. In addition to its vast reserves of natural resources, its vibrant culture makes it so much more than just another resource-rich developing region. However, J&K tourism industry has been suffering from a range of issues over the past six decades, including terrorism, natural disasters and political conflict. The state of J & K is a conflict driven state, with a geopolitical disadvantage, which makes the tourism environment very hostile and creating a sense of fear among the visiting tourists and potential tourists as well. (Saqib, 2018) Tourism industry of J & K offers various advantageous scopes for the revenue generation, employment avenues and social development. The stakeholders of tourism industry of Jammu & Kashmir needs to improve its performance and concentrate on the strategic growth and development of this industry by focusing on the various opportunities available in the region as discussed below:

**Adventure Tourism:** - The adventure tourism refers to travelling to exotic, remote, possibly holistic areas for exploration. This is a thrill-based tourism, which involves the physical risks. Cater (2000) comments that ‘adventure tourism is fundamentally about active recreation participation, and it demands new metaphors based more on “being, doing, touching and seeing” rather than just seeing’. We propose that ‘feeling’ could be added to this list as well. Adventure involves effort and commitment, and often mental and physical preparation or training are necessary. The terrain and topography of J & K are very conductive for adventure tourism. Kashmir valley, in that context is a “One Stop Adventure Shop” and offers a huge potential for adventure tourism activities. Kashmir, therefore, offers the keen adventurer with a fascinating range of areas and activities rafting in white water, trekking, mountaineering, skiing, paragliding and other forms of adventure activities. The presence of several rivers Sind, Lider, in the region offers a vast opportunity for white water rafting and Dal lake and Wular lake etc for water sports segment. Gulmarg and Pahalgam for snow skiing; Mount Haramukh, Kolhoi Peak, Amarnath Peak, Sunset Peak, Khilanmarg are famous for mountaineering and in addition, Pahalgam to Amarnath cave, Ferozpur Nala to Danwas, , Gulmarg to Khilanmarg etc. are famous trekking; Moreover, the hot air ballooning is famous in Srinagar. Adventure tourism Infrastructure of international quality should be build and provided to the both domestic and international tourists. There should be no restrictions on use of satellite phones, global positioning system and trekking contour maps so as to promote the adventure tourism of international quality.

**Cultural /Heritage Tourism:** One of the most diverse and specific definitions from the 1990s is provided by ICOMOS (International Scientific Committee on Cultural Tourism): “Cultural tourism can be defined as that activity which enables people to experience the different ways of life of other people, thereby gaining at first hand an understanding of their customs, traditions, the physical environment, the intellectual ideas and those places of architectural, historic, archaeological or other cultural significance which remain from earlier times. Cultural tourism differs from recreational tourism in that it seeks to gain an understanding or appreciation of the nature of the place being visited.” (Csapo, 2012). Heritage tourism, is a part of the broader
category of “cultural tourism”, and is defined as the experience of visiting museums and historic sites getting a sense of “real” history. Cultural /Heritage Tourism is a major pillar of the tourism strategy of the state. J & K is known for its rich cultural heritage and an element of mysticism, which is why tourists come to J & K to experience it for themselves. One can see the influence of various cultures in dance, music, festivities, architecture, traditional customs, food, and languages. It is due to the influence of all these various cultures that the heritage and culture of J & K is exhaustive and vibrant.

Religious tourism: Religious tourism refers to contemporary patterns of visitation to places of religious importance or pilgrimage sites where visitors aim to fulfill religious needs and recreational needs (Rinschede, 1992; Shinde, 2007). This type of tourism is based on the faith and belief. J & K is home to a number of religious destinations. Two most important pilgrimage sites of national importance named Vaishnodevi shrine and shri Amarnath Cave shrine are situated in J & K respectively. The pilgrimage to the former attracts pilgrims from whole of India throughout the year while latter is opened for two months during the year while latter Thousands of people visit these temples throughout the year. Table-1 highlight the total number of tourists visiting Mata Vaishno Devi and Shri Amarnathji Cave Shrine over the period of ten years. The number of tourists visiting the shrine increased from 69.50 lac in 2007 to 77.23 lac in the year 2016. This increase may be attributed to the improved management of the shrine which was taken over by Mata Vaishno Devi Shrine Board constituted in 1986. Thereafter, a lot of work has been done by the Shrine Board to provide accommodation, shelter, sanitation, drinking water facilities to the pilgrims. Likewise millions of Hindu devotees per year visits Kashmir and pay visits to the holy Shri Amarnathji Cave Shrine. As the Table-1 indicates in the past few, the number of tourists visiting the shrine have reflected a negative trend only 2.20 lakh tourist visited shrine in 2016 as compare to 3.72 lakhs tourists in 2015. Religion tourism in the Kashmir valley has also registered considerable improvements during the last few years other pilgrimage sites in J & K are Martand, Khirebhawani, Chatti Padshahi Gurdawara etc. Efforts to promote pilgrimage/spiritual tourism on a larger scale needs to be initiated; presently pilgrimage tourism is confined to two pilgrimage sites i.e. Amaranth yatra and Mata Vaishno Devi shrine. The other pilgrimage circuits need to be identified and developed in such a way that pilgrims and other nature of tourists having spiritual motivation may be provided the best possible opportunities to avail spiritual tourism experiences. Spiritual/pilgrimage tourism products and packages should be professional designed, positioned and priced reasonably so as to boost the pilgrimage tourist inflows. Pilgrimage spiritual growth centers needs to be established across the three regions of the state so as to support and build pilgrimage tourism infrastructure.

Table-1 No of Yatries (in lakhs) coming to Shri Amaranth Cave shrine & Shrine of Mata Vaishno Devi

<table>
<thead>
<tr>
<th>Year</th>
<th>Shri Amaranth Cave shrine No of Yatries</th>
<th>Shrine of Mata Vaishno Devi No of Yatries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>2.65</td>
<td>69.50</td>
</tr>
<tr>
<td>2008</td>
<td>2.13</td>
<td>67.92</td>
</tr>
<tr>
<td>2009</td>
<td>4.98</td>
<td>82.35</td>
</tr>
<tr>
<td>2010</td>
<td>3.73</td>
<td>87.49</td>
</tr>
<tr>
<td>2011</td>
<td>4.58</td>
<td>101.95</td>
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<tr>
<td>2012</td>
<td>6.34</td>
<td>104.95</td>
</tr>
<tr>
<td>2013</td>
<td>6.21</td>
<td>93.24</td>
</tr>
<tr>
<td>2014</td>
<td>3.53</td>
<td>78.03</td>
</tr>
<tr>
<td>2015</td>
<td>3.72</td>
<td>77.76</td>
</tr>
<tr>
<td>2016</td>
<td>2.20</td>
<td>77.23</td>
</tr>
</tbody>
</table>

Source: https://www.maavaishnodevi.org/yatra_

Leisure Tourism: The leisure tourism refers visiting to the tourist destinations for the purpose of enjoyment, recreation, pleasure, relaxation and getting rid from the routine life, neighbours, and coming out from day to day stress. Kashmir has treasure of beauty and great potentials to satisfy the leisure tourists by its lush green valleys, singing waters of rivers, lakes and waterfalls. The best leisure tourist spots of Kashmir are Mughal gardens, Sonamarg, Gulmarg, Pahalgam, Dal lake etc in Kashmir and Patnitop in Jammu.
Film Tourism

Film tourism has also been referred in the international bibliography with the terms “film induced tourism”, or “media induced tourism”, or “movie induced tourism”, or “cinematographic tourism”, or even “media pilgrim” seen as a media pilgrimage (Horrigan, 2009). Hudson and Ritchie (2006), suggest that film tourism is the tourism that is generated as a result of the appearance of a destination or attraction in the cinema, video or television. Films are an important source of entertainment in most of the countries. India is one the countries producing large number of films every year. J & K also has lot of beautiful locations for shooting of films. From “Kashmir Ki Kali” which was shot in Kashmir valley in 1960’s to “Tubelight” which was shot in ladakh in 2016, more than 50 films have been shot in Kashmir. Indian films shot in Kashmir can also be utilized as important medium for promotion of Kashmir as a tourist destinations.

Golf Tourism

Golf is a sports activity that is acquiring a higher boom and diffusion in recent years, due to the boost it has received due to its inclusion in the Rio de Janeiro Olympic Games in 2016, as well as at the next Tokyo Olympics in 2021. Golf is currently considered as the primary sport in the world in terms of financial expenses. Golf and tourism are closely related, so their combination constitutes one of the most critical sectors for the tourism industry. However, younger generations do not seem to be as interested in playing golf as previous generations. Golf is both a sport and a leisure activity, encompassing aspects related to tourism, hospitality and real estate. Tassiopoulos and more complicated than that of the concept of golf tourism, and this is because different classifications of the golf tourist have been made. However, it can be clearly stated that the golf tourist is the person who travels and stays away from home to participate in or attend the practice of the sport of golf (Miguel et al., 2020). Amidst retaining its popularity among mid-budget segment travellers, J & K is also emerging as a high-end tourism destination by branding Himalayan region as a global golfing destination. Golf tourism is the term used to describe trips undertaken by persons for which the main purpose is to play golf. Golf may also be pursued as a secondary activity. Golf is a business sport of the 21st Century destination. Golf tourism is the term used to describe trips undertaken by persons for which the main purpose is to play golf. Golf tourism market is estimated at over US $17 billion with approximately 56 million golfers worldwide. Of this, between 5-10% travel overseas each year, to play golf, making the international size of golf tourism market between 2.8 and 5.6 million. The main source markets for international golf tourism are USA, UK, Japan, Canada, Australia whereas the emerging markets are Taiwan, Malaysia, China and Thailand. For Kashmir, the target markets in addition to the countries above are India’s neighbouring countries, viz., Sri Lanka, Bangladesh, Nepal, Bhutan, Pakistan and other nearby countries like Middle East and Singapore. In an effort by the tourism department to promote Golf Tourism potential of the state calendar 2017 with theme “International Standard Golf Tourism Potential of Kashmir” was released. The calendar, decorated with photographs of picturesque golf course of RSGC, showcases its potential to organize national and international level tournaments. However J & K government is developing and promoting other tourism products like ecotourism, border tourism, culinary tourism and MICE tourism.

Eco tourism: The term "ecotourism" originated in the early 1990’s in response to the growing interest among travellers in enriching their travel experiences through direct contact with th natura environment, living history, and local cultures. According to the World Trade Organizatio [WTO], “tourism that involves travelling to relatively undisturbed natural areas with the specified object of studying, admiring and enjoying the scenery and its wild plants and animals as well as nay existing cultural aspect (both of the past or the present) found in these areas” is defined as Ecotourism. Ecotourism is distinguished from mass tourism or resort tourism by having lower impact on the environment and by requiring less infrastructural development.. J & K has tremendous potential for ecotourism being bestowed with nature’s bounty. The various ecotourism Potential sites in J & K are Jasrota – Surinsar – Mansar (wildlife, heritage, birdwatching, scenic beauty) Nandini – Vaishnodevi – Rammagar (wildlife, trekking, birdwatching, religious, zoo interpretation) in Jammu. Dachigam – Hokersar – Shallbaug (Landscape birdwatching, wildlife, angling), Gulmarg (Landscape, wildlife, birdwatching), Overa – Pahalga (Landscape, wildlife, birdwatching, zoo interpretation) in Kashmir) (eco tourism report, J&K, 2016) The objective of developing eco-tourism facility in J & K is also to uplift people living in rural and remote areas

Border tourism

Efforts to develop tourism across international borders in adjacent border regions have gained interest during the last decades. According to Tobora (2014) Cross border tourism can be defined as the activities of
persons traveling across the broader to stay in places outside their usual environment for a reasonable period of time. State government is focussing on promoting border tourism to attract more visitors to the state. Several places on the border with Pakistan will be developed as tourism destinations on the lines of the Wagah border in Punjab. A tourist facilitation centre, a theme park, a theatre, a walkway, eateries and cafeterias have come up in Suchetgarh border belt in RS Pura tehsil of Jammu district. The government has also plans to develop the border areas in Uri, Rajouri and Chakan-da-Bagh in Poonch among others.

**Meetings, Incentives, Conferences and Exhibitions/Events, or Meetings, Incentives, Conferences, and Events (MICE) tourism:** MICE is a type of tourism in which large groups usually planned well in advance, are brought together for a particular purpose. The state has some of the best venues in SKICC, Clubs at Pahalgam, Gulmarg and Sonamarg which have the capacity to host national, international standard conferences and events.

**Highway Tourism**

There is good network of State and National Highways, which, criss-cross the state and large number of travellers prefer road journey. Because of large geographical expanse of the State, these journeys tend to be quite long and boring. There is a need for creating necessary facilities like hotels, restaurants, picnic spots, water parks etc. along the highways at suitable intervals for the highway travellers to relax. In fact, travellers can be induced to follow certain traffic routes if such facilities are better developed. Highway facilities and wayside amenities are so well developed in some states that this has become the mainstay of tourism. State shall encourage private investors to create such facilities on highways.

**Food tourism:** Food tourism refers to travelling to taste local and authentic foods, join food festivals and experience local and international cuisines (Hall & Sharples, 2003). It is also referred to culinary, gastronomy and gourmet tourism (Okumus et al., 2007). Culinary tourism or gastronomic tourism is a subset of agri-tourism that focuses specifically on the search for and enjoyment of, prepared food and drink, it is vacation for the purpose of experiencing local culinary offerings or it refers to trips made to destinations where the local food and beverage attractions are the motivating factors for travel. Previously overlooked, culinary tourism is an important new niche that fosters economic and community development and new intercultural insights for J & K. One of Kashmir’s popular attractions is its delicious Kashmir cuisine –Wazwan. The remarkable cuisine of Kashmir brings to the fore the culinary expertise of the people of Kashmir. Kashmiri cuisine is famous across the world its taste, flavor and varieties. The government of J&K in collaboration with various state agencies needs to organize the international and national food festivals, which can attract the domestic and international tourists as well as food loving people, which will generate more revenues to the state economy along position Kashmir as a world class food tourism destination.

3. **Conclusion:**

Tourism industry of J & K offers various advantageous scopes for the revenue generation, employment avenues and social development. Tourism industry of J & K has potential of becoming major contributor of state’s gross domestic product. It also offers backward and forward linkages with the other sectors of the State. The stakeholders of tourism industry of Jammu & Kashmir needs to focus on improving its performance and concentrate on the strategic growth and development of this industry. Based upon the analysis of secondary data there is an ample scope for improving the performance of tourism in the region of Jammu & Kashmir. The region has a huge potential for being as one of the top tourist destination in the world. Kashmir has a lot of opportunities to continue to growth its own tourism industry. The tourism development opportunities of the region has been identified and lies in, adventure, cultural, Golf, Film, Eco, Cross border, MICE, Highway and food tourism. These specific areas should be given top priority and developed with renewed zeal and efforts. Adventure tourism should be developed and promoted, especially in Kashmir valley which is blessed with rich scope for winter adventure sports, mountain trekking, snow skiing etc. Adventure tourism Infrastructure of international quality should be build and provided to the both domestic and international tourists. There should be no restrictions on use of satellite phones, global positioning system and trekking contour maps so as to promote the adventure tourism of international quality. Both center and state needs to promote tourism sports such as golf courses, snow skiing, running horse golf, mountain racing, river rafting etc. Efforts to promote religious tourism on a larger scale needs to be initiated; presently pilgrimage tourism is confined to two pilgrimage sites i.e. Amarnath yatra and Mata Vaishno Devi shrine. The other pilgrimage circuits need to be identified and developed in such a way that pilgrims and
other nature of tourists having spiritual motivation may be provided the best possible opportunities to avail spiritual tourism experiences. Religious tourism products and packages should be professional designed, positioned and priced reasonably so as to boost the pilgrimage tourist inflows. Kashmiri cuisine is famous across the world its taste, flavor and varieties. The government of J&K in collaboration with various state agencies needs to organize the international and national food festivals, which can attract the domestic and international tourists as well as food loving people, which will generate more revenues to the state economy along position Kashmir as a world class food tourism destination.

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A STUDY ON FAMILY ECONOMICS: ISSUES AND CHALLENGES w.r.t. Educating a Child

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Abstract: There must be a union of those, who cannot exist without each other, namely male and female and this race continues and this is a union which is formed, not of deliberate purpose, but because, in common with other animals and with plants and mankind have a natural desire to leave behind them an image of themselves. Families are also economic units that share consumption, co-ordinate work activities, accumulate wealth and invest for their families. In the words of Aristotle, it adds that, “The family is the association established by nature for the supply of men’s everyday wants”.

The family system in India is as old as human race on the earth. The role of the family system is drastically changing from time to time. India has a strong foundation which has been laid down with the family bondage irrespective of macro or micro families. In the olden days, say, thirty to forty years back, the marriage system has great prominence and created bondage among the wife and husband, sticking to the promises made and leading a life which contributes to the growth and development of economy of our country.

Today, the scenario is completely changed when compared to yester years. The increase in divorce rate, financial independence among men and women, postponement or avoidance of pregnancy, child mortality is bringing lot of changes in the family scenario. The unity among family members is reducing due to nuclear style of living and self-centeredness among every individual. The technological changes, opportunity of employment to both men and women, educational qualifications is contributing to competition in the labor market. There is a higher turnover and some individuals transit through several marriages, being single during large part of their life.

In this context, it is imperative to study about family economics and the issues and challenges in the present scenario.

Key words: Economics, Family, Marriage, Education and Employment.

1.0 INTRODUCTION:

“Family Economics” refers to a group of two or more persons who live in the same dwelling and are related to each other by virtue of relationship they are holding, may be either blood relation, marriage, common-law union, adoption or a foster relationship and the budget spent in running the expenses of the family in satisfying the basic as well as esteem needs sometimes.

Family economics is a very new field, a very small literature considers the implications for the other parts of economics. Family is an important element of this world, without whose existence, you cannot feel the existence of world. Family members are the strong components of our families. Children are the reason for the wife and husband and they earn and save for their needs, either education, marriage or any other necessity on their part. Hence, the term economics is closely related to family.

We have seen many families who invested huge money on their wards career, job, entrepreneurship or only on education also. It is a challenging issue to discuss that, how much is the budget of a family on their
child’s education. There are instances where family sold properties to just educate their children for a better future.

The scenario of the present situation is entirely different when compared to older generations. The head of the family is the only earner of bread and all the expenses including education, marriage of their children used to be borne by the head of the family only. Women were not the part of earning, hence women economics was not in the stream. But women was called as the best “Finance Minister” who used to allocate the revenues to the expenses on a priority base and save money for future needs.

Women started working in the mid of 1960s and a challenge is thrown to men to withstand in the competition with women. This competition was spread to all areas such as education, entrepreneurship, business, teaching, profession and employment. The positive aspect is that the financial status of the families raised and the savings, investments increased gradually leading to progress in the economy.

In this context, this paper emphasizes on the issues and challenges of family economics w.r.t. children education and its repercussions on the economy.

2.0 REVIEW OF LITERATURE :

Qvortrup (1994): emphasized on construction of childhood as a space for agency and creativity and the conceptualization of children as both ‘being and becoming’ – that is, not only future adults, but also they are present human beings with their own perspectives and preferences.

Coraso (1997): This literature emphasized that most of the studies of children and poverty reviewed here explicitly place themselves within this perspective drawing extensively on the works of experts in sociology of childhood.

James et al, (1998): opined that the dominant approach in all social sciences was to consider child as empty vessel to be filled with ongoing arguments around the contexts in which they were filled and who filled them.

Levison et al, (2000): they concluded that economics has generally has little to say that children as active agents. It has tended to assume that households have a single preference and utility function formed by the adult members and that children are either consumption goods or investment in the future.

Ridge (2002): focuses on children’s education, income resources, family relations, health, school and future aspirations.

The above review of literature concludes that, children are the center element of discussion for sociologists, considering them either as consumption goods or future investment. An investment to yield returns tomorrow, today we have to make qualitative and careful investment. Same in the case of a child also. Hence, education on children is the central focus of family economics in the present scenario.

3.0 RESEARCH GAP :

The literature review focused on sociology with regard to children and childhood. To make a child into an adult, many sacrifices are to be made by the family i.e., father and mother, who are the real contributors of his life. The research gap is to be filled in, by taking into consideration the relevance of budget in educating a child from pre-school to post graduation, in a country like India.

4.0 STATEMENT OF THE PROBLEM :

Financial resources in our country are limited or less in majority families. The aspirations of a child might be higher, but the income of a parent are not on par with his aspirations. Hence, the statement of the problem is on the issues and challenges in educating an average child in our country.

5.0 OBJECTIVES OF THE STUDY :

Based on the research gap and statement of the problem, the following objectives are taken for the purpose of the study.

1. To focus on the relevance of family economics in the present scenario.
2. To study the issues and challenges faced by the families in education their wards, for a better tomorrow.
6.0 RESEARCH METHODOLOGY:

The study is both primary and secondary in nature. The primary data is collected by issuing questionnaire to the respondents. The secondary data is collected from official websites, OECD digital libraries and articles on family economics. The sample size is 70. Being new concept to many, out of 70 respondents, 58 responded. Descriptive statistics is used for analyzing demographic profile and Likert’s scale is used to analyze the views of respondents based on 5-Point scale: 5-Strongly Agree; 4- Agree; 3- Neutral; 2- Disagree ; 1- Strongly Disagree. Based on the views analyzed by using Likert’s Scale, Statistical tools like ANOVA (one-way classification) is applied to test the hypothesis for the purpose of study.

7.0 SCOPE OF THE STUDY:

The scope of the study is confined to the budget allocated by the families towards children education and the preference given towards spending on education irrespective of child’s passion or preference or capability.

Relevance of Family Economics w.r.t Educating the children

Indian families may be shortage of financial resources, but are rich at emotions, feelings and show a varied attitude and preferences towards child’s necessities and comfort. For educating their wards, they go to any extent for raising funds and educate their wards. The financial status the family plays a vital role in allocating funds on various expenditures, particularly, prioritized areas like education, marriage and other necessities. The study emphasizes on the allocation of family budget towards children education, irrespective of their class i.e. Rich Community, Higher Middle Class, Middle Class and Lower Middle Class and Below Poverty Line. There are instances where the Lower Middle Class and BPL have gone beyond their capacities in raising funds and making their children to get at least basic education. For providing basic education also, they are struggling in raising funds from various financial institutions and un-organized money markets.

Table No.1

<table>
<thead>
<tr>
<th>S No.</th>
<th>Economic Status</th>
<th>Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Rich Community</td>
<td>Availability of enough funds, savings, ancestral funds gifted to grand children</td>
</tr>
<tr>
<td>2.</td>
<td>Upper Middle Class Community</td>
<td>Savings and Investments, Loans</td>
</tr>
<tr>
<td>3.</td>
<td>Lower Middle Class</td>
<td>Loan from banks, Hypothecation of jewellery, chits and hand loans</td>
</tr>
<tr>
<td>4.</td>
<td>Below Poverty Line</td>
<td>Government Scholarships, Reimbursement schemes, hand loans from un-organized money lenders,</td>
</tr>
</tbody>
</table>

Source: Primary Data

8.0 Data Analysis of demographic profile

1. Gender

![Gender Distribution](image)

Source: Primary Data
2. Income Levels

![Chart showing income levels]

Source: Primary Data

3. Occupation

![Chart showing occupation]

Source: Primary Data

10.0 Findings – based on Demographic Profile:

1. The male respondents are 67% of 58 respondents and female are 33%.
2. The higher middle class respondents are 43% of 58, which is highest of all classes of respondents.
3. 46% of the respondents are private employees of total respondents.

Hypothesis

1. H0: Most of the families give preference to their children education in India.
2. H0: Irrespective of their income levels, parents spend their savings and investments on children education from primary level to P.G. level.
3. H0: Loans provided by the Banks and Financial Institutions are encouraging all classes of families to encourage their wards for higher education.
4. H0: Banks and Financial Institutions are coming forward with various educational loans and schemes to promote education among youth in our country.
5. H0: The downtrodden community is facing burden with the fee charged by the schools and colleges, irrespective of Government subsidized fee structures.
6. H0: The major portion of the family economics is occupied by the budget allocation for children education in our country.
Hypothesis Testing (ANOVA – One way Classification)

<table>
<thead>
<tr>
<th>S No.</th>
<th>Statement of Hypothesis</th>
<th>Calculated Value</th>
<th>Critical Value @ d.f.15 LoS – 5%</th>
<th>Accept/Reject Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Preference towards education at all levels</td>
<td>4.121</td>
<td>2.902</td>
<td>Hypothesis is rejected</td>
</tr>
<tr>
<td>2.</td>
<td>Income Levels</td>
<td>2.143</td>
<td>2.901</td>
<td>Hypothesis is accepted</td>
</tr>
<tr>
<td>3.</td>
<td>Encouraging Higher Education</td>
<td>5.124</td>
<td>2.902</td>
<td>Hypothesis is rejected</td>
</tr>
<tr>
<td>4.</td>
<td>Provision of Loans</td>
<td>4.136</td>
<td>2.901</td>
<td>Hypothesis is rejected</td>
</tr>
<tr>
<td>5.</td>
<td>Burden of heavy fee</td>
<td>2.013</td>
<td>2.902</td>
<td>Hypothesis is accepted</td>
</tr>
<tr>
<td>6.</td>
<td>Major portion of Budget allocation for education</td>
<td>2.021</td>
<td>2.901</td>
<td>Hypothesis is accepted</td>
</tr>
</tbody>
</table>

Key Findings of 58 respondents’ views

- Giving preference to education by the families depends on the circumstances, financial position, interest towards family business of the children. As per these factors, investment on education depends.
- There are instances where, many families in India spend a lot on education of their wards, irrespective of their income levels. This need enables to go for loans, hypothecation of Jewellery and raising chits for educating children.
- Many of the families raise loans to educate their wards giving higher education in abroad. They even hypothecate property in sending them abroad and provide education.
- The banks and financial institutions provide loans to facilitate education in India is on a marathon race since a decade. EMIs system paved way making education easy at the door step.
- Consultancy service centers are taking the responsibility of providing information about loan facility, visa support, Universities information and so on.
- At the same time, the other side of the coin, shows that many below the poverty line parents are not able to provide quality education to their children as family earnings are not sufficient to provide basic needs, hence giving quality education to their children does not arise.
- Inspite of raising prices, limited financial resources, (though both genders are working), in many cases, major portion of the family budget is going towards educating their children.

11.0 Conclusion:

Based on the findings, the following conclusion is made.

The family system of India is very old with many traditions, culture, sentiments, emotions and attitudes. Economics deals with money. Family Economics deals with balancing between our desires, emotions and feelings as per the budget available with us. But this equation may not be same at all times, in all cases.

A lower middle class parent may not make his son/daughter to get educated in an International School, but at the same time, he can go according to his pocket and provide them education in an ordinary school with in his locality. At the same time, if he is strongly desiring, he may go for a loan, hypothecation or end up with some debts and educate his wards.

A rich family may not bother whether their children gets education in a convent/international school/public school, they shell down amount to show their status in many cases.

A middle class and a higher middle class family takes as a prestige issue and go for loans and educate their children, irrespective of their earnings.

In all the above discussed cases, it is observed that, spending habits are associated with status, desire and strong feelings or beliefs of parents or family members.
Hence, family economics is a complex phenomenon that addresses the issues of money that has to be spend by the parents or family members to satisfy their needs, whether basic or esteem.

12.0 Suggestions:

Based on the conclusion, the following suggestions are given.

- Family economics should be emphasized as a branch of economics dealing with family budget, allocation and appropriation of revenues and expenses.
- Education cost should not become a burden for the parents to afford.
- Insurance companies should come with more schemes that makes education available to middle, lower middle and below poverty line with ease.
- Educational stocks/bonds/securities are to be introduced with maturity throughout the period of education, which may reduce the burden of parents, from lump sum investment at a time on education.
- Parents are to be given awareness on planning their finances to meet the educational needs as and when required.

13.0 Scope for further Research:

Economics is a universal subject that deals is required by the entire world, irrespective of the growth, development and prospects. Family system of India has great history and the bondage among the relationships make them to spend, irrespective of their financial status. Hence, Family Economics is a new area in the field of economics, that is contributing to the research and expanding its domain on various issues other than education, such as, children marriage, construction of house, managing retirement funds, meeting unexpected expenses and so on, that are relevant and required by a family.

REFERENCES:

Ease of Doing Business and its Significance in Indian Economy

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ABSTRACT: In today’s competitive Global World, every progressive nation has high focus on attracting foreign investment and improve the economic growth. In this context, the Ease of Doing Business (EODB) index of the World Bank is gaining importance as it gives a fair indication of the Business Climate in the country. Previous research has indicated that high EODB score gives a reflection of business-friendly ecosystem and has an association with FDI inflow globally, which is very relevant in the current context to India that is moving towards a 5 Trillion Dollar economy and self-reliance. This study aims to investigate the influence of Business Climate in enhancing the Indian economy and investigates the impact of EODB scores on the foreign direct investment (FDI) inflow and Gross Domestic Product (GDP) per capita income. Using the secondary data published by the World Bank on EODB, a quantitative study was conducted using regression. This research paper aims to examine the influence of FDI inflow on the Indian economy, particularly after recent reforms by Modi Government to position itself as a hub for business in this global World for competition for FDI. Based on the data of 149 global economies, published by the World Bank for the period 2016 to 2019, our results suggest that overall EODB scores have positive effect on FDI inflow. The results conclude that Exports value and availability of land and labour resources have high association of FDI inflow. The results also conclude that EODB score and FDI inflow has significant influence on the GDP per Capita income and finally, the results also conclude that there is a significant effect of the FDI inflow, imports and exports value on the Nation’s total GDP value.

KEYWORDS: Ease of Doing Business, EODB Score, International Business, Business Climate, Self-Reliant India, globalization, Competitiveness, FDI, Make in India.

1. Introduction:

The World Bank has been publishing the Ease of Doing Business (EODB) scores and Indices for global 190 economies since 2005. Doing Business covers 12 areas of business regulation and out of these, ten parameters shown in Figure 1 are used for the EODB scores and indices computation.
The scores of each of these parameters are calculated based on various related factors like time and cost which makes it either easy or difficult to do business. The EODB score helps in assessing the level of regulatory performance and is reflected on a scale from 0 to 100, where **score of 100 represents the best performance**. The EODB rankings are then determined by sorting the aggregate scores of 10 topics and economies are ranked on their ease of doing business, from 1–190, **where 1 signifies a high ease of doing business** and signifies that the regulatory environment is more conducive to business. Top rankings indicate a better and simpler regulatory environment and country with 1st rank is regarded as country with business-friendly regulations. The **ranks are inversely related to the scores and the country with 1st rank (highest EODB score value)** is considered to be the best economy to do business (The World Bank Group, 2020).

The last Doing Business 2020 report was published by the World bank in 2019 and New Zealand was ranked at 1st position, while **India was ranked at 63rd position**. India’s ranking in the Doing Business Report has **improved from 131st position in 2015 to 63 in 2019 with an impressive 29% improvement in the EODB score over 4 years. With 14 ranks rise, India now stand at 63rd position, among 190 countries, making it the one of World’s top 10 most improved countries for the third consecutive time in 2019.** The significant jump in the global index acknowledges the fact that India has improved on various indicators of Business Climate (Adhana, Deepak, 2019). The consistent improvement in EODB rank and score is encouraging and gives high hope that India would soon reach top 50 rank in EODB globally (Bhargava, 2019).

The study by (Govindan, 2019) concluded that India has been successfully implementing various major reforms which contributed to increasing foreign direct investment (FDI) inflows in India acknowledged by foreign investors. The consistent good initiatives by the Modi Government and recent reforms would help to improve the Business Climate and would attract the foreign investors in outsourcing / out-flagging part of their business in India though investments. For developing economies, FDI inflow is an important factor to increase the economic wealth and integrate itself with the Global World. The FDI inflow has been accepted by most political leaders as positive to development of the country and it can generate a vast amount of local employment and also improve the standards through technology transfer and research. In their study of FDI inflow in 6 Asian countries by (Shahadan, F., Sarmidi, T., & Faizi, 2014), the researchers rightly state that India has a huge location advantage and it also offers a huge talent pool, which can help in attracting foreign investors keen to manufacture their products at lower costs and market them around the World through a strategic hub.

The need for improving EODB has never been more pressing in India than now when the ambitious mission of ‘Make in India’ requires transforming investor attractiveness of the country as rightly stated by (Jotwani, 2016). As India integrates into the World economy, there is a need for it to reposition itself as a globally supplier of reliable and better products and services at lower prices. India has come a long way to become a globally-oriented economy where it has a resource advantage over other nations (Sheth, 2004). With the latest “make for the world” slogan by the Prime Minister (PM) Mr. Modi, the objective is to offer high quality products and services at globally competitive prices. Especially after the Covid 19 pandemic, there is a need as well as opportunity to make products in India rather than depending on imports. This would also help India to provide employment opportunities to Millions.

The objective of this paper is to study the relationship between the EODB scores and the FDI inflow. The paper further explores the relationship between FDI inflow and the economic growth measured with one of the key indicators Gross Domestic Product (GDP) per Capita income. The 10 EODB parameters used by the World Bank in its EODB index are used as the base for this study on the Business Climate and Nation’s economic growth (GDP per Capita).

This study is broadly in two parts: First, we examined 10 key economies including India and try to analyze various economic parameters graphically for 4 consecutive years. Next a regression analysis was used wherein, the global EODB score data is analyzed for to understand its association with the FDI inflow. In addition to the EODB parameters, impact of factors like Exports and resources like land and labour supply were also evaluated on the FDI inflow. Finally, the correlation between the FDI inflow and GDP per Capita income was established through regression analysis.

### 2. Literature Review:

India is undergoing various reform processes which will improve overall Business Climate which is vital pillar of Make in India which will boost manufacturing sector in India. The researchers (Gaur & Padiya, 2017) have analyzed India’s rank in EODB index and highlight the various reforms initiated by Government of India to improve Business Climate in India. In her study, (Sangwan, 2015) analyzed that there is high
correlation between Industrial Production and FDI inflows. She rightly states that to gain investor confidence and attract high FDI in the future, there is a need to enhance infrastructure through investment in highways, ports and power plants in India. (Natarajan & Raza, 2017) states that a business-friendly ecosystem is a prerequisite for the growth and development of a nation and (R. Geetha, 2016) further pinpoints a need to find solutions to issues including Land acquisition, Infrastructure, and employability. The study by (Govindan, 2019) concluded that India has successfully implemented various reforms in the recent years and the improved Business Climate is acknowledged by foreign investors and being reflected in the rise in FDI inflow. In their paper, (Singh, Anjali, 2018) rightly state that there has been a paradigm shift in the approach towards governance as the government has unveiled various key reforms aimed towards improving the Business Climate in India and further adds that Make in India campaign will be able to achieve its objective of transforming India into a manufacturing hub. They have proposed 5 pillars of Make in India namely: New mindset, new sectors, New infrastructure and new processes that would help in improving the EODB further. India has always been perceived as an economic power house and now it is among the top 5 fastest improving economies in the World which clearly is the result of various reforms launched. This study by (Jovanovic, B., & Jovanovic, 2013) investigates if EODB scores affect FDI investments in 27 ex-socialist countries and concluded that that investors are discouraged by bureaucracy and often turned away from investment.

MAKING INDIA GLOBALLY COMPETITIVE

In his paper (Dhawan, 2013) had stated that India is now focused on self-reliance, which would help India to increase domestic production by import substitution, which would help in economic as well as social growth. (Sheth, 2004) rightfully presents his perspective that India is destined to become a major economic power in the 21st Century and to be globally competitive, Indian industry needs to invest in quality and reputation. He adds that India needs to reposition itself to offer better products at lower prices and exports products to demanding markets to demonstrate success as a globally competitive economy.

In this digital era (Banga, 2019) states that a Digitally-Informed Foreign Trade Policy to improve India’s digital infrastructure for trade and promote the use of data analytics and digital technologies. Increasing digitalization can greatly enhance trade competitiveness and data analytics would benefit to analyses the demand-supply in efficient manner. In his paper, (Raj, 2018) suggests that the skill development, labor reforms, innovations and regulatory change to EODB can accelerate development of the manufacturing sector. Indeed, under the able leadership of Mr. Modi, India is moving in the right direction and speed to become a global superpower and a further push in Digital India, Skills India and other good initiatives would help India to achieve its goal of becoming self-reliant and India can soon be a global supplier of high-quality products.

After China, India has 2nd largest number of Micro, Small and Medium Enterprises (MSMEs) in the World. India’s 1.3 million MSMEs contribute to 40% of exports and 45% of manufacturing output as per (Nath & Barman, 2012). In their study, (Chary & Rao, 2016) stress that the MSMEs play a pivotal role in the economic and social development and further adds this sector has shown admirable resilience to survive the recent economic downturn and contributed significantly to India’s industrial growth.

Research by (Prime et al., 2012) identifies reasons for the large differential in FDI received by China over India. They state that the establishment of the special economic zones in southern China in the early 1980s provided incentives, labor and infrastructure for foreign firms to locate there for low-cost, labor-intensive manufacturing. (Carl Dahlman, 2005) states that the success of countries such as China in achieving higher growth reveals the importance of a workforce with a basic education that can be trained and enterprises must invest in worker training to remain competitive. India indeed needs to focus heavily on the industrial research to develop next level of technology that can accelerate the growth of the industry through quality improvements and cost leadership. Study by (Dutta, S. K., Srinivasan, N., & Mohapatra, 2005) critically looks into the distinctive competitive features of prioritized sectors of Indian Economy taking into cognition of India’s competitive position in the global perspective. The results of the study indicate that a truly competitive organization looks beyond its narrow self-interests and contributes to the growth and competitiveness of a nation. It is evident that Indian Industry needs to use latest and better technology to mass produce goods with high precision and lower the cost with the economics of scale. After the Covid-19 pandemic, many of the World economies are concerned with their dependence on China and are considering India as a global supplier of quality products at optimum prices. With supply chains badly disrupted by the pandemic, it’s a great challenge, yet a golden opportunity for India to build its industry to the next level with high end technology and project itself as a global supplier.
FOREIGN DIRECT INVESTMENT (FDI) INFLOW

The EODB rank is highly significant when included in a standard empirical FDI model estimated on data averaged over a period as suggested by (Corcoran, A., & Gillanders, 2012). The changing direction of FDI from developed countries towards developing ones, especially after the crisis, has started to attract more attention in the literature and (Bayraktar, 2013) suggests that EODB have a partial explanatory power in determining higher FDI. Although, India has been a latecomer to the FDI scene compared to other East Asian countries, it has considerable market potential to become favorable destination for foreign investors as claimed by (Malhotra, 2014). The FDI inflow not just increase the percentage of exports but also provide sustainable employment and higher FDI could help India in being a global manufacturing capital (Swathi & Preetha, 2019). Indeed, FDI is considered as a key factor of economic growth and many international development agencies, consider FDI as an effective tool in the global fight against poverty. Especially, after the Covid-19 pandemic, the World is going through economic crisis and many countries are looking at investments in India. To take the best advantage of this opportunity, India needs to demonstrate a high level of Business Climate suitable to attract FDI. As per the study by (Alfaro, 2003), FDI flows into the primary, manufacturing, and services sector exert different effects on economic growth. Research by (Piwonski, 2010) suggests that there is a direct link between FDI and actions undertaken by the government. The results of the regression show that increase in EODB score influences the FDI inflow. As stated by (Singh, 2019), the Investment climate in India has changed with visible progress under the Modi Administration and India has emerged as of the one top foreign global destination with a significant rise in FDI. (Swathi & Preetha, 2019) rightly describes “Make in India” as an electrifying project of Government of India which works with a vision to revolutionize India into a global manufacturing capital. ‘Make in India’ intended to boost country’s economy through industrialization and motivate Multinational companies to manufacture their products in India. (Tripathi & Jain, 2016). The recent mantra of Self-reliant India and “make for the World” slogan by Mr Modi is a signal that India needs to improve the quality of the products to International level and optimize costs to become a reliable global supplier. Study by (Sangwan, 2015) compared FDI inflows before and after the “MAKE IN INDIA” campaign using RBI data and concluded a high correlation between Industrial Production and FDI inflows was found. The former RBI Governor (Rajan, 2015) stated The global economy is still weak… We have to be active in setting the agenda. It is wisely stated by (Khandelwal, N. M., 2015) that we need political vision and wisdom to succeed in balanced growth both in domestic market as well as the Global marketplace. Make in India leads to penetration of organized retail, favorable demographics and rising income levels (Gulhane & Turukmane, 2017). Study by (Govindan, 2019) found that after implementing make in India campaign total FDI inflows in India are increased by 157 investing countries.

GDP PER CAPITA

Study by (Islami et al., 2016) shows the relationship in between FDI inflow and five macroeconomic indicators that have an important role in economic development of Kosovo such as: GDP, GDP per capita, GNI, Exports, and Balance Trade. As stated by (Abbas, Q., Akbar, S., Nasir, A. S., & Ullah, 2011) in their study, growth of any country depends upon investments, increasing assets and infrastructure. They further add that higher FDI reflects a good trend of investment which ultimately results in increasing the Gross domestic product (GDP) and growth of the country. Following the investment climate improvements in the 1980s and 1990s in China and India, private investment as a share of GDP nearly doubled as per (Carl Dahlman, 2005), however India has lagged behind China in many aspects. The study by (Ani, 2015) presented the status of the indicators of EODB and GDP, in which GDP was used as the proxy variable for economic growth.

Researcher (Swathi & Preetha, 2019) applied econometric tools to measure the FDI and GDP to imply the influence of “Make in India” on Indian Economy. Make in India initiative is now evolving with Mr. Modi’s new mantra to “make for the World” coupled with self-reliant India initiative. Together, these great initiatives will help the Indian industry to enhance the quality and cost competitiveness of the products and service and cater to not only domestic demands but also position itself as a reliable and quality global supplier.

Study by (Ameera R. A., 2019) states that one of the recent initiative of the Government - Digital India mission can help small businesses and play a key role in GDP growth. The study by (Adepoju, 2017) conclude that the EODB has an overall statistically significant effect on the annual growth rate of GDP per capita and suggest that in some countries, improvements in the EODB have indeed contributed to economic growth. As per (Saran, S., & Sharan, 2018), the Indian government also expects a large part of GDP growth to be driven by the services sector where some of the EODB parameters are very relevant but have different
impact compared to manufacturing. The current study uses GDP per Capita as the proxy variable for economic growth analysis to be fair in comparing countries with non-comparable population density.

Results from the study by (Adepoju, 2017) show an overall significant effect of EODB on economic growth with significant effect of “construction permits,” “getting credit,” “registering property,” and “trading across borders”. Study by (Ani, 2015) concludes that “registering property” and “trading across borders” have positive effects. Ani’s Study show that “trading across borders” has the greatest effect on GDP among the selected countries in Asia.

3. RESEARCH GAPS

The previous studies were based on old data whereas this study uses the latest 2019 EODB data published. Most past research has been focused only on FDI inflow, whereas this study also includes focus on GDP per Capita as a key parameter of economic growth as suggested by (Natarajan & Raza, 2017). Focus on India as large population, growing economy also supports the suggestions by (Hossain, M. T., Hassan, Z., Shafiq, S., & Basit, 2018). This study also includes 2 key resources like land area and labour force that are very relevant for manufacturing as well as service industry and has also include the Exports from the country as a factor to attract higher FDI inflow.

4. Research Objectives

FDI has been studied for years and governments have begun actively focusing on this as stated by (Piwonski, 2010) who adds that the EODB Index points to practical areas which are important to multinational companies and the government can control. Econometric analyses by (Ghosh, N.; Saha, S.; Bhowmick, 2019) suggest association of EODB index and FDI flows and stresses association with the Government policies. (Nedumaran, 2019) stresses that FDI in India has a significant role in the economic growth and development of India and further adds that the FDI can help to attain sustained economic growth and development through creation of jobs, expansion across different sectors. Study by (Bayraktar, 2013) concludes that EODB significantly attracts inward FDI. Countries with better EODB attract more foreign investment. The improvement in EODB in developing countries can have an explanatory power in determining higher FDI flows to these countries. Various other studies have also highlighted the importance of EODB and the Business Climate as a driver to attract more FDI. India is going through many radical reforms which hopefully will improve Business Climate in the country and help India to reach in the top 50th Ranks of EODB. The EODB highlights areas which are important to multinational companies, which the government can control. This study therefore could provide some clues to the Indian Government to attract more FDI and also reflect upon the recent policy changes. The objective of this paper is to:

- To analyze the indicators of EODB scores and indices.
- To study about the role of EODB in FDI inflows.
- To study the effect of the Exports value and available land and labour resources on the FDI inflow.
- To study about the role of FDI inflows and its influence on GDP per capita.
- To study the association of the FDI inflow, imports and exports value on the GDP.

5. Research design and hypothesis

This quantitative study is based on World Bank’s secondary data on EODB. The data will first be tested for correlation and then a simple regression analysis will be performed to find an association between the EODB, FDI inflow and GDP per capita income and we will test below two hypotheses.

H1 : There is a significant association between EODB score and FDI inflow.
H2 : There is a significant effect of the Exports value and available land and labour resources on the FDI inflow.
H3 : There is a significant association between FDI inflow and GDP per Capita income.
H4 : There is a significant effect of the FDI inflow, imports and exports value on the GDP.

6. Analysis of selected 10 countries with highest FDI inflow during 2019.

Table 1 shows some interesting facts based on latest 2019 World Bank data for selected 5 global and top 5 Asian economies with high FDI inflow Value. The selected top 10 countries by FDI inflow account for roughly 58 % of World’s GDP & attract 72% of the total FDI. Theses shows a consistent high EODB score above 60 and the top 3 have score above 75. India is lagging at a score of 67, showing a need to improve EODB score above 75 and be in top 50 global EODB Index. FDI inflow in Singapore is as high as 28% of its GDP as compared to other nations in the range of 1-4%. Part of this could be perhaps explained by
Singapore’s highest EODB score among these 10 economies. Hong Kong’s GDP is just 3% of China, but its FDI inflow is 34% of China, which again could be justified by the fact that Hong Kong’s EODB score is above 80. Singapore and Hong Kong’s FDI inflow is very high, to the tune of 15 to 28% of their GDP, while this % is 1-4% in top 7 GDP Nations.

Table 1 : Analysis of Top 10 Global Economies (by FDI inflow value)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Economy</th>
<th>EODB Score</th>
<th>GDP_PerCap $</th>
<th>FDI_IN Bil $</th>
<th>GDP_Bil$</th>
<th>FDI / GDP</th>
<th>Population Billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>United States</td>
<td>82.75</td>
<td>$ 65,280.68</td>
<td>$ 310.81</td>
<td>$ 21,427.70</td>
<td>1%</td>
<td>0.3282</td>
</tr>
<tr>
<td>2</td>
<td>China</td>
<td>73.64</td>
<td>$ 10,261.68</td>
<td>$ 155.82</td>
<td>$ 14,342.90</td>
<td>1%</td>
<td>1.3977</td>
</tr>
<tr>
<td>3</td>
<td>Singapore</td>
<td>85.24</td>
<td>$ 65,233.28</td>
<td>$ 105.47</td>
<td>$ 372.06</td>
<td>28%</td>
<td>0.0057</td>
</tr>
<tr>
<td>4</td>
<td>Brazil</td>
<td>60.01</td>
<td>$ 8,717.19</td>
<td>$ 78.56</td>
<td>$ 1,839.76</td>
<td>4%</td>
<td>0.2110</td>
</tr>
<tr>
<td>5</td>
<td>France</td>
<td>77.29</td>
<td>$ 40,493.93</td>
<td>$ 67.11</td>
<td>$ 2,715.52</td>
<td>2%</td>
<td>0.0671</td>
</tr>
<tr>
<td>6</td>
<td>Hong Kong</td>
<td>84.22</td>
<td>$ 48,755.84</td>
<td>$ 53.17</td>
<td>$ 366.03</td>
<td>15%</td>
<td>0.0075</td>
</tr>
<tr>
<td>7</td>
<td>Germany</td>
<td>78.90</td>
<td>$ 46,258.88</td>
<td>$ 51.01</td>
<td>$ 3,845.63</td>
<td>1%</td>
<td>0.0831</td>
</tr>
<tr>
<td>8</td>
<td>India</td>
<td>67.23</td>
<td>$ 2,104.15</td>
<td>$ 50.61</td>
<td>$ 2,875.14</td>
<td>2%</td>
<td>1.3664</td>
</tr>
<tr>
<td>9</td>
<td>Canada</td>
<td>79.26</td>
<td>$ 46,194.73</td>
<td>$ 44.88</td>
<td>$ 1,736.43</td>
<td>3%</td>
<td>0.0376</td>
</tr>
<tr>
<td>10</td>
<td>Australia</td>
<td>80.13</td>
<td>$ 54,907.10</td>
<td>$ 38.61</td>
<td>$ 1,392.68</td>
<td>3%</td>
<td>0.0254</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td></td>
<td>$ 956.03</td>
<td>$ 50,913.85</td>
<td>$ 7.6735</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

India has improved scores in 3 parameters of EODB from 2018 to 2019 significantly.
1. Construction Permits score has increased by 86% from 39.69 to 73.81
2. Trading Across borders score has been improved by 32% from 58.56 to77.46
3. Start Business score has increased by 10% from 73.9 to 80.96

Table 2 shows that score of both Enforcing Contracts & Resolving Insolvency for India in the recent 2019 evaluation has been very low along with Registering Property score. It further highlights that the scores of these 3 parameters have been consistently very low and it is clear that India needs to focus on improving in these areas.

Table 2 - India’s EODB Score comparison for 4 years

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resolving Insolvency</td>
<td>32.59</td>
<td>32.75</td>
<td>40.75</td>
<td>40.84</td>
<td>Score is very low due to excessive time involved.</td>
</tr>
<tr>
<td>Enforcing Contracts</td>
<td>36.56</td>
<td>39.34</td>
<td>41.19</td>
<td>41.19</td>
<td>Score is very low due to excessive time involved.</td>
</tr>
<tr>
<td>Registering Property</td>
<td>47.32</td>
<td>42.84</td>
<td>43.09</td>
<td>43.55</td>
<td>Score is very low due to excessive time involved.</td>
</tr>
<tr>
<td>Paying Taxes</td>
<td>41.54</td>
<td>44.69</td>
<td>65.23</td>
<td>65.36</td>
<td>Good improvements since 2018</td>
</tr>
</tbody>
</table>

India’s low score in enforcing contracts is not surprising and is explained by consistent high number of days for various procedures. It takes 1445 days for various procedures from filing to enforcement and judgement. This is accomplished in just 420 days in USA and in Singapore it is merely 164 days, which highlights need to work on this parameter. Similarly, score of resolving insolvency is low and is justified by time as high as 4.3 years. The comparable time in USA is just 1 year and in Singapore, it is merely 0.8 years, which highlights need of actions in this parameter. Fortunately, the score of paying taxes score has improved since 2018, probably with the popularity of the Advanced Pricing Agreement (APA) after opening up of the India-US bilateral APA program in February 2016. The introduction of GST in July 2017 and corporate tax cut announcement in 2018-19 has further improved investors’ perception on paying taxes parameter. Figure 2 shows India’s EODB scores and FDI inflows during 2016-19 and a significant association is visible.
7. DATA ANALYSIS:

The secondary data on Doing Business is collected through World Bank’s published for the period 2015-2019 for 149 countries. The data with missing values were eliminated to get a clear result and the final data used has total 524 samples (Country + Year combination) and the corresponding EODB scores, EODB ranks, FDI inflow, GDP Per Capita and other related parameters needed for the study. The data was checked for reliability and the Cronbach’s Alpha 0.91 more than 0.7 represented excellent reliability. Table 3 confirms high correlation between EODB Score and GDP Per Capita (0.631) and a correlation of 0.472 for reliability and the Cronbach’s Alpha. Figure 2 shows the graph of India’s EODB Scores and FDI inflow during 2016-19.

Table 4 results of regression analysis of EODB scores and FDI inflow during the period 2016 to 2019. The regression analysis results show that there is a significant association between EODB score and FDI Inflow.

Table 3: Correlations between the 10 parameters of EODB Score

<table>
<thead>
<tr>
<th>Variable</th>
<th>EODB Score</th>
<th>FDI Inflow Billion US$</th>
<th>GDP per capita (current US$)</th>
<th>Starting Business</th>
<th>Construction Permits</th>
<th>Getting Electricity</th>
<th>Registering Property</th>
<th>Getting Credit</th>
<th>Protecting Minority Investors</th>
<th>Paying Taxes</th>
<th>Trading across Borders</th>
<th>Enforcing Contracts</th>
<th>Resolving Insolvency</th>
</tr>
</thead>
<tbody>
<tr>
<td>EODB SCORE</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FDI inflows Billion US$</td>
<td>.324</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP per capita (current US$)</td>
<td>.631</td>
<td>.472</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Starting Business</td>
<td>.612</td>
<td>.169</td>
<td>.383</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction Permits</td>
<td>.643</td>
<td>.146</td>
<td>.504</td>
<td>.443</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Getting Electricity</td>
<td>.762</td>
<td>.267</td>
<td>.549</td>
<td>.338</td>
<td>.522</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registering Property</td>
<td>.808</td>
<td>.180</td>
<td>.435</td>
<td>.471</td>
<td>.491</td>
<td>.561</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Getting Credit</td>
<td>.662</td>
<td>.240</td>
<td>.240</td>
<td>.368</td>
<td>.273</td>
<td>.371</td>
<td>.510</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Protecting Minority Investors</td>
<td>.728</td>
<td>.235</td>
<td>.400</td>
<td>.478</td>
<td>.410</td>
<td>.475</td>
<td>.493</td>
<td>.505</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paying Taxes</td>
<td>.729</td>
<td>.180</td>
<td>.555</td>
<td>.485</td>
<td>.521</td>
<td>.524</td>
<td>.583</td>
<td>.337</td>
<td>.434</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trading across Borders</td>
<td>.712</td>
<td>.208</td>
<td>.471</td>
<td>.330</td>
<td>.437</td>
<td>.598</td>
<td>.618</td>
<td>.359</td>
<td>.447</td>
<td>.568</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enforcing Contracts</td>
<td>.744</td>
<td>.276</td>
<td>.469</td>
<td>.436</td>
<td>.480</td>
<td>.562</td>
<td>.656</td>
<td>.385</td>
<td>.523</td>
<td>.512</td>
<td>.535</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resolving Insolvency</td>
<td>.754</td>
<td>.362</td>
<td>.588</td>
<td>.409</td>
<td>.362</td>
<td>.517</td>
<td>.482</td>
<td>.448</td>
<td>.565</td>
<td>.440</td>
<td>.558</td>
<td>.428</td>
<td>1</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (1-tailed).

ANALYSIS - EODB AND FDI INFLOW

Table 4 results of regression analysis of EODB scores and FDI inflow during the period 2016 to 2019. The regression analysis results show that there is a significant association between EODB score and FDI Inflow.

Table 4: Model - EODB and FDI inflow

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>F-Statistics</th>
<th>Probability Sig. F</th>
</tr>
</thead>
<tbody>
<tr>
<td>FDI Inflow</td>
<td>.404</td>
<td>0.1632</td>
<td>0.1567</td>
<td>25.299</td>
<td>0.000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variable</th>
<th>Beta Coefficient</th>
<th>Std. Error</th>
<th>t-Statistics</th>
<th>Probability</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Getting Credit</td>
<td>0.100</td>
<td>0.10</td>
<td>2.07</td>
<td>0.04</td>
<td>Significant</td>
</tr>
</tbody>
</table>
The results in Table 4 show that 3 parameters of EODB score namely Enforcing Contracts, Resolving Insolvency and Getting Credit have significant effect on the FDI Inflow and can explain 16.32% variation in FDI Inflow. It shows high correlation of “Resolving insolvency” parameter with the FDI inflow globally. This supports the findings by (Janačković, M., & Petrović-Randelović, 2019) which concluded high correlation in Serbia during 2010-17. It also supports the study by (Shahadan, F., Sarmidi, T., & Faizi, 2014). Above analysis also signifies that Getting Credit, and Enforcing contracts parameters have significant correlation with FDI inflow which also supports the conclusion by (Shahadan, F., Sarmidi, T., & Faizi, 2014) as well as (Hossain, M. T., Hassan, Z., Shafiq, S., & Basit, 2018) which conclude that Getting Credit has a significant impact getting credit has on Inward FDI. It does not also support the study by (Olival, 2012) which suggests that getting credit and enforcing contracts do not have significant effect on attracting FDI. The study conclude that resolving insolvency score has significant impact on FDI inflow and contradicts study by (Shahadan, F., Sarmidi, T., & Faizi, 2014) which suggests that resolving insolvency index is not in the favorable of FDI net inflows and are insignificant to attract FDI. The study by (Nangpiire, C., Rodrigues, R. G., & Adam, 2018) used World bank’s EODB data for 44 Sub-Saharan African countries to analyses impact on the FDI inflow. The result showed an R-square of (.555) which means that FDI inflow of 56% is explained by EODB factors.

Table 5: Association of FDI inflow with Exports and Resources

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>F-Statistics</th>
<th>Probability Sig. F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports in Billion $</td>
<td>0.758</td>
<td>0.5973</td>
<td>0.5949</td>
<td>257.061</td>
<td>0.000</td>
</tr>
<tr>
<td>Land area (sq. km)</td>
<td>0.151</td>
<td>0.00</td>
<td>4.65</td>
<td>0.00</td>
<td>Significant</td>
</tr>
<tr>
<td>Labor force, total</td>
<td>-0.103</td>
<td>0.00</td>
<td>-2.74</td>
<td>0.01</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Table 5 demonstrates the association of FDI inflow with the country’s exports and the primary resources like land and labour availability. Based on the R square value, these 2 factors seem to explain 59.73% of the variation in the FDI inflow. Exports value has significantly higher impact on the FDI while labour resources availability has a negative association, indicating that foreign investors perhaps prefer less labour and union issues or there is a focus on automation which needs less labour force.

ANALYSIS - EODB and GDP Per Capita

Table 6 shows results of regression analysis of EODB scores, FDI inflow and GDP per Capita income during the period 2016 to 2019. The regression analysis results show that there is a significant association between EODB score and FDI Inflow. The predictor variables EODB Score and FDI Inflow can explain 47.87% variation in GDP Per Capita.

Table 6: Regression Analysis - EODB, FDI Inflow and GDP Per Capita

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>F-Statistics</th>
<th>Probability Sig. F</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP Per Capita income</td>
<td>0.692</td>
<td>0.4787</td>
<td>0.4767</td>
<td>239.206</td>
<td>0.000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variable</th>
<th>Beta Coefficient</th>
<th>Std. Error</th>
<th>t-Statistics</th>
<th>Probability</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>EODB SCORE</td>
<td>0.534</td>
<td>48.62</td>
<td>15.98</td>
<td>0.00</td>
<td>Significant</td>
</tr>
<tr>
<td>FDI inflows Billion US$</td>
<td>0.299</td>
<td>13.16</td>
<td>8.95</td>
<td>0.00</td>
<td>Significant</td>
</tr>
</tbody>
</table>
Table 7: Regression Analysis of EODB scores and GDP Per Capita income

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>F-Statistics</th>
<th>Probability Sig. F</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP Per Capita income</td>
<td>0.715</td>
<td>0.5105</td>
<td>0.5063</td>
<td>121.611</td>
<td>0.000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variable</th>
<th>Beta Coefficient</th>
<th>Std. Error</th>
<th>t-Statistics</th>
<th>Probability</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resolving Insolvency</td>
<td>0.384</td>
<td>31.07</td>
<td>10.45</td>
<td>0.00</td>
<td>Significant</td>
</tr>
<tr>
<td>Paying Taxes</td>
<td>0.273</td>
<td>47.84</td>
<td>7.37</td>
<td>0.00</td>
<td>Significant</td>
</tr>
<tr>
<td>Getting Electricity</td>
<td>0.173</td>
<td>42.98</td>
<td>4.44</td>
<td>0.00</td>
<td>Significant</td>
</tr>
<tr>
<td>Construction Permits</td>
<td>0.167</td>
<td>61.88</td>
<td>4.62</td>
<td>0.00</td>
<td>Significant</td>
</tr>
<tr>
<td>Getting Credit</td>
<td>-0.177</td>
<td>29.40</td>
<td>-5.31</td>
<td>0.00</td>
<td>Significant</td>
</tr>
</tbody>
</table>

While the Table 3 conforms high correlation between EODB Score and GDP Per Capita (0.637), the results in Table 7 shows that The 5 EODB parameters—Getting Credit, Construction Permits, Resolving Insolvency, Paying Taxes, Getting Electricity can explain 51.05% of the variation in the GDP Per Capita income. It supports study by (Ani, 2015) who also claims significance correlation of Getting Credit and Construction Permits with the GDP growth of some Asian countries. Resolving Insolvency and Paying Taxes seems to have high relevance for the foreign investors and as such the policy makers should have high focus to minimize the red-tape mechanisms and simply the tax payments through more transparent mechanism like APA and e-Governance.

This study shows that Construction Permits, Getting Electricity, Paying Taxes and Resolving Insolvency factors have positive significant effect to GDP. This study shows has negative significant effect of Getting Credit parameter on the GDP. The beta coefficient value of Resolving Insolvency shows a Positive Significant effect on GDP PC and the beta for Paying Taxes shows a Positive Significant effect on GDP Per Capita. Similarly, the beta coefficient value of Construction Permits shows a Positive Significant effect on GDP PC and the beta value of Getting Electricity shows a Positive Significant effect on GDP Per Capita. The beta coefficient value of Getting Credit shows a Negative Significant effect on GDP Per Capita. The results above show that the EODB has significant effect to Economic Growth measured in terms of GDP per capita and R square value signifies that EODB score explains 51.05% of the variation in the GDP Per Capita income. The results also support the study (Gillanders, Robert; Whelan, 2010) country’s business friendly economic policies (measured using The World Bank’s EODB score) are the key determinant of the level of income per capita. The results confirm the findings by (Ani, 2015) also conclude that EODB has significant effect to Economic growth. However, this study contradicts their claim that paying taxes and resolving insolvency does not have significant effect to GDP. The results in Table 8 shows that the predictor variables (FDI inflow, Exports and Imports) can explain 77.89% variation in total GDP value.

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>F-Statistics</th>
<th>Probability Sig. F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Current GDP ($ Billion)</td>
<td>0.883</td>
<td>0.7789</td>
<td>0.7777</td>
<td>610.769</td>
<td>0.000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variable</th>
<th>Beta Coefficient</th>
<th>Std. Error</th>
<th>t-Statistics</th>
<th>Probability</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>FDI inflows Billion US$</td>
<td>0.358</td>
<td>1.72</td>
<td>10.24</td>
<td>0.00</td>
<td>Significant</td>
</tr>
<tr>
<td>Exports in Billion $</td>
<td>-0.978</td>
<td>0.81</td>
<td>-7.32</td>
<td>0.00</td>
<td>Significant</td>
</tr>
<tr>
<td>Imports in Billion $</td>
<td>1.512</td>
<td>0.86</td>
<td>10.61</td>
<td>0.00</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Table 8: Regression Model - Association of Total GDP with FDI, Imports and Exports

8. RESULTS / FINDINGS:

Six (6) out of 10 parameters of EODB index have significant effect either on the FDI inflow or GDP per Capita as per the results. The 2 parameters Getting credit and Resolving insolvency have effect on both FDI inflow and GDP per capita.
Hypothesis H1 is accepted and the results infer that the EODB score has significant impact on the FDI inflow. The 3 parameters of EODB score namely “Resolving Insolvency”, “Getting Credit” and “Enforcing Contracts” can justify a variation of 16.32% in the FDI inflow as per the regression analysis.

The results also show that FDI inflow has significant correlation with Exports and the resources like Land area and available Labor force. In fact these 3 variables can explain a massive 59.73% variation in the FDI inflow as per the regression analysis and hence Hypothesis H2 is accepted.

Hypothesis H3 is accepted and the results infer that the FDI inflow has significant positive effect on the GDP per Capita income. It also infers that the 5 parameters of EODB score namely “Construction permits”, “Getting electricity”, “Paying taxes” and “Resolving insolvency” have significant positive effect on the GDP per capita income of the country. The “Getting Credit” score seems to have a negative effect on the GDP per capita.

As different countries have a different population, ultimately, the total National GDP value becomes relevant and hence we evaluated the effect of FDI inflow, imports and exports value on the Nation’s total GDP value. The regression analysis results show a highly significant relationship between FDI inflow, imports and exports value with the Nation’s GDP and these variables could explain a massive 77.89% variation in the GDP value. Hypothesis H4 is hence accepted confirming that there is a significant effect of the FDI inflow, imports and exports value on the GDP.

9. Conclusion and suggestions:

The main objective of this research was to explore the impact of EODB on FDI inflow based on 149 countries during 2016-2019 based on the World Bank’s EODB data. The aim of this study is to measure the relationship between EODB and FDI inflow and further analyze the impact of FDI inflow on the economic growth using GDP per capita as a measurement parameter. This study results confirm significant relationship between EODB score and FDI inflow. The results also conclude that there is a significant relationship between EODB and GDP per capita. India’s ranking in the Doing Business Report has improved confirming the benefits of some recent reforms. The need for improving EODB scores has increased for India now, especially with the economic slowdown after Covid pandemic and India needs to run faster to further improve its EODB rank or outsider’s perception on the ease of doing business in India.

It is evident from this study that business friendly policies increase the foreign investors’ confidence and attract more FDI inflow in the country. The FDI not only brings more money in the economy, but also often brings new technology and creates new business opportunities. Many foreign investments are also intended for global supplies, which means an increase in the Exports, which can also lead to additional imports or local manufacturing.

As a result, for a country to attract more FDI, it needs to formulate policies aimed at creating a conducive environment for FDI to triumph. An improvement in the ease of doing business indicators will most likely lead to an increase in FDI inflow and this has been supported by this current study. Investors are often turned away by red-tape / bureaucracy and highly appreciate more transparent mechanisms like e-Governance and Digital India initiatives by the Modi Government.

India’s ranking in the Doing Business Report has improved from 131st position in 2015 to 63rd position in 2019 with an impressive 29% improvement in the EODB score over 4 years. With 14 ranks rise, India is one of World’s top 10 most improved countries for the third consecutive time in 2019. The consistent improvement in EODB rank and score is encouraging and gives high hope that India would soon reach top 50 rank in EODB globally.

India’s EODB scores in 4 parameters (Start Business, Getting Electricity, Getting Credit, Protecting Minor Investors) is above 80 and has steep improvements in 2 parameters (Construction permits, Trading across borders) moving score above 70. The score in remaining 4 parameters is below 70 and the policy makers needs to focus on improving these 4 scores.

10. LIMITATIONS AND FUTURE RESEARCH:

This study is not without limitations. The study relies on secondary macroeconomic data from the World Bank available till early 2020 and study can be further conducted with latest data. This study has a higher focus on India and opens up a number of new directions for further research to unearth patterns from
another country perspective. Due to limitation of time, we may not have considered additional factors and further research could include more parameters like “global competitive index”, “UN sustainable development Goals”, “Global innovation index”, “Logistics performance index”. Further research could be also considered for state wise EODB ranks within India and its effect on the FDI inflow, which could also highlight some of the good practices within certain states to attract more investors.

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1. INTRODUCTION:

Quality is one of the most important applications of today's enterprises. Customer requirements and expectations are changing rapidly, especially in the automotive sector. To meet customer requirements and expectations rapid development is being executed with zero error approach. This is forcing companies in the sector to work with more quality as automotive industry is recognized as the engine of the economy all over the world.

Now a day, many process and product quality improvement approaches are available. In order to improve quality two of these approaches that are becoming widespread are Advanced Product Quality Planning (APQP). These approaches are basically a commodity that will satisfy the customer. Establishing these approaches requires the use of various sub techniques like PPAP, MSA, SPC, VSM, MUDA, DMAIC, JIT, PDCA, etc.

Here is a systematic review of research concepts and directions for future research, e.g. APQP works should emphasize performance, development and goal setting. As a result, APQP is translated as modern product quality planning. One of the basic requirements standards for the automotive industry is to ensure a continuous improvement process. APQP is a structured method of establishing the necessary steps for constantly process improvement. The goal of the APQP method is to understand the main philosophy of sustainability improving processes that can contribute to more efficient progress in production in the company. It is important to handle the use of process improvement and teaming tools

2. ADVANCED PRODUCT QUALITY PLANNING (APQP):

Advanced Product Quality Planning (APQP) Methodology was developed in the 1980s by Ford, Chrysler and General Motors. The goal was to provide companies in the automotive industry a basic framework for product or service quality planning to take place to meet customer requirements. The process required throughout the automotive industry and its involvement serves as one of the criteria for obtaining IATF 16949 certification.

The success of the mass production process, the production process with the reject rate low and high efficiency are strongly influenced by the development process new product (APQP). In other words, a good mass production process or bad is the result of a new product development process (APQP). Unfortunately, many companies actually spend a little energy, time and concentration when developing new products (APQP). New company focus on making repairs after mass production is done. As a result, production expensive saves a lot of problems that result in waste.

The overall quality is up to 80% affected by the pre-production quality planning. So, it is understandable that manufacturing companies are trying to use it as the tools to maximize process quality and product before the mass production commences. For advanced quality planning to which the automotive industry adds emphasis on the final product.
This cycle can also be used as a simple method for introducing change. A field in which this cycle has experienced major development and use in quality improvement (Figure -1).

APQP process consists of four phases and five major activities along with on-going feedback assessment and corrective action phase. Each phase uses the outputs of the previous phase and uses them as its inputs. Below figure further indication of the APQP process is to examine the process outputs by phase wise as shown in the figure below (Figure No. 2).

FIVE PHASES OF APQP
I) Plan and Define Program
II) Product Design and Development
III) Process design & development.
IV) Product and Process Validation
V) Feedback, Assessment and Corrective Actions.

Plan and Define Program
In the first phase of APQP, it is mainly about identifying customer requirements and defining quality objectives for the proposal. Customers need to be clearly defined, no matter what end, potential, or in-house customers. Customer requirements they can come from several sides. It can be the first source for customer requirements marketing research that is currently being evaluated desired attributes of the product on the market.

They are very valuable resource customer complaints and recommendations regarding product performance and features. In this case, it can be both qualitative and quantitative data.
Product design and development
Product design and development stages use specifications and goals as their inputs QFD, which it processes to create a prototype as its own exit. It is necessary to evaluate the specifications before making the prototype itself in terms of industrial processing. This is mainly about appreciation feasibility and workability. This assessment is done using a Feasibility Study, which evaluate a series of evaluations to see if it can produce, assemble, test, pack and ship the product to the customer in the required quality by the organization.

Process design and development
The process design and development phase use the product design outputs and transforms them into design of the future production system. Questions about future developments are focus on 3 main elements. They are:
- Manufacturability,
- Process requirements
- Plant operations.

Productivity develops product specifications and requirements from its development phase and then applies them to the process.

Product and process validation
Product and process validation is the last stage before mass production commences. Of which for this reason, it is necessary to verify the product and the entire planned process, or to validate it.

A validation series is required to validate the manufacturing process. The verification series is the production of parts under serial conditions. It means use tools, machines, gauges, employees and material in the same state in which they will appear in mass production. Only in this way can it be verified that the newly created production process meets all the requirements and specifications of the product. The team also has the opportunity to review all procedural steps, validate flow chart of the production process and compliance with the control plan.

Validation is thus verification of compliance with customer requirements. To ensure that Supplier has correctly understood customer specifications and design documentation automotive companies use PPAP. Typical Documents submitted by supplier under the PPAP.

Feedback and Assessment of Corrective Actions
The last phase of APQP is in essence a never-ending process. This fact is also evident from the APQP quality planning scheme shown above (Figure No. 2), which shows the representation of feedback and assessment of remedies throughout project until its completion. However, the results of this phase with the project they do not disappear and are transferred as inputs to other projects.

The main feedback tool is statistical process control (SPC). Using control charts and other statistical tools provide feedback about process capabilities, which provides room for further improvement quality.

APQP is done in different phases from where innumerable data are collected. And at times it becomes a burden to keep track of those records and over reliance on excel sheets is a bane in the industry. Once you lose the track, both communication and product-development become tougher.

PRODUCTION PART APPROVAL PROCESS (PPAP)
With the implementation of a just in time system in the automotive industry, where the company is car assembly only has a small stock of components / parts, it is necessary there is support from suppliers who are able to send products without rejecting.

However, it often happens that sample shipments from suppliers are good, but many mass product shipments are problematic. Therefore, the approval system new products are then changed from the sample approval system to production process approval system, or known as PPAP (production Part Approval Process).

Design Records - To ensure manufacturer has the complete design record at the correct revision levels.
Authorized Engineering Change Documents - The supplier shall provide authorized change documents for those changes not yet recorded in the design record, but incorporated in the product, part or tooling.
Customer Engineering Approval - Written statement from Customer Engineering approving the parts
Design FMEA - DFMEA is an analytical method that evaluates the probability of occurrence of the disorder, but also the effects and consequences of such a disorder.
A living document, DFMEA is an effort to keep this document going update according to customer needs and expectations

**Process Flow Diagram** - PFD describes a schematic representation of the current or process flow. This diagram helps the quality planning team analyze and optimize the proposed process. Used to emphasize impact of sources of variability on the process.

**Process FMEA** - PFMEA analysis should be performed during product quality planning and before production. PFMEA is a review and analysis of a new one or revised process in order to prevent, resolve and monitor potential process problems for a new or revised production program. Risk analysis and designing appropriate measures to improve the process are also important.

**Control Plan** – CP is a document that describes how to control the critical inputs (FMEA) to continue to meet customer expectations.

**MSA Studies** - The organization's product quality planning team should ensure that a plan for the operation of the required measurement system analysis, including control aids. The plan should at least include the laboratory conditions suitable for the required measurements and tests, accuracy, repeatability, reproducibility and linearity assurance of gauges.

**Dimensional Results** - Evidence that dimensional verifications have been completed and results indicate compliance with specified requirements.

**Record of Material/Performance Test Results** – In this section, material test performs for all parts when chemical, physical, or metallurgical requirements are specified by the design record or Control Plan. Supplier performs tests for all parts or product materials when performance or functional requirements are specified by the design record or Control Plan.

**Initial Process Studies** - Under the statistical process regulation we understand the precautionary approach for quality management, where deviations in the process can be detected early in advance level and thus allow for intervention in the process to maintain the process at a desired and stable level in the long term and thus have it under statistical control.

Process control is performed by regular control of the regulated output variable where we find out whether a particular regulated quantity.

**Qualified laboratory documentation** - Inspection and testing for PPAP shall be performed by a qualified laboratory (e.g. an accredited laboratory).

**Appearance Approval Report** – ARR is a report completed by the supplier containing appearance and color criteria.

**Sample Production Parts** – These are actual samples that reflect the parts documented in the PPAP.

**Master Sample** – These are “perfect” or “golden” sample that subsequent parts can be compared against mass production.

**Checking Aids** - Tools, gages, or test equipment, used to inspect production parts.

**Customer-Specific Requirements** - Each customer may have specific requirements to be included on the PPAP package. It is better to ask the customer for PPAP expectations before even quoting for a deed.

**Part Submission Warrant** – This is the required document in which the supplier confirms the design and validation of manufacturing processes that will produce parts to specification at a specific rate.

PPAP is also defined as the process of sequential development of a product in terms of its quality. It is an approach in which all the employees work together for the improvement in product, process and their working environment. Its main aim is satisfaction of the customers.

**CONCLUSION:**
APQP tools and methodologies used in the pre-production phase of the product life cycle, are already incorporated in the requirements of customers and relevant automotive industry standards.

For better understanding of productivity, measurement and developing the model to improve productivity in automobile manufacturing units it is essential to established APQP system. This chapter presented a review on automobile manufacturing units’ background, APQP practices, PPAP & NPD activities, productivity measurement and other productivity improvement technics. The benefits of productivity improvement were discussed to support the study importance. The research trend in developing models to improve productivity were reviewed and debated to identify the gap and shortcomings, followed by factors influencing productivity through APQP in automobile manufacturing units. Existing practices with productivity problems need a better understanding of APQP. APQP dealing with non-value adding, waste and product variation at the same time interested in meeting customer specification and cost-effective tools.
that can be applied easily in automobile manufacturing unit’s environment. The selection of relevant tools to address productivity improvement in automobile manufacturing units are essential. The literature highlighted the most important tools to be used in automobile manufacturing units, to assist management in decision making process in productivity enhancement. Techniques such as APQP’s impact are crucial in productivity improvement within automobile manufacturing units.

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A Case Study Analysis of Strategic Choices and Decisions made by “Mamaearth”-An Organization providing 100% Natural, Organic and Toxin Free Products.

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Abstract: The millennial today are quite aware about the environment and their wellness thereby leading to the current trend amongst the present consumers to use products that are organic, natural, cruelty free and effective. Unlike before, this generation of millennial consumer are demanding greater transparency from the companies in order to know what ingredients are being consumed by them and where do they come from. A sudden rise in the usage of natural, plastic free, organic & vegan products has changed the FMCG industry drastically to a new level. These include baby care, personal care, household products, and cosmetics largely. According to Kline, the “natural” trend is the most important trend in the personal care industry. In 2018, it was reported that the growth of the natural personal care market has recorded its strongest growth in the last five years. The trend-driven natural and organic personal care industry is projected to be worth $25.1 million in 2025, according to a report by Grand View Research in 2019.

Large cap consumer goods companies have taken note of the demand for natural products. The rapid growth of niche companies and startups in the industry has led these larger companies to either acquire their smaller rivals or build out their own natural divisions. One such startup is MamaEarth. From starting its journey 2016 to now being Asia’s First Made Safe Brand the report analyses various factors that led to the company’s success and the strategy used. A detailed research methodology from various customers’ point of view has also been further elaborated.

The higher accessibility of information about organic choices on social media have led to a global shift towards more environment-friendly and natural daily lifestyle choices across all age-groups.

Keywords: - Organic, Natural, Wellness, Environment-Friendly.

INTRODUCTION:
Mama Earth is that innovative product line that has emerged in a highly competitive Baby and Beauty product industry and made its place among 10,000 long lived brands. Mama earth is being an Indian Company was founded in 2016 by a husband wife duo Varun Alagh & Ghazal Alagh with its headquarters in gurugram India. With the initial aim of solving common parenting problems related to baby care products this brand has now diversified into various range of products and MamaEarth is certified with ASIA’S FIRST MADESAFE PRODUCT CERTIFICATION. The brand produces products that are 100% Toxin free, chemical free, Plastic Positive and cruelty free certified from PETA. Mama Earth products are researched in their Labs and certified safe by international standards. Using the goodness of nature and targeting Indian market this brand has over 2Million Customers in 500+ cities and over 90+ products within a span of 3 years since its inception. The report further discusses how the brand emerged and made its space by winning customers hearts, their line of products and why it is a massive success today in the Indian Market.

OBJECTIVE / PURPOSE OF THE REPORT:
The objective of the following report is to study the market strategy used by MamaEarth and analyze how it has made its successive space in the market within a short span of 3 years. It also looks
brings up certain factors that contribute to the success of this innovative product line and the opportunity to fill the market space it has achieved.

LITERATURE REVIEW:

The Brand had a very clear story to connect with their customers. The founders of the company back in 2016 were not in favor of using any chemical loaded product for their fragile baby. They were looking for products that are designed specifically for the baby and free of toxins or chemicals. The renowned and most trusted household name since ages Johnson’s & Johnson’s had already hit the controversy of causing cancer by their Talcum Powder. The company was alleged of using asbestos and paid an alumni of 3.6 Billion Euros to the victim. This caused great negative impact among its customers worldwide and the trust for the company had fallen extensively. They couple started to import safe products from abroad but it turned out to be very expensive and time consuming. This was a major concern as a consumer; being one such parents among many.

This is when the founders identified the gap in the Indian Market for a trusted brand. They started their research to come up with new an innovative product line for babies with an initial capital of about 25 lakhs. The research was conducted, and the market was analysed thoroughly. The products after being made naturally and researched with equipped labs were further sent to US Made safe labs. The products passed the certification of Safety and this led to the birth of Mama Earth the new brand.

“We are on a mission to reduce parental stress & are continually improving and innovating to make the world a safer place for both babies and their parents.” – Ghazal Alagh, Co founder, Mama Earth.

“We are a ‘mum-powered’ company and work with a large number of mothers who are involved in the process, right from ideation, conceptualization to the actual product launch. We believe this connection with mothers will continue to be the biggest driver of success. We have more than 200 young moms on board who help us in conceptualizing and formulating the products. The moms then test these products, and only those with great feedback are approved for mass production.” said Ghazal Alagh.

One of the co founders being a mother decided to target all the concerning mothers out there being likeminded, expecting nothing but the best for their babies. That’s when the company decided to approach Celebrity Moms for their product promotion in order to reach the Indian masses. This startup idea was so fresh and exciting that the celebrity offered to be one of the investors. This turned out to be a joyous moment for the company. And from then on there was no looking back. The responses of customers were overwhelming and Mama Earth decided to expand their range of products to the beauty line as well on requests of their customers.

MAMA EARTH PRODUCT/SERVICES:

Mama earth offers baby range, hair & skincare products as of now with over 90 natural products. They became a hit among the Indian masses with innovative products such as India’s first Bamboo Based Baby Wipes, Tummy Roll On with Hing & Fennel for Digestion & colic Relief, and 100% natural plant-based toothpaste. Their range of skin and hair care products became popular offering natural and effective ingredients including Onion for hair growth, Ubtan for better skin, Tea Tree, Vitamin C, Argan, CoCo, and Charcoal. These are long lived ancient products offering great effective results among Indians.

MAMAEARTH INVESTORS: Following Companies have invested in Mama Earth.

| Sequoia Capital | Shilpa Shetty Kundra |
| Fireside Ventures | Rohit Bansal |
| Stellaris Ventures | Kunal Bahl |
| Sharp Ventures | Titan Ventures |

MAMA EARTH COMPETITORS

Mamaearth competitors come from multinationals like Himalaya, Johnson & Johnson to e-commerce portals like Nykaa. While there are other several companies – such as First Cry, Mom & Me offering baby apparel, baby toys and baby accessories – the cosmetics category is dominated by organised players such as Johnson & Johnson, Kimberly Clark, Procter & Gamble and Unilever.

RESEARCH METHODOLOGY:

To study the impact of consumers towards MamaEarth with special reference to Natural ingredients over baby range products as well as skincare and its overall impact in the Industry. Primary as well as
secondary data have been collected. Primary data are collected through observation, interview method and also through structured questionnaire which is close ended in structure and circulated through Google Forms among whatsapp groups and other social media channel. An informal interview was also conducted with the customers. On the other hand Secondary data were collected from company’s website, journals, blogs and social media. Other techniques has also been used for the data analysis which is used to allow the individuals to express how much they agree or disagree with a particular statement. A descriptive research design is used for the study for analyzing the perception of customers towards investing in the product. A Descriptive research design is a research design which involves observing and describing the behavior of respondents without influencing it in any way.

TARGET POPULATION
About 100 people were selected randomly as sample among friends, family, relatives and associates. Out of 100, 95 have responded. The sample consists of both male and female, Students, Parents, bachelor, working and non working. These respondents are the customers of the brand in both the segments i.e. Baby range and Skincare.

BUSINESS AND REVENUE MODEL
Mamaearth formulates and develops products that are then manufactured by contract manufacturers under license from the brand Mamaearth which is a TM owned by Honasa Consumer Pvt Ltd. This is a digital-first FMCG company which uses its revenue model through D2C platforms like its own website, Amazon, Flipkart, Nykaa etc. The company follows the blue ocean strategy with an omni channel presence where the innovative products are creating a market and creating a natural usage customer base thereby leading to its revenue growth.

RESULT ANALYSIS / STRATEGIES
Awareness about the brand
About 100% of the respondents are aware about the brand and heard it at some point in their lives so far.

How did they come to know about the brand? (Source)

Information Source about the brand existence

About majority of the respondents (84.2%) have known the mama earth brand via social media i.e through bloggers, influencers, sponsored advertisements. Whereas about 1% of them know it through print media and television ads which has come very recently. 14.8% of them have come to know the brand by friends and family.

Need for chemical, toxin free baby range products in the Indian Market.
About 90% of the respondents do identify the gap in the Indian market regarding toxin free baby range products. Whereas 10.5% of them are quite satisfied with the long brands like Johnsons’ or Himalaya.

Responses from:

There are about equal number of respondents from bachelors as well as Parents computing 47.4% each. And Appx 5% of the responses come from students.

Gender:
The respondents data is dominated by females with over 73.7% of them. Whereas the males contribute to around 26.3% And rightly so because the further analysis shows the product range that’s more accepted by the customers come from beauty and skincare range. It is also observed that even when it comes to using baby range products it is mostly chosen by the females than the males.

Best Product line from MamaEarth

It is observed that more than the baby range products, the customers prefer the beauty and skincare line from MamaEarth. Also the previous data shows that the responses are mostly dominated by the females and as in general the company also claims to have a female customer base heavier than the male.

What attracts customers towards MamaEarth?

Is the brand Cost effective?
Cost Effective?

- Yes 31.6%
- No 21.1%
- Maybe 47.4%

Majority of the respondents are not sure if the brand is cost effective or not. This is because the product is priced a little higher compared to other products in the same category. About 31.6% do find the prices to be effective considering the fact that natural ingredients have been offered along with quality. The remaining respondents feel that the prices are a little higher on their budget and the prices should be kept nominal considering all classes.

Would you recommend MamaEarth to others?

- YES 57.9%
- NO 0%
- MAYBE 42.1%

Out of 95 respondents 58% would recommend the brand to others after their use. That’s the quality and good impressions the brand has left their customers with. NONE of them would not recommend. And 42.1% are not sure if they would recommend it.

CONCLUSION:
The survey responses as well as the market analysis bring up certain factors which led the company to its success heights. Following are the Strategies used by the companies to reach its position:

- Grabbing of the opportunity to fill up the gap of organic baby product line in the Indian market made it a hit. The company’s decision of being there at the right place at time. The fact that the founders could connect with millennial population with like minded.
• The emergence of E-commerce that bloomed up the Indian Economy. The fact that MamaEarth is built on E-commerce DNA and not physical stores. This gave rise to the product as well as quick awareness about the brand among consumers.

• India having a long lived history of Ayurveda where people have been trusting Natural Products, the brand came up with the innovative idea of bringing the natural product in a modernized and accessible way for the current millennial population made it a hit among customers.

• The fact that Brand Constitution was ignored and a millennial mind was connected to a millennial mind. “We want consumers to read about the problems that our products solve and why our products are the best in the market. We work with over 500 mom bloggers. We are also innovating constantly to stay relevant and cater to the dynamic market needs.” said Ghazal Alagh.

• A major success that hit the brand was getting the influencers, beauty bloggers, customers to talk extensively about the product and bring their story upfront in social media platforms. These influencers were paid fair enough and offered great Discount Coupons and exciting offers to their mass following fans.

The coming of natural or organic based products will continue to rise for traditional as well as large multinationals. As long as the company offers transparency, natural ingredient list, effective pricing it will keep its growth higher and customer base happy. The upcoming startups and niche competitors must comprehend this.

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Abstract: Most jobs today have employees interacting with and monitoring their responses to customers which results in expression of Emotional Labor. Emotional Labor exerted in professions vary in terms of intensity and frequency but almost all the professions will have to face it according to the job expectations. The role of Demographics and different role expectations from Service professions has been neglected widely. The current study focused on understanding the impact of gender and profession on Emotional labor and the two emotional labor strategies, deep acting and surface acting. The current study tried to analyse whether the concept of Emotional Labor experiences varies for different segments of professions that are involved in customer service work in Indian Service Sectors. The occupations considered in the study were: Doctors, Teachers, Hospitality Executives and Marketing Professionals. To find out the differences that might occur in the experience of Emotional Labor due to difference in Profession and Gender of the employees, t-test, ANOVA tests were used (p>0.5 value is statistically significant). The results for the Emotional Labor and its subscales indicated that there was no significant difference between the four occupations with respect to Frequency of emotional displays, Variety of emotions, Surface Acting and Emotional Labor as a whole. But it was found that there was significant difference with Intensity of emotional displays and Deep Acting Strategy. The results indicated that Gender difference does not play a role in any of the subscales of emotional labor as well as on the concept of emotional labor as a whole.

Key Words: Emotional Labor, Deep Acting, Surface Acting, Role of Gender and Profession.

1. Introduction:

There are jobs that demand particular emotional displays. Medical Professionals are expected to display caring and kindness, Hospitality Executives to show friendliness and cheerfulness; bill-collectors need to be forceful and angry, Teachers are expected to be calm and cool, similarly Sales Professionals need to be courteous and patient. One attribute that the above job categories have in common is that they all are service occupations, in which face-to-face or voice-to-voice interactions with customers, clients, or the public constitute a major part of the work.

The display of organizationally desired emotions by the employees in the service encounters is termed as emotional labour. Alignment with the prescribed emotional display rules, by employees can be achieved by using different emotional labour strategies and it may differ with respect to the demographic variables like gender, age, marital status, education and work experience. The current study tried to access the difference in experience of Emotional Labor and its managing strategies based on the Gender.

Emotional Labor exerted in professions vary in terms of intensity and frequency but almost all the professions will have to face it according to the job expectations. Emotional Control is challenging as it requires on-the job emotional regulation and lies at very heart of being professional. It is important to recognize that emotional labor is a job trait, an aspect of a role, rather than a trait of the individual who fills the role.

Although employees in all the professions that involve customer service work have the propensity to experience great amounts of emotional labor and emotional dissonance, the experience itself may be resulting because of several different reasons. The most likely cause for emotional dissonance in customer service
would be the suppression of negative emotions and the faking of positive emotions. Overall, the majority of the research has included flight attendants (Hochschild, 1983), telecommunications representatives (Abraham, 1998), sales clerks, teacher’s aides and waiter/waitresses (Côte and Organ, 2002), college students working full or part-time in retail environments (Brotheridge and Lee (2003), and retail store employees and customer service agents (Johnson, 2004). However, these samples were combined as one customer service sample and no analyses were done to determine if the findings differed when the analysis was done for all of these professions separately. The current study tried to analyze whether the concept of Emotional Labor experiences varies for different segments of professions that are involved in customer service work or not.

1.1 Research Objectives
- To understand the performance of Emotional Labor, Deep Acting and Surface Acting in Professions involved in customer service work.
- To understand the effect of Gender on the concept of Emotional Labor, Deep Acting and Surface Acting.

1.2 proposed Hypothesis
The current study focused on understanding the impact of gender and profession on Emotional labor and the two emotional labor strategies, deep acting and surface acting.

Based on the earlier findings these hypotheses were proposed:

H1(a): There will be significant difference in the level of Emotional Labor experienced by Doctors, Teachers, Sales Professionals and Hospitality Executives.
H1(b): There will be significant difference in the level of Deep Acting experienced by Doctors, Teachers, Sales Professionals and Hospitality Executives.
H1(c): There will be significant difference in the level of Surface Acting experienced by Doctors, Teachers, Sales Professionals and Hospitality Executives.
H2(a): There will be significant difference in the level of Emotional Labor experienced by Males and Females.
H2(b): There will be significant difference in the level of Deep Acting experienced by Males and Females.
H2(c): There will be significant difference in the level of Surface Acting experienced by Males and Females.

2. Literature Review

2.1 Emotional Labour
The concept of emotional labor was introduced by Hochschild, but the actual definition of the construct has evolved through the years, and many versions have been proposed (Bono & Vey, 2005). Different approaches to the concept have been generated by various researchers (Asforth & Humpherey, 1993; Grandey, 2000; Morris & Feldman, 1996).

Hochschild (1983) referred to emotional labor as the purposeful control of feelings in order to outwardly demonstrate an appropriate facial and body display. According to him this control could be managed by using either surface acting, in which the outward expression was altered, or deep acting in which the actual emotion felt was altered through re-appraisal or directly conjuring the appropriate feeling.

2.2 Emotional Labor Strategies and demographic variables
Majority of the studies focused on the organizational and related factors and neglected to give importance to verify the demographic variables in relation to the emotional labor strategies. Among these variables, gender was studied by Wharton & Erickson (1993), whereas other demographic variables were ignored. But Dahling and Perez (2010) examined how the age of service employees influences the emotional labor process and found that age is positively related to deep acting and expression of naturally felt emotions, and negatively related to surface acting. So older employees manage interpersonal interactions more effectively (Birditt and Fingerman, 2005) and they develop greater emotion regulation skill as they age according to Gross et.al (1997). So as age increases, employees use emotional labor strategies (deep acting and expression of naturally felt emotions) that are compatible with the organizational prescriptions more, when compared to the surface acting strategy which is considered to be undesirable.

In a study among nurses by Kaur S. and Luxmi (2014) it is noted that there are no significant differences between unmarried and married nurses with regard to deep acting, but there is significant
differences in the case of surface acting. It was observed that the married nurses are using the surface acting strategy more than the unmarried nurses.

A study in the hotel industry by Satyanarayana, S. V., & Shanker, S. (2012) pointed out that employees with varying academic qualifications have different ways of managing their feelings or there is significant difference in the emotional labor with the difference in educational qualification of the employees. In a study by Baruah & Patrick (2014), among airline employees, significant difference in the experience of emotional labor -deep and surface acting across demographic variables was explained. The employees with 2 to 5 years of work tenure engage more in surface acting than employees with more than 6 years of work experience. Also, employees who were married and belonging to the age group of 31 to 35 years, experience more emotional labor than unmarried employees and those who are in the age group of 20 to 30 years.

Alias, Reena (2017) conducted a study on 788 nurses from the private sector hospitals in Kerala to analyze how the three emotional labor strategies (Deep acting, Surface acting and Expression of naturally felt emotions) vary with age, marital status, education and work experience. The findings revealed that all the emotional labor strategies vary significantly with age, but other demographic variables show different impact with the three emotional labor strategies.

3. Research Methodology:

In order to explore the difference in experience of Emotional Labor for different demographic groups a controlled inquiry of non-experimental kind was followed.

3.1 Research design

In order to measure the Emotional Labor behaviors of the Customer Service Professionals, descriptive analysis (percentage, arithmetic means, frequency, standard deviation) was conducted. Parametric tests: t-Test and ANNOVA were conducted for Hypothesis 1 and Hypothesis 2 respectively.

3.2 Data Collection Method

Primary and secondary data both were used for the study.

The researcher collected the secondary data through usage of: Published works of various universities, international and national journals, and conference proceedings mostly accessed through academic databases.

Primary Data for the study was collected via a self-administered survey. The questionnaire was constructed based on an extensive literature review. Previously established scale on Emotional Labor was utilized in the questionnaire. The respondents were also asked to fill some necessary personal information.

3.3 Measure of Emotional Labor

The study considered that Emotional Labor can be described as degree of manipulation of one’s inner feelings or outward behavior to display the appropriate emotion in response to display rules or occupational norms. The study was focused on two dimensions of Emotional Labor: Surface acting – employees fake or pretend to have, an emotion by using unnatural and artificial body language and verbal communication. Deep acting – employees control their internal emotions, directing them to believe that they actually are happy, and enjoying the interaction with the other person.

The current research used the self administered revised version of Brotheridge and Lee’s (2003) ELS (Lee & Brotheridge, 2006) to measure the six subscales of emotional labor in order to assess several dimensions of emotion labor. The ELS consists of 15 items that measure six dimensions of EL (frequency of emotional display, intensity of emotional display, variety of emotional display, surface acting and deep acting). The duration of customer interaction is assessed with a single free response question, which asks respondents to identify the actual duration of an average customer interaction. The remaining dimensions are measured with on a five-point Likert response scale where Individuals are required to state how frequently they engage in a certain action on an average day at work, ranging from “never” (1) to “always” (5). Participants are asked to answer items in response to the stem question, “On a normal routine day at work, how frequently do you perform the below mentioned activities when interacting with Customers/ Patients/ Students.”

Brotheridge and Lee (2002) report good combined coefficient alpha for the role characteristics (frequency, intensity and variety) subscales (α = 0.71), as well as for the deep acting and surface acting subscales (α = 0.89, α =.86).

Reliability analysis was done using internal consistency analysis and was measured using a reliability coefficient called Cronbach’s alpha on the data collected. The researcher conducted a pilot study to check the robustness of the data collection instrument with 100 respondents which comprised of 25 Teachers, 25,
Doctors, 25 Sales Professionals, and 25 Hospitality Executives. The scale used in the questionnaire were all found to have good reliability statistics which is reported in Table 2. The reliability statistics were checked again for the final study with sample size of 600 respondents before conducting further analysis. Cronbach’s Alpha values for all were found above 0.70 and are given in Table 1.

### Table 1. Reliability Statistics for Measuring Scale

<table>
<thead>
<tr>
<th>Measure</th>
<th>Cronbach’s Alpha Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Emotional Labor Scale (ELS), Brotheridge and Lee (2003)</td>
<td>0.90</td>
</tr>
<tr>
<td></td>
<td>0.92</td>
</tr>
<tr>
<td></td>
<td>0.89</td>
</tr>
</tbody>
</table>

#### 3.4 Sample Design

Total numbers of respondents for the study were 600. The boundary of this study was limited to the customer service industry at Indore, MP, and the target population was employees who work as customer interface. As this study focused on emotional labor, the sampling frame was narrowed to focus on those professions which have major face-to-face or voice-to-voice contact with their customers and therefore should be experiencing emotional labor on a daily basis. The professions which were used for the study were: Doctors, Teachers, Sales Professionals and Hospitality Executives. Entry-level employees and Middle Level Employees between the age group 20 to 40 years were considered for the study.

Use of **Stratified Random Sampling** was done to select the Sample Units (Individuals working under different service oriented professions). Four Stratums were formed for this research. Each Service Profession was considered as a different stratum and equal numbers of respondents were incorporated from each.

### Table 2. Sample Size

<table>
<thead>
<tr>
<th>S.no.</th>
<th>Stratum</th>
<th>Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Doctor</td>
<td>150</td>
</tr>
<tr>
<td>2</td>
<td>Teacher</td>
<td>150</td>
</tr>
<tr>
<td>3</td>
<td>Sales Professionals</td>
<td>150</td>
</tr>
<tr>
<td>4</td>
<td>Hospitality Executives</td>
<td>150</td>
</tr>
</tbody>
</table>

#### 4. Analysis and Discussions

**4.1 Gender wise distribution of the sample**

Table 3 represents the gender-wise distribution of the employees involved in customer service work.

### Table 3. Gender wise distribution of the sample

<table>
<thead>
<tr>
<th>Gender</th>
<th>Teachers</th>
<th>Doctors</th>
<th>Sales Professionals</th>
<th>Hospitality Executives</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>79</td>
<td>74</td>
<td>67</td>
<td>79</td>
<td>299</td>
</tr>
<tr>
<td>Female</td>
<td>71</td>
<td>76</td>
<td>83</td>
<td>71</td>
<td>301</td>
</tr>
</tbody>
</table>

From the table presented above it can be summarized that for 150 teachers included in the study 52.67% were male and 47.33% were female. Out of the 150 doctors, 49.33% were male and 50.67% were female. For 150 sales professionals 44.67% were male and 55.33% were females. Out of 150 hospitality executives 52.67% were male and 47.33% were female. For the complete sample of 600 employees 49.83% were male and 50.17% were female. So the sample had almost an equal distribution as per the gender of the employees.
4.2 Comparative Analysis of Employees involved in Customer Service Work

4.2.1 Emotional Labor across Occupations

As stated earlier as most of the researchers considered all the occupations involved in customer service work similar no distinctions were made in the sample. The current study focused on differentiation in the service occupations because of the difference in required qualifications and distinction in emotional display rules.

One way ANOVA was conducted to analyze the constructs of Emotional Labor and its subscales. The results are presented in table 4.

Table 4. Descriptive Statistics for Emotional Labor across Occupations

<table>
<thead>
<tr>
<th>ELS Frequency</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error</th>
<th>95% Confidence Interval for Mean</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teacher</td>
<td>150</td>
<td>4.1556</td>
<td>.50452</td>
<td>.04119</td>
<td>4.0742 to 4.2370</td>
<td>1.737</td>
<td>.158</td>
</tr>
<tr>
<td>Doctor</td>
<td>150</td>
<td>4.2489</td>
<td>.46373</td>
<td>.03786</td>
<td>4.1741 to 4.3237</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>150</td>
<td>4.2333</td>
<td>.41189</td>
<td>.03363</td>
<td>4.1669 to 4.2998</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospitality</td>
<td>150</td>
<td>4.1600</td>
<td>.41901</td>
<td>.03421</td>
<td>4.0924 to 4.2276</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>600</td>
<td>4.1994</td>
<td>.45216</td>
<td>.01846</td>
<td>4.1632 to 4.2357</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ELS Intensity</td>
<td>N</td>
<td>Mean</td>
<td>Std. Deviation</td>
<td>Std. Error</td>
<td>95% Confidence Interval for Mean</td>
<td>F</td>
<td>Sig.</td>
</tr>
<tr>
<td>Teacher</td>
<td>150</td>
<td>4.0100</td>
<td>.54794</td>
<td>.04474</td>
<td>3.9216 to 4.0984</td>
<td>12.16</td>
<td>.000</td>
</tr>
<tr>
<td>Doctor</td>
<td>150</td>
<td>3.8933</td>
<td>.77413</td>
<td>.06321</td>
<td>3.7684 to 4.0182</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>150</td>
<td>4.2233</td>
<td>.52308</td>
<td>.04271</td>
<td>4.1389 to 4.3077</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospitality</td>
<td>150</td>
<td>4.2567</td>
<td>.56085</td>
<td>.04579</td>
<td>4.1662 to 4.3472</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>600</td>
<td>4.0958</td>
<td>.62667</td>
<td>.02558</td>
<td>4.0456 to 4.1461</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ELS Variety</td>
<td>N</td>
<td>Mean</td>
<td>Std. Deviation</td>
<td>Std. Error</td>
<td>95% Confidence Interval for Mean</td>
<td>F</td>
<td>Sig.</td>
</tr>
<tr>
<td>Teacher</td>
<td>150</td>
<td>3.8800</td>
<td>.82673</td>
<td>.06750</td>
<td>3.7466 to 4.0134</td>
<td>.295</td>
<td>.829</td>
</tr>
<tr>
<td>Doctor</td>
<td>150</td>
<td>3.9644</td>
<td>.78116</td>
<td>.06378</td>
<td>3.8384 to 4.0905</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>150</td>
<td>3.9267</td>
<td>.82817</td>
<td>.06762</td>
<td>3.7930 to 4.0603</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospitality</td>
<td>150</td>
<td>3.9444</td>
<td>.81688</td>
<td>.06670</td>
<td>3.8126 to 4.0762</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>600</td>
<td>3.9289</td>
<td>.81202</td>
<td>.03315</td>
<td>3.8638 to 3.9940</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deep Acting</td>
<td>N</td>
<td>Mean</td>
<td>Std. Deviation</td>
<td>Std. Error</td>
<td>95% Confidence Interval for Mean</td>
<td>F</td>
<td>Sig.</td>
</tr>
<tr>
<td>Teacher</td>
<td>150</td>
<td>3.5000</td>
<td>1.10099</td>
<td>.08989</td>
<td>3.3224 to 3.6776</td>
<td>3.430</td>
<td>.017</td>
</tr>
<tr>
<td>Doctor</td>
<td>150</td>
<td>3.4356</td>
<td>1.11190</td>
<td>.09079</td>
<td>3.2562 to 3.6149</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>150</td>
<td>3.1867</td>
<td>1.19562</td>
<td>.09762</td>
<td>2.9938 to 3.3796</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospitality</td>
<td>150</td>
<td>3.1711</td>
<td>1.05673</td>
<td>.08628</td>
<td>3.0006 to 3.3416</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>600</td>
<td>3.3233</td>
<td>1.12421</td>
<td>.04590</td>
<td>3.2332 to 3.4135</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surface Acting</td>
<td>N</td>
<td>Mean</td>
<td>Std. Deviation</td>
<td>Std. Error</td>
<td>95% Confidence Interval for Mean</td>
<td>F</td>
<td>Sig.</td>
</tr>
<tr>
<td>Teacher</td>
<td>150</td>
<td>2.5289</td>
<td>1.16639</td>
<td>.09524</td>
<td>2.3407 to 2.7171</td>
<td>2.465</td>
<td>.061</td>
</tr>
<tr>
<td>Doctor</td>
<td>150</td>
<td>2.5511</td>
<td>1.16306</td>
<td>.09496</td>
<td>2.3635 to 2.7388</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>150</td>
<td>2.7889</td>
<td>1.25640</td>
<td>.10258</td>
<td>2.5862 to 2.9916</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospitality</td>
<td>150</td>
<td>2.8178</td>
<td>1.17809</td>
<td>.09619</td>
<td>2.6277 to 3.0079</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>600</td>
<td>2.6717</td>
<td>1.19596</td>
<td>.04882</td>
<td>2.5758 to 2.7676</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emotional Labor</td>
<td>N</td>
<td>Mean</td>
<td>Std. Deviation</td>
<td>Std. Error</td>
<td>95% Confidence Interval for Mean</td>
<td>F</td>
<td>Sig.</td>
</tr>
<tr>
<td>Teacher</td>
<td>150</td>
<td>3.6149</td>
<td>.30562</td>
<td>.02495</td>
<td>3.5656 to 3.6642</td>
<td>1.667</td>
<td>.173</td>
</tr>
<tr>
<td>Doctor</td>
<td>150</td>
<td>3.6187</td>
<td>.30746</td>
<td>.02510</td>
<td>3.5691 to 3.6683</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>150</td>
<td>3.6718</td>
<td>.28632</td>
<td>.02338</td>
<td>3.6256 to 3.7180</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospitality</td>
<td>150</td>
<td>3.6700</td>
<td>.28700</td>
<td>.02343</td>
<td>3.6237 to 3.7163</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>600</td>
<td>3.6438</td>
<td>.29726</td>
<td>.01214</td>
<td>3.6200 to 3.6677</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The results for the Emotional Labor and its subscales indicated that there was no significant difference between the four occupations with respect to Frequency of emotional displays, Variety of emotions, Surface Acting and Emotional Labor as a whole. But it was found that there was significant difference with Intensity of emotional displays and Deep Acting Strategy.

The results indicated that the mean scores of intensity \( (F = 12.16; p = 0.000) \) significantly differed with the occupation of the employees involved in customer service work. Intensity of emotional display was highest for hospitality executives; whereas, doctors depicted least scores in intense emotions.

The results indicated that the mean scores of expression of Deep Acting \( (F = 3.43; p = 0.017) \) significantly differed with the occupation of the employees involved in customer service work. Deep acting was more for teachers and doctors when compared to that of the sales professionals and hospitality executives, this may be due to the nature of the job of the sales professionals and hospitality executives that the face difficulties in modifying their feelings to deep act. People who chose to become doctors or teachers generally are the ones who are more inclined towards greater good of the society and hence are aware about the emotional requirements and willfully modify their emotions to suit the same.

Based on the scores presented in Table 4 it can be concluded that:

- Overall scores of Emotional labor did not vary significantly across different occupations, and hence, hypothesis H1(a) was rejected.
- The scores of Deep Acting varied significantly across the four occupations under study and therefore, hypothesis H1(b) was accepted.
- The scores of Surface Acting did not vary significantly across the four occupations under study and therefore H1(c) was rejected.

**4.3 Analysis of the Relationship between Emotional Labor Strategies and Gender**

Rooted in the literature review, the researcher anticipated that there may be difference in the emotional labor strategies used by the customer interface employees based on the gender. The researcher used independent sample t-test to verify whether Emotional labor strategies significantly vary across gender of the employees. Table 5 presents the data related to the t-test.

The results indicated that Gender difference does not play a role in any of the subscales of emotional labor as well as on the concept of emotional labor as a whole. Table 5 shows that the mean scores of Frequency, Intensity, Variety, Surface Acting, Deep Acting and Emotional labor did not differ significantly for Male and Female Employees. Therefore it can be concluded that Gender does not help in determining the levels of emotional labor.

<table>
<thead>
<tr>
<th>Table 5. Descriptive Statistics for Emotional Labor across Genders</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Frequency</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Intensity</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Variety</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Deep Acting</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
Based on the scores presented in Table 5 it can be concluded that:

- Overall scores of Emotional labor did not vary significantly for male and female employees, and hence, hypothesis H9(a) was rejected.
- The scores of Deep Acting did not vary significantly for male and female employees, and therefore, hypothesis H9(b) was rejected.
- The scores of Surface Acting did not vary significantly for male and female employees, and therefore H9(c) was rejected.

5. Conclusion:

Employee’s experience of the emotional labor is based on frequency of emotional displays, intensity of the emotions, variety of emotions, deep acting and surface acting. It is very well evident that all the professions which are involved in customer service work have to be frequently involved in emotional interactions with their customers. All these professions have clear descriptions of acceptable and non acceptable emotional display which are of intense nature. Displays of both positive and negative emotions are a part of the occupational requirements of these customer service jobs. Therefore the overall of experience regarding Emotional Labor does not vary according to the professions. An employee can ensure effective performance in the Service Industry by achieving Customer Satisfaction, which can be done only by building strong relations for which they would experience Emotional Labor inevitably.

Employees who experience congruence in the expected emotional displays and real feelings are said to be Deep Acting. It was found that Doctors and Teachers are comparatively involved more in Deep Acting then Sales Professionals and Hospitality Executives. The underlying reason behind this is that both Doctors and Teachers are in close and regular contacts with their patients and students, and therefore don’t treat them merely as customers. Their basic motive behind pursuing these streams as career is for greater good of the society and therefore are able to internalize the emotional requirements better than the others. Whereas a Sales Professionals are expected to increase the revenue of the company by generating sales, which does not make them empathize with their customers. Hospitality Executives are expected to be courteous with the customers and assist them with their requirements which would help the organization in developing a better brand image and lead to customer retention. It can be concluded that the professions which develop genuine emotional connect between the employees and customers would have high levels of Deep Acting.

Potential incompatibility between the emotions displayed at the job and actually felt by the employees leads them to perform Emotional Labor by using Surface Acting. All the professions that are involved in customer service work have an array of emotional displays which they are supposed to encompass during work encounters. It is almost impossible for any employee to internalize each of these emotional expectations, and most of the times have to subside their inner feelings to exhibit the ones that match their professional expectations. Individual playing a role of teacher, doctor, sales professional, or hospitality executive will have professional moments where they face difference in original and displayed emotions, therefore perform Surface Acting in similar ways.

The professional roles played by male and female employees in customer service industry have similar emotional expectations and therefore they experience Emotional Labor in similar ways. The nature of job and the responsibilities associated with it don’t vary with gender, job holder whether male or female are expected to conform to the Emotional Norms set for their designations. It can therefore be concluded that gender does not affect performance of Emotional labor or its strategies.

References:
The Digital Marketing in The Modern Era : An overview

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Abstract: The internet plays a major role in digital marketing, it shifted consumers from traditional marketing such as magazines, newspaper, television and radio to the digital marketing. In the United States, the number of users was 278.8 million and in Europe 518.5 million. This paper explain digital marketing tools like display advertising, e-mail, mobile applications and search engine; which support marketers and companies to promote their products and services. Through digital marketing; we can buy and sell fast for any product and service, and can reach out maximum customers. Social media plays role in marketing, and we can response quickly customer inquiries and measure his satisfy. This paper introduce a brief of marketing in digital era.

Key words: Marketing, Digital marketing, Social media.

1. INTRODUCTION:
Digital marketing is promotion of products or brands via one or more forms of electronic media. or is an action or business of promoting and selling products or services by internet. The first approaches to digital marketing defined it as a projection of conventional marketing, its tools and strategies, on Internet. Digital marketing is often referred to as 'online marketing', 'internet marketing' or 'web marketing'. (Shirisha, 2018) In today’s time, social media channels such as Face book, Twitter, Google and other social media firms have successfully transformed the attitudes and perceptions of consumers and in the end helped revolutionized many businesses. This was done through measurable vast network of customers with trustworthy data with real-time feedback of customer experiences. (Khan, 2013)

How internet plays a major role in digital marketing
The concept of marketing has changed with the growth of the Internet. It has shifted consumers from magazines, newspapers, and even some cases television and radio to the Internet. According to the Internet World Stats 2013, in 2012 the Internet was used by 2.4 billion people around the world, and those numbers are increasing every year. In the United Sates, the same number was 273.8 million users and in Europe 518.5 million. The Internet is not only accessed through computers, but also by mobile phones, tablets, game consoles, and other portable devices. Therefore, the new era of marketing has a digital form. (Narkiniemi,2013)

The Internet and the Web – New Marketing Communication Channels
In Digital Era the classical channels and marketing means of distribution and communication are replaced by the ways offered by the Internet and World Wide Web. The terms Internet and World Wide Web are not synonymous, meaning two different things and they should not be confused. The Internet is a huge network of networks, a networking infrastructure, which connects together millions of computers. In this network any computer can communicate with any other computer as long as they are both connected to the Internet. The information over the Internet travels via a variety of languages known as protocols. The protocol is a format for transmitting data between two devices. The protocol contains the data compression method and other information. The protocol can be implemented either in hardware or in software. There is a variety of ways to access the Internet, like through a commercial Internet Service Provider (ISP). The World Wide Web or simply Web, uses a system of Internet servers. The Web is a way of accessing...
information over the Internet. The Web is model of sharing information on the Internet. The Web utilizes browsers, such as Internet Explorer or Netscape, to access Web documents called web pages, which are linked to each other via hyperlinks. Web documents contain graphics, sounds, text and video. Using the links everyone can jump from one document to another by clicking on the spots. Every web page is identified by a unique URL (Uniform Resource Locator). There are a lot of Web server software applications. Not all Internet servers are part of the World Wide Web. The Web is just a large portion of the Internet. (Duguliana, 2008)

The development digital marketing strategies offer much potential for brands and organizations. Some of them are as follows: (Otero, Rolan, 2016)

- **Branding**: Platforms and services are a great opportunity to build a brand image on the Web due to their scope, presence and constant updates.
- **Completeness**: The possibilities to disseminate information through links offer consumers the chance to approach the organization in a wider and customized way.
- **Usability–functionality**: Web 2.0 offers simple and user-friendly platforms for all in order to improve user experience and allow for their activities.
- **Interactivity**: In the context in which organizations try to forge long-term relationships with their audiences, Internet offers the possibility of having a conversation and therefore of generating a positive experience with the brand.
- **Such interactivity can be basic, as product assessment, or become an all-encompassing experience.**
- **Visual communication**: In line with visual thinking, digital marketing offers marketers different image- and video-based tools. This is an attractive way of reaching audiences that can lead to greater engagement.
- **Relevant advertising**: Easy segmentation and customization of advertising in Internet maximize the output. Besides, free from the limitations of other media, this environment has allowed for more attractive advertising.
- **Community connections**: Internet is a unique opportunity to connect organizations with their audiences and users among themselves. This connectivity can improve their experience and enhance the relationship with the product, brand or organization.

2. **Digital Marketing Tools**

There are several tools to support and enhance digital marketing and its strategies. Some of ones as following:

- **Display advertising** – This can be, for example, in the form of banner ads on websites or in emails. For marketers this is a visible way to create brand awareness but it does not necessarily translate into direct clicks. Targeted product recommendations based on users clicks are also a rapidly growing means of advertising which may increase product awareness and trigger purchase action. (Blanding, 2013)

- **Email (Newsletter)** – Newsletters have been around as long as email and they still have value for marketers. They are fast methods for businesses to quickly share information about sales, promotions, new products, or any other current issues with interested customers, since customers choose to receive (subscribe to) the company’s newsletter. (Scott, 2011)

- **Mobile Applications** - Accessing social content and the Internet has changed since the arrival of mobile devices and tablets. Mobile application (app) usage now comprises more than a third of social networking time across personal computers (PC) and mobile devices. Nielsen (2013) states in its survey that compared to year 2011 consumers increased their social app time by 76 percent. This means that seven times the amount of minutes have been spent on apps than the mobile web; for example, Face book was used through its mobile app by 819 million people monthly. (Nielsen, 2013)

- **Pay-Per-Click Marketing (PPC)** – This is also known as sponsored search or paid search. PPC marketing offers to the potential for marketers to bid for placement in the paid listings search results by choosing relevant search terms for their business. Companies pay the amount of their bid only when consumer clicks on their listing. Undoubtedly, the most well known PPC tool is Google AdWords, and
Google Analytics for monitoring the results, but Yahoo and Microsoft are also offering the same tools. Through these tools it is possible to increase website visibility and evaluate its effectiveness. AdWords is a service to create PPC campaigns by setting relevant keywords. It allows the user to add, delete, and manage bids. Google Analytics is a tool designed to evaluate a company’s performance in Google searches, clicks on the website, how users entered the website, and customer acquisition. These two tools have evolved as a unified tool. (Ramos, Cotta 2009)

- **Search Engine Optimization (SEO)** – This is a process that aims to support the website’s listing in search engine results. SEO is done by improving the website’s search engine friendliness. In other words, phrases on the site, blog, or other online content are found by the search engines. SEO is often outsourced. (Scott, 2011)

3. **Social Media in digital marketing**

Social media plays major role in digital marketing. There are several social media examples as following:

I) **Facebook** - is an American online social media and social networking service company based in Menlo Park, California. Its website was launched on February 4, 2004, by Mark Zuckerberg, along with fellow Harvard College students and roommates Eduardo Saverin, Andrew McCollum, Dustin Moskovitz, and Chris Hughes. It is considered one of the Big Four technology companies along with Amazon, Apple, and Google. Facebook can be accessed from a large range of devices with Internet connectivity, such as desktop computers, laptops and tablet computers, and smartphones. After registering, users can create a customized profile indicating their name, occupation, schools attended and so on. Users can add other users as "friends", exchange messages, post status updates, share photos, videos and links, use various software applications ("apps"), and receive notifications of other users' activity. Additionally, users may join common-interest user groups organized by workplace, school, hobbies or other topics, and categorize their friends into lists such as "People From Work" or "Close Friends". Additionally, users can report or block unpleasant people. Facebook has more than 2.2 billion monthly active users as of January 2018. Its popularity has led to prominent media coverage for the company, including significant scrutiny over privacy and the psychological effects it has on users. In recent years, the company has faced intense pressure over the amount of fake news, hate speech, and depictions of violence prevalent on its services, all of which it is attempting to counteract. (Rivas, 2018)

**Number of advertisers in Facebook**

In February 2015, Facebook announced that it had reached two million active advertisers with most of the gain coming from small businesses. An active advertiser is an advertiser that has advertised on the Facebook platform in the last 28 days. In March 2016, Facebook announced that it reached three million active advertisers with more than 70% from outside the US. Prices for advertising follow a variable pricing model based on ad auction bids, potential engagement levels of the advertisement itself. Similar to other online advertising platforms like Google and twitter, targeting of advertisements is one of the chief merits of advertising visa a traditional mass advertising modes like television and print. Marketing on facebook is employed through two methods based on the surfing habits, likes and shares, and purchasing data of the audience, namely targeted audiences and "look alike" audiences. (Meola, 2015)

**Media impact**

In April 2011, Facebook launched a new portal for marketers and creative agencies to help them develop brand promotions on Facebook. The company began its push by inviting a select group of British advertising leaders to meet Facebook's top executives at an "influencers' summit" in February 2010. Facebook has now been involved in campaigns for True Blood, American Idol, and Top Gear. News and media outlets such as The Washington Post, Financial Times and ABC News have used aggregated Facebook fan data to create various info graphics and charts to a company their articles. In 2012, beauty pageant Miss Sri Lanka Online was run exclusively using Facebook. (Bingham, 2012)

II) **Twitter** - is an American online news and social networking service on which users post and interact with messages known as "tweets". Tweets were originally restricted to 140 characters, but on November 7, 2017, this limit was doubled for all languages except Chinese, Japanese, and Korean. Registered users can post, like, tweet and re-tweet, but unregistered users can only read them. Users access Twitter through its website interface, through Short Message Service (SMS) or its mobile-
device application software ("app"). **Twitter, Inc.** is based in San Francisco, California, and has more than 25 offices around the world. (Shaban, 2018)

Five ways to increase your twitter marketing impact (Sinha, 2018)

People across the world are observing an increase in their business exposure to social media marketing. Close to 90% of marketers are spending close to seven hours a week on various social media platforms to reach targeted traffic

- Turn potential customers as followers
- Keep tweets simple and short
- Tweet during rush hours for higher reach
- Enhance visibility of tweets with right hashtags
- Participate in on-going conversations to gain followers

### III) Google

- is an American multinational technology company that specializes in Internet-related services and products, which include online advertising technologies, search engine, cloud computing, software, and hardware. It is considered one of the Big Four technology companies, along with Amazon, Apple and Facebook. (Rivas, 2018)

**Advertising**

As per its 2017 Annual report, Google generates most of its revenues from advertising. This includes sales of apps, purchases made in-app, digital content products on google and YouTube, android and licensing and service fees, including fees received for Google Cloud offerings. 46% of this was from clicks (cost per clicks), amounting to US$109,652 million in 2017. This includes three principal methods, namely AdMob, AdSense (such as AdSense for Content, AdSense for Search, etc.) and Double Click AdExchange. (Nakashima, 2008)

For the 2006 fiscal year, the company reported $10.492 billion in total advertising revenues and only $112 million in licensing and other revenues. In 2011, 96% of Google's revenue was derived from its advertising programs. In addition to its own algorithms for understanding search requests, Google uses technology from the company Double Click, to project user interest and target advertising to the search context and the user history. In 2007, Google launched "AdSense for Mobile", taking advantage of the emerging mobile advertising market. (Helft, 2009)

### IV) Instagram

- is a photo and video-sharing social networking service owned by Facebook, Inc. It was created by Kevin Systrom and Mike Krieger, and launched in October 2010 exclusively on iOS. A version for Android devices was released a year and half later, in April 2012, followed by a feature-limited website interface in November 2012, and apps for Windows 10 Mobile and Windows 10 in April 2016 and October 2016 respectively. The app allows users to upload photos and videos to the service, which can be edited with various filters, and organized with tags and location information. An account's posts can be shared publicly or with pre-approved followers. Users can browse other users' content by tags and locations, and view trending content. Users can "like" photos, and follow other users to add their content to a feed.

**WHAT IS INSTAGRAM MARKETING**

Instagram marketing is the way that brands use Instagram to connect with their target audiences and market their offerings. Recently, it’s gained popularity as an exciting method for brands to show off their cultures, recruit new employees, engage with customers, and show off products in a new light. Similar to Facebook and Twitter, everybody who creates an Instagram account has a profile and newsfeed. Users can interact with one another by following, being followed, private messaging, and commenting on or liking photos or videos. The in-app filters and editing options Instagram offers make the app unique because it was the first app to offer in-app editing to this extent. (Brenner, 2018)

### V) Youtube

- is an American video-sharing website headquartered in San Bruno, California. Three former PayPal employees—Chad Hurley, Steve Chen, and Jawed Karim—created the service in February 2005. Google bought the site in November 2006 for US$1.65 billion; YouTube now operates as one of Google's subsidiaries. YouTube allows users to upload, view, rate, share, add to favorites, report, comment on videos, and subscribe to other users. It offers a wide variety of user-generated and corporate media videos. Available content includes video clips, TV show clips, music
videos, short and documentary films, audio recordings, movie trailers, live streams, and other content such as video blogging, short original videos, and educational videos. Most of the content on YouTube is uploaded by individuals, but media corporations including CBS, the BBC, Vevo, and Hulu offer some of their material via YouTube as part of the YouTube partnership program. Unregistered users can only watch videos on the site, while registered users are permitted to upload an unlimited number of videos and add comments to videos. Videos deemed potentially inappropriate are available only to registered users affirming themselves to be at least 18 years old. YouTube earns advertising revenue from Google AdSense, a program which targets ads according to site content and audience. The vast majority of its videos are free to view, but there exceptings, subscription-based premium channels, film rentals, as well as YouTube Premium, a subscription service offering ad-free access to the website and access to exclusive content made in partnership with existing users.(Claburn , 2017)

VI) Whatsapp - is a freeware and cross-platform messaging and Voice over IP (VoIP) service owned by Facebook. The application allows the sending of text messages and voice calls, as well as video calls, images and other media, documents, and user location. The application runs from a mobile device but is also accessible from desktop computers; the service requires consumer users to provide a standard cellular mobile number. Originally, users could only communicate with others individually or in groups of individual users, but in September 2017, WhatsApp announced a forthcoming business platform that will enable companies to provide customer service to users at scale. (Constine , 2018)

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Impact of Economic Reforms on Indian Economy

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Abstract: Economic reforms have an important impact on Indian economy. There are many changes in Indian economy, after adopted the policy of LPG. Developed nations show their interest in Indian market and try to invest in Indian economy to achieve profit and for extend their market. Therefore, Indian economy comes on track which loose in decade of 1980’s. Liberalization, Privatization and Globalization came in behavior after the economic reforms. Foreign investors started the investment in many sectors. Many of the Public enterprise’s power transfer to private sector. Indian economy opened for all foreign investors and MNC’s. This paper discusses the impact of economy reforms on India.

Keywords: Liberalization, Privatization, Globalization, Economic Reforms, Indian economy.

INTRODUCTION:

After independence in 1947, Indian adhered to socialist policies. Attempts were made to liberties the economy in 1966 and 1985. Economic reforms in India started on 24 July 1991. The first attempt was reversed in 1967. There- after a stronger version of socialism was adopted. The second major attempt was in 1985 by Prime Minister Rajiv Gandhi. The process came to a halt in 1987, through 1966 style reversal did not take place. In 1991 after India faced a balance of payments crisis, it had top ledge 20 tonnes of gold to Union Bank of Switzerland and 47 tonnes to Bank of England as part of a bailout deal with the International monetary fund. In addition, the IMF required India to undertake a series of structural economic reforms. As a result of this requirement the government of P.V. Narasimha Rao and his finance minister Dr. Manmohan Singh started back through reforms, although they did not implement many of the reforms the IMF wanted. The fruits of liberalization reached their peak in 2007, when India recorded its highest GDP growth rate of 9%, with this India became the second fastest growing major economy in the world, next only to China. The growth rate has slowed significantly in the first half of 2012. As India’s GDP growth rate became lowest in 2012-13 over a decade, growing merely at 5% more criticism of India’s economic reforms surfaced, as it apparently failed to address employment growth, nutritional solutes in terms of food intake in calories and also export growth and there by leading to worsening level of current account deficit compared to the prior to the reform period. Privatization as a process that aims at reducing involvement of the state or the public sector in the nation’s economic activities by shifting the divide between public sector and private sector in favor of letter has made considerable progress since the introduction of the new economic policy in 1991. The first dimension of Privatization namely, the fiscal dimension stems from the government’s need to reduce the fiscal deficit. Privatization for efficiency is the second dimension. In a sense the efficiency dimension forms the cruse of privatization policy. The third dimension of our impact analysis is on intersecting oral linkages which have to be addressed by a policy on privatization. OECD report states that the average growth rate 7.5% will double the average income in a decade, and more reforms speed up the pace. There has been significant debate, however, around liberalization as an inclusive economic growth strategy. Since 1992 income inequality has depended in India with consumption among the poorest staying stable while the wealthiest generate consumption growth. The economic reforms ushered in a new era if
liberalization as industrial licensing was abolished, role of public sector diluted, doors to foreign investment considerably opened, and numerous incentives and initiatives granted to the private sector to expand its business activities.

**REVIEW OF LITERATURE:**

Eckhard Siggel and Pradeep Agrawal (2009) The Impact Of Economic Reforms On Indian Manufacturers: Evidence From A Small Sample Survey. Although there has been much theorizing on the impact of India’s economic reforms of 1991 on Indian manufacturers, there is hardly any previous study that has taken up the task of actually asking the manufacturing firms as to what the true impact of economic reforms has been on them. In this paper, we report the findings of a small sample survey of manufacturing enterprises in the Delhi region regarding perceptions of the impact of economic reforms of 1990s. Most firms felt that reforms were helpful by increasing access to foreign technology and making imports of capital and intermediate goods cheaper. Montek S Ahluwalia (2009) India’s Economic Reform, the recently developed literature on the sequencing of reform in developing countries provides some guidance in making these difficult choices though it is far from being conclusive. This paper presents an over-view of what has been achieved in India’s current reforms. It indicates some of the compulsions affecting the sequencing and pace of reforms and attempts to evaluate the internal consistency of the resulting package. The paper also presents a tentative assessment of the results achieved at the end of the third year. Jos Mooij (2005) The Politics Of Economic Reforms In India: A Review Of The Literature, In April and May 2004, India went to the polls. Against all expectations, the ruling National Democratic Alliance did not win the election, but was replaced by a Congress party-led coalition, the United Progressive Alliance (UPA). The defeat was quite dramatic. Of the 543 seats in the Indian Lok Sabha, the NDA succeeded in capturing only 185 seats (from its previous 274), while the UPA (excluding the Left parties who support the government from outside) won 217 seats (from its previous meager 151). As soon as the verdict was announced, it was interpreted as a vote against the NDA’s policies: its divisive communal policies pursued particularly in Gujarat but also elsewhere; its education policy of rewriting textbooks on India’s history; its economic reform policies. This last interpretation was quite prominent. The Politics of Economic Reforms in India. Prathivadi Bhayankaram Anand (1999) “India’s Economic Policy Reforms: A Review”, India embarked on economic reforms in July 1991, in the wake of a balance of payments crisis. In this article, an attempt is made to review two books and a set of World Bank reports concerning the progress of these reforms. Issues concerning economic policy, impact of the reforms on poverty, sectoral issues relating to agriculture, industry and infrastructure are briefly discussed. As reforms enter a more difficult phase, several challenges remain. Some of these falls under the “economic agenda” of measures needed to maintain economic growth; others can be termed the “development agenda” – of improving human development. Progress with regard to the former is not sufficient to produce results concerning the latter. Nirupam Bajpai (2002) A Decade of Economic Reforms in India: The Unfinished Agenda, this paper aims to assess the economic reforms in India undertaken during the 1990s. India has gone through the first decade of her reform process. Hence, an assessment of what has been achieved so far and what remains on the reform agenda is in order. Reforms in the industrial, trade, and financial sectors, among others, have been wide and deep. As a consequence, they have contributed more meaningfully in attaining higher rates of growth.

**OBJECTIVES OF RESEARCH:**

- To know the impact of economic reforms on India.
- To know current reforms in India.

**ROLE OF THE DOMINANT SECTOR:**

Despite the rapid progress of the public sector in the period of planning, private sector is the dominant sector in the Indian economy as would be clear the trace. The number of private sector companies in 2006-07 was 1,24,941 out of 1,44,709 total companies. Thus, as many as 86.3 percent of the total companies were in the private sector, but in terms of fixed capital, gross output and value added, private sector’s share was much lower. Its share in fixed capital was only 25.5 percent in 2006-07. Its value added was only 32.2 percent and 30.8 percent respectively in that year. In terms of employment, private sector’s share was greater in 2006-07. Its employment 60 percent of workers as against 34.1 percent employment by the public sector.

**PERFORMANCE OF THE CORPORATE SECTOR AFTER 1991**

Opening up the economy to foreign competition has also faced considerable restricting of the private...
corporate sector via. Consolidation, mergers and acquisition as many business houses are concentrating on their core competencies and existing from unrelated and diversified fields. The average rate of growth of sales was 14.0 percent per annum during 1990’s (1990-91 to 1999-2000) and 14.2 percent per annum during the period 2000-01 to 2006-07. Gross profits increased at an average rate of 12.3 percent per annum during 1990’s and 20.04 percent per annum during 2000-01 to 2006-07. The performance of the corporate sector in 2007-08 showed some deterioration vis-à-vis 2006-07. For instance, growth rate in sales and net profits during this year decelerated to 18.3 percent and 26.2 from 26.2 percent and 45.2 percent respectively in 2006-07. Growth in gross profit of the corporate sector also decelerated from 41.9 percent in 2006-07 to 22.8 percent in 2007-08.

DATA INTERPRETATION

The private sector growing rapidly after economic reforms in 1991. India used the strategy of mixed economy and private sector giving good contribution in India’s development. The private entrepreneur is guided by the profit motive. He is responsible for the introduction of new commodities, new technique of production, assembling the necessary plant and equipment labor force and management and organizing them into a going concern. In the new economic reforms that has emerged after the announcement of the new industrial policy in 1991, private sector has been assigned the dominant role in industrial development.

GLOBALIZATION

Globalization has many meanings depending on the context and on the person, who is talking about. Brainbant says that the process of globalization not only includes opening up of world trade, development of advanced means of communication internationalization of financial markets, growing importance of MNC’s population migration and more generally increased mobility of persons, goods, capital, data and ideas but also infections, diseases and population. In context to India, this implies opening up the economy to foreign direct investment by providing facility to foreign companies to invest different fields of economic activities in India, removing constraints and obstacles to the entry of MNC’s in India, allowing Indian companies to enter into foreign collaborations. When Indian economy way in deep crisis in 1991, Foreign currency reserves had plummeted to almost 1 billion, inflation had roared to an annual rate of 17 percent, fiscal deficit was very high, foreign investors and NRI’s had lost confidence in Indian economy then globalization strategy applied and included the followings.

Devaluation
The first step towards globalization was taken with the announcement of the devaluation of Indian currency by 18-19 percent against major currencies in the international foreign exchange market.

Disinvestment
In order to make the process of globalization smooth, privatization and liberalization policies are moving along as well. Most of the public sector undertakings have been sold to private sector.

Liberalization of Imports
A number of items of imports were removed from the restricted list and have been permitted free for imports. 20 items were removed from this list in 1997. Similarly, 42 items were removed from the restricted list in 1996-97.

Reduction in Tariff
The tariff rates were slashed from 255 percent to 150 percent ad valorem on 35 import items. After sometime a few exceptions were reduced from 110 percent to 85 percent ad valorem. India has made commitment to the WTO to ceiling limit of tariff rates to 40 percent in use of finished goods and 25 percent in case of intermediate goods, machinery and equipment. The union budget 2002-03 announced a reduction in customs duty form 35 percent to 30 percent.

Foreign Capital
A very essential element of globalization in India has been to facilitate an easy inflow of foreign capital in the economy. The government specified a list of high priority industries in which equity participation of foreign investors even to the percent of 51 percent could be permitted without prior approval of the government.
STEPS TOWARDS GLOBALIZATION

Here we discussed the steps towards globalization initiated by the government of India in 1991.

A) Exchange Rate Adjustment and Rupee Convertibility

The most important measure for integrating the economy of a country with the global economy is to make it currency fully convertible. The government of India made a two-step downward adjustment of 18-19 percent in the exchange rate of the rupee on July 1991. The 1992-93 budget introduced a dual exchange rate system implying partial convertibility of rupee.

B) Import Liberalization

In its report ‘India: strategy for trade reforms’ released in 1990, the World Bank had advocated redesigning of the import policy, lowering of import tariff on all goods and free entry to capital goods, intermediate goods, raw materials and consumers goods into the Indian economy.

C) Opening up to Foreign Capital

In a bid to attract foreign capital and integrate the Indian economy with the global economy, the government of India has thrown open the doors to foreign investors. In 1991 the government announced a specified list of high technology priority industries wherein automatic permissions were granted for direct foreign investment up to 51 percent foreign equity. The limit was raised from 51 percent to 74 percent and subsequently to 100 percent for many of these industries. NRIs and overseas corporate bodies (OCBs) predominantly owned by them have been allowed to invest up to 100 percent equity in high priority industries with repatriability of capital and income; NRI investment up to 100 percent of equity has been allowed in export houses, trading houses, hospitals, sick industries, hotels etc.

GLOBALIZATION’S IMPACT ON INDIA

During the 11-year period 1995-2006 India’s merchandise exports increased at the rate of 13.3 percent per annum (from $30.63 billion to $120.25 billion). India’s share in world merchandise exports improved only marginally from 0.59 percent in 1195 to 0.99 percent in 2006. India’s performance in service sector exports was relatively much better as service exports increased from $10.0 billion in 1995 to $63.0 billion in 2006, indicating on annual average growth-rate of 18.2 percent during the period. If we pool together merchandise and service sector exports, it becomes evident that India’s exports of goods and services increased from $40.9 billion in 2008, indicating an annual average growth rate of 16.0 percent. As a consequence, India’s share in world exports of goods and services improved from 0.63 percent in 1995 to 1.41 percent in 2008. So, there is no doubt that India has gained as a consequence of globalization in improving its share of world exports of goods and services.

EMPLOYMENT SITUATION

The employment situation in India has worsened in the era of globalization. The rate of growth of employment which was of the order of 2.04 percent per year in 1983-84 declined to a low level of 0.98 percent during the period 1994-2000. This was largely a consequence of a negative growth rate of employment in agriculture which absorbed about 65 percent of total employed workers as also a sharp decline in community, social and personal services to 0.55 percent during 1994-2000 as against 2.90 percent during 1983-84.

CONCLUSIONS:

It has to be acknowledged the reforms process will not be able to achieve its socio-economic objective, because the private sector is merely concerned with profit motive. Whereas the liberalization process has reduced the role of public sector investment, it has failed to fill the vacuum created by the withdrawal of public sector investment infrastructure, more especially in the backward states. Obviously, this calls of a reform of the reform process. W.J. Clinton while speaking in Hyderabad on March 24, 2000 on the need to harness new technologies like info-tech for eradicating poverty emphasized: “Millions of Indians are connected to the internet, but millions more are not yet connected to fresh water. India accounts for 30 percent of the world’s software engineers but also 25 percent of the world’s malnourished. So, our challenge is to turn the newest discoveries into best weapons humanity has ever had to fight poverty.” Acc. Mr Manmohan Singh, “The challenge before us is to combine the Economics of growth with the Economics of equity and social justice we have no option but to walk on two legs.”
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QUALITY EARNINGS IN TELE COMMUNICATION SECTOR

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Abstract: In present business scenarios often, the organizations publicize the financial accounting statement and the financial reports for the purpose of the making the information available to all the people that are interested in the organizations financial condition. Also, these reports are used by the investors, creditor, share holders etc for making many decisions, so the organizations try to manipulate these accounting reports and financial statements to show artificial profits to them. Because of these manipulations in the financial statements it increases its earnings that will in turn increase their share price and hides the firm’s true financial status.

When any investor goes for investment, he sacrifices his present benefits for the sake of future profits. Any investment made is to earn profits by accepting some sort of risk and financial reporting is to provide information about impact of economic events and financial operations on firm’s status and performance for user’s decision making. Financial analysts, corporate executives, investors and individuals who participate in capital market for their financial and investment decisions attract most of their attention to net profit figure. In the present situations, public confidence in financial reporting was faced with problems because of undermine its credibility. Increased number of frauds that was accompanied with the bankruptcy of large companies created concerns about the health of earnings quality. In recent years, following the bankruptcy of some large companies in the world, researchers and financial analysts, in addition to existing practices.

Key Words: - Calculation of intellectual capital, Human Capital Coefficient, Structural Capital Coefficient.

2. INTRODUCTION:

Earnings quality is an important aspect of evaluating a firm’s financial health, yet investors, creditors and other financial statement users often overlook it. Earnings quality refers to the ability of reported earnings to reflect the company’s true earnings. Earnings quality also refers to the stability, persistence and lack of variability in reported earnings. In view of above facts, an attempt has been made to study earning quality of various firms with various approaches, relationship of earning quality with other determinates of earning quality in order to provide complete and true information on earnings of firms to common investors, policy makers, financial institutions and administrators of Governments.

There are many ways through which the organizations are manipulating the financial statements; they use certain approaches that help a firm to hide the true conditions. The investors need to assess the extent to which a firm's reported earnings are free from mistake or manipulation, so they should have an idea about the possible approaches and ways the firms use to lower its earning quality and increase their speculative profits. They are,

- Recording revenue too soon or of questionable quality,
- Recording fictitious revenue,
- Boosting income with one-time gains,
- Shifting current expense to a different period,
- Failing to record or improperly reducing liabilities,
- Shifting current revenue to a later period, and
- Shifting future expenses to the current period as a special charge.
The need for the earning quality method arose out of the increasing complexity of business transactions and a desire for more accurate financial information. First, we need to define what we mean when we say "quality", as earnings quality means different things to different users of financial statements. For example, regulators would view earnings quality as being high if the accounting had adhered to generally accepted accounting principles (GAAP), as GAAP is used by regulators to help ensure high quality in financial statements. Those businesses that generate revenue but not cash are not engaging in profitable activities. When you invest, make sure your company is taking its earnings to the bank. The earning quality is said to be low when the abnormal earnings are very high. Earning quality and abnormal usually has the inverse proportional relationship between them.

2.1 NEED OF THE STUDY: -
In order to understand a company financial report genuinely, you need to understand the accounting concepts that are used to justify the accounting rules. Basically, these accounting concepts provide rule makers with guidance that will result in financial reports the best help investors, creditors and other financial report user’s asses.

- Cash-flow amounts,
- Timing of cash flow,
- Certainty of cash flow,
- Claims on the resources the company uses to produce cash flow (For more insight, they see how Some Companies Abuse Cash Flow)

High boost up in earnings shows abnormal earnings; these are useful selling of shares, fixed assets and creating artificial profits. This information will create popularity on firm’s shares in minds of investors. If investors invest their money on this basis, they will face a huge loss in near long future. So, the study of the earnings quality is for the purpose of protecting the investors and any user of the financial reports for their well being. Investors overlook factors outside the financial reporting system that quantify their profits or losses most of the time without even their acknowledgement, by the study of earning quality of the firm we can threw a light on all the other factors that can affect earnings quality and organizations true earnings, by which the investors, creditors, share holders and others depend on the firm’s financial well being get benefited.

2.2 OBJECTIVES OF THE STUDY: -

✔ To estimate quality earning of selected in TELE COMMUNICATION SECTOR,
✔ To develop relationship between intellectual capital and earning quality,
✔ To establish relationship between earning quality and stock returns,
✔ To develop relationship between values added intellectual co-efficient and its components,
✔ To develop relationship between discretionary accruals with other components.

2.3 REVIEW OF LITERATURE: -

Earnings quality and the quality of financial reporting in general are subjects that, since a few years, receive more and more attention and are the centre of debate for investors, regulators as well as researchers. This heightened attention to the subject of earnings quality is due to the wave of accounting scandals of the early 2000s (manipulation of accounting numbers). The objective of this literature review is to give an overview of the recent study done on the topic of earnings quality. Hopefully this study will help both researchers and participants involved in the company’s financial activities. The study represents the assessment of the earning quality of the 10 companies in TELECOMMUNICATION SECTOR covering 10 different sub companies which include Aishwarya telecom, Bharathi airtel, tata communication, reliance communication, idea cellular, Mahan agar telephone nigam, Gemini communication, teleservices, surana telecom & power ltd. The earning quality assessment is done through using the approach consisting of multiple regression equation. Later the relationship between the earning quality and intellectual capital, relationship between the earning quality and stock returns, relationship between the values added intellectual capital and its components are pointed out using measuring accrual and scatter diagrams.

There are many papers published on the different approaches used for assessment of quality of earnings. Earnings quality is used in numerous empirical studies to show trends over time; to evaluate changes in financial accounting standards and in other institutions, such as enforcement and corporate
governance; to compare financial reporting systems in different countries; and to study the effect of earnings quality on the cost of capital.

The Relationship between Intellectual Capital and Earnings Quality: -
Roya Darabi, S. Kamran Rad and M. Ghadiri (2012), studied the association between the intellectual capital of firms and their earnings quality. The Research was conducted with 158 accepted companies and 948 firm-year observations from Iran stock market. Empirical studies were conducted based on hypothesis by Value Added Intellectual Coefficient as measures of intellectual capital and taking absolute value of Discretionary Accruals as measures of earnings quality. The results of statistical test show that intellectual capital and its human capital component have a significant positive impact on earnings quality and lead us to conclude that intellectual capital has a positive role in financial practices and reporting.

The Quality of Accruals and Earnings: -
Earnings Quality Revisited: -
Jennifer bender and frank Nielsen (2013), indicated that earning quality as an investment signal has been popular among equity portfolio managers for the last decade. The basic idea behind this accrual’s anomaly is that stocks with high and increasing accruals tend to have low earnings quality, while stocks with low and decreasing accruals tend to have high earning quality. The earnings quality signal stopped working in the mid-2000s, but has staged a remarkable rebound since the end of 2008. The authors evaluate whether earnings quality is a true alpha signal, a risk factor, or both. They find that, in the periods when the signal worked, the strategy was largely driven by stock selection, suggestion that earnings quality is indeed an alpha signal. The authors also find that earnings quality is not a good risk factor, in that it does not have high statistical significance when regressed cross-sectional on returns, along with other well-known risk factors, and is not very volatile over time. Overall, their results indicate that earnings quality may be that rare example of a pure alpha factor.

Accruals Quality and Internal Control over Financial Reporting: -
Jeffrey T. Doyle, Weili Ge, and Sarah McVay (2007), examined the relation between accruals quality and internal controls using 705 firms that disclosed at least one material weakness from August 2002 to November 2005 and find that weaknesses are generally associated with poorly estimated accruals that are not realized as cash flows. Further, it is found that this relation between weak internal controls and lower accruals quality is driven by weakness disclosures that relate to overall company-level controls, which may be more difficult to “audit around.” No such relation for more auditable, account-specific weaknesses is found. Similar results using four additional measures of accruals quality: discretionary accruals, average accruals quality, historical accounting restatements, and earnings persistence are estimated. The results obtained are robust to the inclusion of firm characteristics that proxy for difficulty in accrual estimation, known determinants of material weaknesses, and corrections for self-selection bias.

Earnings Quality, Accruals and Subjective Goodwill Accounting: -
Yuko Katsuo (2008) analyzed accounting accruals that may relate to earnings quality and its information content. The characteristics specifying earning quality are discussed according to research surveys of earnings quality. These are compared with the characteristics of accounting income specified by the concept of ‘released from risks’ in ASBJ (2006). In this context, the conversion process of subjective goodwill, which is related to the allocation problem in accounting income and its relation to earnings quality, is focused upon. The allocation problem is examined by clarifying the conversion process of subjective goodwill, and by highlighting the portion of the allocation error that reflects managerial discretion.

3. METHODOLOGY: -
3.1 COLLECTION OF THE DATA: -
In this study, secondary data was used to achieve the designated Objectives. The secondary data is from various websites, magazines, journals and financial newspapers.

The collected parameters are Revenue, debt, assets, book value and cash flow from operations, fixed assets, expenses and employee cost. The analysis was made based on secondary data, published papers and expert opinion.

3.2 DATA ANALYSIS PROCEDURE: -
For the study certain approaches are used to assess the quality of earnings, intellectual capital and stock returns.

**Calculation of quality earnings:**

Quality of earnings is calculated through the following formula:

\[
DA_{i,t} = \frac{TA_{i,t}}{A_{i,t-1}} - \left[ \hat{\beta}_0 \left( \frac{1}{A_{i,t-1}} \right) + \hat{\beta}_1 \left( \frac{\Delta REV_{i,t} - \Delta REC_{i,t}}{A_{i,t-1}} \right) + \hat{\beta}_2 \left( \frac{PPE_{i,t}}{A_{i,t-1}} \right) \right] + \epsilon_{i,t}
\]

- \( DA_{i,t} \) is discretionary accrual that is a proxy of earnings quality
- \( TA_{i,t} \) represents total accruals measured as net income minus cash flow from operations of firm \( i \) in year \( t \)
- \( A_{i,t-1} \) is total assets at the end of year \( t-1 \) of the firm

The equation is in the form of \( y = a + x1b + x2c + x3d \), through applying the regression analysis to the above equation we can get \( DA \) value. The regression analysis can be applied by the software that is analysis tool pak, after applying regression to the above equation the resulted \( x1 \) – intercept, \( x2 \) – intercept, \( x3 \) – intercept should be substituted in the \( DA \) formula to get the value of \( DA \).

**Calculation of intellectual capital (VAIC):**

1. **Value Added Intellectual Coefficient (VAIC) Calculation**
   - Value Added (VA)
   - \( VA = OUT - IN \), \( OUT \) = Revenues, \( IN \) = Expenses
   - Human Capital Coefficient (HCE)
   - \( HCE = VA/HC \), \( HC \) = Employee cost
   - Structural Capital Coefficient (SCE)
   - \( SCE = SC/VA \), \( SC \) = VA-HC
   - Capital Employed Efficiency (CEE)
   - \( CEE = VA/CA \), \( CA \) = Book-value of net assets

5. **Value Added Intellectual Coefficient (VAIC)**
   - \( VAIC = HCE+SCE+CEE \)

**Calculation of stock returns (R):**

\[
STOCK \ RETURN \ (R) = \frac{(P_t-P_0)}{P_0} \times 100
\]

Here, \( P_t \) = Closing price, \( P_0 \) = Opening price

**Calculation of intellectual capital (VAIC):**

6. **Value Added Intellectual Coefficient (VAIC) Calculation**
   - Value Added (VA)
   - \( VA = OUT - IN \), \( OUT \) = Revenues

**DA : Discretionary Accruals**

\[
(DA_{it}) = \beta_0 + \beta_1VAIC_{it} + \beta_2LEV_{it} + \beta_3SIZE_{it}
\]

\( \beta_0 = \) CONSTANT
\( \beta_1 = \text{ANOVA TABLE(C0-FFICIENTS VALUES)} \)
\( \beta_2 = \text{ANOVA TABLE(C0-FFICIENTS VALUES)} \)

4. DATA ANALYSIS AND INTERPRETATIONS:
4.1.1 Assessment of Earnings quality for AISHWARYA TELECOM: -
Table 4.1.1 Values of DA of AISHWARYA TELECOM: -

<table>
<thead>
<tr>
<th>Year</th>
<th>DA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>17.82755</td>
</tr>
<tr>
<td>2011</td>
<td>35.07093</td>
</tr>
<tr>
<td>2012</td>
<td>40.91491</td>
</tr>
<tr>
<td>2013</td>
<td>40.68344</td>
</tr>
<tr>
<td>2014</td>
<td>13.2416</td>
</tr>
<tr>
<td>2015</td>
<td>37.62573</td>
</tr>
<tr>
<td>2016</td>
<td>18.48741</td>
</tr>
<tr>
<td>2017</td>
<td>5.232201</td>
</tr>
<tr>
<td>2018</td>
<td>13.95261</td>
</tr>
<tr>
<td>2019</td>
<td>12.91994</td>
</tr>
</tbody>
</table>

**Regression Statistics**

| Multiple R | 0.34103 |
| R Square   | 0.116302 |
| Adjusted R Square | -0.13618 |
| Standard Error  | 2.358982 |
| Observations  | 10       |

**ANOVA**

<table>
<thead>
<tr>
<th>Df</th>
<th>SS</th>
<th>MS</th>
<th>F</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
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<td>2.563301</td>
<td>0.460628</td>
</tr>
<tr>
<td>Residual</td>
<td>7</td>
<td>38.95358</td>
<td>5.564797</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>9</td>
<td>44.08018</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Standard Error</th>
<th>t Stat</th>
<th>P-value</th>
<th>Lower 95%</th>
<th>Upper 95%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>5.958481</td>
<td>3.785774</td>
<td>1.573913</td>
<td>0.159507</td>
<td>-2.99345</td>
</tr>
<tr>
<td>YX Variable 1</td>
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<td>6.315341</td>
<td>-0.9498</td>
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<td>-20.9317</td>
</tr>
<tr>
<td>X Variable 2</td>
<td>-0.02815</td>
<td>0.158531</td>
<td>-0.17759</td>
<td>-0.864075</td>
<td>0.40302</td>
</tr>
</tbody>
</table>

**INTERPRETATION:** -

It can be seen that the Aishwarya telecom exhibit highest earning quality 40.91491 in 2007, this indicates high DA values and high earning quality and the firm also shows low earning quality in 2012 which is 5.232201.

**Note:** - I have mentioned one sample calculation of earning quality of selected industries and remaining as usual same as above example.

4.2.1 Relation b/w VAIC and DA for AISHWARYA TELECOM: -
Table 4.2.1 Relation between VAIC and DA for AISHWARYA TELECOM: -

<table>
<thead>
<tr>
<th>Year</th>
<th>VAIC</th>
<th>DA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>3.159212</td>
<td>17.82755</td>
</tr>
<tr>
<td>2011</td>
<td>6.047852</td>
<td>35.07093</td>
</tr>
<tr>
<td>2012</td>
<td>7.150222</td>
<td>40.91491</td>
</tr>
<tr>
<td>2013</td>
<td>7.085215</td>
<td>40.68344</td>
</tr>
<tr>
<td>2014</td>
<td>2.460052</td>
<td>13.2416</td>
</tr>
<tr>
<td>2015</td>
<td>6.559011</td>
<td>37.62573</td>
</tr>
<tr>
<td>2016</td>
<td>3.286971</td>
<td>18.48741</td>
</tr>
</tbody>
</table>
Fig. 4.2.1 Relationship between VAIC and DA AISHWARYA TELECOM

INTERPRETATION :-
The relationship between Value added intellectual capital is inversely proportional. The high VAIC contribute less DA(high earning quality) because intellectual people may maintain high accuracy in accountings and may not encourage to show abnormal earning to boost the profit and earning per share. The relations is not significant because correlation coeffiecient is very low.

Note: - I have mentioned one sample calculation of earning quality of selected industries and remaining as usual same as above example.

4.3.1 Relation between Stock returns and DA for AISHWARYA TELECOM: -

Table 4.3.1 Relation between Stock returns and DA for AISHWARYA TELECOM: -

<table>
<thead>
<tr>
<th>Year</th>
<th>Open</th>
<th>Close</th>
<th>Stock return</th>
<th>DA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>17.82755</td>
</tr>
<tr>
<td>2011</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>35.07093</td>
</tr>
<tr>
<td>2012</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>40.91491</td>
</tr>
<tr>
<td>2013</td>
<td>50.10</td>
<td>12.43</td>
<td>-87.57</td>
<td>40.68344</td>
</tr>
<tr>
<td>2014</td>
<td>12.89</td>
<td>44.5</td>
<td>-55.5</td>
<td>13.2416</td>
</tr>
<tr>
<td>2015</td>
<td>42.3</td>
<td>13.35</td>
<td>-86.65</td>
<td>37.62573</td>
</tr>
<tr>
<td>2016</td>
<td>14.01</td>
<td>7.02</td>
<td>-92.98</td>
<td>18.48741</td>
</tr>
<tr>
<td>2017</td>
<td>7.15</td>
<td>12.05</td>
<td>-87.95</td>
<td>5.232201</td>
</tr>
<tr>
<td>2018</td>
<td>12.5</td>
<td>3.31</td>
<td>-96.69</td>
<td>13.95261</td>
</tr>
<tr>
<td>2019</td>
<td>3.37</td>
<td>5</td>
<td>-95</td>
<td>12.91994</td>
</tr>
</tbody>
</table>

Fig 4.3.1 Relationship b/w STOCK RETURNS and DA of aishwarya telecom
INTERPRETATION:-

From figure 4.3.1 it is observed that the Stock returns and DA relationship is inversely proportional because high accruals suggesting low-quality earnings are associated with poor stock returns in that relative year. When the Stock returns are high, DA will be less which indicates earnings quality is high. The relationship between stock returns and DA of AISHWARYA TELECOM is not significant because of $R^2 = 0.132$.

Note: - I have mentioned one sample calculation of earning quality of selected industries and remaining as usual same as above example.

4.4.1 Relation b/w VAIC and its Components for AISHWARYA TELECOM: -

The Values of VAIC and its Component of AISHWARYA TELECOM is presented in table 4.4.1(a), 4.4.1(b), 4.4.1(c) and shown in fig 4.4.1 (a), 4.4.1(b), 4.4.1(c)

<table>
<thead>
<tr>
<th>YEARS</th>
<th>HCE</th>
<th>VAIC</th>
<th>YEARS</th>
<th>SCE</th>
<th>VAIC</th>
<th>YEARS</th>
<th>CEE</th>
<th>VAIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
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<td>3.159212</td>
<td>2010</td>
<td>0.595238</td>
<td>3.159212</td>
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<td>3.159212</td>
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<tr>
<td>2011</td>
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<td>6.047852</td>
<td>2011</td>
<td>0.8</td>
<td>6.047852</td>
<td>2011</td>
<td>0.247852</td>
<td>6.047852</td>
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<tr>
<td>2012</td>
<td>6</td>
<td>7.150222</td>
<td>2012</td>
<td>0.83333</td>
<td>7.150222</td>
<td>2012</td>
<td>0.316889</td>
<td>7.150222</td>
</tr>
<tr>
<td>2013</td>
<td>5.958042</td>
<td>7.05215</td>
<td>2013</td>
<td>0.83216</td>
<td>7.05215</td>
<td>2013</td>
<td>0.295014</td>
<td>7.05215</td>
</tr>
<tr>
<td>2014</td>
<td>1.879121</td>
<td>2.460052</td>
<td>2014</td>
<td>0.467836</td>
<td>2.460052</td>
<td>2014</td>
<td>0.113095</td>
<td>2.460052</td>
</tr>
<tr>
<td>2015</td>
<td>5.247059</td>
<td>6.559011</td>
<td>2015</td>
<td>0.809417</td>
<td>6.559011</td>
<td>2015</td>
<td>0.502535</td>
<td>6.559011</td>
</tr>
<tr>
<td>2016</td>
<td>2.480769</td>
<td>3.286971</td>
<td>2016</td>
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<td>3.286971</td>
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</tr>
<tr>
<td>2017</td>
<td>-0.87324</td>
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<tr>
<td>2018</td>
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<td>2.832203</td>
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<td>0.535156</td>
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<td>2019</td>
<td>2.030075</td>
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<td>0.507407</td>
<td>2.692299</td>
<td>2019</td>
<td>0.154817</td>
<td>2.692299</td>
</tr>
</tbody>
</table>

Fig 4.4.1(a) Relationship b/w VAIC and HCE of AISHWARYA TELECOM

INTERPRETATION: -

HCE represents the (human capital coefficient) intellectuals that are entered in the industry they contribute for the efficient VAIC to the firm which in term effects the quality earnings.

Fig 4.4.1(b) Relationships b/w VAIC and of SCEAISHWARYA TELECOMUNICATION
Fig 4.4.1 (c) Relationship b/w VAIC and of CEE AISHWARYA TELECOM

**INTERPRETATION:**

SCE (structural capital co-efficiency), represents the optimum structure of the firm which points out low debts and better VAIC investment to enhance the value of the company and intellectual if considered appropriate structural capital, if not the debts will be high than the profits which becomes the reason for the companies to use manipulated earnings.

CEE (Capital employed efficiency), is usually available for the firm for the purpose of operations it should be used intellectually, by the intellectual use of capital employed in the firm only the firm can perform better and avoid the fraud earnings representation in the financial statements.

**4.5.1 Relationship b/w VAIC and its Components for AISHWARYA TELECOM:**

The values of VAIC and its Components of AISHWARYA TELECOM is presented in table 5.5.1(a), 5.1.2(b), 5.1.3(c) and shown in fig 5.1.1(a), 5.1.2(b), 5.1.3(c)

<table>
<thead>
<tr>
<th>Year</th>
<th>DA</th>
<th>VAIC</th>
<th>Year</th>
<th>DA</th>
<th>LEVit</th>
<th>Year</th>
<th>DA</th>
<th>SIZEit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>17.82</td>
<td>3.15</td>
<td>2010</td>
<td>17.82</td>
<td>0.08</td>
<td>2010</td>
<td>17.82</td>
<td>17.99</td>
</tr>
<tr>
<td>2011</td>
<td>35.07</td>
<td>6.05</td>
<td>2011</td>
<td>35.07</td>
<td>0.09</td>
<td>2011</td>
<td>35.07</td>
<td>15.13</td>
</tr>
<tr>
<td>2012</td>
<td>40.91</td>
<td>7.15</td>
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<tr>
<td>2019</td>
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<td>0.44</td>
<td>2019</td>
<td>12.91</td>
<td>17.44</td>
</tr>
</tbody>
</table>

Fig 5.1.1(a) Relationship b/w DA and VAIC of AISHWARYA TELECOM
5. FINDINGS: -

- Through present study on quality earnings, it was found that various earnings quality proxy’s which represent the quality of earnings position in the organization.
- The quality earnings from a company to company vary according to the parameters they depend on. In the study the quality earnings often are high in personal care industry and telecommunication sector.
- The results of present investigation show that intellectual capital has positive impact on earnings quality, because relationship between VAIC values and DA is linear and inversely proportional and its lead to conclude that intellectual capital has a positive role in best financial practices and reporting.
- Earnings with high accruals suggesting low-quality earnings are associated with poor stock returns in that relative year.
- The Human capital efficiency (HCE) and Capital employed efficiency (CEE) both have a positive relation with the VAIC whereas Structural capital efficiency (SCE) has an inverse relationship with VAIC because the employed capital is not properly used for the operating a structure that makes the intellectuals become efficient.
- The components of the DA that are VAIC, LEV$_{it}$ (leverage), SIZE$_{it}$ (total assets) combine shows a little effect on the majority of the companies however individual components especially VAIC has predominant influence on the quality earnings.

**Note:** - I have mentioned one sample calculation of earning quality of selected industries and remaining as usual same as above example.
6. CONCLUSION:

The Study Quality Earnings is useful for the purpose of the investors and any person who are depending on the company’s financial statement. It provides the investors a perception on the firms’ financial position in real, rather than that reported by the firm itself. The investors suffer when the investment is made only based on the reported earnings shown by the company due to the manipulations done.

The Quality earnings topic arose from the wake of many situations in the present scenario which are representing the manipulations in the reported earnings to promote the companies’ shares. It is revealed in the study done that most of the companies try to manipulate the reported earnings at least to a certain extent by adding abnormal earnings to the companies true earnings.

The investors who are trying to invest in any company should not only consider the reported earnings but should also analyze quality of those earnings. In the study Isector in TELECOMMUNICATION’ like Aishwarya telecom, Bharthi airtel, Tata communication, Reliance communication, Idea cellular showed good quality earnings so the small investors should try to invest their investment in these type of companies, whereas speculators can consider the companies like Mahanagar telephone nigam, Gemini communication, Tele service, Surana telecom& power ltd, that have somewhat low earnings quality because they are ready to face risk.

The companies that have good quality earnings are the companies that pay their taxes properly. So government can give subsides on the taxation in order to encourage the company for maintaining true earnings.

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Impact of Demonetization Among Selected APMC Traders

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Abstract: The demonetization had a significant impact on all the sectors govern by Indian economy. The demonetization period was shocking for whole population. It was greatly affected not only a common man of India but it also affected Entrepreneurs, Merchants, Retailers, Whole sellers, Traders, Bankers, Venders, Tour Operators and many more. This study was attempted to study the impact of demonetization among selected APMC traders. It was based on primary data and it was collected with pre structured ideal questionnaire with survey work. This study was conducted among APMC traders from Kalol APMC. Total 30 traders were randomly selected and data were collected by pre structured questionnaire with interview. This paper includes review on overall effect of demonetization on national economy and on APMC. 26.67% of selected APMC traders were in the age group of 41-50 and 51-60 years respectively. 100% of selected traders had knowledge of current and 50% had knowledge of past demonetization. 100% selected APMC traders had a knowledge of objectives of demonetization. As far as specific objectives concern, 96.67% selected APMC traders had knowledge of that demonetization curbs black money. 83.33% reviewed about demonetization is right decision. 26.67% selected APMC traders had difficulties in social expenses like marriage functions. 47% selected traders stated good effect on overall economy. 56.67% selected APMC traders stated both impact of demonetization on selected APMC. 73.33% selected traders stated that there was a cash crisis for short period due to demonetization. 63.33% of selected APMC traders were completely agree and agree that online transaction increased during and after demonetization. 96.67% of selected APMC traders were completely agree and agree that demonetization controls fake money business. Thus, it can be concluded that demonetization had both good and bad effect on selected APMC.

Keywords: Demonetization, impact, APMC traders.

Introduction:
Concept of Demonetization
Demonetization is the act of removing the current currency from the economy and replacing it with new one. This step is taken by Government generally with the motive of removal of corruption. Moreover, it is the act of depriving of value of currency for official payment.

The objectives of Demonetization in India
- To fight with inflation.
- To reduce corruption.
- To remove counterfeit currency.
- To remove money laundering.
- To control the Terrorist and Naxalite activities.
- To encourage the cash less system.

History of Demonetization in the world
There are many countries have tried demonetization to restructure their economies. Here are the lists of countries that have gone with demonetization.

- United States- 1873
- United States – 1969
- India-1978
- Ghana- 1982
- Nigeria- 1984
- Myanmar- 1978
- Soviet Union- 1991
- Zaire- 1993
- Australia-1996
- European Union-2002
- North Korea- 2010
- Zimbabwe-2015
- India – November-2016
- Venezuela – December-2016

History of Demonetization in India

Demonetization had happened thrice in India. The first was on the 12th January 1946 (Saturday). The second demonetization wa occurs on 16th January1978 (Monday) by Morarji Desai. The third demonetization was on 8th November 2016(Tuesday) By Honorable Prime Minister Shri Narendra Modi. In the January, 1946, notes of demonetization 1000/- and 10000/- rupees were withdrawn from circulation and new notes of 1000/- and 5000/- and 10000/- rupees were introduced in 1954. Then Janata Party government again demonetized banknotes of denominations 1000/-, 5000/- an 10000/- rupees on 16th January 1978 with the notion of curbing counterfeit currency and black money. The demonetization of denominations Rs. 500/- and 1000/- banknotes was a policy decision carried out by Government of India on 8th of November 2016.

In the declaration, the use of denominations of all Rs. 500/- and 1000/- banknotes of Mahatma Gandhi series would be invalid after the midnight of the same day, and was also announced that the new Rs. 500/- and 2000/- banknotes will be issued in exchange for the mentioned currency. The move by the government is defended as an attempt to eliminate a reasonable volume of currency notes which is in the circulation because of inflation. The Government aims was to wipe out the counterfeite currency, scrap tax evasion, abolish black money generated out of money laundering and terrorist funding activities and to promote a cash less e economy.

Need and Importance of Demonetization in India

The Indian Government claims that demonetization effort is to stop the counterfeiting of the current currency notes allegedly used for funding terrorism across the border by the neighboring countries and as an attack on the black money in the country. The move was claimed as an initiative to curb corruption, trafficking of drugs and smuggling across borders.

REVIEW OF LITERATURE:

K. Veerkumar (2017) conducted a study on people impact on demonetization. The sample size was100 which was randomly selected from Coimbatore District. It is found that four variables viz. Gender, age, annual income, occupation have significant association with the impact of demonetization. The study also included the relationship between selected demographic and level of impact of demonetization. The study stated that there was a significant association between gender, age, occupation, annual income and demonetization impacted at p< 0.05 level. The study also stated that with type of family didn’t have any association with impact of demonetization. The factors impacting on demonetization in the present study was that it helps to destroy black money in India and ranked first. It helps to destroy corruption, illegal activities and ranked second. There was a high impact on people’s life, ranked third. It was greatly impacted on real estate, gold rate, stock exchanges and ranked fourth. By demonetization, implementation of electronic payment was possible and increases and ranked fifth.

A study conducted by MuthuKumar V. And ShashiKumar M.(2017) on the impact of demonetization in Real estate with special reference to Bengaluru. The study was conducted by researcher and it was based on both primary and secondary data. Data was collected from 30 real estate companies in Bengalure. Snow
ball sampling technique was used by the researcher for collecting primary data. The collected data analysed and interpreted by the researcher through various statistical tools. The study found that the demonetization greatly affect the real estate in Bengalure. There was a 7.6 percentage fall in the market price due to demonetization. 10 % drop in supply of new owner properties for sale, post demonetization and also between 5 -10 % of buyers have shifted ‘buying’ to now ‘renting’. The study concluded that real estate sector contribute 5-10 % to the national GDP. So the development of real estate sector is highly important for the growth of the country which was greatly affected by demonetization.

Nidhi Aggarwal & Sudha Narayan (2017) conducted a study on Impact of India’s demonetization on domestic agricultural markets and stayed that using data on arrivals and prices from close to 3000 regulated markets in India for 35 major agricultural commodities for the period 2011-2012. This study was focused on short term effects up to 3 months after demonetization, tracking both the impact and recovery. These 35 commodities account for an overwhelming share of land under cultivation and value of production and hence are representative of Indian agriculture in more than one sense. Using earlier years as comparison years, and used a combination of difference in differences techniques and synthetic control methods to identify the casual impact demonetization. The study found that demonetization had displaced domestic agricultural trade in regulated markets by over 15 % in the short run settling at 7 % after recovery at the end of the 90 days period after demonetization. Trade in perishables was displaced to the extent of23 % in the week following demonetization. It recovered slightly by the end of 90 days, but was still 18 % lower than the usual. Most of this decline is on account of the significant decline in prices rather than of arrivals, which appear to have recovered over a period of three months. There are significant differences across commodities but almost all of these are in expected ways. The impacts are sharpest for kharif crops where government intervention is minimal or absent and for perishables and least for crops where farmers are well organized or commodities which governments actively procure. Robustness checks and falsification tests support the findings to a large extent. Overall, it seems to be the case that monetary contraction embodied in demonetization significantly impacted arrivals and prices, though the price impacts are perhaps more lasting. The findings from this analysis and anecdotal evidence from field visits suggests that the impacts of demonetization potentially have effects that could last beyond the immediate impact.

**METHODOLOGY:**

The present research study was conducted with descriptive in nature. The data for the current research has been collected from primary sources and it was collected by filling up of an ideal pre structured questionnaire by selected APMC traders. The current research focuses mainly on perception and views on Demonetization need and its impact for sustainable development of the country. For the study, total 30 APMC traders of Kalol town of North Gujarat of Gujarat state were selected randomly with purposive sampling technique. The collected data were reviewed and consolidate into a master table and analyzed with suitable tests applications like frequency, percentage and chi square test.

**RESEARCH OBJECTIVES:**

- To study the knowledge of Current and Past demonetization.
- To study the knowledge of objectives of demonetization.
- To study the Demonetization review statements.
- To study the kind of effect of demonetization.
- To study effect of demonetization on overall national economy.
- To study Specific impact of demonetization.
- To study Impact of demonetization on selected APMC.
- To study Bad impact of demonetization on selected APMC.

**Limitations of the study**

- The study was restricted to the selected sample of APMC traders of Kalol town of North Gujarat area of Gujarat state.
- The statistical methods which was applied had their own limitations and only few tests were applied.
- It was conducted on limited sample size and only on primary data.

**RESULTS AND DISCUSSION:**

Age
Table: 1 Age of selected APMC traders.

<table>
<thead>
<tr>
<th>Age in Years</th>
<th>F (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>21-30</td>
<td>00(0.0)</td>
</tr>
<tr>
<td>31-40</td>
<td>06(20)</td>
</tr>
<tr>
<td>41-50</td>
<td>08(26.67)</td>
</tr>
<tr>
<td>51-60</td>
<td>08(26.67)</td>
</tr>
<tr>
<td>61-70</td>
<td>07(23.33)</td>
</tr>
<tr>
<td>71-80</td>
<td>01(3.33)</td>
</tr>
<tr>
<td>Total</td>
<td>30(100)</td>
</tr>
</tbody>
</table>

(Source of Data: From Questionnaire which was used for Primary data collection)

Table 1 depicted the data related to age group of selected APMC traders. In the present study, no traders were in the age group of 21-30 years. 20% selected APMC traders were in the age group of 31-40 years. 26.67% selected APMC traders were in the age group of 41-50 and 51-60 years respectively. 23.33% selected APMC traders were in the age group of 61-70 years. Only 3.33% selected APMC traders were in the age group of 71-80 years. Thus, it can be concluded that majority i.e. 26.67% of selected APMC traders were in the age group of 41-50 and 51-60 years respectively.

Knowledge of Current and Past demonetization.
Table: 2 Knowledge of Current and Past demonetization among selected APMC traders.

<table>
<thead>
<tr>
<th>Knowledge of demonetization</th>
<th>Current Demonetization</th>
<th>Past Demonetization</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F (%)</td>
<td>F (%)</td>
</tr>
<tr>
<td>Yes</td>
<td>30 (100)</td>
<td>15 (50)</td>
</tr>
<tr>
<td>No</td>
<td>--</td>
<td>15 (50)</td>
</tr>
<tr>
<td>Total</td>
<td>30 (1)</td>
<td>30 (100)</td>
</tr>
</tbody>
</table>

(Source of Data: From Questionnaire which was used for Primary data collection)

Table 2 revealed the data related to Knowledge of Current and Past demonetization among selected APMC traders. In the present study, all selected i.e. 100% APMC traders had a knowledge of current demonetization and 50% selected APMC traders had past demonetization. Thus, it can be concluded that majority of selected traders had knowledge of current and past demonetization.

Knowledge of objectives of demonetization.
Table:3 Knowledge of objectives of demonetization.

<table>
<thead>
<tr>
<th>Knowledge of objectives of demonetization</th>
<th>F (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge of objectives of demonetization – Yes</td>
<td>30 (100)</td>
</tr>
<tr>
<td><strong>Objectives of Demonetization</strong></td>
<td></td>
</tr>
<tr>
<td>To curb black money</td>
<td>29 (96.67)</td>
</tr>
<tr>
<td>To reduce corruption</td>
<td>08 (26.67)</td>
</tr>
<tr>
<td>To reduce terrorism and Naxalite activities</td>
<td>17 (56.67)</td>
</tr>
<tr>
<td>To increase Tax payment/ Government income</td>
<td>05 (16.66)</td>
</tr>
<tr>
<td>To combat inflation</td>
<td>08 (26.67)</td>
</tr>
<tr>
<td>To control fake money business (counterfeit currency)</td>
<td>05 (16.67)</td>
</tr>
<tr>
<td>To accept cashless system</td>
<td>09 (30)</td>
</tr>
<tr>
<td>To reduce tax avoidance</td>
<td>06 (20)</td>
</tr>
<tr>
<td>To reduce inequality</td>
<td>07 (23.33)</td>
</tr>
<tr>
<td>For national economic development</td>
<td>09 (30)</td>
</tr>
<tr>
<td>To control Human trafficking / to reduce illegal activities</td>
<td>09 (30)</td>
</tr>
</tbody>
</table>

(Source of Data: From Questionnaire which was used for Primary data collection)

Table 3 depicted the data related to knowledge of objectives among selected APMC traders. In the present study, all i.e. 100% selected APMC traders had a knowledge of objectives of demonetization. As far as specific objectives concern, 96.67% selected APMC traders had knowledge of that demonetization curb black money. 26.67% selected APMC traders had knowledge of that demonetization reduces corruption.
56.67% selected APMC traders had knowledge of that demonetization reduce Terrorism and Naxalite activities. 16.66% selected APMC traders had knowledge of that demonetization increase tax payment or government income. 26.67% selected APMC traders had knowledge of that demonetization combat inflation. 16.67% selected APMC traders had knowledge of that demonetization controls fake money business. 30% selected APMC traders had knowledge of that demonetization accepts cashless system. 20% selected APMC traders had knowledge of that demonetization reduces tax avoidance. 23.33% selected APMC traders had knowledge of that demonetization reduce inequality. 30% selected APMC traders had knowledge of that demonetization for national economic growth. Thus, it can be concluded that all i.e. 100% selected APMC traders had a knowledge of objectives of demonetization. As far as specific objectives concern, 96.67% selected APMC traders had knowledge of that demonetization curb black money.

Demonetization review statements.

Table: 4 Demonetization review statements.

<table>
<thead>
<tr>
<th>Statements</th>
<th>Frequency (F)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demonetization is right decision</td>
<td>25</td>
<td>83.33</td>
</tr>
<tr>
<td>Demonetization is appreciable</td>
<td>10</td>
<td>33.33</td>
</tr>
<tr>
<td>Demonetization is needed or essential</td>
<td>03</td>
<td>10</td>
</tr>
<tr>
<td>Demonetization’s optional steps</td>
<td>05</td>
<td>16.67</td>
</tr>
<tr>
<td>Currency remained without exchange due to demonetization</td>
<td>09</td>
<td>30</td>
</tr>
</tbody>
</table>

(Source of Data: From Questionnaire which was used for Primary data collection)

Table 4 depicted the data related to some demonetization review statements. In the present study, 83.33% selected APMC traders stated that demonetization is right decision. 33.33% selected APMC traders stated that demonetization is appreciable. 10% selected APMC traders stated that demonetization is needed or essential. 16.67% selected traders stated that instead of demonetization, optional steps should be taken by government. 30% selected traders stated that their currency remained without exchange due to demonetization. Thus, it can be concluded that 83.33% reviewed about demonetization is right decision.

Kind of effect of demonetization.

Table: 5 Kind of effect of demonetization.

<table>
<thead>
<tr>
<th>Effects</th>
<th>Frequency (F)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal and Household expenses</td>
<td>07</td>
<td>23.33</td>
</tr>
<tr>
<td>Social expenses</td>
<td>08</td>
<td>26.67</td>
</tr>
<tr>
<td>Religious expenses</td>
<td>01</td>
<td>3.33</td>
</tr>
</tbody>
</table>

(Source of Data: From Questionnaire which was used for Primary data collection)

Table 5 revealed the data related to kind of effect of demonetization. In the present study, 23.33% selected APMC traders had a difficulties in personal and household expenses. 26.67% selected APMC traders had a difficulties in social expenses. 3.33% selected APMC traders had a difficulties in religious expenses. Thus, it can be concluded that majority i.e. 26.67% selected APMC traders had a difficulties in social expenses like marriage functions.

Effect of demonetization on overall national economy.

Graph: 1 Effect of demonetization on overall national economy.

(Source of Data: From Questionnaire which was used for Primary data collection)
Graph 1 depicted the data related to effect of demonetization on overall economy. In the present study, 47% selected traders stated good effect on overall economy. 13% selected traders stated Bad effect on overall economy. 40% selected traders stated Both effect on overall economy. Thus, it can be concluded that majority i.e. 47% selected traders stated good effect on overall economy.

Specific impact of demonetization.

Table 6: Specific impact of demonetization.

<table>
<thead>
<tr>
<th>Online transaction increases during and after demonetization (Observed Frequency)</th>
<th>Completely Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Completely Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10 (33.33)</td>
<td>09 (30)</td>
<td>03 (10)</td>
<td>04 (13.33)</td>
<td>04 (13.33)</td>
</tr>
<tr>
<td>Calculated Chi squared Value – 7.01</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tabulated Chi Squared Value- 5.989</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level of Significance at p&lt;0.20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Control of Fake money business</th>
<th>Completely Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Completely Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>17 (56.67)</td>
<td>12 (40)</td>
<td>00 (00)</td>
<td>01 (3.33)</td>
<td>00 (00)</td>
</tr>
<tr>
<td>Calculated Chi squared Value -40.49</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tabulated Chi Squared Value- 15.277</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level of Significance- Highly significant at p&lt;0.05</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source of Data: From Questionnaire which was used for Primary data collection)

Online transaction increases during and after demonetization

Table 6 depicted the data related to that online transaction increased during and after demonetization. In the present study, 33.33% selected APMC traders were completely agree that online transaction increased during and after demonetization. 30% selected APMC traders were agree that online transaction increased during and after demonetization. 10% selected APMC traders were neutral that online transaction increased during and after demonetization. 13.33% selected APMC traders were completely disagree that online transaction increased during and after demonetization. For testing hypothesis i.e. there is no significant difference found in different views about online transaction is increases during and after demonetization. Chi Squared test was applied for testing hypothesis. The value found statistically significant at p<0.20. Thus, it can be concluded that there was a significant difference found in different views about online transaction is increases during and after demonetization. Definitely online transaction increased during and after demonetization. Majority of i.e. 33.33% selected APMC traders were completely agree and 30% selected APMC traders were agree that online transaction increased during and after demonetization. Overall, 63.33% of selected APMC traders were completely agree and agree that online transaction increased during and after demonetization.

Control of fake money business

Table 6 also depicted the data related to that demonetization controls fake money business. In the present study, 56.67% selected APMC traders were completely agree that demonetization controls fake money business. 40% selected APMC traders were agree that demonetization controls fake money business. 3.33% selected APMC traders were disagree that demonetization controls fake money business. For testing hypothesis i.e. There is no significant difference found in different views about demonetization controls fake money business. Chi Squared test was applied for testing hypothesis. The value found statistically highly significant at p<0.05. Thus, it can be concluded that there was a significant difference found in different views about demonetization controls fake money business. Majority of i.e. 56.67% selected APMC traders were completely agree and 40% selected APMC traders were agree that demonetization controls fake money business. Overall, 96.67% of selected APMC traders were completely agree and agree that demonetization controls fake money business.
Impact of demonetization on selected APMC.

Graph 2 depicted the data related to impact of demonetization on selected APMC. In the present study, 23.33% selected APMC traders stated Good impact. 20% selected APMC traders stated Bad impact. 56.67% selected APMC traders stated Both impact of demonetization on selected APMC. Thus, it can be concluded that majority i.e. 56.67% selected APMC traders stated Both impact of demonetization on selected APMC.

Bad impact of demonetization on selected APMC.

Graph 3 depicted the data related to bad impact of demonetization on selected APMC. In the present study, 73.33% selected traders stated that there was a cash crises for short period due to demonetization. 30% selected traders stated that there was difficulties in farmer’s payments for short period due to demonetization. 63.33% selected traders stated that there was a decreases profit for short period due to demonetization. 26.67% selected traders stated that there was a recession effect due to demonetization.
Thus, it can be concluded that majority i.e. 73.33 % selected traders stated that there was a cash crises for short period due to demonetization.

SUMMARY AND CONCLUSION:

It can be concluded that Majority of selected APMC traders were mentioned both i.e. good and bad impact on APMC. All selected traders had knowledge of current and fifty percent had knowledge of past demonetization. All selected APMC traders had a knowledge of objectives of demonetization. As far as specific objectives concern, more than ninety six percent selected APMC traders had knowledge of that demonetization curb black money. Majority stated that demonetization is right decision. Few had selected APMC traders had a difficulties in social expenses like marriage functions. Less than fifty percent selected traders stated good effect on overall economy. More than fifty six percent selected APMC traders stated Both impact of demonetization on selected APMC. Majority selected traders stated that there was a cash crises for short period due to demonetization. Selected APMC traders were completely agree and agree that online transaction increased during and after demonetization. Majority of selected APMC traders were completely agree and agree that demonetization controls fake money business Thus, it can be concluded that demonetization had both good and bad effect on selected APMC.

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“Comparative study of Profitability and Solvency of selected civil-aviation companies of India”

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Abstract: The main focus of this study is to analyse the profitability and solvency of selected civil-aviation companies of India. Sample size-Four companies are selected for the purpose of study. Secondary data of five years (2015 to 2019) is been used. Researcher has used accounting tool – Ratio Analysis (Profitability and Solvency Ratios) and Statistical tool – One-way ANOVA for data analysis. Data is been analysed by descriptive statistics. Hypothesis are been framed and tested by ANOVA. In this study researcher concluded that – Profitability and Solvency situation of selected companies is not significantly different expect Indigo. Researcher concluded that civil-aviation companies are more dependent on borrowed fund as compared to owners’ fund. Moreover it is advisable for companies to improve their solvency condition.

Keywords: civil-aviation, profitability, solvency, debt-equity.

“Comparative study of Profitability and Solvency of selected civil-aviation companies of India”

INTRODUCTION:

Indian civil-aviation sector is growing rapidly. India civil-aviation sector is fastest growing industry in the world. During 2018 domestic passenger traffic was 12.3 crore whereas international passenger traffic was 6 crore. All though civil-aviation sector of India is fast growing they faces the problem of profitability and solvency. Major airline companies into the Indian civil-aviation sector are dependent on borrowed fund whereas they have very low owners’ fund. After the liberalisation and open sky policy all private players were allowed to enter the market. Lost Cost Carriers covered the major market which showed negative impact on Public limited company – Air India. As almost companies have maximum dependence on borrowed fund shows very weak solvency situation. Indian civil-aviation market is one of the fastest growing market but have no profitability. Due to financial crises and poor solvency situation two major airlines stopped their operations. They are kingfisher and Jet Airways. Banks and financial institutes should not grant loans and advances to them easily. Strict policy by financial institutes and DGCA can improve and increase the profitability of civil-aviation sector.

LITERATURE REVIEW:

Varun Kesavan (2015, March), in his researcher paper on “A STUDY ON WORKING CAPITAL OF AVIATION INDUSTRY WITH SPECIFIC REFERENCE TO SPICEJET AIRLINES”. This paper has focused on working capital management whereas short term investment analysis. Secondary data of five years from 2009 to 2014 was been used. Ratio analysis and working capital statement analysis was been done to evaluate data. Researcher concluded that company have insufficient working capital management which leads to poor profitability and financial crises.
Dr. Neelam Dhandha, Mamta Sharma (2017, October), in their research paper on “SOLVENCY ANALYSIS OF SELECTED SCHEDULED DOMESTIC AIRLINES IN INDIA”. This paper has focused on the solvency situation of airline companies. Top five scheduled domestic airlines were taken as sample. Secondary data of twelve years from 2004-05 to 2015-16 is been used. Financial analysis and ratio analysis of selected companies have been done and researcher concluded that all most companies in civil-aviation sector is dependent on borrowed fund. Researcher also concluded that solvency situation of companies is not too good.

OBJECTIVES OF THE STUDY:

- To compare the profitability of selected civil-aviation companies.
- To compare the Solvency of selected civil-aviation companies.
- To put forward overall findings and suggestions with a view to improve profitability and solvency of selected civil-aviation companies.

HYPOTHESIS:

$H_{00}$ - There is no significant difference in Operating Profit Margin among selected civil-aviation companies.

$H_{01}$ - There is no significant difference in Net Profit Margin among selected civil-aviation companies.

$H_{02}$ - There is no significant difference in Return on Capital Employed among selected civil-aviation companies.

$H_{03}$ - There is no significant difference in Interest Cover Ratio among selected civil-aviation companies.

$H_{04}$ – There is no significant difference in Debt-Equity Ratio among selected civil-aviation companies.

RESEARCH METHODOLOGY:

Sample:

Four civil-aviation companies are selected as a sample by the researcher. Air India, Spice jet, Indigo and Go Air.

Period of the study:

The study evaluated Profitability and Solvency of five years from 2015 to 2019.

Source of Data:

Secondary source of data is been used. Secondary data is been collected from data base software Prowess IQ.

Research Design:

Hypothesis testing, analytical research, quantitative research approach for comparative study.

Analysis of Data:

- Accounting tool-Ratio analysis is used to evaluate the profitability and solvency of selected civil-aviation companies.
- Statistical tool- One-way ANOVA and descriptive statistics is been done for data analysis.
- Tables and results are derived with the help of MS word, Excel and research software (SPSS).

LIMITATIONS OF THE STUDY:

- Results and findings are restricted to selected civil-aviation companies of India.
- Study is restricted to secondary data only.
- Study is limited to five years (2015 to 2019) only.
- All the limitations of accounting and statistical tool are applicable.

DATA ANALYSIS AND INTERPRETATION
Operating Margin Ratio (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Air India</th>
<th>SpiceJet</th>
<th>Indigo</th>
<th>Go Air</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>-0.59</td>
<td>-10</td>
<td>13.8</td>
<td>6.02</td>
</tr>
<tr>
<td>2016</td>
<td>13.21</td>
<td>12.05</td>
<td>18.02</td>
<td>7.36</td>
</tr>
<tr>
<td>2017</td>
<td>3.3</td>
<td>9.61</td>
<td>11.89</td>
<td>7.43</td>
</tr>
<tr>
<td>2018</td>
<td>2.32</td>
<td>10.71</td>
<td>13.52</td>
<td>7.49</td>
</tr>
<tr>
<td>2019</td>
<td>-6.22</td>
<td>1.62</td>
<td>1.14</td>
<td>-3.52</td>
</tr>
</tbody>
</table>

Source – Prowess IQ

Descriptive Statistics
Operating profit margin

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air India</td>
<td>5</td>
<td>2.4040</td>
<td>7.08726</td>
<td>3.16952</td>
<td>-6.22</td>
<td>13.21</td>
</tr>
<tr>
<td>SpiceJet</td>
<td>5</td>
<td>4.7980</td>
<td>9.21655</td>
<td>4.12177</td>
<td>-10.00</td>
<td>12.05</td>
</tr>
<tr>
<td>Indigo</td>
<td>5</td>
<td>11.6740</td>
<td>6.30894</td>
<td>2.82145</td>
<td>1.14</td>
<td>18.02</td>
</tr>
<tr>
<td>Go Air</td>
<td>5</td>
<td>4.9560</td>
<td>4.77744</td>
<td>2.13654</td>
<td>-3.52</td>
<td>7.49</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>5.9580</td>
<td>7.36088</td>
<td>1.64594</td>
<td>-10.00</td>
<td>18.02</td>
</tr>
</tbody>
</table>

Operating profit margin of Indigo is maximum whereas Air India has minimum operating profit margin in compare to all four companies. Indigo has both minimum and maximum values of operating profit positive that shows Indigo never had negative operating profit margin negative. Standard Deviation of SpiceJet is maximum.

One-way ANOVA
Operating profit margin

<table>
<thead>
<tr>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>238.266</td>
<td>3</td>
<td>79.422</td>
<td>1.606</td>
</tr>
<tr>
<td>Within Groups</td>
<td>791.203</td>
<td>16</td>
<td>49.450</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1029.469</td>
<td>19</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The F-ratio value is 1.606. The p-value is 0.227 which is more than 0.005 indicating that there is no significant difference in the Operating profit margin of selected companies. We do not reject the null hypothesis that there is no significant difference in the operating profit margin of selected companies.

Net Profit Margin Ratio (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Air India</th>
<th>SpiceJet</th>
<th>Indigo</th>
<th>Go Air</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>-30.65</td>
<td>-17.94</td>
<td>8.77</td>
<td>0.93</td>
</tr>
<tr>
<td>2016</td>
<td>-19.32</td>
<td>5.32</td>
<td>11.64</td>
<td>0.38</td>
</tr>
<tr>
<td>2017</td>
<td>-24.4</td>
<td>5.34</td>
<td>8.34</td>
<td>3.67</td>
</tr>
<tr>
<td>2018</td>
<td>-24.6</td>
<td>6.53</td>
<td>9.23</td>
<td>1.21</td>
</tr>
<tr>
<td>2019</td>
<td>-32.11</td>
<td>-3.94</td>
<td>0.44</td>
<td>-1.34</td>
</tr>
</tbody>
</table>

Source – Prowess IQ

Descriptive Statistics
Net Profit Margin

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air India</td>
<td>5</td>
<td>-26.2160</td>
<td>5.19287</td>
<td>2.32232</td>
<td>-32.11</td>
<td>-19.32</td>
</tr>
<tr>
<td>SpiceJet</td>
<td>5</td>
<td>-9.3800</td>
<td>10.39744</td>
<td>4.64988</td>
<td>-17.94</td>
<td>6.53</td>
</tr>
<tr>
<td>Indigo</td>
<td>5</td>
<td>7.6840</td>
<td>4.24633</td>
<td>1.89902</td>
<td>.44</td>
<td>11.64</td>
</tr>
<tr>
<td>Go Air</td>
<td>5</td>
<td>.9700</td>
<td>1.80509</td>
<td>.80726</td>
<td>-1.34</td>
<td>3.67</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>-4.6250</td>
<td>14.39728</td>
<td>3.21933</td>
<td>-32.11</td>
<td>11.64</td>
</tr>
</tbody>
</table>
Indigo has the highest and Air has the lowest Net profit margin whereas both minimum and maximum values of NPM is positive. Standard deviation of SpiceJet is maximum.

One-Way ANOVA
Net Profit Margin

<table>
<thead>
<tr>
<th>Source</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>3312.904</td>
<td>3</td>
<td>1104.301</td>
<td>28.250</td>
<td>.000</td>
</tr>
<tr>
<td>Within Groups</td>
<td>625.449</td>
<td>16</td>
<td>39.091</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3938.353</td>
<td>19</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The F-ratio value is 28.250. The p-value is 0.000 which is less than 0.005 indicating that there is significant difference in the Net profit margin of selected companies. We do reject the null hypothesis that there is no significant difference in the Net profit margin of selected companies.

Return on Capital Employed (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Air India</th>
<th>SpiceJet</th>
<th>Indigo</th>
<th>Go Air</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>-17.9</td>
<td>-157.51</td>
<td>31.93</td>
<td>2.06</td>
</tr>
<tr>
<td>2016</td>
<td>-11.16</td>
<td>85.92</td>
<td>39.61</td>
<td>0.59</td>
</tr>
<tr>
<td>2017</td>
<td>-17.07</td>
<td>90.24</td>
<td>26.82</td>
<td>6.14</td>
</tr>
<tr>
<td>2018</td>
<td>-19.88</td>
<td>56.4</td>
<td>27.79</td>
<td>2.95</td>
</tr>
<tr>
<td>2019</td>
<td>-29.62</td>
<td>-35.88</td>
<td>1.37</td>
<td>-5.68</td>
</tr>
</tbody>
</table>

Source – Prowess IQ

Descriptive Statistics
Return on Capital Employed

<table>
<thead>
<tr>
<th>Source</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air India</td>
<td>5</td>
<td>-19.126</td>
<td>6.70597</td>
<td>2.99900</td>
<td>-29.62</td>
<td>-11.16</td>
</tr>
<tr>
<td>SpiceJet</td>
<td>5</td>
<td>7.8340</td>
<td>105.47083</td>
<td>47.16799</td>
<td>-157.51</td>
<td>90.24</td>
</tr>
<tr>
<td>Indigo</td>
<td>5</td>
<td>25.5040</td>
<td>14.40209</td>
<td>6.44081</td>
<td>1.37</td>
<td>39.61</td>
</tr>
<tr>
<td>Go Air</td>
<td>5</td>
<td>1.2120</td>
<td>4.35636</td>
<td>1.94822</td>
<td>-5.68</td>
<td>6.14</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>3.8560</td>
<td>51.64656</td>
<td>11.54852</td>
<td>-157.51</td>
<td>90.24</td>
</tr>
</tbody>
</table>

Air India has the lowest return on capital employed which is negative. Indigo has highest return on capital employed among all four companies. Standard deviation of SpiceJet is maximum.

One-Way ANOVA
Return on Capital Employed

<table>
<thead>
<tr>
<th>Source</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>5098.117</td>
<td>3</td>
<td>1699.372</td>
<td>.597</td>
<td>.626</td>
</tr>
<tr>
<td>Within Groups</td>
<td>45581.852</td>
<td>16</td>
<td>2848.866</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>50679.970</td>
<td>19</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The F-ratio value is 0.597. The p-value is 0.626 which is more than 0.005 indicating that there is no significant difference in the Return on Capital Employed of selected companies. We do not reject the null hypothesis that there is no significant difference in the Return on Capital Employed of selected companies.

Interest Cover Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Air India</th>
<th>SpiceJet</th>
<th>Indigo</th>
<th>Go Air</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>-0.348</td>
<td>-2.157</td>
<td>20.676</td>
<td>1.378</td>
</tr>
<tr>
<td>2016</td>
<td>0.307</td>
<td>5.468</td>
<td>11.490</td>
<td>2.896</td>
</tr>
<tr>
<td>2017</td>
<td>-0.357</td>
<td>8.861</td>
<td>7.824</td>
<td>3.906</td>
</tr>
<tr>
<td>2018</td>
<td>-0.079</td>
<td>8.849</td>
<td>10.885</td>
<td>3.061</td>
</tr>
</tbody>
</table>
Descriptive Statistics

Interest Cover Ratio

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air India</td>
<td>5</td>
<td>-1.3520</td>
<td>.272603</td>
<td>.121912</td>
<td>-.357</td>
<td>.307</td>
</tr>
<tr>
<td>SpiceJet</td>
<td>5</td>
<td>4.26380</td>
<td>5.014046</td>
<td>2.242350</td>
<td>-2.157</td>
<td>8.861</td>
</tr>
<tr>
<td>Indigo</td>
<td>5</td>
<td>10.5360</td>
<td>6.845378</td>
<td>3.061346</td>
<td>1.805</td>
<td>20.676</td>
</tr>
<tr>
<td>Go Air</td>
<td>5</td>
<td>2.70440</td>
<td>.941584</td>
<td>.421089</td>
<td>1.378</td>
<td>3.906</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>4.34225</td>
<td>5.607031</td>
<td>1.253770</td>
<td>-2.157</td>
<td>20.676</td>
</tr>
</tbody>
</table>

Interest cover ratio of Indigo is highest whereas Air India has the negative Interest Cover. Standard deviation of Indigo is maximum.

One-Way ANOVA

Interest Cover Ratio

<table>
<thead>
<tr>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>305.494</td>
<td>101.831</td>
<td>5.583</td>
<td>.008</td>
</tr>
<tr>
<td>Within Groups</td>
<td>291.843</td>
<td>18.240</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>597.337</td>
<td>18.240</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The F-ratio value is 5.583. The p-value is 0.008 which is more than 0.005 indicating that there is no significant difference in the Interest cover ratio of selected companies. We do not reject the null hypothesis that there is no significant difference in the Interest cover ratio of selected companies.

Debt-Equity Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Air India</th>
<th>SpiceJet</th>
<th>Indigo</th>
<th>Go Air</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>-2.161</td>
<td>-1.051</td>
<td>8.529</td>
<td>-2.044</td>
</tr>
<tr>
<td>2016</td>
<td>-2.131</td>
<td>-0.886</td>
<td>1.252</td>
<td>-2.792</td>
</tr>
<tr>
<td>2017</td>
<td>-1.567</td>
<td>-1.273</td>
<td>0.634</td>
<td>-80.163</td>
</tr>
<tr>
<td>2018</td>
<td>-1.200</td>
<td>-15.149</td>
<td>0.317</td>
<td>-2.424</td>
</tr>
<tr>
<td>2019</td>
<td>-0.281</td>
<td>-1.587</td>
<td>0.316</td>
<td>-3.506</td>
</tr>
</tbody>
</table>

Except Indigo all other three companies have negative Debt-Equity. Indigo has the highest Debt-Equity whereas Go Air has lowest Debt-Equity. Standard Deviation of Go Air is maximum.

One-Way ANOVA

Debt-Equity Ratio

<table>
<thead>
<tr>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>1194.134</td>
<td>398.045</td>
<td>1.271</td>
<td>.318</td>
</tr>
</tbody>
</table>
Within Groups

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5011.496</td>
<td>16</td>
<td>313.218</td>
</tr>
<tr>
<td></td>
<td>6205.629</td>
<td>19</td>
<td></td>
</tr>
</tbody>
</table>

The F-ratio value is 1.271. The p-value is 0.318 which is more than 0.005 indicating that there is no significant difference in the Debt-Equity of selected companies. We do not reject the null hypothesis that there is no significant difference in the Debt-Equity of selected companies.

**CONCLUSION:**

The researcher has attempted the research to study and understand the profitability and solvency of four civil-aviation companies namely Air India, Indigo, SpiceJet and Go Air. The researcher made an effort to understand and evaluate profitability and solvency ratios of selected companies. The study highlighted that, there is no significant difference in Operating profit margin, Return on capital employed, Debt-Equity and Interest cover ratio. Whereas there is a significant difference in Net profit margin of selected companies. Study also shows that all other companies other than Indigo has poor solvency condition which has been evaluated by ratio analysis. Civil-Aviation companies are more dependent on borrowed capital as compared to owners fund. It is advisable for companies to improve their solvency condition. Overall situation of profitability of civil-aviation sector in also poor.

**REFERENCES:**

**RESEARCH ARTICLES:**

**BOOKS:**

**WEBSITES:**
- www.dgca.com
- www.airindia.com
- www.spicejet.com
- www.goair.in
A STUDY ON ACADEMIC STRESS AMONG STUDENTS WITH SPECIAL REFERENCE TO KERALA

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Abstract: Stress is the state of mental or emotional strain or tension resulting from adverse or very demanding circumstances. Academic stress is defined as the body’s response to academic related demands that exceed adaptive capabilities of students. Academic stress is a stress among students and is a mental distress with respect to anticipated frustration associated with academic failure or even unawareness to the possibility of such failure. Convenience sampling and descriptive research design was used for the study. A sample of 60 students of different age and course group within Kerala were selected. Both primary and secondary data were used and primary data was collected using questionnaire. Data were analyzed using percentage analysis, bar diagram, pie charts etc. Excessive level of academic stress can result in an increased prevalence like depression, anxiety, nervousness and stress related disorders which in turn can affect their academic results.

Keywords: Stress, Academic stress, Educational stress etc.

Introduction:
Education is a very important part in an individual’s life and is also a turning point in their academic life. At this stage, the academic performance of a student plays a crucial role in deciding the next stage of their education, which in turn shapes their career. An excess of academic stress during this stage can result in adverse effects that are far-reaching and prolonged.

In today’s highly competitive world, students face various academic problems including exam stress, disinterest in attending classes and the inability to understand a subject. Academic stress involves mental distress regarding anticipated academic challenges or failure or even the fear of the possibility of academic failure. Academic stressors show themselves in many aspects in the students’ environment: at school, home, in their peer relations and even in their neighborhood.

Excessive levels of academic stress can result in an increased prevalence of psychological and physical problems like depression, anxiety, nervousness and stress related disorders, which in turn can affect their academic results. Anxiety as a disorder is seen in about 8% of adolescents and children worldwide. Anxiety and stress have a substantial negative effect on their social, emotional and academic success. Depression is becoming the most common mental health problem college students suffer these days. It is also a reflection of an individual’s academic frustration, academic conflict, academic anxiety and academic pressure. The four components of academic stress usually identifiable in a student are academic frustration, academic conflicts, academic anxieties and academic pressures.

The mental health of students, especially in terms of academic stress and its impact, has become a serious issue among school and policymakers because of the increasing incidence of suicides among students across the globe. The Lancet Report states that, India has the world’s highest suicide rates among the youth. Parental pressure for better academic performance is found to be mostly responsible for academic stress. Due to the constant pushing of the student by the parents in order to perform better in both academics and extra-curricular activities, some children develop deep-rooted nervous disorders during their childhood.
The Five Categories of Stress. Stress is usually thought of as psychological. But there are many different types, which can be divided into the five categories of stress: mental, physical, emotional, nutritional, and toxic.

In today’s highly competitive world, students face various academic problems including exam stress, disinterest in attending classes and inability to understand the subject. Examination stress is the feeling of anxiety or apprehension over one’s performance in the exams. It can lead to students being unable to perform to the best of their abilities in exams. Academic stress is the major source of stress among adolescents and it may lead to low self-esteem. Many psychological problems such as depression and suicide occur as a result of low self-esteem.

What are some of the causes of stress?
- Expectations we place on ourselves.
- Expectations of others.
- Our physical environment, such as noise, movement, weather or seasonal changes.
- Our internal environment, such as academic pressure, frustration, not enough time, decisions and social life.

What are some symptoms of unmanaged stress?
- Increased heart rate and blood pressure.
- Feeling tense or irritable, fatigue or depression.
- Apathy, lack of interest and inability to concentrate.
- Avoidance behaviors, such as abuse of drugs, alcohol or tobacco.

Academic and exam stress is found to be positively correlated with parental pressure and psychiatric problems. It is important to remember that the mental constitution or coping capacities vary from one child to another. Therefore, children with poor coping capacities become more prone to anxiety, depression and fear of academic failure and this shows us that one should not compare one student with another.

Looking at these high levels of academic stress in students which can also lead to psychological disorders, there is an urgent need to develop suitable interventions and solutions to reduce this level of stress and psychiatric morbidity.

Some ways for students to manage and overcome academic stress:
1) Always have something to look forward to everyday and it doesn’t always have to be something big. This helps to have a reason to anticipate the next day and thus cope with academic stress better.
2) Studies have shown that a regular exercise routine often decreases symptoms of depression and stress. So exercise and sports, YES.
3) Create a proper schedule that will help you manage your academics and other activities in a more efficient manner.
4) Understand your academic capabilities, what is expected of you and try not to have unreasonable expectations.
5) Surround yourself with positive people, ALWAYS.

Literature Review
Kumaraswamy, N. (2013) Academic stress, anxiety and depression among college students are a cause of concern. Every nation invests lot of money on education. However research survey on college students reports at any given time there will be 10 to 20% of student population suffering from psychological problems (Stress, Anxiety & Depression). This paper briefly describes the research carried out in the last 3 decades especially regarding stress, anxiety & depression. It focuses stress among college students, nature of psychiatric morbidity, emotional problems and adjustment, psychological problems of college students. Emphasising how counselling will help students with emotional problems and also suggested preventive measures to be taken by colleges such as setting up student counselling centres, create awareness among college students in seeking help with counselling centres. It is also suggested to have mentor mentee programme compulsorily on all colleges. A student health committee should be formed in each college with mental health professionals as its members. There should be regular seminar & workshop for teachers & college students on various issues of psychological problems and its coping mechanisms.
Bhujade, V. M. (2017). Higher education is a stressful period in students' life which they need to cope with due to various reasons as living away from the families, a heavy syllabus, and inefficiency in higher education programs. Depression, anxiety and academic stress among college students are a cause of concern. Every nation invests lot of money on education. However research survey on college student's reports at any given time there will be 10 to 20 % of student population suffering from psychological problems (Stress, Anxiety, & Depression). This paper briefly describes the research carried out in the last 3 decades especially regarding stress, anxiety and depression. It focuses stress among college students, nature of psychiatric morbidity, emotional problems and adjustment, psychological problems of college students. Emphasizing how counseling will help students with emotional problems and also suggested preventive measures to be taken by colleges such as setting up student counseling centers, create awareness among college students in seeking help with counseling centers. It is also suggested to have mentor- mentee programme compulsorily on all colleges. A student health committee should be formed in each college with mental health professionals as its members. There should be regular seminar and workshop for teachers and college students on various issues of psychological problems and its coping mechanisms.

Calaguas, G. M. (2011). This study examined the perception of academic stress among college students in a state college in the Philippines highlighting gender differences. In order to achieve the purpose of the study, an indigenous survey instrument was developed. A total of 1,210 college students chosen through systematic random sampling responded to the survey instrument. To determine gender differences among the respondents, independent samples t-test was used via SPSS version 15.0. Statistical analyses showed that male and female respondents differed significantly in their perceptions of subject, teacher, schedule, classroom, and expectation-related stressors but did not significantly differ in their perceptions of enrolment and admission, classmate, and financial-related stressors. Generally, no significant difference was found between male and female respondents in their perception of academic stressors, however using the mean scores as basis, female respondents scored higher compared to male respondents.

The objective of this study is to explore the components of academic stress among the post graduate management students. Academic stress among students have long been researched on, and researchers have identified different stressors. The study further tries to make an in-depth investigation into each component of academic stress such as curriculum and instruction, team work related issues, assessment, and placement, to identify the micro issues that are causing stress. Around twelve micro issues have been identified under the curriculum and instruction component while four stressors were prioritized related to team work; five sub issues regarding assessment and three micro issues under placement components of academic stress. The sample comprises of 500 postgraduate management students from various management institutes spread across the Warangal district of Andhra Pradesh in India. Data was collected through self-designed academic stress questionnaire based on previous models available.

Research Objectives
1. To evaluate academic stress among students.
2. To analyze the reasons for academic stress.
1. To find out the measures to be taken to reduce academic stress.

Statement of the problem
Stress is a situation that reveals thoughts and feelings in a person. The aim of this study is to assess the level of stress among students.

Significance of the Study
Stress is the body's natural response to challenges. When a student experiences high levels of stress or chronic stress, regardless of her age or grade, it can interfere with her ability to learn, memorize, and earn good grades as well as lead to poor physical, emotional and mental health. The main purpose of this study is to identify the academic stress among students in Kerala.

Research Methods
The research is based on Convenience sampling and descriptive research design was used for the study. A sample of 60 students of different age and course group within Palakkad were selected. Both primary and
secondary data were used and primary data was collected using questionnaire. Data were analyzed using percentage analysis, bar diagram, pie charts etc.

**Discussions**

The main objectives of this study were to understand the level of academic stress faced by students. Anxiety and depression lead to higher level of worry in regards to academic tasks. These factors lead to lower academic performance and poor working memory function among students.

**Findings:**

- Every student despite their demographic factors is affected by academic stress.
- Main reason of stress is overload of syllabus during the semester system.
- Family problems are also creating academic stress among students.
- Most of the students join in courses not according to their choices.
- Major source of academic stress among every student is due to excessive course-work, examination and placements.
- All students try to manage and reduce their academic stress level.
- Majority of the students use entertainments, going away from stressful environment, sleeping, prayer, positive thinking, traveling and time management strategies to reduce stress.
- Majority of the students was able to overcome stress using stress management strategies.
- Most of the students suggested that thinking positively can make students life stress free.

**Recommendations:**

- To restructure the syllabus and curriculum system according to time and management.
- Provide friendly atmosphere and mentoring classes to students for relaxation.
- Provide enough time for preparing examinations.
- Ensure that the education system act as a” character building tool” to both students and teachers.
- Involve students in all activities.
- Teachers have to motivate students to achieve their goals.
- Provide utmost care and support to students.
- Should introduce proper mentoring system in educational institutions to reduce the stress among students.

**Conclusion:**

The purpose of this study is to evaluate academic stress among students. Based on the findings it is revealed that despite all demographic factors like age, gender, marital status and family type every student is affected by academic stress. There are various sources of stress among them major sources of stress are excessive coursework, continuous examinations and placements. Each student tries to manage and reduce stress level. There are a lot ways to reduce stress but the major strategies to reduce stress are entertainment, sleeping, praying, positive thinking, traveling and time management and most of the students was able to manage this using these strategies. Majority of the students suggested that student’s life can be stress free by thinking positive always.

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- [http://www.speakingtree.in](http://www.speakingtree.in)
A STUDY ON MOBILE BANKING AND FINANCIAL INCLUSION WITH REFERENCE TO COMMERCIAL BANKS IN KADAPA CITY IN YSR DISTRICT, ANDHRA PRADESH

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Abstract: Financial inclusion plays a pivotal role in ostracize poverty and aids in sufficient capital formation. Government of India initiated various schemes to compel financial inclusion programme through banks. Now, banks are given birth to various avenues to extend banking and financial services to all poor, weaker sections, low income and underserved customers at affordable cost. Especially commercial banks are driving financial inclusion through mobile banking. Mobile banking is one of the fastest ways to reach financial inclusion as it is growing at a remarkable speed. Hence, the present study is to investigate the role of mobile banking in achieving the financial inclusion particularly in Kadapa City, Andhra Pradesh. The study undertaken with select commercial banks and the target population was mobile banking users across the Kadapa City and supervisory level staff among the 10 selected commercial banks in Kadapa City. The study depends on primary data, which was procured by administering structured questionnaire. The SPSS taken for data analysis. Simple percentage and chi square test were used to analyse the data in SPSS. The analysis found that mobile banking services highly correlated with financial inclusion. The study concluded that mobile banking has ameliorated the level of access to financial services to persons without formal access to commercial banks and the amount of money transferred through mobile phones has increased in commercial banks.

Keywords: Commercial banks, Avenues, Financial inclusion, Financial services and Mobile banking.

INTRODUCTION: In recent years, India’s economic growth rate is faster than most developed countries. But, there is a paucity which pulling down the economy that is majority of Indian population are unbanked and underbanked. Financial inclusion is rationally a new socio-economic concept aims to render financial services at affordable terms to underprivileged. In addition, financial inclusion saves the poor community from the exploitative money lenders. In the rural areas as well as financially backward areas of cities there is a good opportunity for the participants such as the banks, Non-banking financial companies to enhance their services. Hence, Financial inclusion is considered as a critical indicator of economic development and well-being of society. According to the recommendations of Rangarajan committee (2008) financial inclusion policy entered in banking lexicon and plays a significant role in stimulating development by rendering banking related financial transactions in an easy, quick and simple way.
Though mobile banking service initiated as a SMS banking just with SMS alerts to the mobiles, now got much attention and importance with introduction of smart phones, iPhone and growth of android software. As per RBI Guidelines in 2008, “Mobile banking is undertaking banking transactions using mobile phone by bank customers that would involve credit / debits to their accounts”. Reserve Bank of India also motivating banking sector to encourage mobile banking. Through mobile banking financial services like paying for utilities, money transfers, withdrawing money, making deposits and enquiry of bank account balances, blocking ATM cards are possible to do. Particularly, mobile banking useful in rural areas where 30 per cent to 40 per cent of remittances are through mobile banking only. However, mobile banking is in three forms such as SMS based channel, USSD based channel and application-based channel. According to TRAI’s report in March 2020, total mobile phone subscribers are 1177.79millions among 656.46millions are from urban areas and 521.51millions are from rural areas. This indicates that mobile subscribers are increasing day by day. Hence, with the growth of usage of smart phones, mobile banking majorly undergoing in the form of application-based channel.

REVIEW OF LITERATURE

Anil Mehta, Dipankar Chakrabarti, Rajeev Srivastava and Ranjeet Mehta (2019) have done a study on “Mobile Banking – An Answer to Financial Inclusion in Hilly Rural India”. They discussed revised technology acceptance model and noticed that, a lot of efforts are needed to bring the potential of mobile banking into reality as far as rural India is concerned.

Daniel Munyilu Musango (2018) worked on “mobile banking and financial inclusion among commercial banks in Nairobi city, Kenya”. For this study he has taken 16 select commercial banks and 336 management level staff to know how mobile banking services are rendered to customers by commercial banks. The study concluded that bank has reached more clients through mobile money transfer applications, introduction of pay bill services has reduced customer queues, commercial banks provided detailed statements on customers’ mobile payment transactions, mobile bank account enabled customers in remote areas to open accounts with commercial banks and linkage of mobile phone payment and bank account attracted more customers to the bank.

Meena Kumari (2017) conducted a study on “mobile banking and financial inclusion with titled mobile banking : A tool for financial inclusion”. The study revealed that though number and value of transactions using mobile applications are in increasing trend, but it is still very low quantity. The study also found that very few banks are actively promoting mobile banking. Bank staff and customers need to get awareness of mobile banking continuous upgradation and the application.

Punitha Ponnuraj and Manasa Nagabhushanam (2015) were endeavoured towards analysis of adoption of “mobile banking for inclusion in rural India”. Their analysis revealed there is a good relationship between mobile banking and financial inclusion. They found some barriers which hindered the potential of mobile banking in financial inclusion such as lack of financial products which are in demand, inflexible and inconvenient products, high transaction cost etc.

Henok Arega Asfaw (2015) has studied “financial inclusion and mobile banking challenges and prospects”. The study revealed that still now there are operational hindrances to the growth of mobile banking in Ethiopia. However, lack of timely approval of new products by regulatory body, lack of interoperability system and lack of aggregators between service provider and retail agents were the major problems observed in the study.

Ardhendu Shekhar Singh (2014) worked on “Role of Mobile banking in Financial Inclusion”. This study concluded that every stakeholder has identified the importance of financial inclusion and considered mobile banking as a tool to achieve it. But observed difficulties in the way of accomplishing this job. This paper proposed tripartite model involving banks, post offices and mobile operators/ BCs to resolve the issues. It is also suggested that proposed system should be implemented in phases, wherein regulatory and security issues can be addressed simultaneously. This can be done by putting a ceiling on the amount and number of transactions that may happen.

Stephen Mago and Sibert Chitokwindo (2014), they endeavoured to know the impact of “mobile banking on financial inclusion in Zimbabwe”. Their study revealed that the mobile banking concept is in its infancy stage in Zimbabwe, its full impact to the economy is not yet realised. They suggested that
Government must set up a separate regulatory authority to effectively manage this subsector which has potential to be a very high-volume financial transaction platform. They also suggested that the Central bank and commercial banks must urgently come up with policies that ensure all mobile banking transactions quickly and easily.

From the review of literature, it is observed that majority of the studies work out on mobile banking and financial inclusion in rural India. Few studies have been done on financial inclusion and mobile banking with reference to commercial banks in India and abroad. Hence, the present study is undertaken on impact of mobile banking on financial inclusion with reference to commercial banks in Kadapa city, which is located in YSR District in Andhra Pradesh state, India.

RESEARCH OBJECTIVES

The main objective of the study is

- to know the nexus between mobile banking services and financial inclusion through commercial banks in Kadapa City in YSR District in Andhra Pradesh.

HYPOTHESES

Following hypotheses have been developed for the study to reach the objective:

- \( H_{01} \): Affordable mobile banking services does not increase the accessibility to financial inclusion.
- \( H_{01A} \): Affordable mobile banking increases the accessibility to financial services.
- \( H_{02} \): Mobile banking accessibility does not increase the volume of money transfer.
- \( H_{02A} \): Mobile banking accessibility increases the volume of money transfer through mobile.

METHODOLOGY AND RESEARCH DESIGN

The target population for the study is select mobile banking users, managers and supervisory level staff from commercial banks in Kadapa City. In Kadapa Urban area, there are 70 commercial banks including regional rural banks from both public and private sector. Table 1.0 shows the list of Commercial banks in Kadapa city.

Table 1.0

<table>
<thead>
<tr>
<th>NAME OF THE BANK</th>
<th>LOCATION OF THE BANK BRANCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allahabad Bank</td>
<td>Kadapa main (selected bank-1)</td>
</tr>
<tr>
<td>Andhra Bank (now Union bank of India)</td>
<td>Mandi bazaar, ITI circle, NGO colony, YM palli, Kadapa main (selected bank-2)</td>
</tr>
<tr>
<td>Andhra Pragathi Grameena bank</td>
<td>Mariyapuram, Ameerpeer, Ravindra nagar, YM palli, Nagarajupeta, Devuni Kadapa, NESCO Kadapa, Police line, Kagithtalapenta, Jayanagar colony, Mochampet, Kadapa main</td>
</tr>
<tr>
<td>AXIS Bank</td>
<td>Kadapa main (selected bank-3)</td>
</tr>
<tr>
<td>Bank of Baroda</td>
<td>Kadapa main (selected bank-4)</td>
</tr>
<tr>
<td>Bank of India</td>
<td>Kadapa main (selected bank-5)</td>
</tr>
<tr>
<td>Canara bank</td>
<td>NGO colony, Mariyapuram, Kadapa main</td>
</tr>
<tr>
<td>Central bank of India</td>
<td>Kadapa main</td>
</tr>
<tr>
<td>City Union bank</td>
<td>Kadapa main (selected bank-6)</td>
</tr>
<tr>
<td>Corporation bank (Union bank of India)</td>
<td>Kadapa main</td>
</tr>
<tr>
<td>HDFC Bank</td>
<td>Devuni Kadapa, Kadapa main</td>
</tr>
<tr>
<td>ICICI Bank</td>
<td>Kadapa main (selected bank-7)</td>
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<tr>
<td>IDBI Bank</td>
<td>Kadapa main</td>
</tr>
<tr>
<td>Indian Bank</td>
<td>Kadapa main (selected bank-8)</td>
</tr>
<tr>
<td>Indian overseas Bank</td>
<td>YM Palli, Kadapa main</td>
</tr>
<tr>
<td>IndusInd bank</td>
<td>Kadapa main</td>
</tr>
</tbody>
</table>

Available online on - www.ijirmf.com
SAMPLE AND DATA COLLECTION

Among all the commercial banks, only 10 bank branches i.e., Allahabad Bank, Andhra Bank, AXIS Bank, Bank of Baroda, Bank of India, City Union Bank, ICICI Bank, Indian Bank, Lakshmi Vilas Bank and Punjab National Bank are been selected for the study as sample units and which are located in Kadapa city. 110 members of bank management level and supervisory level staff have been selected as sample respondents for the study by using convenient sampling technique. The data have been collected through primary data by giving structured questionnaire from the sample.

RESEARCH DESIGN

Descriptive research design was used for the study, which is appropriate because it presented specific state of affairs in describing the relationship between mobile banking services and financial inclusion.

TOOLS FOR THE ANALYSIS

The tools, simple percentage analysis and chi square test are been used for the analysis of the collected data in the study.

DATA ANALYSIS AND DISCUSSION

Response rate

Questionnaire have distributed among 150 managing and supervisory level staff from 10 selected banks but only 110 members filled it and returned. This given a response rate 75%. It is an indication of sufficient response rate. Figure 1.0 shows the responses from the sample.

Figure 1.0  RESPONSES FROM THE SAMPLE

Source : Field Survey
From the Figure 1.0, it is depicted that, the study had a response rate of 73 per cent, which is sufficient enough for the study. This is supported by Mugenda (2008), who asserts that a response rate of 50% and above is sufficient for the study.

**Demographic profile of the respondents**

The demographic information used to establish suitability of the respondents in the study.

**Years of Work Experience**

The respondents were asked how long the bank had been operating and his/her length of service. The work experience of the sample respondents are shown in Figure 2.0. The Years of Experience are shown on X-axis and percentage of sample respondents are shown in Y-axis.

**Figure 2.0  WORK EXPERIENCE OF SAMPLE RESPONDENTS**

Source : Field Survey

From the above Figure 2.0, it is known that 40 per cent of the respondents have ‘1-5 years’ of work experience, 23.6 per cent of respondents experience is between 5 to 10 years, 21.8 per cent of respondents working life in bank is 10 to 20 years and only 14.5 per cent of respondents are experienced more than 20 years. Therefore, the respondents have sufficient knowledge regarding their bank.

**Designation of the respondents**

Figure 3.0 shows the designation of sample respondents and employees from the select banks in Kadapa City.

**Figure 3.0 Designation of employees**
From the above Figure 3.0 it is noticed that, among 110 respondents 48 per cent are from senior management, 29 per cent are from junior management, 23 per cent are supervisors. Therefore, majority of the respondents are senior managers. Hence, they are equipped with sufficient knowledge and information and that helps much for the study.

**Level of Education**

Figure 4.0 shows the level of education of the sample respondents and employees from the select banks in Kadapa City.

![Level of Education](image)

Source : Field Study

From the above Figure 4.0, it is found that 39 per cent of the staff with PG qualifications and 32 per cent of the staff with UG qualifications, 23 per cent and 16 per cent of the staff with Intermediate and Diploma respectively.

**RELATIONSHIP BETWEEN AFFORDABLE MOBILE BANKING AND ACCESSIBILITY TO FINANCIAL SERVICES**

Table 2.0 shows the relationship between affordable mobile banking and accessibility to financial services.

**Table 2.0**

<table>
<thead>
<tr>
<th>S. No</th>
<th>HYPOTHESIS</th>
<th>CHI-SQUARE TEST</th>
<th>OUTCOME OF HYPOTHESES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Relationship between affordable mobile banking and accessibility to financial services</td>
<td>27.002</td>
<td>ACCEPTED</td>
</tr>
<tr>
<td></td>
<td>Relationship between mobile banking accessibility and volume of money transfer</td>
<td>28.03</td>
<td>ACCEPTED</td>
</tr>
<tr>
<td></td>
<td></td>
<td>26.296</td>
<td></td>
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</table>
From the Table 2.0, it is found that the calculated value of Chi-Square is greater than the Table value at 0.05 significant level with degrees of freedom 16. Hence, it indicates that there is a relationship between affordable mobile banking and accessibility to financial services, mobile banking accessibility and volume of money transferring.

CONCLUSION:
Mobile banking assist customers to maintain curb over their all financial transactions. Mobile banking enables simple and strong customer service. Omnipresent and extensive use of mobile phones amongst individuals irrespective of their income levels makes mobile banking a better consideration for financial inclusion. The study concluded that affordable mobile banking has ameliorated the level of access to financial services to persons without formal access to commercial banks and the amount of money transferred through mobile phones has increased in commercial banks.

REFERENCES:
Mobile Payments: A Study of Gender Perspective

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Abstract: Mobile payment also referred to as mobile money, mobile money transfer, and mobile wallet generally refer to payment services. These services are operated under financial regulation and performed through a mobile phone. Instead of paying with cash, debit cards, credit cards, a consumer can use a mobile to pay for a wide range of services. Mobile commerce has emerged as an innovative and consequential improved method of business over e-commerce. Mobile payment service is a modern innovation in this direction. M-Payment popularly known as ‘Pay with your mobile’ is a revolutionary, easy, convenient, and secure mobile payment service. India’s push toward cashless payments accelerated in 2019, as card and mobile payments as a percentage of GDP rose to 20% in the quarter ended Dec. 31, 2019, from 13% in the same quarter of 2018. Government’s Digital India initiative, Access to smart phones, Increasing Internet penetration, Demonetization and COVID-19 pandemic acted as the major catalyst in digitizing the country. In the background of these developments and changing scenario, the study examined gender perspective on Mobile Payments. The study found that majority of the respondents have awareness and requisite knowledge about introduction of Mobile payments facility. Retail purchases and bill payments have emerged as the top two preferences for Mobile payments. The survey conducted on the basis of gender of the respondents observed no significant difference in their motives and attitudes regarding the applicability and the concerns of this most far-reaching Mobile payments mode. It is found that the success of Mobile-payment in principle depends on the wider acceptability of mobile payments by merchants, clear picture about the settlement platform, and enactments of legislation and rules governing Mobile-payments.

Keywords: Mobile Payments, Digital India, Demonetization, COVID-19,

INTRODUCTION:
Technology has impregnated our day-to-day life and turned into an indispensable part of our daily living. It is not just a communication tool but a personal device that can be used to perform a variety of functions to make life straightforward, expedient, and comfortable. Mobile payment service providers have understood the supremacy of this device in the right perspective. Mobile commerce has emerged as an immediate successor of e-commerce. Mobile payment service is a recent innovation in this direction. It is advancement over e-banking and mobile banking. M-Payment popularly known as ‘Pay with your mobile’ is a revolutionary, easy, convenient, and secure mobile payment service. M-payment means a payment for the product or service between two parties for which a mobile phone mechanism plays the key role in the initiation, authorization and/or realization of the payment. Mobile payment transactions are initiated via a mobile handset. These transactions can be initiated through SMS, i.e., payment through text message; WAP/Browser, i.e., payment via internet; and NFC, i.e., payment through short range wireless technology. NFC enabled phones are linked to bank accounts, and it provides the facility of direct debit from account. Besides this, these can be connected to financial instrument of customer’s choice such as credit card, debit card etc. Mobile payments can be broadly classified into three categories i.e. payment for purchases, payment for bills, and fund transfers. In retail sector, this sophisticated and pioneering m-payment option can enhance their business as well as customer’s experience, convenient and much more. The use of mobile phones to make payment for a variety of services is bound to create a new payment environment.

MOBILE PAYMENTS: GLOBAL & INDIAN STATISTICS:
Mobile payments market is growing very fast. India ranks favorably among countries that built instant payment schemes, according to our review of real-time payment volumes in five countries, processing at least 5x more transactions than the second-largest market.
Sources: S&P Global Market Intelligence.

Paytm, Google Pay, Amazon Pay, PhonePe, BHIM (Bharat Interface for Money), UPI etc are most popular payment apps in India. PayTM is currently the most used option for digital payments in India.

While a large number of transactions handled by payment apps include peer-to-peer transactions, mobile phone account recharges and utility bills, mobile payments are increasingly becoming a popular payment choice for retail transactions at the point of sale and online.

Mobile payments, largely comprising account-to-account transfers processed through the Unified Payments Interface System, rose 163% to $287 billion in 2019, according to S&P Global Market Intelligence's 2020 India Mobile Payments Market Report.

Digital payments in India are expected to grow over three-folds to Rs 7,092 trillion by 2025 on account of government policies around financial inclusion and growing digitisation of merchants, according to a research report. The country's digital payment market was worth around Rs 2,162 trillion in 2019-20, RedSeer Consulting said in its report.

The total mobile payment users who currently stand at about 162 million would reach around 800 million during this period," the report said.

The research observed that currently mobile phone is used as a prime tool for making low value payments. However, there is potential for making high value m-payments depending on risk, security, and other considerations. In most of the countries, telecom operators have been the pioneer of m-payment services as they have the technology with m-payments capabilities. Further, banks can also play a key role in m-payments by bringing their security capabilities in association with telecom operating companies in promoting m-payment services.

Mobile payments competing with cards
REVIEW OF LITERATURE:
This section deals with review of previous research on the mobile payment related issues. It has explored the different issues that have already been evaluated by the previous researchers, and provides guidelines for conducting research on the issues not been analyzed by the prior studies. A brief outlines of the previous researches is mentioned as follows:

Jayewardhena and Foley (2000) evaluated the impact of a number of factors on the financial services development. It observed that changes in technological, cultural, commercial and legal factors may help drive the development of financial services.

Javalgi and Ramsey (2001) observed that IT and telecommunication, social and cultural, government and regulatory factors may have impact on the flow of eCommerce.

Bohle and Krueger (2001) pointed out that mobile phones are relatively lesser used in the US as compared to Europe. The study postulated that cultural factors can influence the payment culture. In addition to cultural factors, industry strengths, home banking affinity of consumers, and strong mobile phone inclination can influence the adoption of mobile payment services.

Huber (2004) conducted a comparative study on mobile payment in Europe and the US. The study observed qualitative differences in adoption of mobile technologies, the varying payment habits of customers, and the stronger involvement of banking industry in the two regions.

Sundquist S and Franklin et al (2002) evaluated the effects of country characteristics, cultural similarity and adoption of timing on the diffusion of wireless communication.

Ondryus and Pigneur (2004) recommended a new architecture for mobile payment system to help improve business processes and increase customer loyalty. They proposed adoption of a three dimensional model based on ‘Network-Device-Mobile Application’.

Mahamood et al (2004) explored the influence of culture on online shopping behaviour. The researches found the effect of demographic, lifestyle characteristics, and cultural variables in developing and developed countries.

Rawson (2005) in his article surveyed the regulatory issues in mobile transactions. It found that mobile transactions between different countries are relatively complex due to a complicated web of different laws and regulations.

Zmijewska and Lawrence (2006) pointed out that the lack of agreement and cooperation between stakeholders seems to obstruct the growth and development of m-payments.

STATEMENT OF THE PROBLEM:
Mobile payment service is emerging as a life changing method to facilitate digital payment. Now, the apps used to make payment are turning into super apps. These can have diverse features of Bank Account using UPI, Stored value wallet; Payment features-Send money, Request money, QR code payments; Bill payments-Recharge prepaid mobile phone plan, Pay utility bills, Pay credit card bills, insurance premiums and loan EMIs; E-commerce, travel-Purchase groceries/merchandise, Make flight, train, bus or hotel bookings, Book Uber/Ola car rides; Financial services-Buy gold, Point-of-sale credit, Invest in mutual funds, Buy insurance etc.

A registered customer can use mobile phone to pay for their retail purchases, monthly utility bills, and instantly send and receive money. This service permits the customer to use mobile phones as e-wallet to make easy and secure payments while shopping online, over the counter to accredited merchants who accept such payments. M-Payment can be used as a complement to cash, cheques, credit cards and debit cards.

In the background of these developments and review of literature, the researcher has decided to conduct research on the selected topic. The output of this study is likely to provide a valuable input to mobile payment service providers. It might also help service providers better understand the attitude and underlying expectations of customers.

OBJECTIVES OF THE STUDY
The study has been pursued to achieve the following objectives:
- To study the awareness level of respondents about M-Payment service.
- To analyze the respondents attitude towards this innovative payment method.
- To study the reasons for inclination as well as disinclination to use m-payments.
- To identify the preferred areas/sectors of high potential for making use of m-payments.
- To study the motives and concerns of respondents towards M-payments.
HYPOTHESIS:
To achieve objectives of the study following hypotheses have been formulated and tested using chi-square test:
1. There is homogeneity among males and females with respect to attitude on motives of m-payments.
2. There is homogeneity among males and females with respect to the concerns of m-payments.

RESEARCH METHODOLOGY:
The scope of the present investigation is confined to the analysis of the customer’s attitude towards M-Payments. The study is based on the primary data. The survey has been conducted using a pre-tested and a structured questionnaire on 100 respondents selected from Chandigarh. The sample consisted of equal percentage of male and female respondents.

<table>
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<tr>
<th>Gender</th>
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</tr>
<tr>
<td>Female</td>
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<table>
<thead>
<tr>
<th>Marital Status</th>
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<th>Percentage</th>
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</thead>
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<td>75</td>
</tr>
<tr>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age (years)</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 30</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>31-40</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>41-50</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Above 50</td>
<td>21</td>
<td>21</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduate</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Post Graduate</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>Professional</td>
<td>24</td>
<td>24</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Business</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Professional/Self Employed</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Retired</td>
<td>11</td>
<td>11</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 5 lakh</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>5-10 lakh</td>
<td>37</td>
<td>37</td>
</tr>
<tr>
<td>10-20 lakh</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>Above lakh</td>
<td>16</td>
<td>16</td>
</tr>
</tbody>
</table>

Table 1: Profile of Respondents

The respondents have been selected using non-probability method i.e. convenience sampling method. The highest percentage of respondents i.e. 29 percent belongs to the age group of 31-40. Almost fifty percent of the respondents are post-graduate, and one fourth is professional. Occupation wise distribution of the respondents depicts that majority of the selected respondents i.e. 40 percent belong the service class. The income distribution reveals that only 11 percent have income below Rs 5 lakhs, and the rest of the respondents belong to the income group of Rs 5 lakh and above. The collected data have been analyzed with the statistical software SPSS 17 evaluation version. The chi-square statistics is being applied to test the homogeneity in the attitude of males and females towards motives and concerns of m-payments.

RESULTS AND DISCUSSION:
1. It is observed that the awareness level of the respondents towards m-payment facility is extremely high. More than 85 percent of the selected respondents have knowledge about the introduction of m-payment facility.
2. The study found that almost half of the respondents have shown keen curiosity in linking m-payments with their saving bank accounts. The percentage of customers is 35 percent, 12 percent who intend to link m-payments with credit cards, debit cards respectively.

<table>
<thead>
<tr>
<th>Table 2: Awareness about m-payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
</tr>
<tr>
<td>Valid</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

3. Retail purchases, payment for utilities/bills, and funds transfer have emerged as first, second and third preference among all the respondents for m-payments.

<table>
<thead>
<tr>
<th>Table 3: Response to link m-payments with bank account, credit and debit cards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
</tr>
<tr>
<td>Valid</td>
</tr>
<tr>
<td>bank accounts</td>
</tr>
<tr>
<td>credit cards</td>
</tr>
<tr>
<td>debit card</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

4. M-payment is being propagated as a mobile wallet. It is expected to bring paradigm shift in the payment methods. The study evaluated the respondents’ attitude towards m-payments on gender basis only. It examined the respondents’ views on no need to carry wallet/cash, credit cards, debit cards; easier access than cash, cards and cheques. Table 4 shows that a large section of respondents disagree with ‘no need to carry wallet/cash, credit cards’ as a result of m-payment facility. These responses are supported by the chi-square statistics with high p-value as depicted in table 5. It is observed that the attitude of male and female respondents is homogeneous with respect to need to carry wallet/cash and credit cards. However, there is significant difference in the attitude of male and female respondents towards debit cards. It is substantiated by chi-square value i.e. 13.774 with p-value less than 0.05.
The study found that more than 70 percent of male as well as female respondents agree with that m-payment means easy access than cash, cards and cheques. The chi-square statistics for this statement is 2.678 with p-value of 0.444. This indicates that there is homogeneity among respondents with respect to m-payment means easy access than cash, cards and cheques.

Table 4: Gender’s attitude on motives of m-payments

<table>
<thead>
<tr>
<th>Motives of m-payments</th>
<th>Gender</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No need to carry cash</td>
<td>Male</td>
<td>15 (30)</td>
<td>34(68)</td>
<td>1(2)</td>
<td>0 (0)</td>
<td>0 (0)</td>
<td>50(100)</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>17 (34)</td>
<td>31(62)</td>
<td>2 (4)</td>
<td>0 (0)</td>
<td>0 (0)</td>
<td>50(100)</td>
</tr>
<tr>
<td>No need to carry credit card</td>
<td>Male</td>
<td>0 (0)</td>
<td>35 (70)</td>
<td>4 (8)</td>
<td>11 (22)</td>
<td>0 (0)</td>
<td>50(100)</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>2 (4)</td>
<td>32 (64)</td>
<td>3 (6)</td>
<td>13 (26)</td>
<td>0 (0)</td>
<td>50(100)</td>
</tr>
<tr>
<td>No need to carry debit card</td>
<td>Male</td>
<td>2 (4)</td>
<td>31 (62)</td>
<td>6 (12)</td>
<td>11 (22)</td>
<td>0 (0)</td>
<td>50(100)</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>5 (10)</td>
<td>13 (26)</td>
<td>10 (20)</td>
<td>21 (42)</td>
<td>0 (0)</td>
<td>50(100)</td>
</tr>
<tr>
<td>Easy access than cash, cards, cheques</td>
<td>Male</td>
<td>0 (0)</td>
<td>0 (0)</td>
<td>12(24)</td>
<td>35 (70)</td>
<td>3 (6)</td>
<td>50(100)</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>0 (0)</td>
<td>2 (4)</td>
<td>11 (22)</td>
<td>32 (64)</td>
<td>5 (10)</td>
<td>50(100)</td>
</tr>
<tr>
<td>Ubiquitous</td>
<td>Male</td>
<td>0 (0)</td>
<td>0 (0)</td>
<td>3 (6)</td>
<td>25 (50)</td>
<td>22 (44)</td>
<td>50(100)</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>0 (0)</td>
<td>0 (0)</td>
<td>11 (22)</td>
<td>32 (64)</td>
<td>5 (10)</td>
<td>50(100)</td>
</tr>
<tr>
<td>Minimum learning time</td>
<td>Male</td>
<td>0 (0)</td>
<td>1 (2)</td>
<td>10 (20)</td>
<td>34 (68)</td>
<td>5 (10)</td>
<td>50(100)</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>0 (0)</td>
<td>4 (8)</td>
<td>9 (18)</td>
<td>28 (56)</td>
<td>9 (18)</td>
<td>50(100)</td>
</tr>
<tr>
<td>Convenience/transaction ease</td>
<td>Male</td>
<td>0 (0)</td>
<td>0 (0)</td>
<td>6 (12)</td>
<td>32 (64)</td>
<td>12 (24)</td>
<td>50(100)</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>0 (0)</td>
<td>0 (0)</td>
<td>8 (16)</td>
<td>23 (46)</td>
<td>19 (38)</td>
<td>50(100)</td>
</tr>
<tr>
<td>Ability to perform banking functions without PC and internet</td>
<td>Male</td>
<td>0 (0)</td>
<td>11 (22)</td>
<td>8 (16)</td>
<td>15 (30)</td>
<td>16 (32)</td>
<td>50(100)</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>0 (0)</td>
<td>10 (20)</td>
<td>13 (26)</td>
<td>15 (30)</td>
<td>12 (24)</td>
<td>50(100)</td>
</tr>
<tr>
<td>Instant Confirmation</td>
<td>Male</td>
<td>0 (0)</td>
<td>0 (0)</td>
<td>0 (0)</td>
<td>37 (74)</td>
<td>13 (26)</td>
<td>50(100)</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>0 (0)</td>
<td>0 (0)</td>
<td>0 (0)</td>
<td>30 (60)</td>
<td>20 (40)</td>
<td>50(100)</td>
</tr>
<tr>
<td>Saves time</td>
<td>Male</td>
<td>0 (0)</td>
<td>0 (0)</td>
<td>6 (12)</td>
<td>33 (66)</td>
<td>11 (22)</td>
<td>50(100)</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>0 (0)</td>
<td>0 (0)</td>
<td>8 (16)</td>
<td>23 (46)</td>
<td>19 (38)</td>
<td>50(100)</td>
</tr>
<tr>
<td>Authentication</td>
<td>Male</td>
<td>0 (0)</td>
<td>1 (2)</td>
<td>4 (8)</td>
<td>35 (70)</td>
<td>10 (20)</td>
<td>50(100)</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>0 (0)</td>
<td>1 (2)</td>
<td>4 (8)</td>
<td>28 (56)</td>
<td>17 (34)</td>
<td>50(100)</td>
</tr>
<tr>
<td>Real time status of payment</td>
<td>Male</td>
<td>0 (0)</td>
<td>0 (0)</td>
<td>6 (12)</td>
<td>33 (66)</td>
<td>11 (22)</td>
<td>50(100)</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>0 (0)</td>
<td>0 (0)</td>
<td>6 (16)</td>
<td>23 (46)</td>
<td>19 (38)</td>
<td>50(100)</td>
</tr>
<tr>
<td>Trust, privacy and security</td>
<td>Male</td>
<td>0 (0)</td>
<td>0 (0)</td>
<td>6 (12)</td>
<td>38 (76)</td>
<td>6 (12)</td>
<td>50(100)</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>0 (0)</td>
<td>0 (0)</td>
<td>8 (16)</td>
<td>30 (60)</td>
<td>12 (24)</td>
<td>50(100)</td>
</tr>
</tbody>
</table>

5. The study further examined the respondents attitude on m-payments with respect to ubiquitous, minimum learning time, user friendly, convenience/transaction ease, ability to perform banking functions without PC and internet, instant confirmation, saves time, authentication, real time status of payment; and trust, privacy and security. It is found that there is homogeneity in the attitude of respondents in relation to these features of m-payment. The chi-square values with high p-values resulted into acceptance of hypothesis in relations to all these aspects.

Table 5: Statistical values on homogeneity of attitudes with respect to diverse motives of m-payment

<table>
<thead>
<tr>
<th>Concerns of m-payments</th>
<th>Gender</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk of loss/theft</td>
<td>Male</td>
<td>14 (28)</td>
<td>28(56)</td>
<td>2(4)</td>
<td>6 (12)</td>
<td>0 (0)</td>
<td>50(100)</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>12 (24)</td>
<td>33(66)</td>
<td>0 (0)</td>
<td>5 (10)</td>
<td>0 (0)</td>
<td>50(100)</td>
</tr>
<tr>
<td>Limited no. of merchants accepting m-payments</td>
<td>Male</td>
<td>0 (0)</td>
<td>0 (0)</td>
<td>4 (8)</td>
<td>29 (58)</td>
<td>17 (34)</td>
<td>50(100)</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>0 (0)</td>
<td>0 (0)</td>
<td>2 (4)</td>
<td>34 (68)</td>
<td>14 (28)</td>
<td>50(100)</td>
</tr>
<tr>
<td>Complex</td>
<td>Male</td>
<td>6 (12)</td>
<td>31 (62)</td>
<td>11 (22)</td>
<td>2 (4)</td>
<td>0 (0)</td>
<td>50(100)</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>2 (4)</td>
<td>33 (66)</td>
<td>10 (20)</td>
<td>5 (10)</td>
<td>0 (0)</td>
<td>50(100)</td>
</tr>
</tbody>
</table>
6. The analysis of table 6 about concerns of respondents regarding m-payment revealed that more than three fourth of respondents disagree with risk of theft/loss, difficult or complex, as well as problem of payment message standardization. The chi-square statistics with p-values higher than 0.05 resulted into acceptance of hypothesis.

<table>
<thead>
<tr>
<th>Concern</th>
<th>Male</th>
<th>Female</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inconvenient using m-payments for every transaction</td>
<td>7 (14)</td>
<td>50(100)</td>
<td>.597</td>
</tr>
<tr>
<td>Problem of payment message standardization</td>
<td>23 (46)</td>
<td>50(100)</td>
<td>.742</td>
</tr>
<tr>
<td>Transaction cost concerns</td>
<td>27 (54)</td>
<td>50(100)</td>
<td>.486</td>
</tr>
<tr>
<td>Hidden charges issue</td>
<td>3 (6)</td>
<td>50(100)</td>
<td>.008</td>
</tr>
<tr>
<td>Services charges problem</td>
<td>9 (18)</td>
<td>50(100)</td>
<td>.311</td>
</tr>
<tr>
<td>Transaction and id security</td>
<td>22 (44)</td>
<td>50(100)</td>
<td>.199</td>
</tr>
<tr>
<td>Settlement platform not clear</td>
<td>10 (20)</td>
<td>50(100)</td>
<td>.613</td>
</tr>
<tr>
<td>Regulatory issues not clear</td>
<td>16 (32)</td>
<td>50(100)</td>
<td>.944</td>
</tr>
</tbody>
</table>

| Gender* No need to carry cash                                          | .597          | 2             | .742    | NS      |
| gender * no need to carry credit card                                  | 2.444         | 3             | .486    | NS      |
| gender * easy access than cash, cards and cheques                      | 2.678         | 3             | .444    | NS      |
| gender * ubiquitous                                                    | 0.248         | 2             | .883    | NS      |
| gender * minimum learning time                                         | 3.576         | 3             | .311    | NS      |
| gender * ability to perform banking functions without PC and internet   | 1.810         | 3             | .613    | NS      |
| gender * instant confirmation                                          | 4.731         | 2             | .094    | NS      |
| gender * saves time                                                    | 4.205         | 2             | .122    | NS      |
| gender * authentication by MPIN                                        | 2.593         | 3             | .459    | NS      |
| gender * real time status of payment                                   | 4.205         | 2             | .122    | NS      |
| gender * trust, privacy and security                                   | 3.227         | 2             | .199    | NS      |

Table 6: Gender’s attitude on concerns of m-payments

Hence, it can be concluded that there is homogeneity among the male as well female respondents attitude i.e. they do not agree with risk of loss/theft or problem of message standardization in m-payments.

7. The study found that most of respondents have same opinion on problems relating to limited number of merchants accepting m-payment, inconvenient to use m-payments for every transaction, need of wallet still remains, transaction cost concerns, hidden or service charges issue, and settlement platform is not clear. Respondents are also concerned about regulatory issues in m-payment.

References:

17. Mobile Payment Forum of India (MPFI) http://mpfi.org.in/ 
Critical Success Factors and its impact on SMEs performance for sustainable supply chain: An evaluative study of Uttarakhand state, India

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Sudhanshu Joshi
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Abstract:
Purpose – The prime purpose of the study is to identify Critical Success factors in terms of Management Practices among Small and medium Enterprises in India for sustainable supply chain process. As we all know during this pandemic (Covid-19) situation our SME sector is badly affected. The (COVID-19) flare-up shows that pandemics can genuinely unleash destruction on supply chains (SC) around the world. So there is need to more research work should be done in this field so that in future we can tackle-up this kind of worse situation. In our paper we will identify those critical success factors which is very important for sustainable supply chain in terms of management practices. And to assess the importance of Management Practices in performance of Small Scale industries & entrepreneurship development in Uttarakhand State, India. The study also examined the viewpoint of entrepreneurs on established management practices which is followed throughout the industry these days. And also that how much these practices are being deployed by these entrepreneurs.

Design/methodology/approach – Firstly, to identify all the critical success factors through secondary research and then assess the role of Management Practices and how these practices affect SMEs performance. A structured questionnaire was administered on 44 Employees on managerial level. The questionnaire tested the need and wish of employees at managerial level towards taking up established industrial practices in reference to management principles and also evaluated its effect on SME’s performance. Cross-tabulation, mean values, standard deviation and chi-square test were used to analyse the results.

Findings – The research confirmed that management practices are very important for growth and development of SME’s sector in Uttarakhand. Entrepreneurs who followed them like in case of sales promotion techniques were not facing problems in marketing of their products when compared to their counterparts. There is also an impact of proper recruitment and selection on growth of SME’s because if proper recruitment and selection will not be followed then employees wouldn’t be trained enough to perform their specified task.

Practical implications – The research has direct implications for research scholars working in the field of determining the impact of Management practices on SME’s performance, its growth and development, and even the government officials to take necessary steps towards proper training of entrepreneurs and motivate them to implement these practices in their business.

Keywords: - Critical Success Factors, Sustainability, SCM (Supply Chain Management) and Entrepreneurship Development.

Introduction:
Globally, 80% of total enterprises are SMEs (OECD, 2002). In Developing countries, SME contributes to more than 50% of manufacturing output of the economy (Manhas et al., 2015; Gupta et al., 2016).
Because enterprises today focus more on their core-competences, they rely more on their suppliers with outsourcing activities in the supply chain. As a result, supply chain management has become a key feature for promoting efficient management and developing important competitive advantages of suppliers (Quayle, 2003). Obviously, the quality of suppliers directly affects enterprises’ products and the long-term capability of suppliers influences enterprises’ competitiveness (Christopher, 2005). Actively participating in supply chain of Small and Medium-sized Enterprises (SMEs) more and more have significant impacts on supply chain performance and can serve the roles of suppliers, distributors, producers and customers (Hong & Jeong, 2006). The sensitiveness for changes in business environment (Westhead & Storey, 1996), flexibility to respond customers’ requirements (Carson et al., 1995) and rapid decision making in behavior (Tidd et al., 2018) have made SMEs as candidates to meet constantly changing customer needs and fast growing technologies. However, due to their restrictions in sizes, resources and other conventional characteristics, compare with LEs in supply chain, SMEs have less competitive advantages and are generally more vulnerable (O’Gorman, 2001). Despite the large number of SMEs and their essential role in supply chain, the literature around SMEs and Supply Chain Management (SCM) practices within them is still small and disperse (Quayle, 2003), especially qualitative case based researches (Thakkar et al., 2008). There is a high potential for researches on SMEs and SCM strategies, especially the ability and sustainability of SMEs to meet changing needs in the supply chain of SMEs. By investigating the interaction between SMEs and supply chain of LEs, this thesis will explore the issues existing in this relationship and look for the way to enhance SMEs’ performance and a proper position in SMEs’ supply chain Framework.

The SME sector is said to be one of the key factors responsible in development of developing economies all over the world. Objective of this research is to analyze factors (Human Resource Management & Marketing Management) that has significant impact on the growth of this sector. For this purpose 44 questionnaires were filled by the Entrepreneurs from Uttarakhand State, of India and who were mainly from Manufacturing and Service sector.

We begin with an overview of this sector in State and look at some recent trends which highlight the development and significance of this sector. In the second part we analyzed the importance of factors like Human Resource Management & Marketing Management in operating the Small Scale Enterprise. In the third section, we did an impact assessment of Human Resource Management & Marketing Management interventions on the growth of entrepreneurship in the SME sector in State.

Review of literature:

Small and medium industries have an important role in the economy of both developed and developing countries as it ascertain equitable distribution of wealth and national income, it also provides lots of employment opportunities to the individuals that resolves issue of unemployment in developing countries. In India the small-scale industrial sector has registered rapid growth. Micro, Small and Medium Enterprises Development [MSMED] Act provides legal framework for “enterprise” which includes the manufacturing and service entities in 2006. According to data given by Economic Times in June 2013, MSME employ close to 40% of India’s workforce. MSME also play a crucial role in reduction of regional imbalance and it also drives lots of innovation. Due to growing era of MSME the entrepreneurship level are very much high in 21st century. Small-scale industrial sector has attracted attention of academic youth also. As lots of studies are already done on management practices in SME’s so large volume of literature is available on the different aspects of small-scale industries which has been studied at length. A brief review of such important studies is made here.

Among the studies conducted about management skills, Yusuf in 1995 found that, good management skills are one of the factors most critical to the success of South Pacific islanders’ entrepreneurial activities. There are lots of studies on entrepreneurs which answers the question that which management skills are critical to the success of entrepreneurs.

Critical Success factors (CSFs) are the conditions, highlights or factors that when appropriately supported, continued, kept up or oversaw can significantly affect the accomplishment of an organisation or its endeavor (Yadav and Barve 2015). The theory of CSFs includes its establishment inside examination methodology by Daniel (1961). According to author, CSFs are regions or exercises that ought to get steady and cautious consideration from the executives (Rockart 1979). In common CSFs are essentially characterized as the set number of regions wherein results, on the off chance that they are acceptable, will successful competitive performance (Alvarez et al. 2010). CSFs can be applied to create key arranging, perform natural examination and do methodology assessment (Munro and Wheeler 1980). In spite of the
fact that not an exact instrument, it is a dependable apparatus which can be utilized for association explicit and industry-explicit examination. More noteworthy administrative support helps in guaranteeing that better CSFs are distinguished (Quesada and Gazo 2007). CSFs are commonly empowering agents for successful usage of economical supply chain the executives in associations. A portion of the outstanding works in this area are: CSFs for Reverse logistics implementation (Luthra et al. 2017), green supply chain the executives practice in mining industry (Luthra et al. 2014), GSCM in car industry (Luthra et al. 2015a, b), SSCM in assembling segment (Dubey et al. 2015a), SSCM practices in material segment (Diabat et al. 2014) and SSCM practices in oil and gas division (Raut et al. 2017).

Here are some critical success factors or Management practices in the table given below:

### Table 1: Critical success factors / management Practices in SMEs

<table>
<thead>
<tr>
<th>Critical success factors</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiation and commitment of top management</td>
<td>(Luthra S et al., 2015)</td>
</tr>
<tr>
<td>Strategic Planning and HR practices</td>
<td>(Ab Talib and Hamid, 2014)</td>
</tr>
<tr>
<td>Long term vision for survival and growth</td>
<td>(Kumar et al., 2015)</td>
</tr>
<tr>
<td>Benchmarking system (Developing just in time capabilities in system)</td>
<td>(Kumare et al., 2015; Meybodi MZ, 2009)</td>
</tr>
<tr>
<td>Compliance statement</td>
<td>(Hu and Hsu, 2006)</td>
</tr>
</tbody>
</table>

### Objectives of the Study

1) To examine the effect of management practices on SME’s performance (considering various set of factors).
2) To identify the importance of Marketing Management through analyzing problems related to marketing & based on use of sales promotion techniques.
3) To find out effect of HRM practices by analyzing effect of proper recruitment practices and its effect on employees capabilities.

### Hypothesis of the Study

Theoretical considerations and previous researches enabled the researcher to formulate the following hypothesis:

- **H1-** There is a significant difference in management practices & SME’s performance.
- **H2-** There is a significant relationship between sales promotion technique & entrepreneurial development.
- **H3-** There is no impact of recruitment & selection practices on growth of SME’s.

### Research Methodology

This is a Quantitative research based on Exploratory & Descriptive Research Design. Data for the study was collected from Uttarakhand State of India, sample size for the study was 44, and Stratified Random Sampling technique was used. Necessary Data for study was collected through Primary and Secondary Data sources.

Primary data collection was done through Questionnaire and Secondary data collection by Research Papers & Websites. Analytical Tools used for data interpretation were Frequency, Chi-square, and Correlation, through use of SPSS.

### Data Analysis & Interpretation:

**Hypothesis 1-** There is a significant difference in management practices & SME’s performance.

To test this hypothesis five factors were taken into consideration which are cross-tabulated, to find whether the null-hypothesis is accepted or rejected.

1. Nature of business industry & channel of distribution.
2. Academic qualification & importance of HRM.
3. Academic qualification & whether marketing research is effective or not.
4. Academic qualification & whether focus is made towards employee engagement or not, and
5. Who can manage the business well Professional manager or the entrepreneur himself?
Table 2: Nature of business industry & channel of distribution.

<table>
<thead>
<tr>
<th>NATURE OF BUSINESS INDUSTRY</th>
<th>CHANNEL OF DISTRIBUTION</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>WHOLE SELLERS</td>
<td>RETAILERS</td>
</tr>
<tr>
<td>SERVICE</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>MANUFACTURING</td>
<td>13</td>
<td>2</td>
</tr>
<tr>
<td>FOOD</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>OTHER</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>7</td>
</tr>
</tbody>
</table>

Pearson Chi-Square: 39.278
Pearson's R: -.436

Interpretation:

The above table depicts that there are total 44 respondents. Among them 15 respondents belong to service industry, among total 15 respondents none uses whole sellers as channel of distribution, 3 uses retailers as channel of distribution, among them none uses other producers and parent unit as channel of distribution and 12 uses direct customer as channel of distribution. Among the total respondents 24 are from manufacturing industry, among total 24 respondents 13 uses whole sellers as channel of distribution, among them 2 uses retailers as channel of distribution, among them 4 uses other producers as channel of distribution & 5 uses parent unit as channel of distribution & none uses direct customer as channel of distribution. Among the total respondents 3 are from food industry, among total 3 respondents 1 uses whole sellers as channel of distribution, among them 1 uses retailers as channel of distribution, among them none uses other producers & parent unit as channel of distribution & 1 uses direct customer as channel of distribution. Among the total respondents 2 are from other industry, among total 2 respondents 1 uses whole sellers as channel of distribution, among them 1 uses retailers as channel of distribution, among them none uses other producers, parent unit & direct customer as channel of distribution. The value of Karl Pearson coefficient is -.436 which concludes that there is a negative correlation between the two. Calculated value of chi square for the 12 degree of freedom at 5% level of significance is 39.278 and tabulated value of chi square is 21.026. Since calculated value of chi square is more than tabulated value, so null hypothesis is rejected for above table. It means that there is no significant difference between nature of business and channel of distribution.

Table 3: Academic qualification & importance of HRM.

<table>
<thead>
<tr>
<th>ACADEMIC QUALIFICATION</th>
<th>POST GRADUATE</th>
<th>GRADUATE</th>
<th>DIPLOMA</th>
<th>METRIC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EXTREMELY</td>
<td>VERY</td>
<td>MODERATELY</td>
<td>SOMEWHAT</td>
<td></td>
</tr>
<tr>
<td>IMPORTANCE OF HRM</td>
<td>3</td>
<td>5</td>
<td>2</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>18</td>
<td>7</td>
<td>3</td>
<td>0</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
<td>16</td>
<td>5</td>
<td>1</td>
<td>44</td>
</tr>
</tbody>
</table>

Pearson Chi-Square: 29.041
Pearson's R: .037

Interpretation:

The above table depicts that there are total 44 respondents. Among them 10 respondents are post graduate. Among the 10 respondents 3 says that HRM is extremely important, 5 respondents says that it is very important, 2 says that it is moderately important & none say that it is somewhat important. Among the total respondents 28 respondents are graduates. Among the 28 respondents 18 says that HRM is extremely important, 7 respondents says that it is very important, 3 says that it is moderately important & none say that it is somewhat important. Among the total respondents 2 respondents are diploma holder. Among the 2 respondents none respondents says that HRM is extremely important, 1 respondents says that it is very important, none says that it is moderately important & 1 say that it is somewhat important. Among the total
respondents 4 respondents are metric pass. Among the 4 respondents 1 respondent says that HRM is extremely important, 3 respondents says that it is very important, none says that it is moderately important & somewhat important.

The value of Karl Pearson coefficient is .037 which concludes that there is a positive correlation between the two. Calculated value of chi square for the 9 degree of freedom at 5% level of significance is 29.041 and tabulated value of chi square is 16.919. Since calculated value of chi square is more than tabulated value, so null hypothesis is rejected for above table. It means that there is no significant difference between Academic qualification and importance of HRM.

Table 4:-Academic qualification & whether focus is made towards employee engagement or not?

<table>
<thead>
<tr>
<th>ACADEMIC QUALIFICATION</th>
<th>FOCUS IS MADE TOWARDS EMPLOYEE ENGAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>STRONGLY AGREE</td>
</tr>
<tr>
<td>POST GRADUATE</td>
<td>1</td>
</tr>
<tr>
<td>GRADUATE</td>
<td>5</td>
</tr>
<tr>
<td>DIPLOMA</td>
<td>0</td>
</tr>
<tr>
<td>METRIC</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
</tr>
</tbody>
</table>

Pearson Chi-Square 9.042

Pearson’s R .252

Interpretation: -

The above table depicts that there are total 44 respondents. Among them 10 respondents are post graduate. Among the 10 respondents 1 strongly agree that they focus on employee engagement, 3 respondents agree that they focus on employee engagement, 2 are neutral that they focus on employee engagement, 1 respondent disagree that they focus on employee engagement & 3 strongly disagree that they focus on employee engagement. Among the total respondents 28 respondents are graduate. Among the 28 respondents 5 strongly agree that they focus on employee engagement, 8 respondents agree that they focus on employee engagement, 3 are neutral that they focus on employee engagement, 4 respondents disagree that they focus on employee engagement & 8 strongly disagree that they focus on employee engagement. Among the total respondents 2 respondents are diploma holder. Among the 2 respondents none strongly agree that they focus on employee engagement, none respondents agree that they focus on employee engagement, none are neutral that they focus on employee engagement & 1 respondent disagree that they focus on employee engagement & 1 strongly disagree that they focus on employee engagement. Among the total respondents 4 respondents are metric pass. Among the 4 respondents none strongly agree that they focus on employee engagement, none respondents agree that they focus on employee engagement, none is neutral that they focus on employee engagement & 2 respondents disagree that they focus on employee engagement & 2 strongly disagree that they focus on employee engagement.

The value of Karl Pearson coefficient is .252 which concludes that there is a positive correlation between the two. Calculated value of chi square for the 12 degree of freedom at 5% level of significance is 9.042 and tabulated value of chi square is 21.026. Since calculated value of chi square is less than tabulated value, so null hypothesis is accepted for above table. This means that there is a significant difference between academic qualification and focusing towards employee engagement.

Interpretation of Hypothesis 1:-

As table 2nd showed that there is a no significant difference between nature of business and channels of distribution. In the same way table 3rd showed that there is a no significant difference between Academic qualification and importance of HRM because more the entrepreneurs are qualified more they have importance for HRM. Table 4th showed that there is significant relationship between academic qualification and focus of entrepreneurs towards employee engagement. Table 5th shows that there is no significant difference in views of respondents in self and professional managers effective business unit operation.

From above tables it is very clear that our first hypothesis is rejected which means that there is no significant difference between management practices and SME’s performance.
Hypothesis 2 - There is a significant relationship between sales promotion technique & entrepreneurial development.

To test this hypothesis two factors were taken into consideration which are cross-tabulated with each other, to find whether the null-hypothesis is accepted or rejected.

1. Whether sales promotion technique is adopted or not & if the entrepreneur is facing problems in marketing of products without it.

Table 5:- Whether sales promotion technique is adopted or not & if the entrepreneur is facing problems in marketing of products without it?

<table>
<thead>
<tr>
<th>PROBLEMS IN MARKETING OF PRODUCTS</th>
<th>STRONGLY AGREE</th>
<th>AGREE</th>
<th>NEUTRAL</th>
<th>DISAGREE</th>
<th>STRONGLY DISAGREE</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>DO YOU ADOPT SALES PROMOTION TECHNIQUE</td>
<td>YES</td>
<td>3</td>
<td>4</td>
<td>0</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>NO</td>
<td>6</td>
<td>8</td>
<td>3</td>
<td>7</td>
<td>33</td>
</tr>
<tr>
<td>Total</td>
<td>9</td>
<td>12</td>
<td>3</td>
<td>10</td>
<td>10</td>
<td>44</td>
</tr>
</tbody>
</table>

Pearson Chi-Square 3.111

Pearson's R .176

Interpretation: -

The above table depicts that there are total 44 respondents. Among them 11 respondents adopt sales promotion technique. Among the 11 respondents 3 respondents strongly agree that they face problem in marketing the product, 4 respondents agree that they face problem, none are neutral on this, 3 disagree that they face any problem & 1 strongly disagree that he face problem in marketing the product. Among the total respondents 33 don’t adopt any sales promotion technique, among the 33 respondents 6 respondents strongly agree that they face problem in marketing the product, 8 respondents agree that they face problem, 3 are neutral on this, 7 disagree that they face any problem & 9 strongly disagree that they face problem in marketing the product.

The value of Karl Pearson coefficient is .176 which concludes that there is a positive correlation between the two. Calculated value of chi square for the 4 degree of freedom at 5% level of significance is 3.111 and tabulated value of chi square is 9.488. Since calculated value of chi square is less than tabulated value, so null hypothesis is accepted. So as the hypothesis says there is a significant relationship between sales promotion technique and entrepreneurial development it is very clear from results that entrepreneurs who are not using sales promotion technique are facing problem in their products marketing which effects their development also.

Hypothesis 3- There is no impact of recruitment & selection practices on growth of SME’s.

To test this hypothesis two factors were taken into consideration which are cross-tabulated with each other, to find whether the null-hypothesis is accepted or rejected.

1. Whether Proper recruitment & selection procedure is followed in company & are the employees well trained (due to proper procedure followed in recruitment and selection).

Table 6:- Whether Proper recruitment & selection procedure is followed in company & are the employees well trained (due to proper procedure followed in recruitment and selection).

<table>
<thead>
<tr>
<th>EMPLOYEES ARE WELL TRAINED</th>
<th>STRONGLY AGREE</th>
<th>AGREE</th>
<th>NEUTRAL</th>
<th>DISAGREE</th>
<th>STRONGLY DISAGREE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROPER RECRUITMENT &amp; SELECTION PROCEDURE IS FOLLOWED</td>
<td>STRONGLY AGREE</td>
<td>9</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>AGREE</td>
<td>2</td>
<td>6</td>
<td>1</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>NEUTRAL</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>DISAGREE</td>
<td>0</td>
<td>6</td>
<td>3</td>
<td>0</td>
<td>10</td>
</tr>
</tbody>
</table>
The above table depicts that there are total 44 respondents. Among them 9 respondents are strongly agreed for both the statement that proper recruitment & selection procedure is followed & employees are well trained in the unit. 1 respondent agreed with the statement that employees are well trained in the unit but they strongly agree that proper recruitment & selection procedure is followed. None of the respondents are neutral with the statement that employees are well trained in the unit but strongly agree with the statement that proper recruitment & selection procedure is followed. None of the respondents are disagreed & strongly agreed with both the statement that proper recruitment & selection procedure is followed & employees are well trained in the unit. None of the respondents are strongly disagreed & strongly agreed with both the statement that proper recruitment & selection procedure is followed & employees are well trained in the unit. 2 respondents strongly agreed with the statement that employees are well trained in the unit but they agree that proper recruitment & selection procedure is followed. 6 respondents agreed with both the statement that employees are well trained in the unit & proper recruitment & selection procedure is followed. 1 respondent is neutral with the statement that employees are well trained in the unit but agreed that proper recruitment & selection procedure is followed. None of the respondents are disagreed & agreed with both the statement that proper recruitment & selection procedure is followed & employees are well trained in the unit. None of the respondents are strongly disagreed & agreed with both the statement that proper recruitment & selection procedure is followed & employees are well trained in the unit. None of the respondents are strongly agreed & neutral with both the statement that proper recruitment & selection procedure is followed & employees are well trained in the unit. 2 respondents are agree with the statement that employees are well trained in the unit but they are neutral that proper recruitment & selection procedure is followed. 2 respondents are neutral with both the statement that employees are well trained in the unit & proper recruitment & selection procedure is followed. None respondents are disagreed and are neutral with both the statement that employees are well trained in the unit and proper recruitment & selection procedure is followed. 1 respondent strongly disagreed with the statement that employees are well trained in the unit but is neutral that proper recruitment & selection procedure is followed. None respondent is strongly agreed and disagreed with both the statement that employees are well trained in the unit and proper recruitment & selection procedure is followed. 6 respondents agreed with the statement that employees are well trained in the unit but are disagreed that proper recruitment & selection procedure is followed. 3 respondents are neutral with the statement that employees are well trained in the unit but are disagreed that proper recruitment & selection procedure is followed. None of the respondent is disagreed with both the statement that employees are well trained in the unit and proper recruitment & selection procedure is followed. 1 respondent strongly disagreed with the statement that employees are well trained in the unit but is disagreed that proper recruitment & selection procedure is followed. 2 respondents strongly agreed with the statement that employees are well trained in the unit but they are strongly disagreed that proper recruitment & selection procedure is followed. 1 respondent is neutral with the statement that employees are well trained in the unit but is strongly disagreed that proper recruitment & selection procedure is followed. 2 respondents are disagreed with the statement that employees are well trained in the unit but are strongly disagreed that proper recruitment & selection procedure is followed. 3 respondents are strongly disagreed with both the statement that employees are well trained in the unit and proper recruitment & selection procedure is followed.

The value of Karl Pearson coefficient is .589 which concludes that there is a positive correlation between the two. Calculated value of chi square for the 16 degree of freedom at 5% level of significance is 40.681 and tabulated value of chi square is 26.296. Since calculated value of chi square is more than tabulated value, so null hypothesis is rejected. It means that there is an impact of proper recruitment and selection on growth of SME’s because if proper recruitment and selection will not be followed then employees wouldn’t be trained enough to perform their specified task.
Findings:
- We find from our very first hypothesis that there is a relation between channel of distribution and nature of business. Means we can say that channel of distribution depends on nature of business.
- There is a significant relationship between academic qualification and entrepreneurs giving importance to HRM.
- There is significant difference between academic qualification and believing that marketing research is effective. This means that every entrepreneur finds marketing research effective. No matter how much qualified he is.
- There is significant difference between academic qualification and focusing towards employee engagement. This means that all entrepreneurs have focus on employee engagement.
- It means that there is no significant difference in views of respondents in self and professional managers effective business unit operation. Means they believe both of them can operate the unit well.
- There is a significant relationship between sales promotion technique and entrepreneurial development it is very clear from results that entrepreneurs who are not using sales promotion technique are facing problem in their products marketing which effects their development also.
- There is an impact of proper recruitment and selection on growth of SME's because if proper recruitment and selection will not be followed then employees wouldn’t be trained enough to perform their specified task.

Suggestions:
- Entrepreneurs have to make good use of all the available management practices of HRM, marketing, etc.
- Firms have to take in consideration all the critical success factors in their operational and supply chain management for the sustainability of their firm.
- Entrepreneurs have to imply of management practices in their businesses.
- Entrepreneurs have to focus on customer satisfaction rather than sales.
- Take adequate steps to redesign there business if they are not getting any success in their existing business.
- Encourage and adopt modern technologies in supply chain management.
- They have to adopt HR practices to keep their employee engaged, proper recruitment and selection & training and development.
- Make quality management more effective.
- Entrepreneurs should have to check various policies that government launch time to time.
- Government should have to make better policies to promote SME’s.

Conclusion:
- There is a significant relationship between management practices and SME’s performance.
- There is importance of adopting sales promotion technique by entrepreneurs because entrepreneurs who are not using sales promotion technique they have to face problems in marketing their products. And sales play a keen role in development of any business unit.
- Proper recruitment and selection procedure should be followed by the entrepreneurs so that they can good, efficient & well trained employees for their specific task. A good Human resource keeps the foundation for growth of a business unit.

REFERENCES:
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