From the Editor's Desk

"Happiness is when what you think,
What you say and what you do are in harmony" - Mahatma Gandhi

"Never Worry about numbers. Help one person at a time,
and always start with the person nearest you" - Mother Teresa

"That some achieve great Success, is proof to all that others
Can achieve it as well" - Abraham Lincoln

"Truth is the only safe ground
to stand on" - Elizabeth Cady Stanton

"Coming together is a begining. Keeping together is progress
Working together is success" - Henry Ford

DBJC Journal of Business is peer reviewed journal. It is published quarterly. Its objective is to disseminate concepts of Professional Business Management and Research and contribute to a better understanding of the Context, resources, structures, processes and performance of business organizations. The Management, Editorial staff and Editorial Board of DBJC Journal of Business Research (Jainspire) profusely thank the readers, patrons and academicians for lending continued support to the Debt Market to the journal. Jainspire of March 2013 covering the research topics like self Help Groups competency mapping, customer satisfaction in Banks, Corporate Governance, Investor's Behaviour, Women Employees Empowerment, Micro Finance, Performance Appraisal, GrossState Domestic Product, HRM, Attrition on organisation, Women's Education, CSR and Green marketing.

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Best Wishes and Season's Greetings

Dr. M. Sakthivel Murugan
Editor
DBJC Journal of Business Research

DETERMINANTS OF SELF HELP GROUP MEMBER SUSTAINABILITY IN URBAN CHENNAI

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Abstract

Microfinance interventions are well-recognized world over as an effective tool for poverty alleviation and improving socio-economic status of poor. The success of a number of institutions, particularly the well-publicized achievements of the Grameen Bank of Bangladesh, Bank Rakyat Indonesia and BancoSol in Bolivia, have shown that there are different, more commercially minded ways to help the poor. In India too, micro-finance is making headway in its effort for reducing poverty and empowering women. Self Help Groups form the social capital which facilitate financial linkage of poor borrowers with formal financial institutions in India. As per NABARD's microfinance report, as on March 2012, about 79.6 lakh SHGs, with an estimated membership of 9.7 crores, have savings accounts in the banks, with aggregate bank balance of Rs.6,551 crores. Though, the SHG bank linkage programme is in existence for more than two decades, there are very few large scale studies on attitudinal study of urban SHG member, particularly on issues related to their self-sustainability. Experience worldwide shows that when microfinance services reach the individual, the benefits reaped by the downtrodden are sustainable. Savings rates are higher; group life is more intensive; repayment rates are remarkable; enterprise growth and graduation are stronger; and there are measurable improvements in child nutrition and education, family health and household sanitation, shelter and general welfare. This paper advocates that for prolonged sustainability of Self Help Groups, it is highly imperative to lay greater focus on processes which would enhance socio-economic empowerment of the individual.

Keywords: Poverty, livelihood, Microfinance, Sustainability, Urban SHG member, Social empowerment, Economic empowerment.

INTRODUCTION

Microfinance today is a global movement; however, it has developed in different ways across the globe. Latin America, Africa, and Eastern Europe have embraced urban microfinance, while Asian microfinance has been predominantly rural. Addressing poverty is the most significant challenge in this millennium, clearly reflected in the Millennium Development Goals that seeks to halve global poverty by one half by 2015. The rationale is that economic empowerment of the poor through strengthening the income generating capacity, equips the poor to access all the development requirements, to get out of the multifaceted dimensions of poverty. Facilitating the access to credit is a recognized component of the poverty reduction strategy across countries. Social and Human Capital Development Models helps in mitigating poverty alleviation. Building Intangible assets forms the core of sustainable practices such as human capital development (intelligence, education, esteem, etc.), cultural capital development(the ability to know and practice the behaviours of the dominant group) and informal social capital development (family, friends, contacts, etc.). Robert Putnam(1993) states that social capital is important for impoverished areas because it raises the standard and quality of living, which provides an environment in which productivity is possible to work towards economic growth. This approach identifies the positive aspects and strengths of an individual, group or community, upon which improvements can be made to strengthen social and economic capacity from within, rather than through external aid. This contributes to long term economic sustainability rather than traditional models of economic development, through external investment in wage employment options.

The evolution of Self-Help Groups stands at three levels. At the first level households, use microfinance to meet 'survival' requirements, where small savings and loans serve as a buffer in the event of an emergency or to smoothen consumption or even service previous debt to give themselves more liquidity during lean times. At the second level, 'subsistence' needs are met through microfinance, where a household begins to utilise microfinance to diversify its basket of income-generating activities, or to meet working capital requirements in traditional activities. At the third level, as households reach a stage, where they can assume a higher degree of risk, microfinance would be used to invest in setting up an enterprise or facilitating entry into employment in one way or the other in order that the household becomes 'sustainable'. If properly nurtured, the poor individual will have the potential to effectively contribute to the sustenance of Self Help Group. The groups are involved in savings and lending, and thus, if run well can earn income through their operations. The availability of income and funds within the groups plays a major role in their sustainability. However, often when external interventions are made in a poor community, the expectation of the community is 'to get' something. This may lead to a habit of external dependence, and therefore, the initial processes and messages by the promoters, should reinforce 'self reliance' and not outside dependence. Improvements, therefore, can be achieved only through 'internal drive'- SHG and its members realising the benefits of efficient functioning and adopting it for their own benefit. Thus, one of the most influencing factors of sustainability is individual initiative and drive.

In microfinance, sustainability can be considered at several levels—institutional, group, and individual. Institutional sustainability is the continued existence and functioning of the organisation, providing unfettered access to financial services for their members, facilitating access to higher level financial institutions with low costs and high recovery rates. At the SHG level, sustainability means the ability to maintain integrity of the group without breaking up, as it climbs through higher order financial services. At the member level, sustainability connotes the accessibility to all basic infrastructural facilities and provision of adequate and timely access to financial services.

STATEMENT OF THE PROBLEM

A sustainable livelihood for each and every SHG member is the mission of the group. These SHG members are looking for ways to stabilise their lives and livelihoods, in a way that it enhances their dignity and contributes to the broader well being of the family members. Access to microcredit in itself, is not a sufficient qualification for ensuring livelihoods, particularly in case of the very poor. Microcredit does benefit all the SHG members in the way that, it gives them access to a savings facility, helps them manage their household finance, gives access to small loans to tide over emergencies, as well as to strengthen existing livelihood activities. Some members in the SHGs who are slightly more enterprising, also make good use of the bank loans available, to expand their livelihood portfolio. But beyond that, the livelihood impact of microcredit is not substantial.

In the light of the above context, poverty is characterised by lack of public investments in infrastructure, dysfunctional public systems including those of education and health care, under-developed markets, and large tracts of isolated communities, lacking basic capabilities in dealing with changing economic realities, technologies and markets. There is a need to really look for 'out-of-the box' solutions to achieve self-sustainability of SHG member. This paper seeks to unfold the determining factors which contributes to socio-economic empowerment of SHG participants and thus leading to their sustainability.

IMPORTANCE OF THE RESEARCH

Sustainability and efficiency are the benchmarks of urban microfinance. While microfinance in urban areas has developed in many parts of the world, Indian microfinance has been largely rural, primarily due to a traditional focus on rural poverty. However, while 70% of the country's population may still be 'found in its villages', India, like the rest of the world, is increasingly urbanising, and addressing urban poverty is fast becoming a significant concern for all stakeholders. Urban poverty is quite complex and is not just a lack of access to financial services. Sustainable socio-economic development of urban poor has been one of the top priorities of Government, both at the Centre and at State level. Illiteracy, denial of access to resources, social evils have been main barriers for urban women empowerment and their active participation in decision making and in the process of development. The fruits of development could not reach to the half of the urban population mainly due to inadequate resource pool among urban poor. Various poverty alleviation schemes could not give the expected results mainly because these programmes and schemes could not accord required attention towards urban have-nots. Despite a growing interest in the urban market, the true nature of the needs of urban clients is still somewhat unknown. To shed some light on the specific needs of this segment, this research is undertaken.

OBJECTIVES OF THE STUDY

With this background, the present study was undertaken to identify the factors determining the socio-economic empowerment of urban SHG participants, which contributes to self-sustainability and self-reliance. The study unfolds remedial measures for directing future policy with a view to build long term sustainability of individual and urban Self Help Groups.

LITERATURE SURVEY

There have been a number of focused studies into detailed aspects of microfinance operations and empowerment issues. The interest in studying various aspects of microfinance has been growing. There was much more interest on social performance and responsible finance from different segments of the microfinance sector. Some important studies are reviewed as under:

Nair (2005) examined the potential of SHG federations in providing sustainability to SHGs through financial and organisational support. Specifically, the study examined issues like variety of services provided by the federations and their benefits to SHGs, financial variability of SHGs and SHG federations and cost of promoting them, identification of constraints of promoting SHG federations, and policy recommendations to strengthen SHG federations.

A report on SHG Federations: Development Costs and Sustainability, by Girija Srinivasan and Tankha reported that the absence of savings and appropriate legal framework are the severe constraints on the financial viability of federations of SHGs (Srinivasan G., 2010). The study on SHGs conducted by EDA Rural System and APMAS (2006) on the SHG-Bank-linkage programme in India, addressed a wide range of issues including cases of dropouts from SHGs and internal politics, and issues of social harmony and social justice, community actions, book-keepings, equity, defaults and recoveries and sustainability of SHGs. The study was based on a primary survey of 214 SHGs in 108 villages in 9 districts of four states, two southern (Andhra Pradesh and Karnataka) and two northern (Orissa and Rajasthan). With regard to social responsibility, the study reported that at least one member in a SHG ran a local political office and one in every five SHGs had a woman member who was elected either as a ward member at the village level or a ‘Sarpanch’ at the block level.

A Consultative Group to Assist the Poor Occasional Paper (CGAP 2007) addressed the question of sustainability of SHGs in India. Covering nine well-functioning SHG programmes it reported that many well-executed SHG programmes are achieving financial sustainability, even when all promotion and support costs are included through amortization. One of the SHG programmes studied was a Mandal Samakhya (MS) promoted under the United Nations Development Programme- South Asia Poverty Alleviation Project) UNDP SAPAP (later Velugu and now IKP) programme as part of a three-tier federation for which promotion costs and financial analysis at village organization and SHG level were also developed.

A study conducted by NCAER in 2008, sought to assess the impact of the SHG Bank Linkage Programme (SBLP) on the socio-economic conditions of individual SHG members by comparing their pre and post SHG scenarios across six states in five different regions of India. It concluded that the SBLP has positive impact on members by increasing their access to financial services (and reducing household poverty) as well as empowered women through an increase in their self confidence.

Salomo et. al (2010) did a research on Sustainability of SHG Federation Structures covering 12 SHG federations in six different states of India. It opined that federating is needed for ensuring outreach, member ownership and governance, bottom up structured and linked multi-level systems, reduced dependency on external advisory and financial support, ability to face different environmental and socio-economic circumstances, and legal and regulatory framework.

RESEARCH METHODOLOGY

The primary research through a survey of 510 respondents, was conducted to gain insight into the minds of SHG members from urban slums of Chennai. The relevant information was collected through personal interview, on pre-structured questionnaire, from selected SHG members, who belong to 30 villages, randomly selected out of five taluks of Urban Chennai. Multi stage random sampling method was applied for collecting primary data from sampling units. The study draws on secondary data sources to supplement survey data. Secondary data was collected from various publications of NABARD, Banks and other governmental and nongovernmental organizations, Microfinance institution reports and also from world wide web. The findings ranged from ones that discarded widely held beliefs, to ones that confirmed long standing views. The information is presented in a manner so as to assist microfinance practitioners to design need-based and sustainable urban microfinance policy perspectives.

QUESTIONNAIRE SCALING TECHNIQUE

The Questionnaire is classified into five sectional divisions comprising of a total of 30 questions. The bi-lingual questionnaire (English & Regional Language – Tamil) used comprises both optional type and Statements in Likert’s 5 point scale. The responses are obtained in the 5 point scale, which ranges as follows:

5 – Strongly agree 4 – Agree 3 – Neutral 2 – Disagree 1 – Strongly Disagree. In this paper, an attempt is made to present the analysis of inter-relationships pertaining to the fourth part of the questionnaire, which is designed to capture attitudinal behaviour of SHG member towards Impact of Microfinance on Socio-economic empowerment. The section on Economic empowerment contains twenty two statements grouped into five variables, framed using Likert's Five-Point Scale. Similarly, the section on Social empowerment contains thirty nine statements grouped into six variables, framed using Likert's Five-Point Scale.

ANALYIS AND DISCUSSION

In order to evaluate the Sustainability of SHG members, an Econometric Model is constructed to analyse the determinant factors influencing level of individual sustainability. In this regard, Multiple Regression Analysis is employed to identify as to how the various economic empowerment independent variables (identified in the study) significantly influences the dependent factors of social empowerment, thereby measuring the self-sustainability of SHG participant. The indicators of Social empowerment interventions were identified as

- Improvement in Decision making ability
- Enhances Capacity building
- Increase in Self-confidence
- Increase in Community Participation
- Increase in Literacy level of family members
- Knowledge on Health and Nutrition

The dimensions of economic empowerment indicators were identified as follows:

- Opportunity / Capacity to save and access
- Improvement in Family Income
- Enhancing employment opportunities by undertaking economic activity
- Economic need fulfillment
- Increase in Asset structure

The Multiple Regression analysis seeks to investigate the simultaneous impacts of all the independent variables (Economic empowerment indicators) on the dependent variable (Social empowerment parameters).

Evaluation of Social empowerment parameter - Decision making ability on Economic empowerment of SHG member

The independent economic empowerment variables such as opportunity/ capacity to save and access loans, improvement in family income, enhancing employment opportunities by undertaking economic activity, economic need fulfillment and increase in asset structure are considered and their influence on the unique dependent variable - improvement in decision making ability, is verified and the results are as presented below.

Table 1 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.294(a)	.086	.077	.36118

From the above table, it is found that R Square value is 0.086 and adjusted R Square value is 0.077. It means nearly 8.6% of the variance $(R)^2$ in overall decision-making ability of SHG member has been significantly explained by these five independent quality dimensions of economic empowerment. The regression fit is verified through the following ANOVA table.

Table 2 : ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.216	5	1.243	9.529	.000(a)
	Residual	65.749	504	.130		
	Total	71.965	509			

The ANOVA table as above shows the F value of 9.529 is significant at $p < 0.05$ level. This significant F value connotes that the R^2 (0.086) depicts positive impact of the five dimensions of economic empowerment, on the SHG members' decision making ability. Therefore, the regression fit is appropriate which leads to Individual influence of these variables through the Coefficient table.

Table 3 : Coefficient values

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta	B	Std. Error
1 (Constant)	2.301	.215		10.714	.000
Opportunity/ capacity to save and access loans	-.099	.069	-.063	-1.444	.149
Improvement in family income	-.031	.043	-.033	-.729	.466
Enhancing employment opportunities by undertaking economic activity	.240	.043	.270	5.645	.000
Economic need fulfillment	-.033	.048	-.031	-.685	.494
Increase in asset structure	.094	.030	.134	3.103	.002

Source : Research data

The coefficients of the above table represents, which among the five independent variables influences most, the variance in the overall decision making ability of SHG member. From the standardized coefficient beta, the highest number in the beta is 0.270 pertaining to Enhancing employment opportunities by undertaking economic activity, which is the significant predictor at $p < 0.05$. This shows that enhancing employment opportunities by undertaking economic activity and increase in asset structure influences SHG member predominantly and enhances improvement in decision making ability. Thus, by joining SHGs, the member is able to take dynamic decisions within households with respect to childrens' education and marriage, take alternate occupation during crisis, acquiring legal status as inheritor of property which in turn helps them to buy assets, increase standard of living, acquire entrepreneurial skills and also ensures social protection.

Evaluation of Social empowerment parameter - Capacity building on Economic empowerment of SHG member

In order to measure the pattern of sustainability of SHG member, the influence of the social empowerment parameter i.e., Capacity building is measured on the set of economic empowerment indicators.

Table 4 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.339(a)	.115	.106	.48089

From the above table, it is found that R Square value = 0.115 and adjusted R Square value = 0.106. This shows that the independent economic empowerment variables create 11.5% joint variance on enhancing capacity building in the study area. The regression fit is verified through the following ANOVA table.

Table 5 : ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.164	5	3.033	13.115	.000(a)
	Residual	116.554	504	.231		
	Total	131.718	509			

From the above table, it is found that the F value = 13.115, p = 0.000 which are statistically significant at 5% level. Therefore, the regression fit is appropriate which leads to Individual influence of these variables through the Coefficient table.

Table 6 : Coefficient values

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta	B	Std. Error
1 (Constant)	1.994	.286		6.974	.000
Opportunity/ capacity to save and access loans	-.348	.092	-.162	-3.787	.000
Improvement in family income	-.012	.057	-.009	-.207	.836
Enhancing employment Opportunities by undertaking economic activity	.268	.057	.223	4.734	.000
Economic need fulfillment	.027	.063	.019	.430	.668
Increase in asset structure	.187	.040	.198	4.651	.000

Source : Research data

The multiple regression in the above table suggest several findings. Among the significant predictors, it is found that the independent variable viz., Enhancing employment opportunities by undertaking economic activity happens to be the best predictor for capacity building of SHG member with Beta value being 0.223. Therefore, it can be inferred that for members to be economically empowered, they should be equipped with capacity building measures such as entrepreneurship skills, starting income generating units and improvement in their infrastructural facilities, thereby socially empowering them for greater access to funds.

Evaluation of Social empowerment parameter - Self-confidence on Economic empowerment of SHG member

The multiple linear regression analysis technique is used to explore the effects of different determinants of Economic empowerment of SHG member and role of microfinance in building Self-confidence.

Table 7 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.143(a)	.021	.011	.46180

From the above table, it is found that R Square value = 0.021 and adjusted R Square value = 0.011. This means that 2.1% of the variance in building self-confidence has been significantly explained by five independent variables. The regression fit is verified through the following ANOVA table.

Table 8 : ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.256	5	.451	2.115	.062(a)
	Residual	107.483	504	.213		
	Total	109.738	509			

The F Statistics (F=41.55) is significant at the level of 0.10. The probability level 0.062 means that the chances are almost zero that the results of regression model are due to random events instead of a true relationship. Therefore, the regression fit is appropriate which leads to Individual influence of these variables through the Coefficient table.

Table 9 : Coefficient values

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta	B	Std. Error
1 (Constant)	2.581	.275		9.401	.000
Opportunity/ capacity to save and access loans	.174	.088	.089	1.979	.048
Improvement in family income	.135	.054	.117	2.487	.013
Enhancing employment Opportunities by undertaking economic activity	-.017	.054	-.016	-.315	.753
Economic need fulfillment	-.081	.061	-.063	-1.329	.185
Increase in asset structure	.016	.039	.019	.427	.669

Source : Research data

The results show that the role of microfinance in building self-confidence is positively related to economic empowerment variables such as Opportunity to save and access loans, Improvement in family income and Increase in asset structure. The magnitude of parameters indicate that greatest impact in building self-confidence results from a change in the variable Opportunity / capacity to save and access loans (t=1.979 and p=0.048), as its value is the highest followed by a change in the predictor, Improvement in family income (t=2.487, p=0.013) which are statistically significant at 5% level. The result also highlights that factors such as savings, financial discipline, rules of SHG, joint responsibility for repayment, productive usage of funds, access to productive resources, meeting family exigencies, insuring against external shocks are overwhelming factors in building self-confidence.

Evaluation of Social empowerment parameter - Community participation on Economic empowerment of SHG member

The Multiple Regression Analysis is applied to explain the extent of influence of community participation on the five metrics of economic empowerment.

Table 10 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.211(a)	.044	.035	.27946

The coefficient of determination is found to be 0.044 with adjusted R Square value being 0.035. This shows that the economic empowerment variables create 4.4% variance on the increase in community participation. The regression fit is verified through the following ANOVA table.

Table 11 : ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.826	5	.365	4.675	.000(a)
	Residual	39.362	504	.078		
	Total	41.188	509			

From the above table, it is found that the F value = 4.675, p = 0.000 which are statistically significant at 5% level. Therefore, the regression fit is appropriate which leads to Individual influence of these variables through the Coefficient table.

Table 12 : Coefficient values

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta	B	Std. Error
1 (Constant)	2.822	.166		16.986	.000
Opportunity/ capacity to save and access loans	-.094	.053	-.078	-1.754	.080
Improvement in family income	.078	.033	.110	2.358	.019
Enhancing employment Opportunities by undertaking economic activity	.032	.033	.047	.966	.335
Economic need fulfillment	.091	.037	.116	2.467	.014
Increase in asset structure	.015	.023	.028	.630	.529

Source : Research data

The results of the stepwise regression analyses depicts that the t value of improvement in family income is 2.358, with p of 0.019, the t value of economic need fulfillment is 2.467, with p being 0.014 and are highly significant at $p < 0.05$ significance level. Thus, the results highlight the relative significance of family income and economic need fulfillment in influencing community participation. SHGs have transformed the members' attitude with respect to awareness in Government programmes, accessibility to public distribution system, contribution to pension scheme which significantly increases members' participation in public domain.

Evaluation of Social empowerment parameter - Literacy level on Economic empowerment of SHG member

Multiple-regression model is performed to test the predictive relationship between the five areas of economic empowerment and the select variable under study i.e., literacy level of family members.

Table 13 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.256(a)	.065	.056	.35277

The determination coefficient being 0.065 signifies that 6.5 % of the changes in the family members literacy level result from the change in economic empowerment variables. The regression fit is verified through the following ANOVA table.

Table 14 : ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.383	5	.877	7.044	.000(a)
	Residual	62.722	504	.124		
	Total	67.105	509			

The significance of this relation is further emphasized by the F computed value 7.044 with p=0.000 which are statistically significant at 5% level. Therefore, the regression fit is appropriate which leads to Individual influence of these variables through the Coefficient table.

Table 15 : Coefficient values

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta	B	Std. Error
1 (Constant)	2.490	.210		11.870	.000
Opportunity/ capacity to save and access loans	-.035	.067	-.023	-.516	.606
Improvement in family income	.043	.042	.048	1.032	.303
Enhancing employment Opportunities by undertaking economic activity	.017	.042	.020	.407	.684
Economic need fulfillment	-.235	.046	-.236	-5.065	.000
Increase in asset structure	.097	.029	.145	3.306	.001

Source : Research data

The statistical analysis results in the above table indicated that there is an overall positive, statistically significant correlation, between Literacy level of family members and Economic empowerment of SHG member. It is found that the t value of economic need fulfillment is -5.065, with p being 0.000 and the t value of increase in asset structure is 3.306, with p being 0.001, which are statistically significant at 5% level. Hence, the results reveal that economic need fulfillment and asset structure are significant predictors of level of literacy rate of family members. One of the SHG's mission is to educate the illiterate and it was found that literacy programmes imparted basic knowledge in reading, writing, solving simple calculations and even reading passbook entries, which serves as a significant eye-opener, in controlling household resources and for executing large-scale transactions like property, fixed assets, thereby improving their standard of living.

Evaluation of Social empowerment parameter - Health & nutrition on Economic empowerment of SHG member

Multiple regression analysis is employed to assess the predictive power of knowledge in health and nutrition on the level of economic empowerment of SHG member.

Table 16 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.276(a)	.076	.067	.26606

Evidence from the above table, shows that R Square value = 0.076 and adjusted R Square value = 0.067. This signifies that the economic empowerment variables create 7.6% variance on the knowledge in health and nutrition. The regression fit is verified through the following ANOVA table.

Table 17 : ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.933	5	.587	8.286	.000(a)
	Residual	35.677	504	.071		
	Total	38.610	509			

Referring to the above table, it is found that the model employed in this study reported an F value of 8.286, with p = 0.000 which are statistically significant at 5% level. Therefore, the regression fit is appropriate which leads to Individual influence of these variables through the Coefficient table.

Table 18 : Coefficient values

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta	B	Std. Error
1 (Constant)	2.212	.158		13.981	.000
Opportunity/ capacity to save and access loans	.016	.051	.014	.312	.755
Improvement in family income	-.040	.031	-.059	-1.285	.199
Enhancing employment Opportunities by undertaking economic activity	.189	.031	.291	6.042	.000
Economic need fulfillment	-.072	.035	-.095	-2.054	.040
Increase in asset structure	-.046	.022	-.091	-2.090	.037

Source : Research data

From the above table, it is found that the variables, enhancing employment opportunities by undertaking economic activity (t=6.042, p=0.000), economic need fulfillment (t=-2.054, p= 0.040) and increase in asset structure (t=-2.090, p=0.037) are statistically significant at 5% level. This shows that enhanced employment opportunities, economic need fulfillment and increase in asset structure influences SHG member to acquire knowledge on health and nutrition. The findings of Cross-sectional regression analysis implied that the level of knowledge on Health & nutrition have a significant predictive power over the respondents level of economic empowerment. As the old adage goes 'Health is Wealth' – SHGs build social capital by creating awareness on basic principles of cleanliness, sanitation, nutrition, vaccination and hygiene, thereby improving members standard of living and ensures social protection.

LIMITATION TO THE STUDY

The study was confined to the urban poor only in the city of Chennai, covering 30 selected villages out of 55 villages among five taluks in Chennai. Limited logistics and time available to the researcher made the study confined to the 30 randomly selected villages only. However, there is scope for further research in this area with more emphasis on all aspects of the urban microcredit programme. The potential poor urban clientele are still an unknown quantity as a likely market. There are no clear estimates of the number of people in urban areas who have access to organized financial services. This may be attributed, to the migratory nature of the urban poor, comprising mostly of migrants from the rural areas. The study is based on the perceptions of urban SHG members from Chennai, in the current scenario, which might change in the future.

CONCLUSION

The following main conclusions have emerged from the findings of the study.

SHGs have proved false the age old myth that the poor have no capacity to save and they are not bankable. In contrast, the findings show that the poor are bankable and their saving capacity is unlimited when they are encouraged. The highlights of the study among urban SHG members in Chennai reveals that, at the community level, the most downtrodden are empowered by participating in SHGs. Age-wise, the middle-aged section of the urban society, in particular, married members are the most benefited by joining the Self Help Groups. Most of the members of urban self help groups predominantly belong to joint family with a background of family business, which enables them to meet their needs during crisis.

Further, the urban SHG members of Chennai possess movable assets, with the bulk of them belonging to the salaried class and daily wages earners and Self help groups have enhanced their earnings, as evident from their increase in income and savings. Financing through SHGs has resulted in improvement in asset status and increase in family income. Thus, it is evident that the Socio-economic profile factors exercise a significant positive influence on members in Self Help Groups of urban Chennai. The finding reiterates the need for ensuring adequacy of credit for asset creation and developing appropriate products and services suiting to the needs and capacity of the urban SHG members.

The results of the empirical study proves that employment through economic activity, influences decision-making ability, capacity building, and healthy living of the individual. The analytical study also establishes the relationship as to how increase in asset structure of an SHG member, significantly improves their decision-making ability and literacy level. Self-confidence is largely determined by savings, accessibility to loans and increase in family income, thereby contributing to long term self sufficiency of the individual. It is also evident that the urban SHG members feel motivated to participate in community development programmes, when they are empowered to meet their economic needs. Thus the study findings reiterates that economic sustainability is directly linked to social sustainability of an individual. This portrays that for holistic development of member and group, it is highly imperative that measures to build self-sustainability is accorded primary recognition, as it contributes immensely to group sustenance.

RECOMMENDATIONS

No single intervention can defeat poverty. Poor people need employment, schooling, and health care. Some of the poorest require immediate income transfers or relief to survive. Access to financial services forms a fundamental basis on which many of the other essential interventions depend. Moreover, improvements in health care, nutritional advice, and education can be sustained only when households have increased earnings and exercise greater control over financial resources. Building a livelihood vision in SHGs through target of achieving self-sustainability and self-reliance, especially in urban regions is the need of the hour. This entails strengthening both financial and social infrastructure at the community level, thereby planning for bettering their livelihoods. Strategies for empowerment of SHG member should be evolved with a view to address economic and social problems—such as oppression, exploitation, and gender discrimination—that confront poor women and thus facilitate participation, self-reliance, and sustainability. Livelihood diversification by increasing their access to supply chain linkages and to appropriate production and processing technologies should be ensured. This not only helps each member to get a secure footing on the path to livelihood development and economic growth, but also builds confidence in each member to accept and face the many challenges of life, without giving-in to feelings of vulnerability and stress. To scale this, the enabling organisations such as the Government, agencies involved, banks and NGOs need to converge their energies and have to think of creative ways of promoting self–sustainability, so that a congenial livelihood programme can be put in place. Thus, to combat urban poverty, sustained livelihood programmes converged with microfinance leads to food security and self-sufficiency.

Sustaining the urban microfinance market to scale is a challenge that will require the support of multiple stakeholders in order to be met. Based on the findings, it seems clear that the demand for urban microfinance in India is substantial and its impact positive. Efforts required by all stakeholders to meet the exponentially growing demand from this sector is a significant challenge. The best means to achieve rapid scale up in this market would be through the concerted and complementary efforts of a range of different institutions. This study finds that much of the basic environmental elements necessary to rapidly scale the urban microfinance sector needs to be further synthesised. The greatest challenge in serving this market will be at the retail level. The ability to build suitable organisations to serve a diverse array of demands of the urban SHG clients will ultimately decide the fate of the urban SHG sector and their sustainability. The study records that the macro-objective of financial inclusion has been addressed in the right direction by the SHG–Bank Linkage programme in the urban sector of Chennai.

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THE EFFECTIVENESS OF COMPETENCY MAPPING AMONG IT EMPLOYEES - AN EMPIRICAL EVIDENCE

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Abstract

Human Psychology and motivation compentencies like knowledge, abilities, skills and attitude plays a significant role in influencing an individual performance at work. There is a inherent need in mapping the compentencies to the specific roles at hand. In this present era, competency mapping plays an important role in IT Industry. Compentency mapping is a process used to identify and describe compentencies that are most critical to success in a work situation or work role. The main aim of this paper is to ascertain the factors influencing the compentency mapping among IT employees. The author aim is to underpin predominant factors which are most appropriate for IT industry.

Introduction

In the industrial age, the backbone of business were its physical assets like plant and machinery, which is no longer valid in the information/knowledge era. Manual labourers are being replaced by knowledge workers. Success of any organisation lies with the human capital. Human beings are far more complex to deal with, when compared to the inanimate tools and machinery of the industrial age. Thusthere is a need to understand human psychology and motivation competencies like knowledge, abilities, skills and attitude plays a significant role in influencing an individual performance at work. Hence there is an inherent need in mapping the competencies to the job specific roles at hand. In this present era competency mapping plays an important role in IT industry. Competency mapping is a process used to identify and describe competencies that are most critical to success in a work situation or work role.

Review of literature of competency mapping

The purpose of the study is to gain in depth insight into the employee's competency mapping in IT industry has reviewed global leading articles on this topic.The different features of competency mapping were examined in the process of review and some of the important aspects from those studies are discussed below.

Raja K.G. and Swapna Rose (2010) have analysedthat the executive level of employees require more communicating skill as well as personal competencies like self-confidence, stress management.

Königová Martina, Urbancová Hana, FejfarJiří (2012) have disclosed that it will be better if the company prepares their own competency model as per their specific needs, which helps the employees to perform their job in an efficient manner.

Celia B. R. Karthick .M(2012)has carried out a study to measure the competency level of the employees. It is observed that the competency level of all the departments is correlated. For effective performance of the employees communicating skill, recognition and rewards are essential.

MilyVelayudhan T.K (2011) have associated that the performance level of CTS employees is higher when compared to employeesof HCL.The gaps are found to be high among the employees of HCL. It is also observed that the employees require training for their better performance.

Yuvaraj R(2011) the study focusses on development of competency calendar for employees and assessment of training needed for the employees. The study reveals that employee requires training and development for the efficiency of their work.

Shrutiahuja(2012) have identified thattraining is required for employees and proper incentive plan should be implemented to perform job effectively and efficiently.

Nagaraju.y. Sathyanarayanagowda.v (2012) reveals that firms achieved competitive edge by developing employee's competencies because now a day's companies spend lot of recourses for their growth. Competency mapping helps in developing the individual as well as organisations.

Lill yah olan, bhawanasainger, iihamsentosacheeevelMing (2012) revealed that competencies have positive relationship with managing effectively of mid-level managers. It is essential for the mangers to give training and development programs for the growth of the managers as well as organisation.

Robert Gaspar,F.(2012) have found that all HR executives have their own competencies and the selection method also found to be proper. The author insists that awareness is to be created among the managers so that they should realise the importance of competency mapping practices.

Sambasivan E (2012) identified that the executives between

41 -50 age, female working in functional area and income group of above 40000 seems to have high level of managerial core competency.

Jimmy kansal, neetijain, pksatyawali, ashwagoshaganju (2012) analyses the gap and the required skill to improve the level of competency for upper level, middle level and lower level. Mapping of competencies creates a win win situation for both the employees and the organisation.

Research objectives

The main aim of this paper is to ascertain the factors influencing the competency mapping among IT employees. The author aim is to underpin predominant factors which are more appropriate for IT industry.

Methodology

Research is based on both primary and secondary data pertaining to competency mapping the primary data is obtained through a well structured questionnaire which encounters with eleven important factors directly related to competency mapping.

Data collection

The primary data is obtained from IT employees in Chennai city .The researcher adopted multistage random sampling method to collect respondents from employees. In the first stage the number of IT companies selected. After selecting the IT companies the designation of the employees selected in the second stage. The third stage is applied to collect the responses from top level, middle level and operational level employees in both IT and ITES companies. The researcher collected 411 samples from different employees working in IT and ITES companies. They gave the responses in both optional type responses and likert's five point scale responses which ranges from strongly agree to strongly disagree.

Data analysis

The collected 411 responses are systematically tabulated and analysed using SPSS (statistical package for social science version 17). The researcher mainly applied factor analysis by principle component method to verify the existence of sub factors of theoretically identified factors namely knowledge and skill, leadership, interpersonal communication, customer orientation, achievement orientation, team orientation, core competence, negotiations, functional expertise, creativity/ innovation, job suitability. The usages of frequency distribution, percentage analysis are found appropriate to describe the sample unit.

Analysis and discussion

At the primary level the researcher applied frequency distribution and simple percentage analysis to describe the

Table 1
FREQUENCY DISRTIBUTION OF SAMPLE UNIT

Gender	Frequency	Percentage
Male	290	70.6
Female	121	29.4
Age		
Below 25	74	18.0
26-30	156	38.0
31-35	86	20.9
36-40	50	12.2
40 and above	45	10.9
Marital status		
Single	282	68.6
Married	129	31.4
Educational qualification		
Undergraduate	55	13.4
Postgraduate	169	41.1
Professional	92	22.4
Technical	95	23.1
Nature of employment		
IT	260	63.3
ITES	151	36.7
Designation		
Toplevel	174	42.3
Middle level	76	18.5
Operational level	161	39.2
Monthly income		
Below 20000	111	27.0
20001-30000	161	39.2
30001-40000	67	16.3
Above 40000	72	17.5
Experience		
Less than 5 years	180	43.8
6-10 years	106	25.8
Above 10 years	125	30.4

From the above table it is shown that the sample unit is dominated by male employees. The age group of 26-30 shows the highest percentage. It is also found that the majority of the employees are postgraduates and most of the employees are in IT industry at the top level and their monthly income is about 20001-30000 and finally the work experience is less than 5 years.

After describing the characteristics features and segmentation in the sample unit the research subsequently applied factor analysis by principle component method to reduce the variables under all the eleven heads of competency mapping.

Table 2

FACTOR ANALYSIS BY PRINCIPLE COMPONENT METHOD

Factor	No. of variables	No. of factors	Variance
Knowledge and skill	9	1.knowledge updation	24.093
		2.transparent information	23.541
		3.learning orientation	22.555
		4.performance orientation	15.374
Leadership	11	1.dynamic leadership	46.373
		2.positive traits	17.032
		3.proactive change	15.720
Interpersonal communication	7	1.open communication	37.817
		2.effectivve communication	33.568
Customer orientation	10	1.Customer care	44.809
		2.Customer focus	22.956
		3.Client's expectation	13.872
Achieve orientation	9	1.achieving capabilities	45.239
		2.self-motivation	25.108
Team orientation	10	1.team management	40.495
		2.team building	14.790
		3.team achieving	13.733
		4.influencial personality	12.816
Core competence	10	1.positve attitude	32.114
		2.job enthusiasm	29.245
		3.job knowledge	16.400
Negotiation	9	1.conflict resolution	37.206
		2.interpersonal relationship	21.776
		3.idea generation	18.196
Functional expertise	5	1.critical thinking	48.722
		2.self-discipline	33.254
Creativity \innovation	6	1.problem solving	29.847
		2.creative thinking	25.859
		3.innovative skills	23.428
Job suitability	8	1.job expertise	47.175
		2.job accomplishment	24.701

From the above table it is found that the knowledge and skill consists of 9 variables and the application of factor analysis into four predominantfactors with variance knowledge updation (VAR=24.093), Transparent information (VAR=23.541), learningorientation(VAR=22 .555), Performance orientation (VAR=15.374). In this the predominant factor is found to knowledge updation(24.093). It is also observed that leadership consists of 11 variables and the application of factor analysis reduced to three factors with variance dynamic leadership (VAR=46.373),Positive traits (VAR=17.032),proactive change (VAR=15.720).In this highest variance is dynamic leadership (VAR=46.373). From the above table it is found that the interpersonal communication consists of seven variables and the application of factor analysis is reduced to two factors with variance open communication (VAR=37.817),effective communication (VAR=33.568).In this the predominant factor is to be open communication (VAR=37.817).It is also shown that the customer orientation consists of ten variables and the application of factor analysis into three predominant factor with variance customer care (VAR=44.809),Customer focus (VAR=22.956),Clients expectation (VAR=13.872). In this greater value is found to be customer care (VAR= 44.809). The team orientation consists of ten variables and the application of factor analysis is reduced to four factors with variance team management (VAR=40.495), team building (VAR=14.790), team achievement (VAR=13.733), influential personality (VAR=12.816). In this the predominant factor is found to team management (VAR=40.495).core competence consists of ten variables and the application of factor analysis is three predominant factors with positive attitude (VAR=32.114), job enthusiasm (VAR=29.245), Job knowledge (VAR=16.400). In this the highest variance is positive attitude (VAR=32.114). The analysis also revealed that the negotiation consists of nine variables and the application of factor analysis is reduced to three variables with variance conflict resolution(VAR=37.206),interpersonal relationship (VAR=21.776), idea generation (VAR=18.196).In this the predominant factor is conflict resolution (VAR=37.206).The study also indicates that the functional expertise consists of five variables and the application of factor analysis into two variables with variance critical thinking (VAR=48.722),self-discipline (VAR=33.254).In this the predominant factor is critical thinking (VAR=48.722).It is also found that the creativity consists of five variables and the application of factor analysis is reduced to three variables with problem solving (VAR=29.847), creative thinking (VAR=25.859), innovative skills (VAR=23.428).In this biggest variable is problem solving (VAR=29.847). finally from the above table it is found that the job suitability consists of eight variables and the application for factor analysis reduced to two variables with job expertise (VAR=47.175),job accomplishment (VAR=24.701).In this the predominant factor is job expertise (VAR=47.175).

Findings and conclusion

This research paper profoundly identified knowledge updation, dynamic leadership and open communication are very important among the IT employees to determine their core competencies. It is also concluded that customer care, achieving capabilities, and team management create a conducive atmosphere among IT employees to determine their competency level. The positive attitude, conflict resolution and critical thinking are more appropriate for IT companies and their employees to meet the future challenges and smooth function of their organisation. Problem solving abilities and job expertise of employees in IT companies contribute significantly to increase the individual efficiency of the employees and efficiency of the organisation.

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CUSTOMER SATIFACTION IN PUBLIC AND PRIVATE SECTOR BANKS An analysis with reference to quality service of employees

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Abstract

Banking system occupies an important place in nation's economy. It plays a pivotal role in the economic development of a country and forms the core of the money market in an advanced country. This paper focus on customer satisfaction in public and private sector banks. This paper study the socio economic profile of the customer and analysis the factors of quality service of employees influencing customer satisfaction and also measure the influence of demographic variables and banking habits of customers satisfaction.

INTRODUCTION

Banking system occupies an important place in nation's economy. A banking institution is indispensable in modern society. It plays a pivotal role in the economic development of a country and forms the core of the money market in an advanced country. The relationship between a banker and his customer depends upon the nature of service provided by a banker. The banker solicits deposits from the members of the public belongings to different walks of life, engaged in numerous economic activities and having different financial status. With a network of their branches spread over the entire country banks are eminently suitable institutions for the remittance of funds from one place to another. Bank remittances are safe, swift, inexpensive and simple. Banks have to provide attractive in-house facilities. No more 'counter service' and it should be more of 'cabin discussions', which are preferred by customers for personal reasons, the office set-up, internal arrangement and other facilities should not only impress the customers but should also induce them to visit the bank rather than wearing them away from the branches. Banks have come forward not only to address the problem of their customers but have also taken measure to solve them by the setting up of a permanent grievance redressal machinery. Banks these days provide a variety of services ranging from opening a savings account to internet banking granting loans to selling insurance, providing locker facilities to transferring money abroad. Their customers come from all classes of society from a salaried group to a Multi National Corporation having its business activities all around the world. The banks have to satisfy all the customers belonging to different social groups. The banking has therefore become more complex and requires specialized skills.

People working in banks act as a bridge between the bank and the customer. They are the people who face customers directly and are the first ones to know what customer actually needs. As a service provider their role becomes very important in shaping bank's perception in customer's mind. As services can make or break a customer, much emphasis is laid upon service delivery by most of the banks. The link between service quality and customer satisfaction has been subjected to intense scrutiny by a few service quality researchers (Bolton and Drew, 1994; Bitner and Hubbert, 1994). As survival of the fittest has become the order of today, every bank is trying woe the best customer who is common for all. Retaining the existing customers and attracting new ones has become all the more difficult especially for public sector banks (Bhatt, 1990). At this backdrop, a study on bank's perception in the mind of customers and comparative analysis of services of private and public sector bank sounds interesting. Such analysis will provide the banks with a quantitative and qualitative estimate of their services as perceived by their customer.

LITERATURE REVIEW

The review of existing literature on the subject is of immense for a research because it helps the researcher in many ways – such as knowing the different areas and getting a clearer idea of one's research on various aspect of organized retail outlets.

Nikhil Chandra Shil (2011) In the study author analyzed about the customer satisfaction in private commercial banks. The broad objective of this study is to identify and analyze the extent of influence of service quality on customer satisfaction and also targets to identify the most influential factors of service quality advocated by the customers. Dhaka City in Bangladesh has been taken for analysis and 12 different banks and financial institutions taken for it. A structured questionnaire was used to obtain the respondent and were subject to statistical tools like factor analysis and multiple regression are applied. As per the findings it was concluded that customer satisfaction s based on staff quality, tang able quality and delivery quality. It is also concluded that investing more money in tangibility will not produce good results if a banks suffers form staff quality and delivery quality.

Manju Rani Malik (2011) The aim of this study is to explore the components of retail customer satisfaction and also investigate the relationship between each of the retail customer satisfaction components and customer satisfaction level. Kureshetra District in Haryana state has been taken for analysis and 150 shoppers taken for it. Statistical analysis is based on structured questionnaire framed by the author. Chi-square test was applied to find out the relationship between the dimensions of service quality and customer satisfaction. As per the findings it has been concluded that the majority of customers visiting the stores belong to the age group of below 30 years and also they prefer the organized outlets for variety of products with the reasonable price and convenient location. More number of respondent are satisfied with the dimension of product characteristics like quality of products, good value of money, unique and trendy products.

Vijayamohan (2012) In the study author has to evaluate the customer perception on service quality in retail banking. The objective of this study is to evaluate the gap between customer expectation and perception in public sector and private sector commercial banks in Kumbanad a NRI deposit dominated area. The questionnaire have been personal administered on a sample size of 120, chosen on a convenient basis from the customers of three banks. The author analyzed the factors of service quality in five dimensions such as Reliability, Responsiveness, Assurance, Empathy and Tangibles. The gap analysis revels that the Empathy and Reliability factors having more gap between customer expectations and perceptions. Prompt service to customers as the highest gap among the responsiveness factors and it is the second largest dimension. Knowledge to answer customer's questions is having bigger gap in the assurance factors. Computerization and modernization in the proposed banks are reduces the gap of Tangible factors. According to the study knowledge ability and attitude of the employees are the key elements providing quality services to the bank customers.

Krishnamoorthy. V (2012) In an innovative study author analyzed about the customer satisfaction in CRM initiative of selected private sector banks.. It has been analyzed about the need for services and the various services provided by the private sector banks. Theni city has been taken for analysis and 5 private sector banks taken for it. A sample of 150 respondents was taken and statistical analysis is based on the structured questionnaire. Chi-square was been applied. As per the findings it has been concluded that the customers are expecting more improvements in mutual fund, insurance credit cards, parking facility, location of the banks, service charges in case of pre mature closure of fixed deposit, interest rate on loans and processing charges on loan.

After reviewing national and international literature on customer satisfaction based on service quality of the employees. It is formed that an important lacuna still remain and unanswered by the researcher. This induces of the researcher to conduct an empirical survey on customer satisfaction in public and private sector banks.

RESEARCH OBJECTIVES

1. To study the socio economic profile of the customer in public and private sector banks.
2. To analyze the factors of quality service of employees influencing customer satisfaction.
3. To measure the influence of demographic variables and banking habits of customers satisfaction.

Research Hypothesizes

1. The factor of customer satisfaction do not differ differently.
2. There is no significant influence demographic variables and banking habits of customers on their satisfaction level.

RESEARCH METHODOLOGY

This study is based on both primary and secondary data. The primary data is obtained from customers of public and private sector banks.

DATA COLLECTION

The Researcher collected the primary data through well structured questionnaire which aims at ascertaining customer satisfaction on the basis of service quality of the employees, in both public and private sector banks. The questionnaire comprises two parts. First part deals with demographic profile of banking details of customers. The questions regarding these details are in the specific optional type. Second part comprises statements of customer satisfaction pertaining to service quality of the employees. The statement are obtain from customer in likert 5 point scale which ranges from Highly satisfied to Highly Dissatisfied.

SAMPLE SIZE

In order to rationalize the data collection process and justification of sampling distribution, the researcher enumerated number of branches of public sector banks and number of branches of private sector banks. Based on these analysis the researcher collected 200 respondents by circulating 250 questionnaire to the customers. During the data collection the researcher able to obtain 220 respondents only. The remaining 30 respondents were continuously contacted but there was no encouraging response. Hence those 30 respondents were abanded and 220 respondents are considered further analysis. In 220 responses during tabulation the researcher meticulously observe 20 of them are with flaws, those have been eliminated from the main study. Therefore the remaining 200 responses are considered for the analysis in which 125 are public sector bank customers and 75 are private sector bank customers. The researcher use simple random sampling method to obtain responses.

DATA ANALYSIS

The 200 responses obtained from the customers of public and private sector banks are scrutinized are systematically tabulated in the SPSS package Version 15 for the primary data analysis. The Researcher found the appropriate univariate analysis, simple Percentage analysis, t-test and Z-test are appropriate along with multivariate statistical techniques like factor analysis and cluster analysis.

ANALYSIS AND DISCUSION.

In parametric t-test the variable of customer's satisfaction are thoroughly analyzed by comparing the computed mean value with hypothesized mean value 3. But for four analyses the data reduction become important to microscopic analysis and establishes the relationship between independent and dependent variables. The application of factor analysis is presented below

TABLE NO 1

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.513
Bartlett's Test of Sphericity	Approx. Chi-Square	1861.448
	Df	91
	Sig.	.000

(Source: Computed data)

From the above table, it is found that the KMO value for measuring the sampling adequacy is .513, the chi-square value presented for Bartlett's Test of 1861.448 are statistically significance at 5% level. This force concluded the sample unit is adequate to convert the customer's satisfactions elements into parametric factors. These 14 variables of customer satisfaction possess significance amount of variance as shown in the communalities table.

TABLE NO 2
Communalities

	Initial	Extraction
CS36	1.000	.313
CS37	1.000	.876
CS38	1.000	.793
CS39	1.000	.393
CS40	1.000	.614
CS41	1.000	.798
CS42	1.000	.550
CS43	1.000	.536
CS44	1.000	.406
CS45	1.000	.658
CS46	1.000	.781
CS47	1.000	.414
CS48	1.000	.894
CS49	1.000	.655

Extraction Method: Principal Component Analysis

From the above table, it is found that the communalities of customer satisfaction variable range from .313 to 894 this implied the variance of the variable of customers satisfaction range from 31.3% to 89.4%. This concludes the 10 variable perfectly exhibit the variances which present the perception differences of the customers.

It also implied the 14 variables perfectly derive the prominent factors as shown in the following total variance table.

TABLE NO 3

TOTAL VARIANCE EXPLAINED

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.503	17.878	17.878	2.189	15.635	15.635
2	1.962	14.012	31.890	1.930	13.789	29.424
3	1.678	11.987	43.877	1.828	13.060	42.484
4	1.438	10.270	54.147	1.618	11.556	54.040
5	1.101	7.862	62.009	1.116	7.969	62.009
6	.957	6.835	68.845			
7	.909	6.492	75.337			
8	.823	5.876	81.213			
9	.764	5.461	86.674			
10	.621	4.436	91.110			
11	.532	3.803	94.913			
12	.360	2.571	97.484			
13	.239	1.706	99.189			
14	.114	.811	100.000			

Extraction Method: Principal Component Analysis.

From the above table, it is found that the 14 variables of customer satisfaction are reduced to 5 prominent factors. The Eign values 2.189, 1.930, 1.828, 1.618, 1.116 and the individual variables 15.635, 13.789, 13.060, 11.556, 7.969, denote the formation of 5 prominent factors perfectly. The total variance is found to be 62.009 which are statistically significant.

The following table indicates the factor segmentation.

TABLE NO 4

ROTATED COMPONENT MATRIX (A)

	Component				
	1	2	3	4	5
CS41	.885				
CS45	.792				
CS40	.758				
CS39		.941			
CS48		.932			
CS37		.929			
CS38			.881		
CS46			.877		
CS42				.692	
CS47				.618	
CS43				.590	
CS44				.571	
CS49					.779
CS36					-.502

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 5 iterations.

From the above table, it is found that the first factor consists of 3 variables, namely awareness creation exercise like advertisements by the bank are clear and informative(.885), details on bank's services and scheme widely available (.792), bank users all available media to create awareness about their services (.758). Therefore, this factor named as **"customer satisfaction"**.

The second factor components of 3 variables, namely bank branches are located at convenient locations (941), waiting time to contact the concerned person is acceptable (.932), the bank is conveniently located and easy to find (929). Therefore, this factors is known as **"Materialization of customers".**

The third factor consists of 2 variables, namely customer services in your bank is genuine, acceptable and satisfying(.881), customer services in your bank is personalized, friendly and customer oriented (.877). Therefore this factor called as **"Establishment of transparency".**

The fourth factor components of 4 variables, namely, customer services offered by your bank is prompt and modernized (.692), the atmosphere in the bank is warm and welcoming (.618), the service provided is very much concerned about customers problem(.590), the scheduled banking hours suits all customers(.571). So, this factor is known as **"cordial relationship between the customer and staff".**

The fifth factors consists of 2 variables, namely there is ample parking space in fronts of the bank(.779), the facilities and benefits provided by this bank is to be appreciated .502). Therefore, this factor is presented as **"bankers –customers attractive strategy".**

FINDINGS AND CONCLUSION

The customers strongly agreed for the awareness creation, parking facilities and personalized services. The modernization of banking technology increased their level of satisfaction. The customer satisfaction is realized by the five factors namely "customer satisfaction, Materialization of customers, "Establishment of transparency, cordial relationship and attractive strategy.

Among the customers in public and private sector banks, 17.4% are unaware of various services and technology and 46.4% possess moderate perception over the banking technology and reached moderate satisfaction. It is also found 36.2% are highly innovative and well acquainted with various banking services and products.

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CORPORATE GOVERNANCE - AN OVERVIEW

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Abstract :

Lack of maintenance of Corporate Governance standards has paved the way for recent Corporate Scandals which shaken the corporate sectors all over the world. Despite many corporate governance codes in place, scams coupled with frauds continues in the volatile corporate. This article attempts to explain the importance of corporate governance and need of the hour is to have single unified common code for best practice as n effective tool in achieving the good corporate governance standards.

Introduction :

Today's much talked about the word 'Corporate Governance', almost two decades beginning with the Cadbury Report in UK (1992) followed by various committees in India, like NR Narayananmurthy Committee, Naresh Chandra Committee, Kumar Mangalam Birla Committee, Dr. JJ Irani Committee etc. The aim of the committee primarily aim was to view Corporate Governance from the point of view of investors\shareholders and to prepare a code suited to Indian Environment Corporate Governance is a key element in improving the economic efficiency of a Corporation. According to OECD'S principles, Corporate Governance structure specifies the distribution of rights and responsibilities among different participants in the company such as board, management, shareholders and other stakeholders; and spell out the rules and procedures for Corporate decision making.

Need of the Corporate Governance:-

– Combating Corruption
– Protection of Minority Shareholders
– Reduced Risk of Corporate Scandals.
– Enhanced Investor trust

The following table 1 describes the Corporate Governance framework

Table:1

Factors influencing quality of Corporate Governance:-

- Quality of Corporate reporting
- Ability of the Board
- Integrity of Management
- Adequacy of the processes
- Commitment level of Board members
- Effective participation of stakeholders in management

Elements of Corporate Governance:-

- Role & Powers of the Board
- Board Skills
- Board appointments
- Board induction & training
- Board Independence
- Board Meetings
- Code of conduct
- Strategy settings
- Monitoring Board performance
- Audit Committee
- Risk Management

Developments in India:

- Desirable code of conduct (1998) issued by Confederation of Indian Industry (CII)
- SEBI had set up a committee under the chairmanship of Kumar Mangalam Birla in 2000 led to inclusion of Clause 49 in the listing agreement as well.
- Naresh chandra committee in 2002 – law involving the auditor-client relationships and the role of independent directors.
- NR Narayana Murthy Committee – revised clause 49 was implemented based on its recommendations
- Dr.JJ Irani Expert Committee on Company Law in 2004
- ICSI Recommendations to Strengthen CG framework
- CII set up a Task force under the Charimanship of Mr.Naresh Chandra in Feb 2009.
- CG Voluntary Guidelines, 2009 issued by Ministry of Corp Affairs

Role of Independent Directors in Corporate Governance:-

Independent directors act as the guardians of the interest of all shareholders and stakeholders, particularly in the areas of potential conflict. Attempts to distinguish between the liability of an independent director and non-executive director from the rest of the board.

- Identify the most critical issues for the board to deal with
- Assist the board in achieving consensus on important issues
- Work with CEO to priorities issues, set the agenda and enable to focus on substantive issues.
- Taking the lead role, along with Chairman and Co-Chairman in the board evaluation process
- Devotes quality time to oversee company affairs
- To act as Whistle blower

Analysis of Corporate Scams : Welcome! to the world of while collar crime! It is financially motivated, non-violent crime committed for illegal monetary gain. Such crimes are usually committed by employees against their employers. Corporate world was badly shaken by the Enron episode in the USA in 2002, followed by Satyam fiasco in 2009. In May 2012, German sportswear major Adidas AG smelt a rat in the way of Reebok's financials were being handled, manipulating the books leading to mis-appropriation of Rs. 870 crores. (approx). Even the LIBOR (London Inter Bank Offered Rate) scandal by Barclays Bank, a big bank accused of manipulating key interest rates, the bank paid fines of 290m to regulators who found its staff had attempted to manipulate LIBOR a benchmark interest rate.

New Companies Bill, 2012 to Strengthen Corporate Governance:

The Bill was passed by Lok Sabha on 18.12.2012 in the recently concluded winter season. Following are some of highlights of Bill to strengthen corporate governance.

- Concept of Independent directors has been introduced for the first time in Company law: (clause 149(5)); All listed companies shall have at least one-third of the Board as independent directors; lays down the code for independent directors.

- Atleast one women director shall be on the Board to achieve the Gender equality
- Punishment for fraudulently inducing persons to invest money (clause 36).
- Every company having net worth of Rs.500 crore or more or Turnover of Rs.1000 crore or more or a net profit of Rs.5 crore or more during any financial year shall constitute a CSR committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.
- Listed companies and such other classes of companies as may be prescribed by the centre will not be permitted to appoint an "individual" as auditor for more than one term of five consecutive years, and the audit firm' cannot be appointed for more than two terms of five consecutive years. However, they can be appointed again after a cooling-off period of five years from their last term of appointment. This will ensure that a company will not have the same auditor for very long.
- One-fourth of 286 listed companies across sensex, Nifty, BSEZOO, Nifty mid cap, CNX 200 and all F & O stock have had the same auditor for over 10 years, according to findings by proxy advisory firm IIAS.

Initiatives for Corporate Governance:-

α) **National Award by ICSI**- The ICSI National Award for Excellence in Corporate Governance was instituted by the ICSI in 2001 to indentify, foster and reward the culture of evolving global best practices of Corporate Governance among Indian Companies. Each year, the award is conferred upon two best governed companies.

β) **Focus on CG in the Course Curriculum**

- Considering the importance of CG, One full paper on Corporate Governance titled "Governance , Business Ethics and Sustainability " forms part of the syllabus in the professional program of ICSI.
- Introduction of Governance & Ethics subject in Intermediate & Final course of Institute of Cost Accountants of India in the New Syllabus 2012.

Conclusion :

In order to have uniform code, the market regulator SEBI has now floated a consultation paper on review of corporate governance norms, to address the overlaps in the proposed amendments in the Bill vis-à-vis Clause 49. The need of the hour is to have common code, clear and comprehensive regime, which will maintain high standards of Corporate Governance in India Inc.

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INDIVIDUAL INVESTORS BEHAVIOUR TOWARDS GOALS AND MOVES: AN EMPIRICAL STUDY

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Abstract

Mental Accounting is a mechanism that help with self-control that keeping things separate for easy measurement of the progress of each goals and moves towards their walk of life. Mental accounting is a bias in which the mind stays focused on only one simplified reference point that is linked to past data, situation, experience, learning, reasoning and family or individual decision. Mental accounting is a tendency for people to separate accounts based on a variety of subjective criteria, like the source of the money and intend for each account. The author conducted an empirical study in Chennai region to examine the effect of mental accounting towards goals and moves of individual investors. Further the study chosen descriptive research design. The sample size 100 and the primary data collected through structured questionnaire. The study primarily focused to explore the relationship among variables. The important outcome the study understands the influence of investor's behaviour towards financial goals and moves of their life.

Keywords: Mental accounting, decision situation, finance experience, family budget, behavioural finance

Introduction:

Mental Accounting is one method people use to make decision-making manageable. According to Richard Thaler, "Mental accounting is the act of cognitive operations used by individuals and households to organize evaluate and keep track of individual financial activities. The key components of mental accounting are account assignment, closer and evaluation. Consider what sorts of accounts may exist. Many people nominally place their money in silos: expenditure (food, housing, entertainment, and vacation), wealth (checking account, retirement savings), and income (salary, bonus). It is important to note that often these "accounts" are mental constructs rather than actual accounts.

Traditionally, economist have assume that funds are fungible (substitutable), but, because of the silo approach create b mental accounting, the may not be so. Actual decisions people make indicate that money is not always fungible While distortions and otherwise odd behaviour can result, mental accounting can have a beneficial side in that it may help people exert self-control, encouraging the use of rules such as "don't dip into retirement savings," and "pay for luxuries (like vacations to Cancun or Crete) out of savings," People may, thus, be encouraged to economize and save more.

Objectives:

1. To study the individual investors behaviour towards investment goals and achievements.
2. To analyse financial planning and follow-up.
3. To find out what are the factors to affect the investment goal.

Review of literature

Frame and mental accounting are a part of the prospect theory. It describes the tendency of people to place particular events into different mental accounts based on superficial attributes (shiller, 1998). The main idea underlying mental accounting is that decision-makers tend to separate the different types of gambles they face into separate accounts, and then apply prospect theoretic decisions rules to each account by ignoring possible interaction between the accounts. Mental accounts can be isolated not only by content, but also in respect to time (Goldberg, von Nitsch, 2001)

Mental accounting can serve to explain why investors are likely to refrain from readjusting his or her reference point for a stock (Shefrin and Stateman, 1985). When the stock is purchased, e.g. a stock of Ericsson, a new mental account for the particular stock is opened. The natural reference point, as in the Kahneman and Tversky valuation function described the asset purchase price. A running score is then kept on this account indicating gains or losses relative to the purchase price. When another stock is purchased, e.g. Nokia, another separate account is created; a normative frame recognizes that there is no substantive difference between the returns distributions of the two stocks, only a difference in names. However, a situation involving the sale of the Ericsson stock when it has decreased in price and using the proceeds to buy Nokia stock may be framed as closing the Ericsson account at a mental account at such a loss (Thaler and Johnson 1985)

Meenu Verma (2008) emphasized the behavioural finance for the effect of demographic and personality of investment choice with respect to wealth management. They formulated three dimensional approaches namely demographic factors, personality factors and investment choice over individual investors. Many literatures reveals wealth management, investment education, income wealth are highly correlated to investment choice. The research methodology of this paper demographic variable and investors personality in order to investment performance. They used primary data the data were collected with the help of structured questionnaire, sample size 500 and they employed Mann-whitny U test, kruskal-wallis test, and multivariate analysis. The outcome of this paper is investment choice affected by demographic variable and personality profile would help financial advisor for better suggestion to their client.

Amos Tversky and Daniel Kahneman (1974) show their experience about investor's behavioural attributes in two main concepts Heuristics and related biases and Overview how rational investors are taking decision. But the rules are imperfect who use their vulnerable to bias. They are illustrious classification of heuristics are representations, availability, anchoring and adjustment in financial decisions.

Ernst Fehr ad Jean Tyran (2005) reveal that how individual investors breach the rationality assumption in a economy and they demonstrate how the interaction between rational and irrational investors are shape the aggregate economic outcome. They made constructive discussion about the small amount of individual irrationality may influence large deviation from aggregate prediction of rational model. They strongly argued that the irrational individual investors anomalies failure to update the expected outcome. They conclude the irrational behaviour might play a role assuming full rationality of all agents common man forces. Wipe out all individual irrationality and irrational behaviour dominate the aggregate outcome depends on the strategic environment.

Mental accounting can result in "good money being thrown after bad money" by a continuous operation of non-profitable ventures in the hope that recovery will somehow take place. It may also explain framing which is beneficial to investors with imperfect self-control – a phenomenon described in the following section.

Research Methodology

The study is based on both primary and secondary data. The primary data is collected by a structured questionnaire. The sample size is 100 and applied stratified random sampling techniques, the questionnaire circulated among 100 individual investors who are located around Chennai region. The research questionnaire comprises three parts namely demographic factors, expense and saving, investment goals and investment achievement. The study applied five point likert scales.

Analysis and Interpretation

The individual investors are having various investment objectives but, how those objectives are achieved by the people and what decision will take for further movement to establish their well beings. At this point the parametric t test is applied to find the relationship individual investors behaviour towards goals and movements.

Table One:

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean	T
Unplanned purchase	100	2.4600	1.44544	.14454	17.019
Ups and Downs of monthly income	100	2.4800	1.48718	.14872	16.676
Increasing Price level	100	2.4200	1.42970	.14297	16.927
More Medical Expenses	100	2.5900	1.49811	.14981	17.288
Unexpected Family Expense	100	2.4600	1.44544	.14454	17.019
Undue fine	100	2.4600	1.44544	.14454	17.019

Source computed: Primary Data

The above table shows that the mean value ranging from 2.42 to 2.59 with standard deviations is less than one. The t value are statistically significant at 5% level of significant for all the variables unplanned purchase, ups and downs of monthly income, increasing general food price level, more medical expense, unexpected family expense and undue fine. This inferred the individual investors are strongly agree the fact that the more medical expenses are continuously affect their mental account and that will depressed investment and it leads to disturbed the investment goal. Further it found that the opinion of individual investors highlighted the ups and downs of monthly income also Upset their investment goal.

It is followed by application of factor analysis by Principle Component methods for individual investors how they are not achieve their goal.

Table 1: Correlation Matrix

		Unplanned purchase	Ups and Downs of monthly income	Increasing Price level	More Medical Expenses	Unexpected Family Expense	Undue fine
Correlation	Unplanned purchase	1.000	.183	.844	.830	.072	-.009
	Ups and Downs of monthly income	.183	1.000	.075	.098	.092	-.053
	Increasing Price level	.844	.075	1.000	.718	.094	-.029
	More Medical Expenses	.830	.098	.718	1.000	.113	.041
	Unexpected Family Expense	.072	.092	.094	.113	1.000	-.006
	Undue fine	-.009	-.053	-.029	.041	-.006	1.000

Source computed: Primary Data

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.685
Bartlett's Test of Sphericity	Approx. Chi-Square	242.376
	Df	15
	Sig.	.000

Source computed: Primary Data

Table 3: Total Variance Explained

Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	2.640	44.002	44.002
2	1.075	17.917	61.920
3	.992	16.529	78.448
4	.901	15.013	93.462
5	.278	4.639	98.101
6	.114	1.899	100.000

Source computed: Primary Data

Table 4: Component Matrix

	Component					
	1	2	3	4	5	6
Unplanned purchase	.958					
Increasing Price level	.909				.358	
More Medical Expenses	.907				-.385	
Undue fine		-.545	.769	.331		
Unexpected Family Expense		.541	.613	-.550		
Ups and Downs of monthly income		.679		.693		

Source: Primary data.

The correlation matrix (table 1) inferred the correlation coefficient of .3, the (table 2) Kaiser-Meyer-Olkin (KMO) value is more than .6 (.685) and the Barlett's Test of Sphericity value should be significant less than .5 (.000) so that this factor analysis is highly appropriate.

Using the Kaiser's criterion explain the initial eigenvalues of each components are listed. Table 3 the first two component recorded eigenvalues above 1 (2.640, 1.075) the two component unplanned purchase and ups and downs of monthly income explain a total of 61.920 percent of variance. In the table 4 component 1 and 3 explain much more of the variance than the remaining component.

The (table 4) component matrix shows that the loading of each items on the 6 components with the eigenvalues quite strongly above .4 the their rotation support the conclusion of undue fine and unexpected family expenses are significantly affect the investors goal and moves this financial planning.

Conclusion:

The author conducted an empirical study in Chennai region to examine the effect of mental accounting towards goals and moves of individual investors. For the above inferences has been carried out by the researcher that mostly the unplanned purchase and ups and downs of the family income is affected the future goals of an individual investors.

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MANAGEMENT OF NON-PERFORMING ASSETS OF PUBLIC SECTOR BANKS IN INDIA

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ABSTRACT

The Indian banking system has undergone significant transformation following financial sector reforms. It is adopting international best practices with a vision to strengthen the banking sector. The public sector banks dominate the Indian banking system with almost 82 percent market share in the total deposits and advances of the industry. Several prudential and provisioning norms have been introduced, and these are pressurizing banks to improve efficiency and trim down NPAs to improve the financial health in the banking system. In the background of these developments, this study strives to examine the state of affair of the NPAs of the public sector banks in India. The study is analytical in nature, and it is based on the secondary retrieved from Report on Trend and Progress of Banking in India, Report on Currency and Finance etc. The study observed increase in gross as well as net NPAs in absolute terms and improved asset quality of banks. The public sector banks have managed its assets proficiently; however, the study observes that increased NPA's in the agriculture sector is a matter of great concern.

INTRODUCTION

Banking in India has a long history and it has evolved over the years passing through various phases. The Indian banking system has undergone noteworthy transformation following financial sector reforms, and at present it is passing through a decisive phase. It is adopting international best practices in the area of regulation and supervision with a view to strengthening the banking sector. According to Report on Currency and Finance (2006-08), with a view to create a strong, competitive and vibrant banking system, several measures were initiated in the beginning of early 1990s. The banking system witnessed reforms such as introducing prudential norms; allowing entry of new private sector banks and enhanced presence of foreign banks; permission to access the capital market, operational flexibility and functional autonomy to public sector banks; strengthening of corporate governance practices and disclosure standards. Banks have increasingly diversified into non-traditional activities, and as a result several conglomerates have emerged. Thus deregulation has opened up new avenues for banks to augment income; it has also exposed the sector to greater risk of nonperforming assets. It is obvious as a result of banking sector reforms the opportunities and challenges in the banking sector has augmented.

Today the Indian banking system has undergone significant transformation following financial sector reforms, adopting international best practices. Several prudential, payment, integrating and provisioning norms have been introduced, and these are pressurizing banks to improve efficiency and trim down NPAs to improve the financial health in the banking system. It is among the best in the world because Indian banks are favorable on growth, asset quality and profitability; RBI and Government have made some notable changes in policies and regulation to strengthen the sector.

NEED AND OBJECTIVE OF THE STUDY

The present Indian banking structure consists of commercial banks, urban co-operative banks, regional rural banks and rural co-operative banks. With the presence of new private sector banks and foreign banks, the Indian banking sector has become more competitive. The public sector banks still dominate the Indian banking system with almost 82 percent market share in the total deposits and advances of the industry. These banks not only play a crucial role in the economy by mobilizing the savings and channelizing the same into investments, but also by directly contributing to GDP of the economy. The public sector banks are successfully meeting the challenge of providing service to its customers, but the biggest challenge before them it management of NPAs. The soaring NPAs have adverse impact upon the progress of any economy, and hence a matter of great concern for the Indian financial system. In this background, the present research paper strives to examine the state of affair of the NPAs in the public sector banks of India.

GROSS NPA AND NET NPA

Gross NPA is advance which is considered irrecoverable, for bank has made provisions, and which is still held in banks' books of account. Net NPA is obtained by deducting items like interest due but not recovered, part payment received and kept in suspense account from Gross NPA.

The Reserve Bank of India states that, compared to other Asian countries and the US, the gross non-performing asset figures in India seem more alarming than the net NPA figure. The problem of high gross NPAs is simply one of inheritance. Historically, Indian public sector banks have been poor on credit recovery, mainly because of very little legal provision governing foreclosure and bankruptcy, lengthy legal battles, sticky loans made to government public sector undertakings, loan waivers and priority sector lending. Net NPAs are comparatively better on a global basis because of the stringent provisioning norms prescribed for banks in 1991 by Narasimham Committee.

In India, even on security taken against loans, provision has to be created. Further, Indian Banks have to make a 100 per cent provision on the amount not covered by the realizable Value of securities in case of ''doubtful'' advance, while in some countries; it is 75 per cent or just 50 per cent. The ASSOCHAM Study titled ―Solvency Analysis of the Indian Banking sector reveals that on an average 24 per cent rise in net non performing assets have been registered by 25 public sector and commercial banks during the second quarter of the 2009 as against 2008. According to the RBI, "Reduction of NPAs in the Indian banking sector should be treated as a national priority item to make the system stronger, resilient and geared to meet the challenges of globalization. It is necessary that a public debate is started soon on the problem of NPAs and their resolution."

NON PERFORMING ASSETS AS A MAJOR ISSUE AND CHALLENGE FOR BANKING INDUSTRY IN INDIA

Non-performing Assets are threatening the stability and demolishing bank„s profitability through a loss of interest income, write-off of the principal loan amount itself. RBI issued guidelines in 1993 based on recommendations of the Narasimham Committee that mandated identification and reduction of NPAs to be treated as a national priority because NPA direct toward credit risk that bank faces and its efficiency in allocating resources. Profitability and earnings of banks are affected due to NPA numbers. In recent years financial reform led by RBI has helped in reducing NPA numbers.

Causes of Problem	Mechanisms used to solve the problem
Legal impediments and time consuming nature of asset disposal process.	Strengthening of Legal Norms
Manipulation by the debtors using political influence has been a cause for industrial bad debt being so high.	Aligning of prudential norms with international standards
Political tool - Directed Credit to SSI and Rural sectors	Legal mechanisms including creation of ARCs and partial disbanding of the BIFR

The banking sector has been facing the serious problems of the rising NPAs. In fact PSBs are facing more problems than the private sector banks and foreign banks. The NPAs in PSBs are growing in comparison to other banks due to external as well as internal factors. One of the main causes of NPAs in the banking sector is the Directed loans system under which commercial banks are required to supply 40% percentage of their credit to priority sectors. Most significant sources of NPAs are directed loans supplied to the ―micro sector are problematic of recoveries especially when some of its units become sick or weak. PSBs 7 percent of net advances were directed to these units. Poverty elevation programs like Integrated Rural Development Program (IRDP), Jawahar Rojgar Yojna (JRY), Prime Minister‟s Rozgar Yojna (PMRY) etc. have failed miserably in meeting the objectives. Due to Political interference, manipulation, misuse of fund by & and unreliable customer the amount issued these type of schemes has become unrecoverable by and large.

THE MAJOR CAUSE FOR THE NPA CAN BE ATTRIBUTED TO:

- Improper selection of borrowers activities
- Weak credit appraisal system
- Industrial problem
- Inefficiency in management of borrower
- Slackness in credit management & monitoring
- Lack of proper follow up by bank
- Recession in the market
- Due to natural calamities and other uncertainties

ANALYSIS

NPA position is different and present in PSBs & Private Banks of India. Basically, there are many banks but in this study some prominent banks are selected among all in their respective sector. And the data related to NPA of all these banks i. e. SBI, PNB, HDFC, ICICI is collected and their comparison is done on this basis.

GROSS NPA RATIO (in %): (position of gross NPA to gross advances)

It is clear from table 1 that there has been marginal decrease in NPAs level over the period in all selected banks. Gross NPAs to Gross Advances ratio of SBI decreased from 11.95 percent at the end of March 2002 to 3.28 percent at the end of March 2011. In Case of PNB this ratio decreased from 11.38 percent at the end of March 2002 to 1.79 percent at the end of March 2011. In improvement term PNB has shown the significant result while in ICICI trend has started reversing from 2006 and its NPA is 5.80 in 2011. To ascertain the significance difference between NPA ratios of these selected banks ANOVA test by formulating null hypothesis (Ho) is attempted.

NET NPA RATIO (in %age): (position of net NPA to net advances)

It is observed from table-2 that there has been marginal reduction in Net NPAs ratio of all selected banks over the considered period. Net NPAs to Net Advances ratio of SBI reduced from 5.64 percent at the end of March 2002 to 1.63 percent at the end of March 2011.In Case of PNB this ratio decreased from 5.27 percent at the end of March 2002 to 0.85 percent at the end of March 2011. In improvement term PNB has shown the significant result and control Net NPA while in ICICI since 2001 Net NPAs ratio was decreasing till 2006 but trend has started reversing from 2007and its NPA is 1.11 in 2011.

PROBLEM ASSET RATIO (in %age): (position of gross NPA to total assets)

It is clear from table-3 that there has been marginal reduction in Problem Assets ratio over the considered period in all selected banks. Gross NPAs to Total Assets Ratio of SBI reduced from 4.45 percent at the end of March 2002 to 2.06 percent at the end of March 2011.In Case of PNB this ratio decreased from 5.68 percent at the end of March 2002 to 2.06 percent at the end of March 2011.

CONCLUSION

The industry is currently in a transition phase. Containing NPAs has been in focus ever since the banking sector reforms were initiated in 1992. All banks have been making efforts to contain the NPAs level and reduce the drag on their profitability. Even as individual banks devised various policies for containment of NPAs, the magnitude of the problem of slippage of performing assets to NPAs category has become a cause of permanent concern. On the one hand, the PSBs, which are the main pillar of the Indian Banking system, are in trouble with excessive manpower, excessive NPAs and excessive governmental equity, while on the other hand the private sector banks are consolidating themselves through adoption of latest technology and systems.

To be concluding, Gross NPAs ratio of PNB is less and it has been reduced over the period in comparison to SBI. And also NNPAs Ratio and Problem Assets ratio is reduced of PNB in PSBs. There is more variation in GNPA & NNPA ratio of PNB while in Problem Assets ratio. Because NPA is one kind of obstacle in the success of bank and affects the performance of banks negatively so, for that the management of NPA in bank is necessary. And this management can be done by following way:

- Framing reasonably well documented loan policy and rules.
- Sound credit appraisal on well-settled banking norms with emphasis on reduction in Gross NPAs rather then Net NPAs
- Pasting of sale notice/ wall posters on the house pledged as security.
- Recovery effort should starts from the month of default with prompt legal action.
- Position of overdue accounts is reviewed on a weekly basis to arrest slippage of fresh account to NPA.
- Half yearly balance confirmation certificates should be obtained from the borrowers.
- A committee is constituted at Head Office, to review irregular accounts.
- Due to lower credit risk and consequent higher profitability, greater encouragement should be given to small borrowers.
- Recovery competition system should be extended among the staff members. The recovering highest amount should be felicitated.
- Adopting market intelligence for deciding the credibility of the borrowers
- Creation of a separate „Recovery Department‟ with Special Recovery Officer

Tables and Figures (Annexures)

Year	SBI	PNB
2001-02	11.95	11.38
2002-03	9.34	11.58
2003-04	7.75	9.35
2004-05	5.96	5.96
2005-06	3.61	4.10
2006-07	2.92	3.45
2007-08	3.04	2.74
2008-09	2.86	1.60
2009-10	3.05	1.71
2010-11	3.28	1.79

Table: 01

Source: Reports on Trend & Progress of Banking in India

Banks	Mean	Standard Deviation	Coefficient of Variation
SBI	5.37	3.09	57.53
PNB	5.36	3.78	70.59

Table: 1(a): Analysis of Mean, Standard Deviation & Coefficient of Variation

Source: calculated on the basis of data in Table 1.

Source of Variation	Sum of Square	Degree of Freedom	Mean Square
Between	93.67	3	31.22
Within	311.01	36	0.64
Total	404.68	39	31.86
F-Value	0.02		
Table Value	2.84 at 5% level of significance		

Table 1(b): ANOVA Table

Source: calculated on the basis of data in Table 1.

Year	SBI	PNB
2001-02	5.64	5.27
2002-03	4.49	3.80
2003-04	3.45	0.98
2004-05	2.65	0.20
2005-06	1.88	0.35
2006-07	1.56	0.76
2007-08	1.78	0.64
2008-09	1.79	0.17
2009-10	1.72	0.53
2010-11	1.63	0.85

Table: 2

Source: Reports on Trend & Progress of Banking in India

Banks	Mean	Standard Deviation	Coefficient of Variation
SBI	2.65	1.87	70.57
PNB	1.35	2.09	154.83

Table: 2(a): Analysis of Mean, Standard Deviation & Coefficient of Variation

Source: calculated on the basis of data in Table 2.

Source of Variation	Sum of Square	Degree of Freedom	Mean Square
Between	31.74	3	10.58
Within	70.09	36	1.95
Total	101.83	39	12.53
F-Value	0.18		
Table Value	2.84 at 5% level of significance		

Table 2(b): ANOVA Table

Source: calculated on the basis of data in Table 2.

Year	SBI	PNB
2001-02	4.45	5.68
2002-03	3.59	5.78
2003-04	3.11	4.56
2004-05	2.71	2.96
2005-06	1.95	2.16
2006-07	1.76	2.09
2007-08	1.78	1.67
2008-09	1.62	1.02
2009-10	1.85	2.33
2010-11	2.06	2.71

Table :3

Source: Reports on Trend & Progress of Banking in India

Banks	Mean	Standard Deviation	Coefficient of Variation
SBI	2.48	0.90	36.32
PNB	3.09	1.58	51.08

Table: 3(a): Analysis of Mean, Standard Deviation & Coefficient of Variation

Source: calculated on the basis of data in Table 3.

Source of Variation	Sum of Square	Degree of Freedom	Mean Square
Between	29.06	3	9.69
Within	53.75	36	1.49
Total	82.81	39	11.18
F-Value	0.15		
Table Value	2.84 at 5% level of significance		

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WOMEN EMPLOYEES EMPOWERMENT IN INDIA – AN OVERVIEW

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ABSTRACT

This research paper examines Women Employees Empowerment in India by highlighting women empowerment of quantitative and qualitative indicators. In addition, this paper highlights empowerment components such as Education, Health, Political Participation and Self Help Groups.

INTRODUCTION

Empowerment is now increasingly seen as a process by which the one's without power gain greater control over their lives. This means control over material assets, intellectual resources and ideology. It involves power to, power with and power within. Some define empowerment as a process of awareness and conscientization, of capacity building leading to greater participation, effective decision-making power and control leading to transformative action. This involves ability to get what one wants and to influence others on our concerns. With reference to women the power relation that has to be involved includes their lives at multiple levels, family, community, market and the state. Importantly it involves at the psychological level women's ability to assert themselves and this is constructed by the 'gender roles' assigned to her specially in a cultural which resists change like India.

The questions surrounding women's empowerment the condition and position of women have now become critical to the human rights based approaches to development. The Cairo conference in 1994 organized by UN on Population and Development called attention to women's empowerment as a central focus and UNDP developed the Gender Empowerment measure (GEM) which focuses on the three variables that reflect women's participation in society – political power or decision-making, education and health. 1995 UNDP report was devoted to women's empowerment and it declared that if human development is not engendered it is endangered a declaration which almost become a lei motif for further development measuring and policy planning. Equality, sustainability and empowerment were emphasized and the stress was, that women's emancipation does not depend on national income but is an engaged political process.

Drawing from Amartya Sen's work on 'Human capabilities' — an idea drawn from Aristotle a new matrix was created to measure human development. The emphasis was that we need to enhance human well being flourishing and not focus on growth of national income as a goal.

People's choices have to be enlarged and they must have economic opportunities to make use of these capabilities. States and countries would consider developments in terms of whether its people lead a long healthy painless life or no are educated and knowledgeable and enjoy decent standards of living.

BEIJING CONFERENCE 1995 INDICATORS OF WOMEN EMPOWERMENT, QUALITATIVE & QUANTITATIVE QUALITATIVE

1. Increase in self-esteem, individual and collective confidence;
2. Increase in articulation, knowledge and awareness on health, nutrition reproductive
3. rights, law and literacy;
4. Increase an decrease in personal leisure time and time for child care;
5. Increase on decrease of workloads in new programmes;
6. Change in roles and responsibility in family & community;
7. Visible increase on decrease in violence on women and girls;
8. Responses to, changes in social customs like child marriage, dowry, discrimination against widows;
9. Visible changes in women's participation level attending meeting, participating and demanding participation;
10. Increase in bargaining and negotiating power at home, in community and the collective;
11. Increase access to and ability to gather information;
12. Formation of women collectives;

13. Positive changes in social attitudes;
14. Awareness and recognition of women's economic contribution within and outside the household;
15. Women's decision-making over her work and income.

QUANTITATIVE INDICATORS

A. Demographic Trends
   - maternal mortality rate
   - fertility rate
   - sex ratio
   - life expectancy at birth
   - average age of marriage

B. Number of women participating in different development programmers

C. Greater access and control over community resources/ government schemes-crèche, credit cooperative, non formal education

D. Visible change in physical health status and nutritional level

E. Change in literacy and & enrollment levels

F. Participation levels of women in political process Monitorable targets for the Tenth Plan and beyond had certain key issues related to gender.
   - All children in school by 2003; all children to complete five years of schooling by 2007.
   - Reduction of gender gaps in literacy and wage rates by at least 50% by 2007.
   - Reduction of IMR to 45 per 1000 live births by 2007 and 28 by 2012.
   - Reduction of maternal mortality ratio (MMR) to 2 per 1000 live births by 2007 onto to by 2012.

India's declining sex ratio caused through foeticide, infanticide and systematic neglect requires urgent and comprehensive action. It is well evidenced that low literacy, endemic under nutrition and social inequality are closely related gender inequality is a crucial antecedent to endemic under nutrition.

EDUCATION

Women's education is extremely important intrinsically as it is their human right and required for the flourishing of many of their capacities.

It is, however, noticed that most programmes for education of girls and women in India have reinforced Gender roles specially motherhood in curriculum as well as impact evaluation. The huge study of nearly 94% of India's population done by Drez and others looks at female literacy and its negative and statistically significant impact on child mortality.

The questions of power are interlinked and we understand that what is necessary is both objective power in terms of economic resources, laws, institutional roles and norms held by others as well as subjective power in terms of self efficacy and entitlements. Empowerment of women is closely related to formal and informal sources of education. Late 19th century & 20th century reformers advocated women's education as a principal strategy to answer the 'women's question'. Many innovative efforts are accelerated after the NPE. In UP a renewal process of correcting gender stereotyping was initiated in 1998 looking at textbooks and training besides infrastructure and community mobilization. There is marked improvement in girls enrollment and steady decline in dropout rates.

HEALTH

2005-06 National Family Health Survey (NFHS –3) conducted through 18 research organizations between 2005 December and August 2006 provides us with several important data based insights not provided by earlier surveys. There has been a steady increase in institutional delivery percentages from NFHS – 1 to 3 from 26 to 41 the increase in rural from 17 to 31 is more promising than urban from 58 to 69. Overall fertility rate has declined from 3.4 to 2.7. The states of Punjab and Maharashtra have reached the replacement level of fertility, i.e. around 2 children per woman. Women in Chatisgarh and Orissa are expected to have an average of about 2.5 children at current fertility rates. The urban areas in five states studied by NFHS, Chattisgarh, Gujarat, Maharashtra, Orissa and Punjab have reached below replacement level fertility. There is a difference between the fertility of women with no education and those with 10 or more years of schooling. Trends in antenatal care have remained more or less constant in NFHS – 1 and 2 between rural and urban women but have increased from 65 to 77% total. The five state study shows regional imbalances in post natal care from only 23 per cent in Chhatisgarh to 54-59 per cent in Maharashtra, Punjab and Gujarat.

More than 40% ever married women and about one third men in orissa and Gujrat are thin for their height, undernutrition is much lower in Punjab (12-14%) obesity is the major problem in Punjab 38% women are overweight. Overweight or obese women percentage has increased in the last 7 years from 16 to 20 per cent in Gujarat from 12 to 17 per cent in Maharashtra and from 4 to 7 per cent in Orissa. The extent of overweight is greater in women than men. Overall 14.8% women are obese. Except in Punjab in the other states more than 50 per cent of the children of women without any education are underweight. The percentage of anaemia ranges from 38% in Punjab to 63% in Orissa. Anaemia prevalence is alarming among pregnant women 57.9 which is more than last recorded 49.7%. 33% of women still have BMI below normal, which has declined from 36.2. IMR has gone down but gender differences persist. This is true also of under 5 mortality. Life expectancy of women however stands a level higher than that of men. From 1961 to 2001 both in total population as well as in the population of 0-6 there has been a decline in sex ratio from 943 to 935 and 976 to 927 respectively. There is a fear that overall reduction of state resources in the welfare sector and specially less than 1% investment in health is going to exacerbate the existing gender bias in society.

POLITICAL PARTICIPATION

Women's political participation has been considered a major measure of women's empowerment. Globally, through histories of the world we have records of very few regents, sovereigns, and active agents in nobility who were women. Champions of liberalism like John Stuart Mill had advocated women's participation in governance by the struggle for women suffrage in the self avowed liberal west very well illustrates the entrenched nature of Patriarchical resistance to women's empowerment. In the last century more women heads of state could be counted in Asia as compared to Europe and the struggle for women suffrage in India was physically less violent but this is not reflective of greater acceptance of women in decision-making in public spaces.

To measure women's empowerment now GEM takes 3 indicators, women's participation in economic, political and professional activities. Within political power what is measured is mainly women in parliament, judiciary or in local bodies. Women's empowerment or disempowerment has to be seen in all areas physical, socio cultural religious, political legal and economic.

Several programmes in India like Mahila Samakhya have accepted the process nature of women's empowerment. The understandings of empowerment in PACS has also been similar but planning of activity, time and budgets to ensure the empowering processes need greater scrutiny. Women's education, livelihood and personal exercise of agency have to be systematically promoted .

SELF HELP GROUPS

PACS programme has largely utilized SHG's as an empowering instrument. More than 80% of these are exclusively for women. The fifth national synthesis report (Draft) reports that official perception has changed as SHG's are firmly raising voices and SHG's are being used to achieve RTI awareness:

- Women members are elected as PRI representatives.
- SHG/PRIs are regularly organising Gram Sabha as a forum for public appraisal.

Self-help groups have emerges as an important strategy for empowering women and alleviating poverty. SHG's are based on idea of dialogic small groups, which shall function at developing collective consciousness. Linked with micro credit these groups are able to access credit and subsidy to meet crisis needs as well as developmental needs reducing their dependence on money lenders. There is fair amount of evidence to suggest that PACS SHG's have successfully ensured people's entitlements including women.

CONCLUSION

Summing up of this paper, it can be said that women employees empowerment has been introduced in India which is identified as a powerful tool to improve service performance. Women empowerment gives employees the power (encourages them to do more than just wait for things to happen) to make work-related decisions, has various additional service specific advantages:

- Enhanced responsiveness to customer needs
- Better handling of service breakdowns
- Enhanced job satisfaction

Empowerment can create a competitive advantage for the entire company and also enhances the job satisfaction, motivation and commitment.

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BRINGING DEVELOPMENT BACK INTO MICROFINANCE

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Microfinance is the provision of financial services to low-income, poor, and very poor self-employed people. From its inception in the 1970s, microfinance has evolved in astounding ways, incorporating into its practice social and economic development concepts, as well as principles that underlie financial and commercial markets. This combination has led to the creation of a growing number of sustainable microfinance institutions around the developing world. As microfinance continues to evolve as a development strategy, it will be successful only if it is able to strike the right balance between the two frameworks--development and finance--that underlie its practice.

The purpose of this paper it to explore three points at which microfinance intersects with development, to argue why these three intersections make microfinance compelling from the perspective of development, and to explain why practitioners, donors and others involved in the microfinance field tend to forget the connection between the two.

As the approach to development has shifted over the last decades (from the emphasis on developing infrastructure and financing large capital intensive projects in the 1960s, to the focus on meeting the basic needs of people in poor communities in the 1970s, to the priority on structural adjustment and stabilizing economies in the 1980s, to today's attempt to construct a sustainable development framework against the background of increasing globalization) two related and underlying debates have remained constant::

- First, are development efforts affecting poverty levels? Are they reaching the poor? All development approaches, regardless of their shortcomings, have attempted to address poverty, to alleviate it, to eradicate it. While spirited, and at times fierce, debates on the relative merits of various development approaches prevail, no task has commanded a higher priority for development institutions and professionals than that of reducing global poverty.
- Second, what is the role of foreign assistance (i.e., donor funds) in development? The major issue has focused on when external resources--in the form of capital or technical expertise-- should be introduced into a development project to make it work. The dominant approach throughout development has been to introduce donor money at the beginning, the middle, and the end of any project--to inject it whenever possible, and to bring in the expert to solve the problem.

These two areas of debate that have dominated development are also very applicable to microfinance and help frame the discussion below.

As a way of defining the relationship between microfinance and development, it is useful to identify how microfinance directs itself toward development objectives. This paper suggests that there are three points at which development and microfinance intersect, and that it is microfinance's ability to connect in all three of these points that make it so compelling as a development strategy.

Reaching the Poor

The first point of connection is microfinance's objective to alleviate poverty, that is, at the client level. Indisputably, microfinance, at its core, combats poverty. Clients of microfinance institutions are poor city dwellers housed in slums or squatter settlements, often living in appalling overcrowded settings, lacking access to basic services such as health. Their survival tool kit lacks education or skills that are essential to enter the mainstream economy. Many of them are women, poorly trained and playing dual roles of provider and caregiver. These poor people are more exposed to the threats of contamination, bad sanitation, and disease than the rest of the population. When disaster strikes, in the form of inflation, earthquakes, or other outside forces, they are the most exposed.

Rural clients are landless or land poor; Their land is often unproductive or lies outside irrigated areas. Many farm in arid zones or on steep-hill slopes land, that are ecologically vulnerable. Opportunities for off-farm employment are few and must be self-generated, with many rural poor mixing, many earning activities to generate the cash they need to survive. They live in large households, their children are especially susceptible to disease, and many suffer from malnutrition. Many poor depend on their children for work and must weigh the opportunity cost of sending children to school today against present and future benefits.

Conceptually, microfinance addresses one constraint faced by the poor: their shortage of material capital (i.e., the input necessary to generate income). Capital investment, from savings or borrowed money, takes a critical place in the economy of all human actors, regardless of their level of income. Microfinance creates access to productive capital, which together with two other forms of capital--human capital, addressed through education and vocational training, and social capital, built through creating representative, local organization building, promoting democratic systems, and strengthening human rights--enables people to move out of poverty.1 Microfinance enables poor self-employed people to create productive capital, to protect the capital they have, to deal with risk, and to avoid the destruction of capital. It attempts to build assets and create wealth among people who lack them. For the very poor, microfinance becomes a liquidity tool that helps smooth their consumption patterns and to reduce their level of vulnerability.

At a more subtle but no less important level, which is much harder to measure, increasing material capital strengthens the sense of dignity a poor person possesses, and contributes to empowering him or her to participate in the economy and society. With a source of income, a person can provide for the family, improve the household's access to basic needs, and plan for the future. When these conditions are present, a person who was part of the marginalized sector of the society becomes better equipped to be an active citizen.

Building Institutions

The second point of intersection between microfinance and development occurs at the institutional level. Microfinance seeks to create private institutions that deliver financial services to the poor. These institutions become part of the infrastructure of the country; that is, they are distribution channels for deploying services that respond to the material capital needs of poor. Creation of such distribution channels that provide access to services to the poorer sectors is one of the greatest challenges that governments face. Even governments that want to allocate increased resources to address the needs of the poor encounter a daunting challenge: the lack of effective distribution channels or the infrastructure necessary to convert economic growth into improved well-being among the poorer sectors.

In this setting, microfinance proposes to create private, sustainable institutions that specialize in delivering financial services to the poor. Against a broader development backdrop, these institutions become a means to an end, not an end in and of themselves. They constitute part of the not-yet-attained and long-sought-after instrumentalities needed to incorporate the poorer sectors into the economy. They put capital in the hands of those who otherwise would not have it, and they enable people with few assets to save.

It is for this reason that institutional sustainability becomes so crucial to microfinance. If microfinance institutions are not financially solid, unable to cover their costs, and incapable of delivering financial services over the long term, they become a transitory means of reaching the poor and lose their punch as a component of a broader development strategy in any setting. This major link between microfinance and development begins to unravel, unless microfinance institutions attain self-sufficiency in their operations.

Deepening The Financial System's Reach

The final intersection between microfinance and development occurs at the intersection between microfinance and the financial systems in a country, accomplished when a microfinance institution becomes a regulated institution that is part of the financial system. This connection is made possible by the recognition in the last decade that healthy financial systems are an important piece of the development puzzle, and that financial sector improvement and reform should be a priority in all developing countries.

When microfinance institutions become part of the financial system, they can access capital markets to fund their lending portfolios which allow them to increase dramatically the number of poor people they reach. They can also capture savings, providing another important financial service to the poor, and access deposits as another source of capital.

By inserting themselves into the financial systems of their country, microfinance institutions deepen dramatically the reach of financial systems to populations previously excluded from banks and other financial institutions. One essential means of alleviating poverty becomes the creation of a broader and deeper financial system which does not restrict the allocation of capital to a tiny group of elites, but instead integrates the poor as a market segment and reallocates resources from other sectors.

This last intersection with development is, in relative terms, a recent one for microfinance, made possible only after attaining the creation of financially viable institutions.

Once it was demonstrated that microfinance institutions could manage risk effectively and that they would not become a systemic risk to the system, their incorporation into financial systems became possible.

When microfinance intersects with development at the three points suggested above, it has the capacity to create structural changes in the way in which capital is made available to a population. It is addressing the seemingly intractable problem of creating the infrastructure to reallocate resources and to create wealth among poorer sectors. More than that, it is changing the dimension of a system within an economy--the system that moves and reallocates capital in the economy. Microfinance operates at its best when it intersects with development in these three points. Many microfinance institutions, either because they have not become sustainable, or because they operate in an unfriendly regulatory environment, are not able to complete these three points of intersection.

Within the field of microfinance, observers, donors, and practitioners often tend to forget that the three above dimensions of microfinance are the essential points of intersection with development, and that all three must be present to make microfinance a powerful development tool. There are several reasons why this relationship between microfinance and development is often forgotten.

First, some of the key debates within the microfinance field are focused on the wrong issues. Perhaps the best example is the ongoing controversy between reaching the poor and the sustainability of microfinance institutions, a debate that has polarized the field along these two dividing lines. Elisabeth Rhyne calls this the ying-yang of microfinance, and rightly points out that "only by achieving a high degree of sustainability has microfinance gained access to the funding they need over time to serve significant numbers of their poverty-level clients. This image reveals that there is in fact only one objective--outreach. Sustainability is but the means to achieve it."5 By focusing our debate in this way, one is pitting one point of intersection of microfinance to development (reaching the poor) against another (creating sustainable institutions). The basic flaw to this debate is that it ignores that microfinance needs both points of intersection to development—reaching the poor and achieving sustainability. Otherwise, it begins to disintegrate as a compelling development approach.

The second reason microfinance forgets its relationship to development is that many of the biggest challenges in microfinance remains at the institutional level. Building permanent, sustainable institutions that deploy financial services to the poor and the very poor, and are directly linked to or are part of the financial systems remains an enormous undertaking which has not been achieved by many microfinance institutions. For this reason, the focus in the last few years has been on developing the managerial, technical, and systems capacity within institutions to move them towards sustainability. The focus has been on the means, not the end. The level of urgency regarding institutional viability is visible in the priorities set by donors, the focus on tools, the establishment of performance standards, and other interventions designed to advance the field in this area. Whether these institutions come out of the NGO experience, involve traditional banks, or introduce new approaches such as joint ventures, is not the important issue. What is important is that the focus remain on creating microfinance institutions that reach the poor sectors of society and at the same time achieve financial permanence.

One of the reasons attaining institutional viability has been difficult is because many microfinance practitioners have become entrenched in the methodology or approach they have developed to reach the poor. As such, many have focused on defending their approaches and have diverted their attention from the essential component of advancement: innovation. Breakthroughs in any human activity have been achieved when new ideas have been introduced and have been accepted by society. However, in microfinance, the current receptivity to innovation has been severely constrained because of the widespread efforts to defend existing approaches, or because replication is occurring using models that have not evolved. Yet for the field to advance, continued innovation is a necessity.

The microfinance field's lack of focus on innovation is reminiscent of the example of how typewriter keyboards were designed. The QWERTY keyboard that we use today is named after the six letters in the upper row of the keyboard. These were laid out in 1873, employing a whole series of tricks that would force typists to type as slowly as possible, such as scattering the most common letters over all keyboard rows and concentrating them on the left side. These counterproductive features were purposely designed by manufacturers because typewriters in 1873 jammed if adjacent keys were struck in quick succession.

When improvements in typewriters eliminated the problem of jamming, experiments with an efficiently laid out keyboard in 1932 showed it could increase the typing speed by 95%. But by then the QWERTY keyboards were securely established, as typists, teachers, and manufacturers crushed all moves toward keyboard efficiency. These lessons of efficiency and innovation should not be forgotten in the field of microfinance.

The final reason behind the disconnect between development and microfinance occurs because the best practice in microfinance has fused two separate fields into one: development and finance. These two disciplines operate from separate paradigms, communicate using different terminology and concepts, and have previously not been asked to exist together in an approach that attempts to deliver services to the poor.

Merging these two ways of thinking and creating a level of compatibility between them that arrives at a good marriage and that unites them to form a new way of thinking is the challenge microfinance is facing today. Those who come from a finance discipline pull hard in their direction; those working from a development framework pull hard in theirs. The first point of intersection between, development and microfinance--reaching the poor—is familiar and comfortable to the development camp, while the last point of intersection--integrating into the financial system--is logical thinking for those from finance.

Using a literary analogy helps illustrate the difficulty microfinance faces in addressing this issue. In his novel *Anna Karenina,* Leo Tolstoy says that happy families are all- alike, but every unhappy family is unhappy in its own way. In order to be a happy family, it must succeed in many different respects. The marriage must work, there must be agreement about money, there must be agreement about raising the children, religion, in-laws, and other vital issues. Failure in any one of those essential respects can doom a family to unhappiness, even if it has all other ingredients needed for happiness.

This *Anna Karenina* principle can be extended to understanding why the linkage between finance and development will be possible only if it avoids many separate possible causes for failure.7 In other words, if these two are not combined in a way that effectively integrates the major principles of each, microfinance efforts will fail, each in their own way. One will fail because it will gradually forget its target market as it seeks quick profits; another will fail because it ignores the basic principles of finance; still others will insist on only one model to achieve these intersections. Microfinance will be strengthened if it recognizes that the answer to the capital needs of marginal populations is developing cumulatively, based on innovative efforts centered in the three intersections between microfinance and development, rather than on isolated, heroic acts that engage one or two experiences. If microfinance professionals lose sight of these intersections and neglect to focus microfinance on all three, the field will drift toward the landfill of failed development efforts.

Microfinance professionals know more about how to make capital available to poor people than they did fifteen years ago. They have taken the bold step in the last five years of adding one crucial intersection point between microfinance and development: integration into the financial system. While one can never avoid all crises microfinance institutions will confront in delivering credit and savings services, one can make these less frequent and less severe. Additionally, one can use the knowledge being acquired to meet and address new situations that will continue to arise.

For microfinance to continue its path toward becoming a successful development strategy, it must display these three dimensions: a relationship to the poor, a reliance on permanent institutions, and a connection with the financial system of a country. These three dimensions of microfinance are not a discussion about the trade-offs of one over the other; without all three, the strong points of intersection between microfinance and development will fade into oblivion and microfinance will become either a set of highly profitable financial institutions that have abandoned their market, or a set of insignificant donor-dependent and localized credit programs. Keeping the collective eyes of microfinance professionals on these intersection points is the huge challenge of this field today.

A STUDY ON 360 DEGREE PERFORMANCE APPRAISALS IN BPO'S IN CHENNAI

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ABSTRACT

360 Degree performance appraisal can be applied in many areas and it is used mainly in self-development and individual counselling, organised training and development, Team building, performance management, Organisation development, Validation of training and other initiatives, remuneration and also to increase the productivity.This study focuses on how 360 degree performance appraisal is carried out in BPO's and the perception of the employees at all level towards this method of appraisal. The researcher found that the employees at all levels have strongly agreed for one variable i.e. pay rise. Peers and operation level employees said that individual evaluation is better than team/group evaluation; they also feel one time evaluation is more effective though it is time consuming. The conceptualization of 360 degree performance appraisal and its use as a method for assessment of employees are discussed.

INTRODUCTION

Performance appraisal plays a vital role in every organisation. It is used to evaluate the performance of subordinates and to get the feedback from their superiors. It helps to motivate and improve the employee and it also helps the organisation to achieve its goal and fulfil its objectives. Performance appraisal helps to identify the strength and weakness of employees and it also suggests where an employee has to be given training or motivation. Every organisation will have its own method of appraisal. It can be a traditional method or a modern method that improves the efficiency of its employees.

The latest method is the 360 degree performance appraisal which is used in many organisations. Through this method employees are evaluated by the superiors, peer, subordinates and the top superiors around them. Employees are generally awarded or rewarded, promoted or depromoted on the basis of their performance in every organization. The position of an employee will be hiked and suitably rewarded proportional to their high productivity. Assessing the performance of the employees has become common now-a-days in all organizations.

360 degree feedback is defined as the systematic collection of data and feedback of performance data of an individual (or) group derived from a number of the stakeholders in their performance. (Peter ward,360 degree feedback, management tool)[1].

360 degree performance appraisal has become popular recently because of changes, in what organizations expect of their employees, increasing emphasis on performance measurement, changing management concepts and more receptive attitudes.

Systematic collection and feedback of performance data on an individual or group is derived from a number of the stakeholders. It is done in a systematic way through questionnaires or interviews. This formalizes people's judgment from natural interactions they have with each other. There is both collection and feedback process. Data are gathered and feedback is given to the individual participant in a clear way designed to promote understanding, acceptance and ultimately changed behavior[2].

The use of 360 degree feedback has grown dramatically in the recent years. William M.Mercer said that 40% of the companies used 360 degree feedback in 1995; by 2000 this figure jumped to 65% [3].

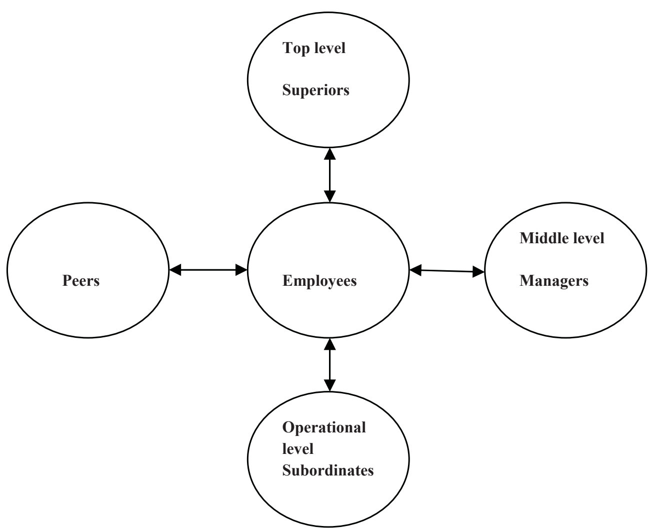
360 degree performance appraisal is used for the development of an organisation as well as the employees of an organisation. The **benefits of 360 degree performance appraisal** are as follows:

1. Identifying the strength and weakness of the employees through open feedback from superiors, peers and others.
2. It works as a tool for implementing training and development programmes for the employees.
3. It helps team building among the employees for better productivity and
4. It helps in improving the productivity of the employees

Business Process Outsourcing is relatively a new sector in the Indian Industry, but it established itself well, growing at a rapid rate, offers employability with handsome initial salary, good growth and many other benefits to its employees. So the attribution rates in the sector, performance measurement and appraisal process is of extreme importance in BPOs.

An incentive on the completion of the defined target is a common practice in BPOs. BPO employees have the advantage of getting performance based incentives. In most of the BPO organisations there are well designed schemes offering the performance based incentives to the individuals and for the team as a whole. TATA, WIPRO, TCS, LASERN and TUBRO are some of the companies that follow 360 degree performance appraisal in their organisations. This paper focuses on how 360 degree performance appraisal is used in BPOs, and how this appraisal leads to productivity and improvement in the employees.

360 degree performance appraisal



REVIEW OF LITERATURE

Review of literature helps us to get the ideas, findings and views of different authors. Extensive reviews of literature of many authour's regarding 360 degree performance appraisal are discussed here.

Coates, D.E (1998) Found that the 360 degree performance appraisal method was the effective solution to the traditional problems. He put forth the three guide points for implementing 360 degree feed back (i) link feedback about competence and behaviour to development decisions. (ii) link feedback about accomplishment or results to personnel and pay decisions and (iii) maintain confidentiality by limiting the amount of 360 degree feedback data the boss gets to see.

Anderson, R. (1999) analysed the factor that helps to leverage performance evaluations for Top productivity. The author addressed several significant considerations for a successful implementation, it is important to understand the effects of the internal and external environment of the organisation, feedback will be used for employee development or performance evaluation and finally the author considered the need for evidence of behavioural changes as a result of the feedback.

Beehr, T.A., (et al) (2001) analysed the relationship between the performance and selection predictors of relationships. The 360 ratings by peers and managers were related to performance appraisals. All significant correlations of manager and peer ratings with selection test were positive, but significant correlations of 360 degree self-ratings with selection test were negative.

Diane M. Alexander, (2006) said that the perceived benefits of implementing 360 degree feedback process will be materialised if it is utilized in the right organizational climate with appropriate expectation for success. In the wrong environment, without the presence or proper training of feedback coaches and raters, the results can be detrimental. He also added that careful consideration should be given to the design of the process as well as to the implementation. In order to derive performance behaviours and performance out comes.

C.VijayaBanu and P.Umamaheswari, (2009), said that 360 degree performance appraisal system helps to identify training needs, performance of employees, and determination of rewards/incentives and steps to promote communication from the perspective of the employees themselves, superiors and from the customers

Silva Karkoulian and Edward Vitale (2011) suggested that studies must be conducted to analyse the success of implementing the 360 degree performance appraisal at small sized organisations, whereby the supervisors and employees are ready to be involved in the process for implementing such scheme. More research is also needed to identify correlation between 360 degree feedback and the different factors associated with it.

OBJECTIVES OF THE STUDY

1. To study 360 degree performance appraisal among the Three level executives in BPOs
2. To study how 360 degree performance appraisal helps to improve the employees productivity.

3. To identify the perceptual difference among the executive and employees about 360 degree performance appraisals.

LIMITATIONS OF THE STUDY

1. Sample size for this study is limited to 200.

2. The study was conducted in BPOs in Chennai city.

METHODOLOGY

The study is based on both Primary and Secondary data. The primary data is obtained through a well structured questionnaire from 200 employees sectioned to ascertain the opinion of Top Level Executives, Middle Level Managers and the Operation Level Executives. Convenient sampling method is applied to obtain the responses from the three types of employees. The collected responses are tabulated and analysed systematically. The Parametric T Test has been used to analyse the primary data.

ANALYSIS AND DISCUSSION

360 degree performance appraisal system in BPO industries in Chennai is ascertained from 3 level executives namely Top level, Middle level Managers, and Operation level employees.

The Top level managers and their performance were evaluated by the people around them. In any organisation, top level is surrounded by the cluster of middle level managers and operation level employees, and evaluations are done by peers and subordinates. In the present research paper, 15 Top level executives, 25 Middle level managers (peers) and 60 operation level employees are considered for the research. The opinion of peers and subordinates are obtained from Likert's 5 point scale which ranges from strongly agree to strongly disagree. The application of parametric T test brought out the following results.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean	T-Value	Sig.(2 tailed)
VAR00001	85	4.3882	.61903	.06714	20.676	.000
VAR00002	85	4.4353	.54439	.05905	24.308	.000
VAR00003	85	4.3529	.66737	.07239	18.691	.000
VAR00004	85	4.5412	.73279	.07948	19.390	.000
VAR00005	85	4.1294	.86998	.09436	11.969	.000
VAR00006	85	4.1647	.48420	.05252	22.177	.000
VAR00007	85	4.8471	.42274	.04585	40.282	.000
VAR00008	85	3.5882	.89035	.09657	6.091	.000
VAR00009	85	3.8824	.77784	.08437	10.458	.000
VAR00010	85	3.3059	.57784	.06268	4.880	.000
VAR00011	85	2.3882	1.31922	.14309	-4.275	.000

Source: Computer data

From the above table, it is found that the mean values of all the 11 variables are arranged from 2.38 to 4.84. Standard deviation which leads to computation of T statistics at 5% level, further the table reveales that the T values for the first ten variables are positive and statistically significant at 5% level. The eleventh variable exhibits the negative T value which is also statistically significant. Therefore it can be concluded that the peers and subordinates agree very strongly that the 360 degree performance appraisal is time consuming (t=40.282, m=4.8471), the performance appraisal is recommended for pay rise for the subordinates and peers (t=19.390, m=4.5412), one time evaluation is better than continuous evaluation (t=24.308, m=4.4353), individual evaluation is better than group evaluation (t=20.676, m=4.3882), positive impact on productivity (t=18.691, m=4.3529), motivation is given to the pay rise (t=22.177, m=4.1647), appraisal are discussed with subordinates and peer groups (t=11.969, m=4.1294). The peers and subordinates strongly disagree that 360 degree performance appraisal has the ability to convert negative attitude in to positive after appraisal.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean	T	Sig.(2 tailed)
VAR00001	75	4.4400	.49973	.05770	24.955	.000
VAR00002	75	4.4000	.63671	.07352	19.042	.000
VAR00003	75	4.4267	.57359	.06623	21.540	.000
VAR00004	75	4.6133	.65540	.07568	21.318	.000
VAR00005	75	4.3067	.46421	.05360	24.377	.000
VAR00006	75	4.2267	.42149	.04867	25.204	.000
VAR00007	75	4.8933	.31077	.03588	52.762	.000
VAR00008	75	3.6000	.86992	.10045	5.973	.000
VAR00009	75	3.9467	.65540	.07568	12.509	.000
VAR00010	75	3.3867	.51710	.05971	6.476	.000
VAR00011	75	2.4667	1.37873	.15920	-3.350	.001
VAR00012	75	3.1733	1.51009	.17437	.994	.323

Source: Computer data

From the above table it was found that mean values of all twelve variables are arranged from 2.4667 to 4.8933. Standard Deviation which leads to the computation of T statistics is at 5% level. The table shows that the T values for the first ten variables are positive and statistically significant at 5% level. The eleventh variable exhibited the negative T value which is also statistically significant. Therefore it is concluded that Top level executives and Operation level subordinates agree strongly that the 360 degree performance appraisal for middle level helps to organise and control the employee to achieve the objectives and goals (t=52.762, m=4.8933),to interact effectively at all levels (t=21.318, m=4.6133), improves productivity (t-24.955, m=4.4400), the work that they commence will be completed on time (t=21.540, m=4.4267), help others to finish work (t=19.042, m=4.4000), possess the ability to convey thoughts clearly through oral/written communication for better understanding (t=24.377, m=4.3067) and has the ability to get the work done from an employee (t=25.204, m=4.2267). The top level executives and operation level employees moderately agreed for the statements that middle level managers are always ready to accept the opportunity given to them (t=12.509, m=3.9467), after appraisal changes in behaviour, attitude etc., is seen middle level managers (t=5.973, m=3.600), and to discuss the developmental planning with the employees (t=6.476, m-3.3862), makes overall observations on the employee's performance (t=-3.350), m=2.4667), The twelveth variable, performance counselling and job rotation are better than termination for poor performance (t=.994, m=3.1733), was found to be insignificant and it is above 5% of the significance.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean	T	Sig.(2 tailed)
VAR00001	40	4.2500	.70711	.11180	11.180	.000
VAR00002	40	4.2250	.76753	.12136	10.094	.000
VAR00003	40	4.2500	.89872	.14210	8.797	.000
VAR00004	40	4.4000	.70892	.11209	12.490	.000
VAR00005	40	4.0000	1.17670	.18605	5.375	.000
VAR00006	40	4.1750	.59431	.09397	12.504	.000
VAR00007	40	4.5250	.59861	.09465	16.112	.000
VAR00008	40	3.0250	.97369	.15395	.162	.872
VAR00009	40	3.6000	.84124	.13301	4.511	.000
VAR00010	40	3.3750	.66747	.10554	3.553	.001
VAR00011	40	2.8000	1.26491	.20000	-1.000	.323

Source: Computer data

The table reveals the mean values of all eleven variables are arranged from 2.8000 to 4.5250. Standard deviation which leads to the computation of T statistics is at 5% level. The table testifies that the T values for the first seven variables, ninth and tenth variables are positive and statistically significant at 5% level. It is concluded that middle level managers and top level executives strongly agree that the 360 degree performance appraisal can take any corrective measure for the improvement of the subordinates (t=16.112, m=4.5250), shows improvement in his work after appraisal (t=12.490, m=4.4000), has the ability to solve problem in difficult situation (t=8.797, m=4.2500), has the ability to convey his thoughts and feelings clearly both in oral and written for better understanding (t=11.180, m=4.2500), shows the cooperation in all the work (t=10.094, m=4.2250), increase ability to achieve the goals or target given by the superiors (t=12.504, m=4.1750), 360 degree performance appraisal helps to improve employees productivity (t=5.375, m=4.000). The middle level managers and top level executives moderately agreed that recommends for pay rise for the subordinates (t=3.553, m=3.3750), ability to determine and initiate actions that results in improved handling of jobs without waiting for approval (t=4.511, m=3.600). The eleventh variable exhibits the negative T value which is also statistically significant at 5% level. But the significance of eight and eleven variable is insignificant.

FINDINGS

The finding reveals the main drift of the study, 360 degree performance appraisal variables were strongly agreed by the peers and the subordinates when the appraisal was made to the top level executives. Peers and subordinates strongly agree that individual evaluation is better than team /group, one time evaluation is more effective and time consuming, for pay rise. This appraisal also shows that when the employees are given motivation and constant encouragement it has positive impact on them. The subordinates and peers have strongly disagreed to one point, the ability to convert negative attitude in to positive after appraisal is not attained.

The top level executives and the subordinates who have done appraisal for the immediate supervisors, strongly agree that 360 degree performance appraisal improves productivity, helps others to finish the work on time, has the ability to interact efficiently with people at all levels, has the ability to get the work done from an employee. In certain cases top level managers and operation level employees strongly disagreed that the overall observations does not reveal the employees performance.

The top level executives and middle level managers, who have done 360 degree performance appraisal for their employees, strongly agreed in certain aspects, and they also moderately agreed that employees show interest towards the job. Ability to determine and initiate actions in handling of jobs without waiting for approval from the superiors and they recommend for pay rise for the subordinates. They strongly disagreed that 360 degree appraisal helps to identify their mistakes for better improvement.

CONCLUSION

In recent times, the 360 degree performance appraisal has been taken by BPOs and other IT sectors and is largely accepted by the employees, middle level and top level BPOs. The study shows that there are certain areas where necessary changes are to be made in order to make 360 degree performance appraisal a more convenient and productive method. The study shows that 360 degree performance appraisal has certainly improved the productivity and it has also developed the skill of the employees.

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A STUDY ON WOMEN ENTERPRENUERS IN MICRO ENTERPRISES

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ABSTRACT:

The early history of entrepreneurship in India reflects from the culture, customs and tradition of the Indian people. Entrepreneurship has its heredity in the occupational pursuits opted by the individual under the caste system in India. Entrepreneurship plays an important role in the economic growth and development of the nation. It is a purposeful activity which includes an initiation, promotion and distribution of wealth and service. An entrepreneur is a critical factor in economic development and an integral part of the socio-economic transformation. Further if such activities are taken up by women, they need to put double the effort compared to men. A survey of women entrepreneurs owning different micro enterprises is initiated to understand the source of motivation behind their entry into entrepreneurship. The study also focuses on the problems and challenges that emerge in women entrepreneurship. Entry of women into male dominated field gives them a real empowerment in terms of economic independence and decision role.

Keywords : Micro, Enterprise, women.

INTRODUCTION

In traditional India, most of the women were homebound. But the scenario is gradually changing and now all most all the fields are women inclusive. Business domain could not stand as an exception to this fact. Globalization and liberalization brought a sea change in the roles played by women. They carved a niche for themselves in the male dominated world. (www.indiatogether.org) Almost all countries have seen an upsurge in Women owned businesses over the last few decades. The veiled entrepreneurial abilities of women in India have witnessed steady alterations with the increasing sensitivity to her role and economic standing in the society. The modern women are fast growing from job aspirants to job creators. They are making their mark as interior decorators, publishers, garment manufacturers, fashion designers, etc and are equally and significantly contributing to the nation's economy. The primary motive for the women to enter the entrepreneurship is for engaging in some economically gainful activity, making money or more money to support the family and a desire for gainful time structuring (Bharathi Kollan and Indira J Parekh,2005). Spread of education, growth in financial institutions and banks and their encouragement to women with special training cells and schemes also helped in the increased women entrepreneurship activity. The Government of India has defined a woman entrepreneurship as "an enterprise owned and controlled by a woman having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women". According to the Centre for Women's Business Research (2008), 10.1 million firms are owned by women (40% of privately owned businesses), employing more than 13mn people and generating $1.9 trillion turnover in United States (Paramjit Mahli, 2008). In India, women constitute around 48 percent of the population but their participation in the economic activities is only 34 percent. As per the Human Development Report (2007), India ranks 96 on the gender related development index of 137 nations. The gender empowerment measures, which estimate the extent of women participation in the country's economic and political activities, rank India as 110th of the 166 nations. Women need to be acknowledged for their unrelenting efforts in keeping their work and family life balanced. Early 50's saw the women entering the businesses only when they had to earn for the family. But the 21st century women enter into the businesses to prove their competencies and expertise, to be self reliant, economically independent and to enjoy the decision making powers. Women entrepreneur is defined as an individual who undertake exigent role to fulfill her personal requirements and in the process become financially self-sufficient. A women entrepreneur always aspire to do something fruitful and positive in the field of business besides bestowing values to family and social life (Business Ideas for Women, 2010) . In this process it is essential for the women to keep themselves motivated to face the challenges which emerge in all the domains where they are working.

OBJECTIVES OF THE STUDY :

The present study is empirical in nature and makes an attempt to understand the source of motivation and analyse the problems and challenges that emerge in women entrepreneurship.

RESEARCH METHODOLOGY:

The study is based on both primary and secondary sources of data. The primary data has been collected through a questionnaire administered to sixty women entrepreneurs located in and around Chennai chosen on a convenience basis. These women are managing micro business enterprises. The data collected from secondary source include news paper reports, articles published in journals and websites.

PROFILE CHARACTERISTICS OF WOMEN ENTREPRENEURS :

The business women represent various demographic features. They differ in the nature of businesses, size of the business, leadership style and form of ownership. Therefore it is essential to map out their socio economic profile. Businesses do not have any gender discrimination.

TABLE-1 PROFILE OF BUSINESS WOMEN

Source : Primary data

Characteristic	Number	Percentage
Crèche	18	30
Beauty Parlor	30	50
Boutique	12	20
Education Levels Below	35	58
Intermediate Upto PG	25	42
Experience as Entrepreneurs (years)		
Less than 2	17	28
2-6	23	38
6-10	09	15
More than 10	11	19
Hours Dedicated to the Business per day : 9 hours		
Average Age : 39 Years		
Average Turnover : Rs. 3.75 Lakhs		
Capital Investment : < Rs.5 Lakhs (90%), Rs5lakhs to 20 lakhs (10%)		

The skills required differ from one business to another. Entrepreneurs start a business depending on their skills, abilities and qualifications. Many studies concluded that women mostly operate in women oriented businesses such as beauty care, tailoring, fashion designing, pickle making, textile selling and so on. Majority of the entrepreneurs under study opted to operate in service sector which included beauty care, finance, travels, schools, marriage bureau and gas agency. The retailing sector is also equally appealing to business women where businesses like pharmacy, jaggery trading, textiles, retail stores and sale of Tupperware are being adopted by them.

Crèches, Beauty parlor Boutique are generally women oriented businesses which require aptitude, creativity and interest towards them rather than educational background. Education gives technical skills and problem solving skills. However, certain businesses do not require the educational support. It is observed that women with lower education i.e., below intermediate are equally competing with those with higher qualifications. It is observed that 58% of business women has studied upto Intermediate and 42% up-to P.G. Women are very critical when it comes to themselves - can I really do this, am I good enough, maybe I have to learn more, others can do it better. It is quite interesting that many successful women have been educated in only girls colleges and schools, which often deliver a safe environment to try out ones personal strengths, learn to overcome weaknesses and be proud of oneself. The enterprises under study are basically micro in nature with capital investment ranging from Rs.2 lakhs to Rs.20 lakhs. A majority of the entrepreneurs (90%) are maintaining an average turnover of below 5 lakhs with others in the range of Rs. 5 lakhs to Rs.30 lakhs. These enterprises are generating employment to a minimum of three and maximum of five. They are managed by married women. The average age of the respondents is calculated at 39 years. Their experience as business women varies from less than 2 years to more than 10 years. 72% of the entrepreneurs are found to have more than 2 years of experience. They add value to family as well as business by being devoted to business for an average time of 9 hours daily.

SOURCE OF MOTIVATION: There are certain driving forces which decide the decision making patterns of people. Entering into business is a risky decision which needs an aptitude, courage and determination. These attributes are either internally cultivated or groomed by other motivating personalities.

TABLE-2 SOURCE OF MOTIVATION

Source	Number	Percentage
Family	11	27
Friends	09	21
Self	21	50
Training	01	02
Total	42	100

PROBLEMS OF WOMEN ENTREPRENEURS

The greatest deterrent to women entrepreneurs is that they are women. Entrepreneurs generally face different kinds of problems such as finance, management, technical, entrepreneurial, marketing and accounting. These problems assume more seriousness in case of women entrepreneurs as they face gender discrimination while solving them. In addition, women have to face social barriers and family problems. A kind of patriarchal – male dominant social order is the building block to them in their way towards business success. The male members think that financing the ventures run by women is a big risk.

I. FINANCIAL PROBLEMS

The financial institutions are skeptical about the entrepreneurial abilities of women. The bankers consider women loonies as higher risk than men loonies. The bankers put unrealistic and unreasonable securities to get loan to women entrepreneurs. According to a report by the United Nations Industrial Development Organization (UNIDO), despite evidence that women's loan repayment rates are higher than men's, women still face more difficulties in obtaining credit, often due to discriminatory attitudes of banks and informal lending groups (UNIDO, 1995b). Entrepreneurs usually require financial assistance of some kind to launch their ventures - be it a formal bank loan or money from a savings account. The women entrepreneurs are suffering from inadequate financial resources and working capital. The women entrepreneurs lack access to external funds due to their inability to provide tangible security. The problems identified under this category are working capital, sanctioning of loan, disbursement of loan, management of finance, complicated procedure of bank loan, delay in getting loan, reimbursement of loan and lack of guarantee. Inadequate working capital is reported by majority (50%) of them followed by complicated procedure of bank loan.

II. MANAGEMENT PROBLEMS

The management problems generally faced by entrepreneurs are planning, organizing, coordinating, and controlling. Ninety percent of the entrepreneurs reported to have faced all most all these problems. The major problems identified are planning the business (62%), organizing the business (22%) and coordinating and controlling (16%).

III. TECHNICAL PROBLEMS

The technical problems of the entrepreneurs include old and obsolete method of production, lack of adequate training, upgrading of the skills, little designing skills, lack of skilled workers, modern machineries, ideas and time to develop the product, research facilities and low budgets on research development. Knowledge of latest technological changes, know how, and education level of the person are significant factor that affect business. The literacy rate of women in India is found at low level compared to male population. Many women in developing nations lack the education needed to spur successful entrepreneurship. According to The Economist, this lack of knowledge and the continuing treatment of women as second-class citizens keeps them in a pervasive cycle of poverty ("The Female Poverty Trap," 2001). The studies indicate that uneducated women do not have the knowledge of measurement and basic accounting. The respondents reported that getting skilled workers and upgrading their own skills are major problems.

V. ENTREPRENEURIAL PROBLEMS:

Entrepreneurial problems include lack of experience, lack of training, inconvenience in procuring raw material, low profits, financial problem, low risk taking attitude, complicated trade license procedures, lower participation in trade fair, no access to bank loans and financial institutions, no membership with the chamber of commerce, missed profitable orders and buyers, inaccessibility to export and import related sectors. Knowledge of alternative source of raw materials availability and high negotiation skills are the basic requirement to run a business. Getting the raw materials from different source with discount prices is the factor that determines the profit margin. Lack of knowledge of availability of the raw materials and low-level negotiation and bargaining skills are the factors, which affect women entrepreneur's business adventures.

V. ENTREPRENEURIAL PROBLEMS:

Entrepreneurial problems include lack of experience, lack of training, inconvenience in procuring raw material, low profits, financial problem, low risk taking attitude, complicated trade license procedures, lower participation in trade fair, no access to bank loans and financial institutions, no membership with the chamber of commerce, missed profitable orders and buyers, inaccessibility to export and import related sectors.

Knowledge of alternative source of raw materials availability and high negotiation skills are the basic requirement to run a business. Getting the raw materials from different source with discount prices is the factor that determines the profit margin. Lack of knowledge of availability of the raw materials and low-level negotiation and bargaining skills are the factors, which affect women entrepreneur's business adventures. Twenty four percent of women expressed that they face the export and import related problems. . Low-level risk taking attitude is another factor affecting women folk decision to get into business. Low risk taking attitude (46%) and financial problems (52%) are identified as entrepreneurial risks

V. GOVERNMENT SUPPORT

Both Central and State governments are implementing various assistance, schemes for the promotion of women entrepreneurship. But in practice the respondents face many difficulties in obtaining government assistance due red-tapism at various levels, exploitative advisors, problems due to dishonest officials, complicated and time consuming long procedures in getting the assistance, etc. Government extends support to women entrepreneurs in the form of priority loan lending, concessional interest, specially designed schemes, training facilities, tax concessions and so on. Majority of the entrepreneurs (82%) reported lack of government support as a problem while 44% of the entrepreneurs expressed that they lack knowledge about concessions offered by the government where as 23% reported that they do not know any information about tax concessions.

VI. MARKETING PROBLEMS

Another argument is that women entrepreneurs have low-level management skills. They have to depend on office staffs and intermediaries, to get things done, especially, the marketing and sales side of business. Here there is more probability for business fallacies like the intermediaries take major part of the surplus or profit. Marketing means mobility and confidence in dealing with the external world, both of which women have been discouraged from developing by social conditioning. Even when they are otherwise in control of an enterprise, they often depend on males of the family in this area. All the entrepreneurs felt that marketing is the major problem. Missing networks - through centuries business men have build up their networks but women still have to learn to catch up 31% reported that lack of publicity is causing great problem, 18% complained that right price is not received by them because of their lack of bargaining skills while selling and purchasing.

VII. SOCIAL BARRIERS

Family restrictions and religious belief and traditional customs are the social barriers. Indian women give more emphasis to family ties and relationships. Married women have to make a fine balance between business and home. More over the business success is depends on the support the family members extended to women in the business process and management. The interest of the family members is a determinant factor in the realization of women folk business aspirations. The study reveals that 50% of women entrepreneurs do not face any social barriers. However, it is found that 30% of them suffer from family restrictions and 20% reported problems on account of religious beliefs and traditional customs.

VIII. ACCOUNTING PROBLEMS

Maintaining books of accounts, computerization of accounting, lack of knowledge and approach to a professional accountant are the accounting problems. 87% of the women entrepreneurs felt that maintaining books of accounts is the biggest problem while 36% reported that they do not have knowledge of accounting and 11% felt that non computerization of accounts has become a problem.

IX. FAMILY PROBLEMS

Less time for the family, children education and personal hobbies, lack of support from family members are the major family problems faced by women entrepreneurs. It is clear, that women have the responsibility of getting children and taking care of them. If they want to become entrepreneurs, the society expects them to be able to do both: take care of family and home and do business. 93% women entrepreneurs reported that family life and work life blend becomes a problem. They felt that they are not able to spend enough time with family (39%), concentrate on children's education (30%)and have lack of support from family (11%) and less time for personal hobbies and relations (7%).

X. DISCRIMINATION: Discrimination - The male - female competition is another factor, which develop hurdles to women entrepreneurs in the business management process. Despite the fact that women entrepreneurs are good in keeping their service prompt and delivery in time, due to lack of organizational skills compared to male entrepreneurs women have to face constraints from competition. The confidence to travel across day and night and even different regions and states are less found in women compared to male entrepreneurs. Discrimination in business may arise due to gender, caste and education, etc. It is observed that only 42%

of women entrepreneurs reported discrimination. Further, it is observed that discrimination on account of education is faced by 19% followed by gender (16%) and caste (6%). It can be concluded that gender discrimination is not a major problem and women can overcome it very easily.

ADVICE OR CONSULTANCY AND SUPPORT

A question was posed to women entrepreneurs whether they require any consultancy in the area of finance, taxation, technical, legal or accounting. It was found that 10% do not require any consultancy whereas 50% of them wanted financial advice. Technical advice is sought by 25%, whereas 10% require legal advice. Therefore government should create a single window through which the entrepreneurs are given consultancy in various areas while entering into business and even during the running of business.

EMERGING CHALLENGES IN WOMEN ENTREPRENEURSHIP

Various challenges emerge in entrepreneurship and the art of entrepreneurship lies in managing them. The respondents identified competition (39%), lack of capital (34%), accessibility to market (20%), lack of specific information and high cost of production (7%) as major challenges.

CONCLUSION:

Irrespective of the problems and challenges that emerge in the process of entrepreneur ship, women are going ahead in the business domain. Their innate mental flexibility, vision for long-term planning, patient attitude, sincerity and the ability to tolerate ambiguity and changes are a valuable asset for business ventures. The Government and other financial institutions should enhance support lending activities to these women thorough single window schemes. More awareness camps have to be conducted. Educational institutes too need to inculcate the entrepreneurial skills in the women.

All the players in the field should understand that motivation and environmental demography plays a crucial role in the increased women entrepreneurship activity.

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A STUDY ON ANALYZING THE SECTORWISE DISTRIBUTION OF GROSS STATE DOMESTIC PRODUCT (GSDP) OF THE UT OF PONDICHERRY DURING THE PERIOD 1994-05 TO 2010 - 11

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ABSTRACT

Pondicherry is one of the Union Territories where a comprehensive aid Programme for the development of industries, is in operation. The Industrial growth is one of the sources for economic development of a nation. The Gross State Domestic product (GSDP) is the best indicator of economic development of a country. The GSDP and the Per-capita income of the UT of Pondicherry have been more than other states. The per capita income of the UT of Pondicherry has been shows an increasing trend also. The GSDP of the UT of Pondicherry includes the income from all the three sectors like primary sector, industrial sector and Tertiary sector. The present study is aimed at analyzing the contribution of industrial sector in the GSDP of the UT of Pondicherry and the types of industries which take more part in the GSDP of UT of Pondicherry. The Secondary data were collected from annual report of Economic and statistics department of Government of Pondicherry and DIC of Pondicherry. Data pertaining to the period from 1994-95 to 2010-11 alone were collected and the collected data were tabulated and analysed with appropriate statistical tools.

INTRODUCTION

Pondicherry is one of the Union Territories where a comprehensive aid Programme for the development of industries, is in operation. Every conceivable need has been identified and provided for like the infrastructure facilities of roads, railways power, health, education, and banking are the essential pre-requisites for the economic-development of any region and the UT is well served by these facilities and it can safely be said that basic amenities have been so provided that new units could emerge and grow almost in any part of the UT.

SCOPE OF THE STUDY

Industrial growth is one of the sources for economic development of a nation. The State Gross Domestic product is the best indicator of economic development of a country. The GSDP and the Per-capita income of the UT of Pondicherry have been more than other state's and the per capita income of the UT of Pondicherry has been showing an increasing trend also. The GSDP of the UT of Pondicherry includes the income from all the three sectors like primary sector, industrial sector and Tertiary sector. The present study is aimed at analyzing the contribution of industrial sector in the GSDP of the UT of Pondicherry and the type of industries which take more part in the GSDP of UT of Pondicherry.

OBJECTIVES

- To analyse the types of industries registered in the UT of Pondicherry.
- To find out the contribution of industrial sector in the Gross state Domestic Product of the UT of Pondicherry.
- To analyse the types of industries which are taking more part in the SDGP of the UT of Pondicherry

METHODOLOGY

Secondary data were collected from annual report of Economic and statistics department-Govt. of Pondicherry and DIC of Pondicherry. Data was collected only from the period from 1994-95 to 2010-11. The collected data were tabulated and analysed with appropriate statistical tools such as Percentage calculation, Average Annual Growth rate, Compound Annual growth rate etc.

GROWTH OF REGISTERED MANUFACTURING INDUSTRIES IN THE UT OF PONDICHERRY

Industrial development in Pondicherry has been a thrust area for the government of Pondicherryand It was targeted as early as the Second Five Year Plan (1956-57 to 1960-61). The idea of industrial estates was floated at this time and the first industrial estate was operational by the Third Five Year Plan (1961-62 to 1965-66). Pondicherry is attracting industries through subsidies, power, efficient labour and various incentives and concessions. For the purpose of evaluating the Percentage of Annual growth of Industries registered in the Union Territory of Pondicherry, the relevant data were collected and presented in the table I.

Table I
Trend of registered manufacturing industries during the year 1994-95 to 2010-11

Year	Number of Industries	Accumulated Number of Industries	% of Annual growth of registered Industries
Upto1993-94	5038	From 1994-95	From 1994-95
1994-95	313	Base series	Base series
1995-96	271	584	86.6
1996-97	104	688	17.8
1997-98	241	929	35.0
1998-99	316	1245	34.0
1999-00	193	1438	15.5
2000-01	252	1690	17.5
2001-02	154	1844	9.1
2002-03	308	2152	16.7
2003-04	270	2422	12.5
2004-05	197	2619	8.1
2005-06	140	2759	5.3
2006-07	160	2919	5.8
2007-08	144	3063	4.9
2008-09	216	3279	7.1
2009-10	201	3480	6.1
2010-11	189	3669	5.4
Total	**8707**	**3669**	287.6
AAGR	-	-	**18.%**
CAGR	-	-	**16%**

Source: Reports of Directorate of Industries, Pondicherry

The observation of the table I, shows that every year some new institutions have been registering for setting up industries in the Union Territory of Pondicherry. The lowest number of units registered was 104 in the year 1996-97 and the highest was 316 in the year 1998-99. The average annual growth rate was 18%during the period of this study. That is why the number of units are 8707 when compared to 5038 in the year 1993-94 and The CAGR of industries registered had been 16% during the study period. This has been shown in the figure-**I.**

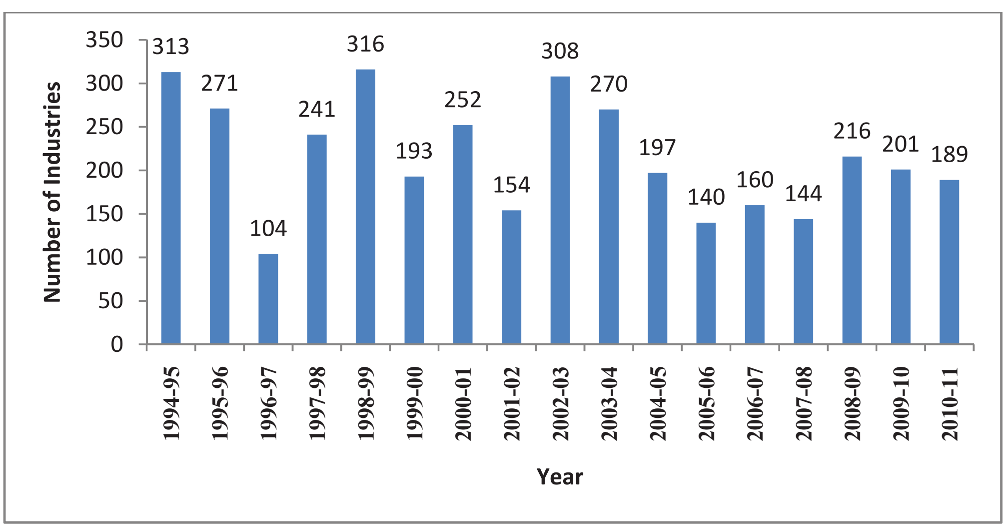

Figure I: Trend in the growth of registered manufacturing industries during the year 1994-95 to 2010-11

TYPE OF INDUSTRIES

The availability of resources in Pondicherry is suitable for starting different types of industries. The Government of Pondicherry has given license mostly to light and unpolluted industries (in the nature of working) in order to protect the environment. It is cleared from the table II.

Table II

Type of registered manufacturing industrial units set up during the year 2010-11

Categories	LSI	MSI	SSI	Micro	Total	(%)share to Total
Food Product	6	13	910	19	948	11
Cotton & wool	7	10	881	239	1137	13
Wood Product	0	0	478	15	493	6
Paper & Printing	4	7	443	34	488	6
Leather, Rubber & Plastics	11	41	806	74	932	11
Chemical & Chemical Product	24	34	1626	48	1732	20
Non-Metallic Mineral Products	8	5	307	18	338	4
Metal Product	3	22	900	33	958	11
Machinery &Parts	11	41	649	21	722	8
Miscellaneous	0	0	238	159	397	5
Personal service & Hotel Project	3	14	215	63	295	3
Repairing and services	0	0	254	14	268	3
Total	**77**	**187**	**7707**	**737**	**8708**	**100**

Source: Reports of Directorate of Industries, Pondicherry

It is understood from the table that the Chemicals and chemical products percentage of shareis the largest comprising 20 per cent of the total industrial units set up in Pondicherry followed by food products (11 per cent), metal products (11 per cent), cotton products (13.3), and leather, rubber, plastic products (11 per cent). Most of the industries in all the sub-sectors are small scale in nature. As per location, 80 per cent of these industries are in Pondicherry region. Figure II shows clearly the types of industrial units registered in the UT of Pondicherry.

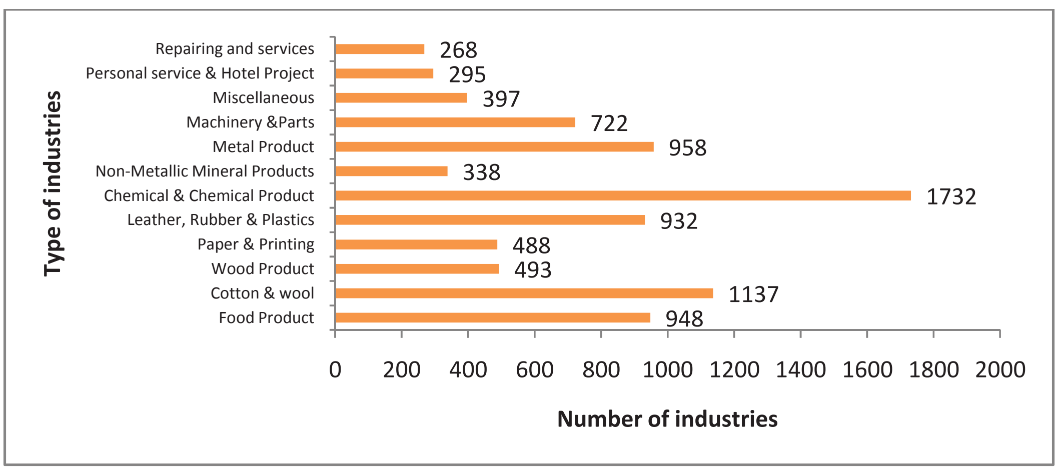

Figure II: Type of registered manufacturing industrial units set up during the year 2010-11

EXPORTS OF MAJOR ITEMS

The export is likely to grow more as new technical and financial collaborations are clinched as part of globalization of industries. The Union Territory of Pondicherry is already famous for its leather goods, handicraft, and textile products in the world. Avenues for increasing these exports and for exporting other commodities to various countries need to be ascertained for boosting the exports. During 2010-11, the major exports of some of the important products are made and they are shown in Table III

Table III

Major Items of Exports in the year 2010-11 (Rs. in crores)

S.No	Name of the Product	1994-95 (Rs.)	% to total	2010-11 (Rs.)	% to total
1	Leather, Rubber and Plastics goods	67	**21.97**	87	**14.90**
2	Chemical and Chemical Products	78	**25.57**	260	**44.52**
3	Metal Product	33	**10.82**	186	**31.85**
4	Non-Metallic & Mineral Products	48	**15.74**	2	**0.34**
5	Cotton & Wool Products	59	**19.34**	2	**0.34**
6	Machinery and Parts	15	**4.92**	4	**0.68**
7	IT	2	**0.66**	40	**6.85**
8	Paper and Printing Products	3	**0.98**	1	**0.17**
9	Food Products	5	**1.64**	2	**0.34**
	Total Value	**305**	**100**	**584**	**100**

Source: Records of District Industries Centre Pondicherry.

The observation of the table shows that the exports of chemical and chemical products have constituted the major product of export 44.52 percent to the total export value in the year 2010-11 and Paper and printing products have constituted the minor product exported ice.O.17 percent. It is also observed from the table that leather, chemical and metal products have been contributing the major products in total export in terms of value during the year between 1995-96 to2010-11.Products of Information Technology have been growing from 2% in the year 1994-95 to 40% in the year 2010-11.Cotten and machinery products have become the lowest percentage of Export value. Figure III shows very clearly.

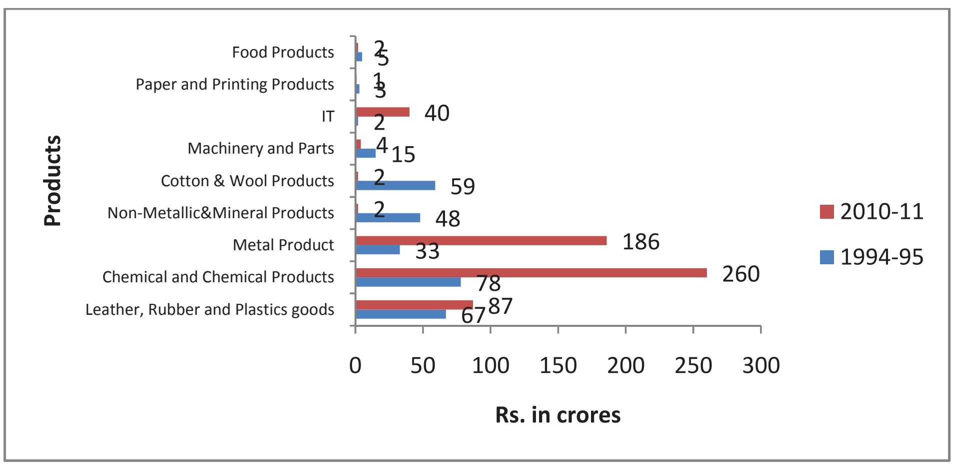

Figure III: Major Items of Exports in the year 2010-11 (Rs. in crores)

ANALYSING GSDP OF THE UT OF PONDICHERRY:

Pondicherry is not rich in natural resources, which could have provided the Union Territory a comparative advantage in specific industries. Its attraction to investors has been in terms of easy availability of land, water, labour, and power and in terms of incentives, concessions and tax holidays .Over the last couple of decades, the Union territory has built up infrastructure which have served as basis for industrial growth. Infrastructure needs to be strengthened to aid growth in the future. GSDP is a key factor indicating the economic condition of the state. For the purpose of evaluating the Industrial growth in terms of Gross State Domestic Product (GSDP), Employment generated, the relevant data have been collected from the Pondicherry Government Department of Economic and Statistics. This department is updating the growth once in five years and hence the last seven years data have been collected and presented in the Table IV. Which show the Gross State Domestic Product and per capita income of people of Pondicherry.

Table IV

Gross State Domestic Product at constant prices for the period 2004-05 to 2010-11

Years	GSDP (Rs. in crore)	Population (No. in thousands)	Per-Capita Income (in Rs.)
2004-05	5748.71	10420	55218
2005-06	7188.22	10617	67705
2006-07	7453.41	10818	68898
2007-08	8093.29	11023	73422
2008-09	8794.11	11232	78295
2009-10	10175.73	11444	88918
2010-11	11199.5	11661	96042
AAGR	13.5%	1.7%	10.5%
CAGR	10%	2%	8%

Source: Reports of Directorate of Economics and Statistics, Government of Pondicherry

It is understood from the table IV that the AAGR(Average annual growth rate) of GSDP for the past seven years had been at 13.5 %.The average annual growth rate of per capita income had been at 10.5% during the period of this study. The CAGR (Compound Annual Growth Rate) of GSDP, population and per-capita income have been 10%, 2% and 8% during the period from 2004-05 to 2010-11.The AAGR and CAGR of population of Pondicherry have been recorded at 1.7% and 2% respectively during the period of this study. Figure IV shows the trend of the GSDP of the UT of Pondicherry.

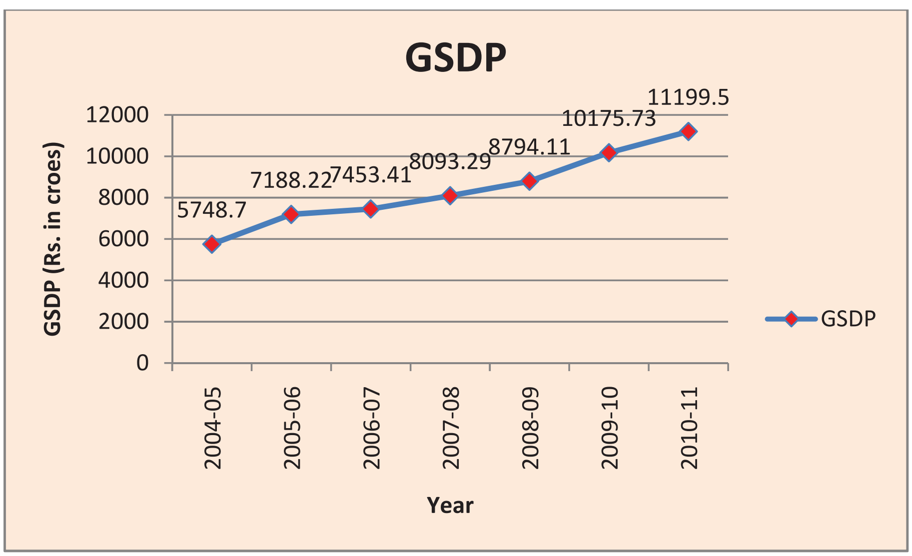

Figure IV Gross State Domestic product at constant prices during 2004-05 to 2010-11.

INDUSTRIAL SECTOR'S CONTRIBUTION TO GROSS STATE DOMESTIC PRODUCT:

The Sectoral Contribution to the Gross state Domestic product of Pondicherry has been analysed from 2004-05 to 2010-11. The contribution of industrial sector had played a major part in GSDP in industrially advanced countries Table V explains the sectoral contribution in GSDP of Pondicherry.

Table V

Sectoral contribution in Gross State Domestic Product at constant price during 2004-05 to 2010-11 (Rs. in crores)

Years	Primary Sector	Share to GSDP	Secondary Sector	(%) Share to GSDP	Tertiary Sector	(%) Share to GSDP	Total GSDP	Total GSDP (100%)
2004-05	304.82	**5**	2883.01	**50**	2560.88	**45**	5748.71	**100**
2005-06	294.45	**4**	3895.47	**54**	2998.3	**42**	7188.22	**100**
2006-07	324.04	**4**	3660.15	**49**	3469.22	**47**	7453.41	**100**
2007-08	319.71	**4**	3900.97	**48**	3872.61	**48**	8093.29	**100**
2008-09	472.58	**5**	4115.91	**47**	4205.62	**48**	8794.11	**100**
2009-10	392.77	**4**	4723.06	**46**	5059.9	**50**	10175.73	**100**
2010-11	424.97	**4**	5042.94	**45**	5731.59	**51**	11199.5	**100**

Source: Reports of Directorate of Economics and Statistics, Pondicherry

The observation of the table V shows that the primary sectors share in the total GSDP had increased from 4 percentages to 5 percentages in all the given years. On the other hand the percentage share of Secondary sector (Industrial Sector) had been ranging between 45 percentages in the year 2010-11 to 54 percentages in the year 2005-06. In the same way the share of the Territory sector was ranging between 42 percentages in the year 2005-06 to 51 percentages in the year 2010-11.This shows that the Government of Pondicherry had contributed a lot to the development of Territory and more than that to the Industrial development. Figure VI shows clearly the position of the Secondary sector.

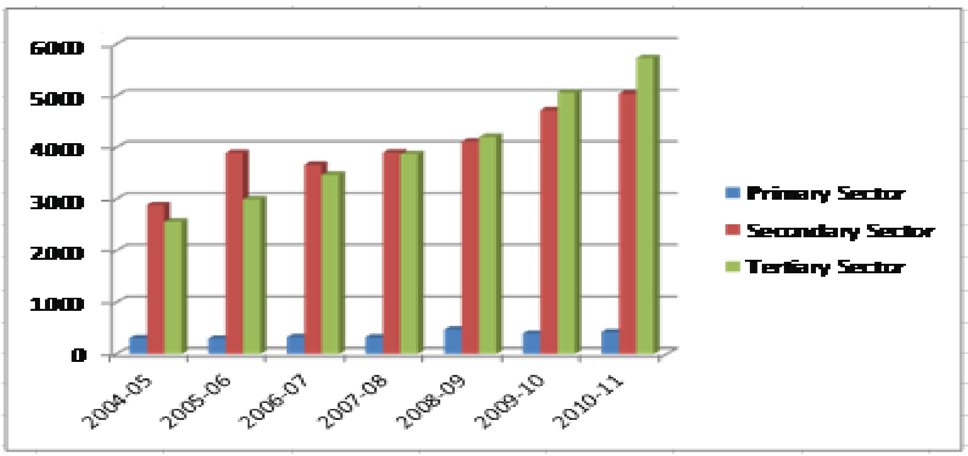

Figure V Sectoral contribution in Gross State Domestic Product at constant price during 2004-05 to 2010-11.

CONCLUSION

The trend of the industrial growth in manufacturing industries shows that the number of industries registered has been not regularly either increasing or decreasing position. There is more floatation in the number of industries registered because of withdrawal of all subsidies and tax concessions from year 2006-07 onwards. Most of the industries registered are based on the chemical and chemical based industries. The export of major items shows that chemical products have been exported more to other countries. Secondary sector (Industrial sector) and Tertiary sector have been taking more contribution in the GSDP of the UT of Pondicherry. The chemical and chemical product have been a major contributor to GSDP of the UT of Pondicherry.

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MICROFINANCE IN INDIA : AN OVERVIEW

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ABSTRACT

Micro finance is the provision of financial services to low income, poor and very poor self employed people. The purpose of this paper is to explore three points at which micro finance intersects with development, to argue why three intersections make micro finance compelling from the perspective of development and to explain why practitioners, donors and others involved in the micro finance field trend to forget the connection between the two.

BACKGROUND

Indian microfinance had come of age from the early steps taken in the later part of the decade of 1990s. While the roots of what is known today as microfinance is usually traced to the establishment of the Shri Mahila Sewa Sahakari Bank (popularly known as Sewa Bank) in 1974, the growth picked up only in the new century. Mysore Resettlement and Development Agency (MYRADA) was seen as one of the early innovators of the concept of self-help groups (SHG). The concept had emerged in 1984-85, but it was only after the National Bank of Agriculture and Rural Development (NABARD) saw the merit in this model of microfinance that it was accepted as a predominant model of achieving financial inclusion, by the government agencies.

In the later part of 1990s, a new breed of institutions started cropping up. BASIX was an acknowledged pioneer of private sector microfinance in India. The promoter of BASIX – Vijay Mahajan – was an acknowledged leader of the microfinance sector. The model followed by his organization was significantly different from the ones that followed. The other MFIs followed what is known as the classic Grameeen Model. The earliest to establish operations under this model was Share which initially operated as a not-for-profit NGO, followed by Spandana and SKS Microfinance. All the three organizations were based in AP.

THE LANDSCAPE

The access to formal financial services for the poor is provided through multiple channels such as branches of commercial banks, regional rural banks and co-operatives. The informal sector has a fairly significant share in the market. Over the decades, the role and importance of these institutions has changed. The co-operatives assumed significant market share in the decade of 60s. Following the nationalization of banks in 1969, there was improvement in the rural branch network of the public sector banks. Between 1969 and 1990, bank branches were opened in around 30,000 locations that were un-banked. After 1991, the growth of branch expansion in rural and semi-urban areas slowed down. In addition, the movement in terms of transaction size was also away from the smaller tickets. If we look at the average size of small borrowal accounts (loans of less than Rs. 200,000), we find that the average loan size which was around 10,900 in 1997, had moved up to Rs.25,660 by 2003 to Rs.36,520 by 2009. The co-operative sector was going through a revival process, but progress was yet to be seen. There was a gap left by the banking sector in providing services to the poor.

The structuring of the delivery of micro-financial services was in response to what was perceived as a lacuna in the banking system. The attributes that defined microfinance could be classified as under:

- The loan amounts were small, spread over a large number of clients, thereby addressing the issue of concentration risks.
- The repayments were structured to be regular (weekly, fortnightly, or monthly depending on the model) thereby maintaining a regular contact with the borrower; this ensured that any adverse event affecting repayment was factored as quickly as possible.
- The transactions were aggregated at an intermediary location – reducing transaction time and cost and bringing in efficiencies in having a predictable volume of transactions.
- Elaborate documentation was replaced by social pressure, passing on part of the cost of follow-up to the customers.

The above attributes encouraged the clients to take up certain types of activities. The portfolios of MFIs showed that a major part of the loans were for activities that yielding a regular cash flows; 72 per cent of the finance from MFI lending went towards supporting animal husbandry.

The other purposes were businesses that had regular cash flows – petty businesses such as vegetable vending, small provision stores and so on.

The basic philosophy of microfinance was to provide easy finance without monitoring end use, which was recorded for documentation purposes. Although most MFIs claimed that their loans went for productive purposes, there was evidence the loans were used for consumption as well. Experience elsewhere showed that consumption credit led to problems. The collapse of some MFIs in Bolivia was attributed to competitive consumer finance. In AP, when Spandana started its consumer finance, it was initially hailed as an innovation as they financed the purchase of gas stoves, pressure cookers and water filters – classified as drudgery-reducing or hygiene-enhancing items. When Spandana expanded its lending with a bundled superstove having around 3,000 stock keeping units, including lifestyle items such as televisions, washing machines and jewellery, it was accused of pulling the poor into a debt trap by luring them into buying things they did not need.

MODELS OF MICROFINANCE

There were two predominant models of microfinance – Grameen and Self Help Groups (SHG) (the third called Individual Banking Model was not widespread in India). There were differences on how these models were applied in different regions and by different players.

Grameen Model

The Grameen model was inspired by the Grameen Bank of Bangladesh. This model was supply-driven and grew fast. Between 1996 and 2010, organizations following the Grameen model had shown the fastest growth in terms of number of clients. The main features of the Grameen methodology were as follows:

- Groups of 5, and centres containing 6-8 groups were formed as a unit. A village could have multiple centres. The group had to maintain financial discipline. For instance, if one of the members of the group defaulted, it was necessary for the others to fill in on her behalf irrespective of whether the member was present or not.
- Loans were given on a step-up basis, and it was necessary for all the members to take loans.
- Default was not tolerated; social pressure was used in recovery. Worldwide, Grameen replicators reported near 100 per cent repayment rates.
- The interest rates were relatively high, ranging up to an effective interest rate of around 38 per cent per annum. The rates covered training, group formation and follow-up costs. While the old Grameen replicators took around five years to break even, with growth, a new outfit could break even in about three years.
- Break-even points occurred fasters in areas where other Grameen replicators had already done some business, as the market development costs were borne by the first mover.
- Most loans were offered for a year. The designs of the loans were simple, and the instalments were due every week. The loans were given in multiples of Rs.1,000 for duration of 26 and 52 weeks. Equated instalments were collected on the basis of a flat interest rate.

THE MICROFINANCE SECTOR; POLICY ENVIRONMENT AND SOME TRENDS

The policy pronouncements in the last few years had been encouraging for the microfinance sector as a whole. In November 2004, the Reserve Bank of India (RBI, India's Central Bank) notified that commercial banks were allowed to treat unsecured advances to SHGs with a group guarantee on par with secured advances for the applicability of prudential norms. This encouraged the banks to take an exposure on SHGs aggressively. In April 2004, the RBI announced that lending to microfinance operations even through intermediaries would be reckoned as a part of the mandatory priority sector lending. The commercial banks were expected to earmark 40 per cent of their net bank credit to sectors identified as priority sector, which included agriculture, small industry, housing, education and other identified sectors. Similar announcement was made pertaining to the banks' advances given to NBFCs for on-lending for agricultural operations. Both these initiatives opened up a larger microfinance market to the commercial banks, without jeopardizing their own achievements on the priority sector targets.

The banking sector continued to actively participate in this market both by financing SHGs directly and through the intermediary structure such as NGOs and federations. The banks were also aggressively funding other microfinance organizations that followed the Grameen model. In 2005, the commercial banks had sanctioned around Rs.14.58 billion for SHGs and in all Rs.140 billion for other groups and NGOs (including SHGs). By 2009, the number had exponentially grown to a sanction of Rs.82.86 billion for microfinance and nearly Rs.192.74 billion for other groups and the NGOs (excluding microfinance). As of date, the SHGs and the MFIs are estimated to have bank finance to the extent of Rs.300 billion each. Signaling from the state in encouraging the banks to lend more to microfinance also played a role in increasing the involvement of the banks. Banks started seeing this portfolio as one that gave a good risk adjusted return.

CORE VALUES IN MICROFINANCE

1. Integrity:

Our mission is to service low-income-clients – women and men – and their families, providing them short-term and/or long-term access to financial services that are client-focused designed to enhance their well-being and delivered in a manner that is ethical, dignified, transparent, equitable and cost effective.

2. Quality of Service:

We believe that our clients deserve fair and efficient microfinance services. We will provide these services to them in as convenient, participatory and timely manner as possible.

3. Transparency:

We shall give our clients complete and accurate information and educate them about the terms of financial services offered by us in a manner that is understandable by them.

4. Fair Practices:

We are committed to ensure that our services to our clients are not unethical and deceptive. In providing microfinance services including lending and collection of dues, we are committed to fair practices, which balance respect for client's dignity and an understanding of a client's vulnerable situation, with reasonable pursuit of recovery of loans.

5. Privacy of Client Information:

We will safeguard personal information of clients, only allowing disclosures and exchange of such information to others who are authorized to see it, with the knowledge and consent of clients.

6. Integrating Social Values into Operations:

We believe that high standards of governance, participation, management and reporting are critical to our mission to serve our clients and to uphold core social values.

7. Feedback Mechanism:

We shall provide our clients formal and informal channels for their feedback and suggestions for building our competencies to serve our clients better.

CONCLUSION

Banking systems in India actively participate in the micro financial activity by financing Self Help Groups directly and through the intermediary structure such as NGO's and federation. Banks are aggressively funding microfinance by adopting Grameen Model. It can be concluded that microfinance has long way to go in the Indian Banking and financial system in this new era of modernization, liberalization and globalization.

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"THE IMPACT OF HUMAN RESOURCE MANAGEMANT PRACTICES IN IT EMPLOYEES TURNOVER"

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1.0 INTRODUCTION:

Turnover is defined as the ''individual movement across the membership boundary of an organization''.The broad range of turnover studies is indicative of the significance and complexity of the issue. The imperative for HRM managers to understand that there are several factors inherent to counter staff intentions or turnover.

Elsdom (2000) Definition: Everyone knows that employee turnover is expensive, which is why it's important to know that "exit interviews have proven to be a very effective way to gather the necessary data to take corrective action at a very low cost"

Smith (2001)) Definition "The real benefit of exit interviews is the change to exchange information. At the same time, the employee may share with you important information affecting your organization. And the process involves minimal cost and time".

Exit interview is simply a means of determining the reasons why a departing employee has decided to leave an organization. In fact, it appears that many organizations take this definition literally... in a 1992 survey conducted by Human Resource Executive Magazine, 96% of HR managers agree that they conduct exit interviews with employees who are leaving voluntarily.

The impact of Human Resource Mismanagement can have a profound negative effect on the organization. The expectancy theory predicts that one level's of motivation depends on the attractiveness of the rewards sought and the probability of obtaining these rewards can hold sway current organization management's objective to achieve high productivity and competitive edge in the 'market place'.

Employees desire compensation system that they perceive as being fair and commensurate with their skills and expectations. Pay therefore is a major consideration in an organization because it provides employees with a tangible reward for their services as well as source of recognition and livelihood.

1.2 RELATIONSHIP BETWEEN HRM PRACTICES AND TURNOVER INTENTION:

It is important for HRM to overcome employees' turnover intention. Issue encountered may be in the areas of shrinking pool of entry- level workers, individual differences, use of temporary workers, productivity and competitiveness, retirement benefits and skills development. With the attraction of younger and better educated workforce, there is also a growing concern especially in the courts as organizations and individuals attempt to define rights, obligations and responsibilities.

HRM considers day care, job sharing, parental leave, flexitime, education and retraining and job rotation as an incentive to balance the concerns besides reviewing compensation and benefits. People are seeking many ways of live that is meaningful and less complicated and this new lifestyle actually has an impact on how an employee must be motivated and managed. HRM has become so complex now when it was much less complicated in the past when employees were primarily concerned with economical survival.

1.3 WHY PEOPLE LEAVE- FEW EXPRESSIONS

Rank	Physicians' View	IT View	Others' View
1	Stress	Stress	Stress
2	Base Pay	Base Pay	Base Pay
3	Length of Commute	Work/life Balance	Promotion Opportunity
4	Promotion Opportunity	Trust/ confidence in Management	Work/life Balance
5	Trust/ confidence in Management	Length of Commute	Length of Commute

[Source: Watson Wyatt & ASHHRA, 2008/9 Work Attitudes Research]

1.4 COMMON QUESTIONS

The exit interview questionnaire contains questions that solicit employee's views and feedback regarding his or her time in the organization. Some of the common questions that find their place in the questionnaire include:

- Reasons for leaving
- What the organization could have done differently to prevent the resignation
- What the employee liked best about the organization
- What the employee liked worst about the organization
- Feedback on the processes, procedures and systems
- Feedback on the communication within the organization
- Feedback on whether the employee feels the organization is doing enough to motivate the employees
- Feedback on the different leadership styles witnessed by the employee in the organization
- Whether the organization used the employee's talents fully, and what the employee could have done extra if provided with the opportunity
- Feedback on the training and developmental interventions offered to the employee
- Feedback on the objectivity of the promotion policy
- Feedback on the equity and perceived equity of the compensation package
- Feedback on the working conditions, such as hours of work, holidays, and the like
- Feedback on working conditions, such as soundness of machinery, safety policy, and the like
- Whether the employee felt proud to say he or she was working with the company, with reasons
- Whether the employee has been a victim of discrimination or harassment at any stage
- What considerations offered by the new company prompted the employee to leave
- Additional information that the employee might want to offer the company

2.0 COMPENSATION AND BENEFIT:

HRM must take note that pay is the main consideration because it provides the tangible rewards for the employees for their services as well as a source for recognition and livelihood. Employee compensation and benefits includes all form of pay, rewards, bonuses, commissions, leaves, recognition programs, flexi work hours and medical insurance.

2.1 RETENTION STRATEGIES IN ITES-BPO INDUSTRY

HR professionals all over the world, working is Call-Center or Contact Center or BPO industries are breaking their heads to formulate Retention Strategies but nothing is working in their favor. The average attrition rate in this sector is still 35-40%. No perks, no reward just nothing is working. Before proceeding further, let's see why people are leaving? Why there is high attrition rate. When there are so many benefits associated with BPO industry.

When there are so many privileges for the BPO employees than what makes them to change the company/ industry?? Is it only MONEY that matters or anything else as well? After taking exit-interviews and analyzing the trend I am able to list out following reasons for a BPO professional to change his/her job.

For Higher education

- For higher Salary
- Misguidance by the company
- No growth opportunity/lack of promotion
- No personal life
- Physical strains
- Policies and procedures are not conducive
- Uneasy relationship with peers or managers

Let's also see as what are the various benefits…that have been extended to people working in this sector.

2.2 ADAPTING YOUR RETENTION STRATEGIES:

Adapting Your Retention Strategies :

Turnover Costs		**Tolerable**				**Intolerable**		
Turnover Rates	Acceptable	Acceptable	High or Increasing	High or Increasing	Acceptable	Acceptable	High or Increasing	High or Increasing
Who is Leaving	Functional	Dysfunctional	Functional	Dysfunctional	Functional	Dysfunctional	Functional	Dysfunctional
Response	Maintain Status Quo and Monitor	Low – Investment Targeted Strategies	Low – Investment Broad – Based Strategies	Low - Investment Broad Based and Targeted Strategies	Streamline Costs	Targeted Strategies	Broad-Based Strategies	Broad-Based and Targeted Strategies

Table 4 : Retention Initiative Effectiveness

Initiative	Effectiveness	Offer the initiative?		
		Yes	No	Plan To
Health Care benefit	1.96	94%	3%	--
Competitive salaries	2.02	83%	8%	5%
Competitive salary increases	2.05	75%	15%	6%
Competitive vacation/ holiday benefits	2.09	92%	4%	1%
Regular salary reviews	2.11	89%	6%	4%
Defined contribution retirement	2.21	73%	21%	2%
Paid personal time off	2.21	75%	20%	2%
Flexible work schedules	2.25	60%	32%	4%
Training and development opportunities	2.26	88%	4%	4%
Open-door policy	2.32	93%	3%	2%
New-hire orientation	2.32	92%	2%	3%
Defined benefit plan	2.32	52%	41%	2%
Child care paid or on-site	2.40	3%	89%	5%
Early eligibility for benefits	2.41	40%	54%	2%
Workplace location	2.41	59%	23%	--
Tuition reimbursement	2.42	77%	17%	3%
Retention bonuses	2.43	22%	71%	4%
Child care subsidies	2.46	8%	84%	4%
Spot cash	2.48	43%	47%	6%
Stock options	2.53	27%	66%	3%
Succession Planning	2.54	32%	46%	16%
Non-Cash or low-cash rewards	2.56	63%	25%	8%
Casual dress	2.59	76%	18%	1%
360-degree feedback	2.60	31%	51%	14%
On-site parking	2.64	86%	10%	1%
Domestic – partner benefits	2.66	12%	74%	4%
Elder care subsidies	2.66	4%	89%	2%
Attitude surveys / focus groups	2.67	46%	41%	10%
Alternative dispute resolution	2.67	31%	60%	5%
Transportation subsidies	2.74	16%	75%	4%
Fitness facilities	2.75	26%	62%	8%
Severance package	2.77	56%	38%	1%
Sabbaticals	2.78	12%	82%	2%
Telecommuting	2.79	26%	64%	7%
Non-compete agreements	2.84	46%	48%	--
Concierge services	2.92	5%	87%	4%
Scale : 1=very effective; 5=not effective at all				

3.1 STRENGTHENING ENGAGEMENT IN YOUR ORGANIZATION:

Table 5 : Strengthening Engagement in Your Organization	
Job design	• Increase meaningfulness, autonomy, variety, and co-worker support in jobs.
Recruitment and selection	• Use clear communication to achieve person-bob and person organization fit. • Hire internally where strategically and practically feasible.
Training and development	• Provide orientation that communicates how jobs contribute to the organization's mission and that helps new hires establish relationships with colleagues. • Offer ongoing skills development
Compensation and performance management	• Consider competency-based and pay-for-performance systems. • Define challenging goals. • Provide positive feedback and recognition of all types of contributions.

4.0 TRAINING TO THE IT SECTOR:

Training has become increasingly vital to the success of any modern organizations. Nowadays organizations need to have competencies and especially core sets of knowledge and expertise that will give the companies an edge over its competitors. The only way to arrive at this is through having a dedicated training program that plays a central role to nature and strengthen these competencies.

It is acknowledged that training forms the backbone of strategy implementation and that industries such as security industry must have trained security officers, who must be competent in the basic laws, rescue operations, emergencies response and also crowd control and public management to be able to perform their job. The lack of these will definitely results in complaints, further injuries to public and damages to properties.

It has always been extolled in law enforcement manual and frequently heard saying that law enforcement agencies must always be one step ahead of the criminals and would be perpetrators to be able to prevent crimes and what better ways can officers be prepared if not through continuous training to hone the officers knowledge, skills, abilities, to cope with new processes and systems.

Training not only ensure competencies but also develops employees to be able to meet organization' goals and objectives and also ensure satisfactory performance and as reiterated to be able to acquire new skills and knowledge and perform jobs in other areas or at higher level.

4.1 RETENTION AND WORK LIFE BALANCE INITIATIVES

Some work life balance initiatives that you can implement are:

- Compressing Workweeks
- Days Off
- Family Care Leave
- Flexi-hours
- Telecommuting/Work from Home Options.

4.2 MANAGEMENT PERFORMANCE IN IT SECTOR:

It cannot be denied that the success or failure of performance management programs of any organization depends on the philosophy that it is connected to business goals and attitudes and skills of those responsible for its implementations and operations. There are many methods available to gather information of an employee performance in the appraisal process.

This information must be used for organizational needs and communication to employees so that it will result in a high level performance. Performance management can focus on the performance of an organization, a department, employee, or even the processes to build a product or service as well as many other areas. It is acknowledge that a lack of performance appraisal can have adverse effect on employee' motivation and contribute to employees turnover intentions.

4.3 CONSEQUENCES OF EMPLOYEE TURNOVER

❖ Decreased productivity; work backlog, increased workloads.

❖ Increased investment in recruitment, training and maintenance of employees.

❖ Decreased commitment and morale among the employees, leading to poor team dynamics.

❖ Knowledge transfer to the competitors: When an employee quits, he carries the knowledge that he has acquired in the present organization.

4.4 IT SECTOR CAREER DEVELOPMENT:

Career development in an organization should be viewed as a very dynamic process that attempts to meet of managers, subordinates and the organization. It is the responsibility for their own careers, offering continuous assistance in the form of feedback or individual performance and making available information from the company about the organization, career opportunities, positions and vacancies that might be of interest to the employees. It can be denied that in career development process, the origination must supply adequate information about its mission, policies, and support for self assessment, training and development.

It is important to note that significant career growth can occur when individual contribution combines with organization opportunity. Increase in skills and the opportunity to manage their career successfully helps to retained valued employees. As career development involves an organized, formalized, planned effort to achieve a balance between an individual's career needs and the organizations workforce requirement, it is important for an organization commitment in the program.

5.0 IT EMPLOYEE RELATIONS:

Using the underlying social exchange theory and the norm of reciprocity it was suggested that individual attitudes and behaviours are affected by generalized perception of care and support from organizations. Employees feel obliged to repay organization with extra effort and loyalty when such favourable supportive treatments are discretionary based. Employee relations in an organization is simply described as maintaining a healthy working relationship between management and employees to contribute and sustain a satisfactory productivity, motivation and high morale work environment that enhance job satisfaction for the employee and meet goals of the organization.

Workplace employer employee relationship will be the employment topics into the 20th century especially when there are growing attention to employee rights. This is more so when the need arises to balance employee rights and employee discipline. Managers have reported that it has become very stressful and unpleasant for managers and supervisors when they need to mete out disciplinary actions.

Employee relation has been aptly mentioned as a communication process to train, correct, mould, perfect the knowledge, attitudes, behaviour and conduct of employees and that a good discipline management tool ca correct poor employee performance rather than use as a punishment and this actually enhanced leadership and supervisory quality of managers.

5.1 CONCLUSION:

The HRM practises and also the dependant variable of turnover intentions IT Sector, we can many similarity of the correlation between these HRM practises and the impact on turnover intentions by employees. We need to emphasise the importance of HRM in the IT organization and that the impact on the organization due to turnover can have detrimental repercussions on the organization due to several factors. The study intent is to provide a general view of what the management need to know and expect and what are the various avenues available for future consideration to address acute issues pertaining to HRM and turnover.

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INNOVATIONS IN HR PRACTICES – AN EMPIRICAL STUDY

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Abstract:

Management is an all pervading growing discipline which has virtually which has virtually engulfed the entire world. Resource Development (HRD) occupies a crucial place in building. Not only an organization but in fact a nation. The earlier belief was that Human Resource Could be developed through training. But now, H.R. is viewed in its entirety involving various aspects of human personality individually, group-wise, and in the context of total organization. Keeping this fundamental background, this research work has been undertaken. Accordingly, three aspects of H.R. have been studied in this research work. They are Individual level development, Group level development, and organizational level development. In each of these variables, three sub factors have been further studied.

Introduction:

Every human being has the ability and potential to do remarkable things if they are provided with opportunities and climate to understand, develop and utilize his or her potentials. To being out the best in a human is the essence of human resource development. Simply Speaking. HRD is the process of increasing the capacity of human resources through development. Thus, it is a process of adding value to individuals, teams and organization as Human System. “People” are the most important and valuable resource of any and every organization or institution has in the form of its employees.

Research Methodology:

The data was collected through both primary and as well as secondary sources. The **Primary data** is collected through questionnaires given to a sample size of 100 employees and also through Personal interview with candidates and In depth conversation with the placement agency.

The **secondary data** is collected from the company’s records and files. Both are useful and effective. The statistical techniques like percentage analysis Anova and chi-square tests are used for interpreting the data.

Objectives of the Study:

- To study about the employees awareness and use of training program.
- To analyze and understand the training facilities provided by the company.
- To understand the effectiveness of training program among employees.
- To identify the various suggestions to improve the training program.

Limitations of the Study:

- ❖ The Time is not so sufficient to collect the data from the company.
- ❖ The secondary data collected reveals only the objective picture of human resource department.
- ❖ Since the human resource officer and other employees are busy in thier work, there was difficulty in collecting the data.

ANALYSIS AND INTERPRETATION:

TABLE NO: 01 GENDER OF EMPLOYEES

CRITERIA	NUMBER OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
Male	60	60%
Female	40	40%
TOTAL	100	100

INFERENCE: Nearly 60% of Respondents were male and the rest 40% were female for the study.

TABLE NO: 02 MARITAL STATUS OF THE RESPONDENTS

CRITERIA	NUMBER OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
Arts	55	55%
Professional	16	16%
Science	29	29%
Total	**100**	**100**

INFERENCE: Nearly 55% of employees were from Arts background and 29% are from Science and only 16% from Professional.

Respondents Opinion about the effectiveness of Training Program

RITERIA	NUMBER OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
Excellent	26	26%
Good	60	60%
Better	14	14%
TOTAL	**50**	**100%**

INFERENCE: Among the respondents 60% rate good for the effectiveness of training program and 26% of Respondents' feel excellent about the Company's Training Program.

Respondents Opinion about Improvement of Knowledge by using the Company's Training Program

CRITERIA	NUMBER OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
To greater extent	17	17%
To some extent	61	61%
Normal	22	22%
TOTAL	**100**	**100%**

Inference: 61% of the respondents' feel their Knowledge have improved by attending the training program to some extent.

TABLE NO: 5 Facilities Provided by the Company to attend the Training Program

CRITERIA	NUMBER OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
Yes	61	61%
No	39	39%
TOTAL	100	100%

INFERENCE: Nearly 61% of Respondents feel their organization encourage and provide facilities to attend the training program.

CHI SQUARE TEST:

EMPLYEES GENDER AND THE LEVEL OF SATISFACTION ABOUT THE TRAINING PROGRAM

Ho – There is no difference between Respondents gender and the level of satisfaction about the company's training program.

H1 – There is a difference between Respondents gender and the level of satisfaction about the company's training program.

	HIGHLY		NOT	TOTAL
MALE	22	31	13	66
FEMALE	16	14	4	34
TOTAL	38	45	17	100

APPLICATION OF CHI SQUARE TEST:

O	E	(O-E)2	(O-E)2 /2
22	25	9	0.36
31	30	1	0.033
13	11	4	0.36
16	13	9	0.70
14	15	1	0.07
4	6	4	0.67
		CALCULATED VALUE	**2.19**

Table value (2-1) (3-1)= 2 @5% Level is 5.991. Since the calculated value is less than the table value we accept the Null Hypothesis. Hence there is no difference between Respondent's Gender and their satisfaction level of effectiveness of training program.

Calculation of ANOVA: (Analysis of Variance)

Source of Variation	Sum of Squares	Degrees of Freedom	Variation	F Value
Between Column	2042.219	3-1=2	680.74	1.82 (680.74/374.56)
Between Rows	262.879	3-1=2	87.63	0.23 (87.63/374.56)
Residual	1498.21	(3-1) (3-1)=4	374.56	8.17

Inference: F value (Between Columns) is 1.82,Since the calculated value less than the table value we accept Null Hypothesis (Ho), ie., Table value (6.95), (V1= 4√2 =2)

F value (Between Row) 0.23, Table Value is 6.95, since the calculated value is less than the table value we accept the Null Hypothesis.

Sources: Computed Data.

KOLMOGOROV –SMIRNOV D, One Sample Test

H0 – There is no improvement of knowledge through Training.

H1 – There is an improvement of knowledge through Training.

Largest Absolute difference is 0.38 which is the D value .D value @ an alpha of 0.05 is 1.36/sqr/%. Asv Sample size is 100 D = 1.36/sqr100 =0.136.

Sources: Computed data

FINDINGS of the Study:

- There is no difference between employee gender and the level of satisfaction about the company's training program.
- The working condition of the company is quiet satisfactory.
- There is no difference between employees with UG Qualification and rating towards the effectiveness of Training Program.
- The study reveals 60% of Respondents were Male and only 40% were Female.
- Among the respondent 60 % rate good for the effectiveness of the training program and balance 26% feel excellent.
- Above 60% of the respondents feel that their knowledge has improved by the use of training program.

Suggestions:

- Managers/ Supervisors should motivate the employees to use the company's training program for their Contribution.
- Managers/Supervisors should be encouraged to conduct the training program for their employees on regular basis.

Conclusion:

It is essential that the employees are motivated to participate. It is crucial, therefore, that there are shared goals with the purpose of the collaboration having been agreed to by all participants. Finally, Issues associated with "technology" need to be addressed and resolved for both employers and employees before meaningful outcomes can be attained. Training & Development is the most important factor of HRD than the other factors. HRD should be strengthened more by seriously attend the following factorslike Career Advancement, Performance Appraisal, Training & Development, Communication and Employee Welfare.

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IMPACT OF ATTRITION ON ORGANISATION - AN EMPIRICAL STUDY WITH REFERRENCE TO BUSINESS FACTORS

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Abstract: Employee attrition is a phenomenon affecting any business organisation in the Indian information technology industry. It has been observed that professional software employees retention become a challenge for software industry in India as the attrition rate has been significantly increased in recent years. The main objective is to ascertain the impact of attrition on organisational business issues.

Introduction: Companies in India as well as in other countries face a formidable challenge of recruiting and retaining talents while at the same time having to manage talent loss through attrition be that due to industry downturns or through voluntary individual turnover. Attrition is a dynamic change that impacts the business performance in more ways than the usually perceived human resource development angle. Attrition can involve loss of employee's productivity to the company. Employee attrition gives sleepless nights to HR managers which is biggest HR challenge faced by IT industry. Most IT companies suffer high attrition; it reflects in company's internal strength, weaknesses and Company's ability. Attrition levels are touching double-digit figures across IT companies**.**

IMPACT OF ATTRITION: The impact of attrition on an organization will be adverse as it is not easy to find a substitute for a well-trained employee. Employee attrition costs a lot to the company. When an employee quits, the need for replacement arises, the organisation incurs some tangible costs. The software companies face difficulties in retaining the existing employees and attracting potential employees. The main purpose of retention is to prevent the loss of competent employees from leaving the organisation as it could have adverse effect on productivity and profitability. Attrition normally brings dwindled productivity. People leave causing others to work harder. This contributes to more attrition, which lasting to increase in costs, lower revenue. This often forces additional cost reductions and austerity measures on an organisation. This in turn makes working more difficult, causing the best performers to leave the organisation with most external opportunity.

Direct impact: A high attrition indicates the failure on the company's ability to set effective HR priorities. Clients and business get affected and the company's internal strengths and weaknesses get highlighted. New hires need to be constantly added, further costs in training, getting them aligned to the company culture, etc.,—all a challenge.

Indirect impact: Difficulty in the company retaining remaining employees and Problem for the company in catching the attention of potential employees. Typically, high attrition also leads to a chronic or systemic cycle—attrition brings decreased productivity, people leave causing others to work harder and this contributes to more attrition. All this has a momentous impact on the company's strength in managing their business in a competitive environment.

POSITIVE IMPACT OF ATTRITION

Attrition is not bad always if it happens in a controlled manner. Some attrition is always desirable and necessary for organizational growth and development. The only concern is how organizations differentiate "good attrition" from "bad attrition". The term "**healthy attrition"** or "good attrition" signifies the importance of less productive employees voluntarily leaving the organization (i.e), if employees leaving fall in the category of low performers, the attrition considered healthy. Attrition rates are considered to be beneficial in some ways like, new employees bring new ideas, approaches, abilities & attitudes which can keep the organization from becoming stagnant, some people in the organization who have a negative and demoralizing influence on the work culture and team spirit if being left is determined to organisational health in long run, the desirable attrition also includes termination of employees with whom the organization does not want to continue a relationship. Attrition benefits the organization in the different ways such as, it removes bottleneck in the progress of the company, it creates space for the entry of new talents, and it assists in evolving high performance teams. There are people who are not able to balance their performance as per expectations, lack of potential for future or need disciplinary action. Furthermore, as the rewards are limited, business pressures do not allow the management to over-reward the performers, but when undesirable employees leave the company, the good employees can be given the share that they deserve

NEGATIVE IMPACT OF ATTRITION:

Attrition is impacting negatively in numerous ways, most notably **with regard to Companies** are the profit margins would trim down significantly, Companies might lose contracts and new business due to lack of competitive rates, stumpy morale of existing employees, a performer will not want to be part of the team, which has non-performers because he will have to compensate for the non-performer, thereby increasing his output/pressure, dysfunctional turnover would represent a trouncing to the organisation, overseas companies are sensing this as a potential threat for growth of business and hence are diverting their operations to other locations or different locations, loss of information security and data threat, loss of organic progression, loss of reputation and brand image.

Impact of attrition **with regard to company, employees and clients** are inconsistent delivery of expected service levels, loss of client specific knowledge and experience, greater effect to off-shoring in the broader client organisation, potentially greater investment in training the service providing employees, high levels of attrition are also adversely affecting India-based service providers business in these areas, delivery of service levels and customer satisfaction, higher investment in recruiting and training employees, slowdown of planned ramp-ups of existing accounts, loss of productivity from experienced and well- trained staff, management distraction—excessive time and attention being spent on managing attrition and resultant customer issues, addition of new employees will dilute both the production and quality. Productivity is diluted as new employee will not be as proficient of the employee left off. Quality will decline as the new one will make more mistakes and they learn with time. Recruiters explain that high attrition rates significantly increase the investment made on employees.

REVIEW OF LITERATURE:

Nantaporn Makawatsakul and Brian H.Kleiner, (2003), the study found that employees of the companies become uncertain and fear paralyses the operations and lead to a significant decline in trust and motivation, affecting the company's overall productivity. So this creates employees feeling to quit the job and find another place according to their expectations.

Saumyendra Bhattacharyya, (2010), the study found the impact of attrition which varies on the basis of maturity and size of organisations to absorb the problem financially and operationally. The study focuses on the imperial data relating to growth of IT revenue in 2007-2008 over USD 39.6 billion in FY 2006-07. The current employment for IT and ITES industry is 7.5 million is expected to cross 10 million by 2010. The impact varies across skills, experience of talents.

R.Palan (2007), the study focuses on employee training and factors which leads to attrition. The study found the cost incurred and risk of losing the training investments in terms of time and money in the organisation.

Pratibha Jain (Pagariya) (2011), the study ascertains that when a business losses employees, it loses skills, experience and "corporate memory". The magnitude and nature of these losses is a critical management issue affecting productivity, profitability, and product and service quality.

Brijesh Kishore Goswami, Sushmita Jha(2012), the study found that losing knowledgeable and trained employees can cause serious damage to company's progress and performance in the market. It is also found that employees are organisations greatest assets and they are dreams, hopes, ambitions, creativity and innovations. If the assets are not recognised, the organisation cannot touch the domestic and global markets.

RESEARCH OBJECTIVE: The main focus of this research is to ascertain the impact of attrition on business related factors in IT companies. The study also examines the predominant factors of business related issues which are emerged out of attrition among the IT employees.

RESEARCH HYPOTHESIS: The following research hypotheses are to be tested empirically through the primary data,

1. The factors of attrition impact do not differ significantly.
2. There is no significant relationship among factors of attrition.

METHODOLOGY: The study is based on both primary and secondary data. The primary data is collected through well structured questionnaire regarding business related issues causing attrition among employees. The questionnaire consists of two parts namely personal and organisational profile of employees and business related factors influencing attrition. The first part completely consists of optional type questions and second part consist of the statements in Likert's 5 point scale, which ranges from strongly agree to strongly disagree.

DATA COLLECTION: The researcher adopted simple random sampling method to obtain the responses from the employees of the IT companies. The researcher circulated 600 questionnaires and obtained 572 responses without flaws. Hence the sample size of the research is 572.

DATA ANALYSIS: The researcher uses simple percentage analysis to describe the primary data and its characteristics. Subsequently KMO Bartlett's test , factor analysis and Karl-Pearsons co-efficient correlation to analysis the primary data as well as to test the hypothesis.

ANALYSIS AND DISCUSSION: The primary data of the study is described through percentage analysis presented in below table.

TABLE: 1-Frequency Table (PERCENTAGE ANALYSIS)

GENDER		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	358	62.6	62.6	62.6
	Female	214	37.4	37.4	100.0
	Total	572	100.0	100.0	
AGE		**Frequency**	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	< 20	7	1.2	1.2	1.2
	21-30	359	62.8	62.8	64.0
	31-40	163	28.5	28.5	92.5
	41-50	38	6.6	6.6	99.1
	50&above	5	.9	.9	100.0
	Total	572	100.0	100.0	
EDUCATION		**Frequency**	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	Diploma	29	5.1	5.1	5.1
	UG	153	26.7	26.7	31.8
	PG	237	41.4	41.4	73.3
	Technical	45	7.9	7.9	81.1
	Professional	108	18.9	18.9	100.0
	Total	572	100.0	100.0	
DESIGNATION		**Frequency**	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	Developer	258	45.1	45.1	45.1
	Middle mgt	238	41.6	41.6	86.7
	Senior mgt	75	13.1	13.1	99.8
	Others	1	.2	.2	100.0
	Total	572	100.0	100.0	
EXPERIENCE		**Frequency**	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	<1 year	79	13.8	13.8	13.8
	1-3years	180	31.5	31.5	45.3
	4-6years	174	30.4	30.4	75.7
	7-9years	84	14.7	14.7	90.4
	10years& Above	55	9.6	9.6	100.0
	Total	572	100.0	100.0	
INCOME LEVEL		**Frequency**	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	<4 lakhs	221	38.6	38.6	38.6
	5-8 lakhs	190	33.2	33.2	71.9
	8-10 lakhs	89	15.6	15.6	87.4
	10-14 lakhs	46	8.0	8.0	95.5
	Above 15 lakhs	26	4.5	4.5	100.0
	Total	572	100.0	100.0	
NO OF DEPENDENTS		**Frequency**	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	1	117	20.5	20.5	20.5
	2	209	36.5	36.5	57.0
	3	129	22.6	22.6	79.5
	4	68	11.9	11.9	91.4
	5&above	49	8.6	8.6	100.0
	Total	572	100.0	100.0	
MODE OF TRANSPORT		**Frequency**	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	Cyle	3	.5	.5	.5
	Two wheeler	212	37.1	37.1	37.6
	Four wheeler	142	24.8	24.8	62.4
	Pubic transport	120	21.0	21.0	83.4
	Office transport	95	16.6	16.6	100.0
	Total	572	100.0	100.0	

From the above table it is found that sample unit comprises of, Maximum number of MALE employees, Maximum number of employees from 21-30 years group, Maximum number of employees qualified till postgraduate level, Maximum number of employees working under Developer segment, Maximum number of employees working for one to three years of experience, Maximum number of employees coming under less than 4 Lakhs income slab rate, Maximum number of employees having only 2 dependents in their family, Maximum numbers of employees uses two wheeler as their mode of transport.

After description of the sample unit, researcher ventures into multivariate statistical techniques namely, KMO BART LETT'S test and factor analysis of principal component method.

TABLE:2 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.894
Bartlett's Test of Sphericity	Approx. Chi-Square	3610.379
	Df	136
	Sig.	.000

From the above table it is found that the KMO measure of sampling adequacy .894, Bartlett's test of sphericity with approximate x^2 value 3610.379 are statistically significant at 5% level. It implies that sample size is adequate to classify the 17 variables into predominant factors.

TABLE: 3 Communalities

	Initial	Extraction
BR1	1.000	.655
BR2	1.000	.694
BR3	1.000	.500
BR4	1.000	.510
BR5	1.000	.432
BR6	1.000	.509
BR7	1.000	.510
BR8	1.000	.481
BR9	1.000	.480
BR10	1.000	.466
BR11	1.000	.395
BR12	1.000	.451
BR13	1.000	.514
BR14	1.000	.491
BR15	1.000	.694
BR16	1.000	.737
BR17	1.000	.648

From the above table it is found that the 17 variables posses the variance ranges from .395 to 737. It shows that variance of 17 variables ranges up to 73.7%. This leads to factor segmentation process as shown in the total variance table.

TABLE:4-Total Variance Explained

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.207	36.513	36.513	4.298	25.282	25.282
2	1.681	9.887	46.400	2.686	15.801	41.083
3	1.280	7.530	53.930	2.184	12.847	53.930
4	.978	5.751	59.681			
5	.871	5.126	64.807			
6	.738	4.343	69.149			
7	.675	3.969	73.118			
8	.630	3.704	76.822			
9	.624	3.668	80.490			
10	.520	3.060	83.550			
11	.508	2.989	86.539			
12	.461	2.710	89.249			
13	.416	2.447	91.697			
14	.414	2.437	94.134			
15	.375	2.204	96.338			
16	.351	2.063	98.401			
17	.272	1.599	100.000			

From the above table it is found that 17 variables explain 53.93%variance as well as transformed into 3 predominant factors. The 3 factors posses the variance 25.28%, 15.801%and 12.847%, which are all statistically significant at 5% level. This leads to the following variable loadings to each factor as shown in the rotated component matrix.

TABLE: 5 - Rotated Component Matrix(a)

	Component		
	1	2	3
BR14	.688		
BR13	.682		
BR7	.659		
BR9	.651		
BR8	.636		
BR12	.629		
BR10	.612		
BR6	.592		
BR11	.541		
BR5	.474		
BR2		.781	
BR1		.749	
BR3		.667	
BR4		.537	
BR16			.805
BR15			.764
BR17			.730

From the above table, it is found that **the first factor** comprises of 10 variables, 14- Availability of alternative job in the market (.688), 13- Suppression of interest and talent (.682), 7- Monotonous work (.659), 9- Mismatch in area of interest (.651), 8- Heavy work load (.636), 12- Favouritism and nepotism (.629), 10- Proprietary technology (.612), 6- Lack of scientific and inadequate compensation package (.592), 11- Lack of customer relationship management (.541), 5- Inconvenient location of the company (.474), therefore, this factor is known as core policy. The **second factor** consists of 4 variables, 2- Absence of hardcore state of the art technology (.781), 1 - Lack of congenial work environment (.749), 3- No ESOP (employee stock option) (.667), 4- Lack of travel opportunity (.537), therefore, this factor is known as organizational procedure. The **third factor** consists of 3 variables, 16- Low corporate image (.805), 15- Poaching and witch hunting (.764), 17- Low growth of company (.730), therefore, this factor is known as organisational branding.

FINDINGS AND CONCLUSION: The empirical analysis brought the following findings pertaining to impact of attrition on organisational business issues. The factor analysis revealed the employee attrition as a colossal impact on changing the core policies of an organisation to retain their employees. The researcher also identified the various IT organisations which are very transparent with openness to change the organisational procedures to curtail the employees leaving the organisations. They employ various organisational strategies to create imprints of the organisational branding on the employees to retain them at once. It is also concluded that employee attrition is an important factor for heavy organisations which as direct and immediate impact on business of the organisation. It is also further ascertained that the development of business, productivity of organisations, and organisations efficiency are directly related to employee attrition.

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SIGNIFICANCE OF WOMEN'S EDUCATION IN DEVELOPING INDIA

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INTRODUCTION:

Women education is the need of the hour. Without educating the women of the country we can't hope for a developed nation. Women play a vital role in the all round progress of a country. If we want to make democracy successful, women must be educated. They are the real builders of happy homes. Education of women plays a vital role in national development. Atleast 50 percent of Indian population is constituted by women folk. The Great Poet Bharathi said,

"If women are educated, the mankind will be elevated".

Swami Vivekananda has said,

"If a mother is educated, the whole family is educated".

It is said that if we educate a man, we educate a man only, but if we educate a woman, we educate the whole family. This highlights the importance of female education. It is a fact that women are the first teachers of their children. It is in their lap that the children receive the very first lessons. Hence, if mothers are well-educated, they can play an important role in shaping and moulding of their sons and daughters. Napoleon was once asked, what the great need of France was. He simply answered, "Nation's progress is impossible without trained and educated mothers. If the women of my country are not educated, about half of the people will be ignorant." Such was the opinion of Napoleon about educating the women-folk. Our opinion too must not differ from Napoleon. We must give up our conservative outlook and create an atmosphere in which not a single woman remains uneducated.

PROBLEM OF WOMEN'S EDUCATION:

The problem of women's education is century old and still occupies the minds of educationists today. In Hindu culture, Saraswathi is considered the goddess of education, but it is an irony that in the same culture, the education of women is at stake. Women were considered as the bonded slave to men. Illiteracy and ignorance are prevalent more in women than in men. This evil is seen more in rural areas and in the lower strata of urban population and backward communities. Women's education suffered a setback owing to the observance of 'Purdah' in Muslim dominated areas and the prevalence of child marriage and other social customs among Hindus. Imparting of education to women was not considered as a moral obligation.

Common problems of women are varied and multifarious:

1. *Economic Problems;*

--Lack of regular income

--Lack of training in the main and subsidiary occupation

--Large family

--Unemployment and under employment

--Lack of working capitals to start self-employment activities

--Poverty and indebtedness

--Lack of adequate knowledge about the availability of credit from banks.

2. *Social Problems*;

--illiteracy and ignorance

--Dowry

--Husband's excessive drinking and smoking

--Widow marriages

--Resistance to intercaste and inter-religious marriages.

--Unproductive use of leisure time

--Lack of recreation facilities.

3. *Health Problems;*

--Repeated pregnancies

--Malnutrition and nutritional deficiencies

--Personal hygiene, environmental hygiene, bad sanitation

--Communicable disease.

For the rapid development of human resources in our country it is essential that in the family the girl's education should get the priority. But there is a controversy over the issue of types of education to be given to women. Should they be educated for family life or public life? But the Indian Constitution recommended that every type of education open to men should also be open to women. Many women joined the faculties of engineering, medicine, agriculture, vetnary science; commerce and law besides arts and science have come out with flying colours. For women both public life and family life are important. Women's place is not restricted to home alone. It is essential they should be prepared to fulfill their duties to family as well as society. An educated girl must be able to run her home well, but at the same time should be in a position to raise the social standard of her country.

DEVELOPMENT IN WOMEN'S EDUCATION:

With the advancement of education in India some problems have also cropped up. Various commissions and committees of experts have from time to time endeavored to eradicate the evils from the educational field through suitable suggestions and recommendations. A number of programmes were started for the development of women. They were;

- Corporations support to train them for employment programme.
- Training-cum-production centres for women.
- Awareness Camps for rural and poor women.
- Women's Training institutes or Institutes for Rehabilitation of Women in distress.
- Short stay home for Women and Girls.
- Voluntary Action Bureau and Family Counselling Centres
- Free legal Aid and Para-legal Training.
- Working Women's Hostel.

Under the fast changing conditions in the country in the recent times increased attention is being paid to women's education. Now a days in various parts of the country, a large number of primary and secondary schools and colleges are being started to meet the growing needs of women's education. But most of these higher educational centres have been concentrated in urban areas only. Some of them are co-educational whereas others are meant exclusively for women. At present there are thousands of educational centres scattered through out the country to fulfill the ever increasing need of women's education. We have three universities for women, in Bombay, Tirupathi and the other in Kodaikanal. Now a days number of women going for higher studies has been increased. Women began to place themselves in schools, hospitals and various offices.

WOMEN'S EDUCATION - A MUST:

Education is a right:

Everybody has the right to education, which has been recognized since the Universal Declaration of Human Rights (UDHR) in 1948. The right to free and compulsory primary education, without discrimination and of good quality, has been reaffirmed in all major international human rights conventions. Many of these same instruments encourage, but do not guarantee, post-primary education. These rights have been further elaborated to address issues like quality and equity, moving forward the issue of what the right to education means, and exploring how it can be achieved. As a minimum: states must ensure that basic education is available, accessible, acceptable and adaptable for all. (4A scheme) The right of girls to education is one of the most critical of all rights – because education plays an important role in enabling girls and women to secure other rights.

Cultural changes:

Cultural and traditional values stand between girls and their prospects for education. The achievement of girls' right to education can address some of societies' deeply rooted inequalities, which condemn millions of girls to a life without quality education. Improving educational opportunities for girls and women helps them to develop skills that allow them to make decisions and influence community change in key areas. One reason for denying girls and women right to an education is rarely articulated by those in charge: that is their fear of the power that girls will have through education. There is still some resistance to the idea that girls and women can be trusted with education. Education is also seen in some societies as a fear of change and now with globalization, the fear becomes even greater- fear to lose the cultural identity, fear of moving towards the unknown or the unwanted, and fear of dissolving in the many others.

Better health and awareness:

Basic education provides girls and women with an understanding of basic health, nutrition and family planning, giving them choices and the power to decide over their own lives and bodies. Women's education leads directly to better reproductive health, improved family health, economic growth, for the family and for society, as well as lower rates of child mortality and malnutrition. It is also a key to fight against the spread of HIV & AIDS.

Poverty reduction:

Educating girls and women is an important step in overcoming poverty. Inequality and poverty are not inevitable. The focus on poverty reduction enables the right to education to be a powerful tool in making a change in the lives of girls and women. Poverty has been universally affirmed as a key obstacle to the enjoyment of human rights, and it has a visible gender profile. The main reason for this is the fact that poverty results from violations of human rights, including the right to education, which disproportionately affect girls and women. Various grounds of discrimination combine, trapping girls in a vicious downward circle of denied rights. Denial of the right to education leads to exclusion from the labour market and marginalization into the informal sector or unpaid work. This perpetuates and increases women's poverty.

CONCLUSION:

The importance of women's education cannot be underrated. The role of educated women in society, particularly with respect to the management of household, shaping the character of children development of human resources and for the Planned Parenthood is really great. Also, one of a mother's highest duties is the education of her children at the time when their mind is not amenable to instruction. A child's whole future life, to a large extent, depends on the teaching it receives in early childhood and it is needless to say that this first foundation of education cannot be well laid by an ignorant mother. In the modern world the role of the women goes beyond the home and the bringing up of children. She is now adopting a career of her own and sharing equally with man the responsibility for the development of society in all its aspects. This equal partnership will have to continue in the fight against hunger, poverty, ignorance and ill-health. On all these grounds female education is a vital necessity.

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CORPORATE SOCIAL RESPONSIBILITY VS CORPORATE SOCIAL IRRESPONSIBILITY – A PRAGMATIC VISION INTO REALITY

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ABSTRACT

A number of companies with good social and environmental records indicate that CSR activities can result in a better performance and can generate more profits and growth. France was the first nation to make public company reporting CSR compulsory. The Companies Act intends to improve corporate governance and to further strengthen regulations for corporate Organizations have recognized that besides growing their businesses, it is also important to shape responsible and supportable relationships with the community at large. There are pressures on companies that have amassed fortunes, as a consequence of liberalization and globalization, to spend a portion of that money for the society Difficulties for a business to enact corporate social responsibility could be: Use of money for things not directly related to the business, shift of focus away from corporations main business concerns. Corporate responsibility requires more than just analyzing a company's philanthropic donations. Fair treatment of employees, making or selling safe products, paying taxes, and complying with environmental standards are all ingredients that should be in the social responsibility stew. CSR benefits, CSR & CSI practices in India, problem in understanding and execution of CSR have been explored in this article.

Key Words: CSR, CSI, philanthropy, CSR Initiatives, CSR activities, CSR & CSI practices

I.INTRODUCTION

"The 21st century company will be different. Many of Britain's best-known companies are recognizing that every customer is the part of the community and that social responsibility is not an optional extra"- Tony Blair

Corporate social responsibility is represented by the contributions undertaken by companies to society through its business activities and its social investment.CSR can not only refer to the compliance of human right standards, labor and social security arrangements, but also to the fight against climate change, sustainable management of natural resources and consumer protection. The concept of Corporate Social Responsibility was first mentioned in 1953 in the publication 'Social Responsibilities of the Businessman' by William J. Bowen. However, the term CSR became popular only in the 1990s, when the German Betapharm, a generic pharmaceutical company decided to implement CSR.

As companies face themselves in the context of globalization, they are increasingly aware that Corporate Social Responsibility can be of direct economic value. A number of companies with good social and environmental records indicate that CSR activities can result in a better performance and can generate more profits and growth. France was the first nation to make public company reporting CSR compulsory. The rules require public companies to comprise information on a series of topics in their yearly report, such as: Status of employees, Mobility of staff, Work hours, Social relations, Health and safety, Training, Health policy, Profits distribution, Outsourcing

Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. Corporate Social Responsibility is a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis[1]Under CSR culture, the business has to be run not only for economic profits i.e financial returns for shareholders but also considering the actual and potential impact on the community where it operates and on society as a whole to have long term sustainable development of the business. So the company has to consider the varied interest of other stakeholders.

II. CSR IN COMPANIES ACT

The much awaited Companies Bill, 2012 (Bill) was passed by the Lok Sabha on December 18, 2012, The Bill seeks to consolidate and amend the law relating to the companies and intends to improve corporate governance and to further strengthen regulations for corporate. By virtue of Clause 135;

the most debated concept of corporate social responsibility (CSR) has been introduced. Accordingly, every company having net worth of Rs.500 crore or more, or turnover of Rs.1000 crore or more or a net profit of Rs.5 crore or more during any financial year is required to constitute a Corporate Social Responsibility Committee. The Corporate Social Responsibility Committee will formulate a Corporate Social Responsibility Policy. Such a company is required to spend at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. If the company fails to spend such amount the Board shall give in its report the reasons for the same. So binding obligation is created on the Board.

III. CSR PRACTICES IN INDIA

Organizations in India have been quite sensible in taking up CSR initiatives and integrating them in their business processes. Organizations have recognized that besides growing their businesses, it is also important to shape responsible and supportable relationships with the community at large. Companies now have specific departments and teams that develop specific policies, strategies and goals for their CSR programs and set separate budgets to support them. Most of the time, these programs are based on well-defined social beliefs or are carefully aligned with the companies' business domain.

NLC is allocating 1% of its profit after tax as annual CSR budget. As part of Community Development Initiative, NLC has been building Social Infrastructure like Drinking Water bore-wells, Schools/Libraries/Laboratories/ Balwadies / Anganwadis, Primary Health Centres etc., apart from facilitating Youth and Women Empowerment, Skill Development, Employability and Life-quality Improvement and taking up projects for Rural Water Resource Management targeting the villages/ panchayats in the periphery/surrounding areas. NLC provides continuous supply of water over 23,000 acres of land in the nearby villages.

State Bank of India has won Golden Peacock Award for Corporate Social Responsibility in 2012. SBI's focus areas for CSR activities are Education, health Care, child development, adoption of girl Children, assistance to poor & underprivileged, environment protection, clean energy, entrepreneur development programme, and aid in Natural calamities. The Bank has adopted 17627 girl children as a step ahead their development. Also installed13, 600 water purifiers in as many schools, ensuring clean & safe drinking water to millions of children. Medical equipments costing `6.10 crores were donated to needy hospitals/healthcare institutions. It is having the largest number of solar ATMs in the World by which it saves more than 2000 tons of Co2 per year.

Tata Group supports education, in around 500 schools, and also is a benefactor of the arts and culture. It has done abundant work in improving the environment and local populations around its industries. It is a leading provider of maternal and child health services, family planning and during the Gujarat earthquakes and Orissa floods Tata Group also has an organized relief program including long-term treatment and rebuilding efforts. Even after Tsunami, a Tata Relief Committee (TRC) was set up by the Tata group to render essential services to the victims.

Aptech is a leading computer education provider with a global presence. It has been playing a broad and continued role in encouraging and nurturing education throughout the country and has been participating in community activities. It has, in association with leading NGOs, provided computers at schools, education to the deprived, and training and awareness-camps.

Infosys is aggressively involved in a variety of community growth programs. It has taken initiatives to work in the areas of research and education, community service, rural outreach programs, employment, healthcare for the poor, education, arts and culture, and welfare activities.

IV. BENEFITS OF CSR

Corporate social responsibility means integration of weaker sections of the society in the value chains. The economic activities should not merely generate wealth but also add value to the society. The benefits of an effective CSR approach to an organization can include:

- Stronger performance and profitability
- Improved relations with the investment community and access to capital
- Enhanced employee relations, brand image and company culture
- Risk management and access to social opportunities
- Stronger relationships with communities and legal regulators

V. PROBLEM IN UNDERSTANDING AND EXECUTION OF CSR

According to Watson, "Business gives people a higher cause to serve than profits. And by serving society it not only enriches the individual but all of the society". But In India, CSR has largely been equated with philanthropy. There are pressures on companies that have amassed fortunes, as a consequence of liberalization and globalization, to spend a portion of that money for the society, such a levy is termed as corporate charity, but it could more accurately be called "corporate social cess". Making companies more socially responsible is not essentially about making them share their profits. Companies require, by law, to spend 2 per cent of their net profits on CSR. Public sector companies have already been compelled to do this. The act of compelling the corporate to contribute profit to CSR which should actually be a voluntary contribution, raises a doubt whether it is really corporate social responsibility.

Companies must be more intensively accountable for the social and environmental consequences of their business. They must be judged by how they create wealth and it should be ensured that wealth creation takes place openly and responsibly. The profit and growth are not honourable objectives. In recent days, business seems to be worried about trust, values and social responsibility. The problem with corporate social responsibility began when the Indian government expected the private sector too to play a role similar to that of the public sector companies. There were not too many enlightened private sector companies that came forward. The government offered tax incentives to those companies which set up water purification projects. Unfortunately, none of such fiscal incentives could encourage the private sector to take up projects in large numbers. CSR at an extra cost is an added burden to be borne by the corporation already struggling to be profitable in difficult economic phase.

Difficulties for a business to enact corporate social responsibility could be: Use of money for things not directly related to the business, shift of focus away from corporations main business concerns, the notion that a company should be solely profit driven, and additional staff requirements to fulfil corporate social responsibility initiatives. Milton Moskowitz wrote in the fifteenth anniversary issue of *Business Ethics* that looking over the history of corporate social responsibility, it has consisted of 95 percent rhetoric and five percent action. CSR has made corporations too risk-averse and redirected management time and financial resources away from the corporation's core economic mission. Moreover, CSR is often used as a cheap vehicle for advertising and a counter strategy to silence pressure groups. The present discussions on CSR do not address the inherent problems associated with the market and economic liberalisation, such as over-consumption, the increasing divide between rich and poor, and the permanent damage to the environment and ecosystems which our future generations depend on.

VI. CORPORATE SOCIAL IRRESPONSIBILITY (CSI)

Any excessive emphasis on corporate social responsibility might encourage the government offload some of its responsibilities to be performed by the corporate sector. There are clear dangers if corporate social responsibility is allowed to take over the role of the state. The state can partner with the private sector to improve public services. But there has to be clear and transparent rules that should govern such initiatives. Otherwise, mindless pursuit of corporate social responsibility might be harmful for both growth and governance.

When companies do well by doing well, the driving force is the pursuit of profit, not a commitment to social welfare. More often, profits and social welfare are at odds, and executives can't be expected to heed the call for social responsibility at the expense of shareholders. The CSI raises the following questions. They are

- Why should a police department in any state be supplied with vehicles by a company?
- Why should the state not take up itself the responsibility of providing computers in all schools owned and run by it?
- Do companies really act on CSR or is this just lip service?
- Is Corporate Social Responsibility a marketing ploy?
- Is Corporate Social Responsibility just another marketing tool?
- When employees are laid- off, how does a company indulge in CSR?

In a village, surrounded by its gigantic energy-generating windmills, Suzlon has funded the construction of a well that has ensured drinking water security for the villagers. In an arid zone with no reliable source of piped water this is a boon. Other villages in the same district have a different story to tell. Over the last decade there has been an expansion of industries on the coastal area of Kutch. Destruction of mangroves is causing ingress of salinity and destroying ground water resources of many inland areas. Air and soil pollution is making cattle ill and causing crippling losses to some pastoral communities. These contrasting images illustrate a dark paradox that underlies the prevailing excitement about corporate social responsibility (CSR).

CSR is defined by majority as a monetary payback and sharing of profits through support of good social causes. But a company's social responsibility is judged primarily on the basis of how it functions on the ground. In India, except for a handful of firms who have been making some worthwhile contribution, the purported contributions made by others can be at best termed as tokenism.

Fair & Lovely Since Fair & Lovely is not categorised as a pharmaceutical product, HLL has not been required to prove efficacy. Generally the customers' buying criteria are price, quality, availability and safety. But many dermatologists are sceptical of the efficacy of whitening creams which are highly depended on by most of the people. More controversial than its safety and efficacy is the manner in which Fair & Lovely is marketed. Fair & Lovely's heavily aired television commercials typically contain the message of a depressed woman with few prospects who gains a brighter future by either attaining a boyfriend/husband or a job after becoming markedly fairer from using Fair & Lovely. These advertisements have attracted much public criticism, especially from women's organisations Brinda Karat; a communist leader considered the Fair & Lovely advertisements "highly racist" and "an affront to a woman's dignity".

Tata is generally known as 'one of the uncontested leaders and benchmark setters of Corporate Social Responsibility' in India. The Taj group is denying the rights of the marginalised communities like Adivasis and fishermen and appropriating common property resources in the name of tourism development. They talk about conservation, environmental protection and social responsibility etc. At the same time, they are violating existing legislations and regulations which are meant to protect the fragile environment and the interests of the communities living there. On the one hand, they are giving the image of helping the people with their responsible practices, but on the other hand they are exploiting communities' resources for profit. They use CSR to divert the attention from real and serious issues. Taj is also highlighting their charity to influence decision makers in order to avoid regulation and gain legitimacy.

Nestlé was one of the most successful food-based companies in the world. Nestlé was frequently criticized for using unethical marketing practices to promote the sales of some of its products. The company was severely condemned by health agencies around the world for its marketing of infant formula in developing countries, by conveying the message that the formula was better for babies than mothers' milk. There were also demands on the company to stop purchasing coco from the Ivory Coast, where bonded labor and children were used on plantations to harvest coco beans. Nestlé also became mired in a controversy for selling genetically modified food in some Asian countries without labeling them explicitly. Pure Life, the mineral water brand launched by the company in some Asian countries, was also criticized for being too high priced

Vedanta's mining operations in Orissa have run afoul of both social and environmental regulations and have put it at the center of an international human rights campaign. In 2007, the Norwegian government sold its $13-million stake in Vedanta, saying: "There is little reason to believe that the company's unacceptable practice will change in the future." In 2010, the Church of England sold its 3.8 million-pound stake in Vedanta because of concerns over the company's poor human rights record. In August 2010, a committee of experts -- appointed by the Union ministry of environment and forests -- found Vedanta to be in violation of various social and environmental regulations. This led to the revocation of forest clearance earlier given to Vedanta.

Cell phone Service providers, there is at present a big question about the health impacts of cellphone usage and radiation generated from cell phone transmitter towers. There is already enough evidence to show that prolonged usage is harmful and many transmission towers can be better managed to lower radiation risk. Socially responsible cellphone company will be one that proactively informs its customers about safe-usage norms. A company that aims to suppress knowledge about adverse impacts will be irresponsible - regardless of how much money it gives to development projects or community welfare schemes.

There isn't any doubt in the fact that globally the social and environmental costs inflicted by corporations are of mammoth proportions. The costs that the environment and society as a whole have borne on account of these malpractices and associated public evils are unprecedented. And to mitigate such costs, any amount of Corporate Social Responsibility (CSR) initiatives that are currently taken up by the global corporations cannot match the collateral damage they have already caused upon the environment, by and large. Then again, amidst such colossal damages, the initiatives taken up by a few global entrepreneurs and corporations are noteworthy.

VII. Conclusion

In Japan, CSR is exceptionally embedded in business traditions. Not to talk much about the likes of Bill Gates, Warren Buffet who almost single-handedly have donated billions of dollars for various initiatives. Even research like Nielsen Corporate Image Monitor 2007 (CIM) has proved that nothing is as effective as a company's efforts in the area of CSR, when it comes to building corporate reputations.

Corporate responsibility requires more than just analyzing a company's philanthropic donations. Fair treatment of employees, making or selling safe products, paying taxes, and complying with environmental standards are all ingredients that should be in the social responsibility stew. Also, it is important to have a commitment to use an appropriate percentage of a company's pre-tax resources to address critical issues that affect employees, communities, the nation, and the planet. So we should work for more regulatory frameworks within the democratic system for effective fulfilment of governmental responsibilities and accountability towards the well being of its own people. Only government regulations can force corporations to internalize costs that are currently passed on to communities.

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GREEN MARKETING - A SURVIVIAL STRATEGY

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ABSTRACT

Green Marketing refers to the process of selling products and/or services based on their environmental benefits. Such a Product or service may be environmentally friendly in itself or produced and/or packaged in an environmentally friendly way. The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing". Green Marketing is defined as "Green or Environmental Marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment. The obvious assumption of green marketing is that potential consumers will view a product or service's "greenness" as a benefit and base their buying decision accordingly. The not-so-obvious assumption of green marketing is that consumers will be willing to pay more for green products than would for a less-green comparable alternative product-an assumption that, in my opinion, has not been proven conclusively. Green marketing approach is largely used as a gimmick by the gigantic corporate houses in order to make a difference in the consumer's point of view when it comes to major market decisions. Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. So green marketing is also a way of looking at how marketing activities can make the best use of these limited resources while meeting corporate objectives. Final consumers and industrial buyers also have the ability to pressure organizations to integrate the environment into their corporate culture and thus ensure all organizations minimize the detrimental environmental impact of their activities. With the human wants escalating heavily, the resources are decreasing. Hence it has become mandatory for the marketers across the globe to use the resources efficiently and not waste them under any circumstances. Green marketing is almost inevitable as the market for socially responsible products is increasing greatly.

INTRODUCTION:

While green marketing is growing greatly as increasing numbers of consumers are willing to back their environmental consciousnesses with their dollars, it can be dangerous. The public tends to be skeptical of green claims to begin with and companies can seriously damage their brands and their sales if a green claim is discovered to be false or contradicted by a company's other products or practices. Presenting a product or service as green when it's not is called green washing. Green marketing can be a very powerful marketing strategy though when it's done right.Yes, green marketing is a golden goose. As per Mr. J.Polanski, green marketing can be defined as, "All activities designed to generate and facilitate any exchange intended to satisfy human needs or wants such that satisfying of these needs and wants occur with minimal detrimental input on the national environment." Green marketing involves developing and promoting products and services that satisfy customers want and need for Quality, Performance, Affordable Pricing and Convenience without having a detrimental input on the environment.

EVOLUTION OF GREEN MARKTING:

The green marketing has evolved over a period of time. According to Pattie (2001), the evolution of green marketing has three phases. First phase was termed as "Ecological" green marketing, and during this period all marketing activities were concerned to help environment problems and provide remedies for environmental problems. Second phase was "Environmental" green marketing and the focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues. Third phase was "Sustainable" green marketing. As resources are limited and human wants are unlimited, it is important for the marketers to utilize the resources efficiently without waste as well as to achieve the organization's objective. So green marketing is inevitable. Companies that develop new and improved products and services with environment inputs in mind give themselves access to new markets, increase their profit sustainability, and enjoy a competitive advantage over the companies which are not concerned for the environment.

WHY DO WE NEED GREEN MARKETING:

- Opportunities or competitive advantage
- Corporate social responsibilities (CSR)
- Government pressure
- Competitive pressure
- Cost or profit issues
- Green Marketing Mix

This green marketing approach is largely used as a gimmick by the gigantic corporate houses in order to make a difference in the consumer's point of view when it comes to major market decisions.

The green evolution has evolved steadily over the period of time. There were initially three long phases in the evolution of the much hyped green marketing. The first phase was known as the ecological phase. In this phase, all the marketing activities were carried out in order to assist the ever increasing environmental problems and offer solutions for these problems. The second phase was called the environmental phase as after the environmental problems, the entire focus was shifted on the implementation of cleaner technologies. This phase also led to the discovery or the invention of products that would better the environment or at least not increase the already existing problems. The last phase is termed as the sustainable phase of green marketing which is still prevalent. This phase came into existence by the late nineties and early millennium.

With the human wants escalating heavily, the resources are decreasing. Hence it has become mandatory for the marketers across the globe to use the resources efficiently and not waste them under any circumstances. Worldwide surveys indicate that consumer globally are changing their behaviour towards products and services. Green marketing is almost inevitable as the market for socially responsible products is increasing greatly. In today's business world environmental issues plays an important role in marketing. All most all the governments around the world have concerned about green marketing activities that they have attempted to regulate them. For example, in the United States (US) the Federal Trade Commission and the National Association of Attorneys-General have developed extensive documents examining green marketing There has been little attempt to academically examine environmental or green marketing.

PERCEPTIONS OF GREEN MARKETING: This article introduces the terms and concepts of green marketing, briefly discuss why going green is important and also examine some of the reason that organizations are adopting a green marketing philosophy. It also focuses some of the problems with green marketing. Many people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Generally terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are some of the things consumers most often associate with green marketing. In general green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and even services, For example, around the world there are resorts that are beginning to promote themselves as "ecotourism" facilities, i.e., facilities that specialize in experiencing nature or operating in a fashion that minimizes their environmental impact. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. But to define green marketing is not a simple task.

The terminology used in this area has varied, it includes; Green Marketing, Environmental Marketing and Ecological Marketing. While green marketing came into prominence in the late 1980s and early 1990s, it was first discussed much earlier. This second point is important, for human consumption by its very nature is destructive to the natural environment. So green marketing should look at minimizing environmental harm, not necessarily eliminating it. Man has limited resources on the earth, with which she/he must attempt to provide for the world' unlimited wants. There is extensive debate as to whether the earth is a resource at man's disposal. In market societies where there is "freedom of choice", it has generally been accepted that individuals and organizations have the right to attempt to have their wants satisfied. As firms face limited natural resources, they must develop new or alternative ways of satisfying these unlimited wants. Ultimately green marketing look at how marketing activities utilize these limited resources, while satisfying consumers wants, both of individuals and industry, as well as achieving the selling organization's objectives. When looking through the literature there are several suggested reasons for firms increased use of Green Marketing Five possible reasons are as follows:

1. Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives.
2. Organizations believe they have a moral obligation to be more socially responsible.
3. Governmental bodies are forcing firms to become more

responsible.

4. Competitors' environmental activities pressure firms to change their environmental marketing activities.

5. Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior.

SOCIAL RESPONSIBILITY OF GREEN MARKETING:

11 types of consumers, both individual and industrial are becoming more concerned and aware about the natural environment. In a 1992 study of 16 Countries, more than 50% of consumers in each country, other that Singapore, indicated they were concerned about the environment. This is not to imply that all firms who have undertaken environmental marketing activities actually improve their behavior. In some cases firms have misled consumers in an attempt to gain market share. In other cases firms have jumped on the green bandwagon without consideration the accuracy of their behavior, their claims, or the effectiveness of their products. This lack of consideration of the true "greenness" of activities may result in firms making false or misleading green marketing claims. Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objectives. This results in environmental issues being integrated into the firm's corporate culture. Firms in this situation can take two perspectives; they can use the fact that they are environmentally responsible as a marketing tool; or they can become responsible without promoting this fact. There are examples of firms adopting both strategies.

GOVERNMENTAL PRESSURE: As with all marketing related activities, governments want to "protect" consumers and society; this protection has significant green marketing implications. Governmental regulation relating to environmental marketing are designed to protect consumers in several ways,

1).Reduce production of harmful goods or by-products; 2) modify consumer and industry's use and/or consumption of harmful goods; or 3) ensure that all types of consumers have the ability to evaluate the environmental composition of goods. Governments establish regulations designed to control the amount of hazardous wastes produced by firms. Many by-products of production are controlled through the issuing of various environmental licenses, thus modifying organizational behavior. In some cases governments try to "induce" final consumers to become more responsible. For example, some governments have introduced voluntary curb-side recycling programs, making it easier for consumers to act responsibly. In other cases governments tax individuals who act in an irresponsible fashion. For example in Australia there is a higher gas tax associated with leaded petrol.

COMPETITIVE PRESSURE: Another major force in the environmental marketing area has been firms' desire to maintain their competitive position. In many cases firms observe competitors promoting their environmental behaviors and attempt to emulate this behavior. In some instances this competitive pressure has caused an entire industry to modify and thus reduce its detrimental environmental behavior. For example it could be argued that Xerox's "Revive 100% Recycled paper" was introduced a few years ago in an attempt to address the introduction of recycled photocopier paper by other manufacturers. In another example when one tuna manufacture stopped using driftnets the others followed suit.

COST OR PROFIT ISSUES: Firms may also use green marketing in an attempt to address cost or profit related issue. Disposing of environmentally harmful by-products, such as polychlorinated biphenyl (PCB) contaminated oil are becoming increasingly costly and in some cases difficult. Therefore firms that can reduce harmful wastes may incur substantial cost savings. When attempting to minimize waste, firms are often forced to re-examine their production process. In these cases they often develop more effective production processes that not only reduce waste, but reduce the need for some raw materials, This serves as a double cost savings, since both waste and raw material are reduced. In other cases firms attempt to find end - of - pipe solutions, instead of minimizing waste.

GREEN MARKETING-LIMITATIONS: There are a number of potential problems that must overcome. One of the main problems is that firms using green marketing must ensure that their activities are not misleading to consumers or industry, and do not breach any of the regulations or laws dealing with environmental marketing. Green marketing claims must clearly state environmental benefits. A problem of the firms face is that those who modify their products due to increased consumer concern must contend with the fact that consumers' perceptions are sometimes not correct greenhouse gas. Some firms now use DME (di-methylether) as an aerosol propellant, which may also harm the ozone layer. Given the limited scientific knowledge at any point, it may be impossible for a firm to have made the correct environmental decision. This may explain why some firms, like Coca-Cola and Walt Disney World, are becoming socially responsible without publicizing the point. They may be protecting themselves from potential future negative backlash; if it is determined they made the wrong decision in the past.

ROLE OF GOVERNMENT IN PROMOTING GREEN MARKETING: While governmental regulation is designed to give consumers the opportunity to make better decisions or to motivate them to be more environmentally responsible, there is difficulty in establishing policies that will address all environmental issues. The push to reduce costs or increase profits may not force firms to address the important issue of environmental degradation. End-of-pipe solutions may not actually reduce the waste but rather shift it around. While this may be beneficial, it does not necessarily address the larger environmental problem, though it may minimize its short term affects. Ultimately most waste produced will enter the waste stream, therefore to be environmentally responsible organizations should attempt to minimize their waste, rather than find "appropriate" uses for it.

GLOBAL PERCEPTIONS: Kodak has released a new green and yellow leaf logo to signify the environmental benefits of its products. Restaurants can reduce their environmental impact and tell their 'green' story to consumers by participating in the Green Seal certification program for green restaurants, China's Sunning Appliance is partnering with South Korea's LG Group to develop 'green' household appliances for the Chinese market, which includes products based on LG's U.S. Consumers are buying the same or more environmentally responsible products, regardless of region, age, gender or state of the economy, French Home builders are increasingly looking for affordable green materials as demand for traditional construction materials declines in favor of more environmentally friendly offerings, USA Colleges are using their green credentials to burnish their reputations with prospective students, according to a report in USA. More potato growers in Europe are looking to expand their green marketing efforts in reaction to increasing demand from consumers Green washing" typically refers to marketing and advertising claims that are based on environmental puffery rather than performance, Swiss Communication Equipment providers are concentrating more on environmental awareness and concern, companies recognize that it pays to be green. As well as acting in an environmentally responsible way, it is important for companies to communicate their green credentials.

CORPORATE OBJECTIVIES: There is a degree of confusion over the term "green marketing." Some believe that it refers solely to the promotion or advertising of products with environmental characteristics such as "recyclable," "organic," or "environmentally friendly." While these terms are widely used by "green" companies, green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and some services. Green marketing incorporates a variety of activities, including modifications to products, changes to the production and distribution processes, packaging changes, and modifications to marketing communications. Minimize the Impact on the Environment. So green marketing is also a way of looking at how marketing activities can make the best use of these limited resources while meeting corporate objectives, they are:

a) Set the Right Green Objectives,

b) Commentators have suggested a number of reasons why companies are increasingly considering green marketing:

c) They believe green marketing is an opportunity that can be used to meet their corporate objectives.

d) They believe they have a moral obligation to be more socially responsible.

e) Government regulations are forcing them to become more environmentally responsible.

f) Competitors' environmental activities are pressuring them to change their marketing activities.

g) Cost factors associated with waste disposal, or reductions in material usage are forcing them to modify their behavior.

h) Demonstrate Social Responsibility,

i) Comply with Legislation,

j) Respond to Competitive Initiatives,

k) Provide Accurate Environmental Information

If you intend to practive green marketing, it is essential that your activities and your communications do not mislead consumers or industry, and do not breach any of the regulations or laws dealing with environmental marketing. Any green marketing claims should: clearly state environmental benefits; explain environmental characteristics; explain how benefits are achieved; justify any environmental claims; use meaningful terms and pictures. Identify Products with Green Characteristics.

There are a wide variety of products that support sustainable development and demonstrate commitment to green marketing, including: products made from recycled goods: products that can be recycled or reused: energy-efficient products that save water, energy, or fuel and reduce environmental impact; products with environmentally responsible packaging; organic products; services that rent or loan products-such as car sharing; products that meet or exceed environmentally responsible criteria. Whatever the product or service, it is vital to ensure that products meet or the quality expectations of customers and are thoroughly tested.

SUSTAINABILITY MANTHRAS FOR GREEN MARKETING:

Focus Product Development on Sustainability, Set Realistic Prices, Eliminate Unnecessary Packaging, Packaging has become an environmental issue for marketing for a number of reasons: Packaging is a major component of domestic waste and therefore an important contribution to landfill., Discarded packaging is very visible as litter. Packaging reduction initiatives can reduce the environmental impact of a product while also saving companies money. Retailers also play a role in reducing packaging waste by encouraging suppliers to minimize excess packaging or offering customers “shopping bags for life” to reduce the volume of plastic bags.

Practice Greener Distribution, Promote Green Credentials Efficiently, providing electronic statements or billing by e-mail; using e-marketing rather than paper-based direct mail; offering downloadable publications to reduce print quantities and paper usage; printing on recycled materials using processes such as waterless printing; eliminating unnecessary packaging; offering Webcasting as an alternative to live events to reduce representatives’ travel. Make It Easy for Customers to Be Green, You Look for Green Competitive Advantage Without Responsibility.

CONCLUSION: Green marketing covers more than a firm’s marketing claims. While firms must bear much of the responsibility for environmental degradation, ultimately it is consumers who demand goods, and thus create environmental problems. One example of this is where McDonald’s is often blamed for polluting the environment because much of their packaging finishes up as roadside waste. It must be remembered that it is the uncaring consumer who chooses to disposes of their waste in an inappropriate fashion. While firms can have a great impact on the natural environment, the responsibility should not be theirs alone. It appears that consumers are not overly committed to improving their environment and may be looking to lay too much responsibility on industry and government.

Ultimately green marketing requires that consumers want a cleaner environment and are willing to “pay” for it, possibly through higher priced goods, modified individual lifestyles, or even governmental intervention. Until this occurs it will be difficult for firms alone to lead the green marketing revolution. It must not be forgotten that the industrial buyer also has the ability to pressure suppliers to modify their activities.

Thus an environmental committed organization may not only produce goods that have reduced their detrimental impact on the environment, they may also be able to pressure their suppliers to behave in a more environmentally “responsible” fashion. Final consumers and industrial buyers also have the ability to pressure organizations to integrate the environment into their corporate culture and thus ensure all organizations minimize the detrimental environmental impact of their activities.

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