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तदेव लग्नं सुदिनं तदेव

ताराबलं चन्द्रबलं तदेव ।

विद्याबलं दैवबलं तदेव

लक्ष्मीपते तेङ्घ्रियुगं स्मरामि ॥ ॥

That alone is the best time, that only is the best day,
that time only has the strength bestowed by stars, moon,
knowledge and Gods, when we think of the feet of Lord

Vishnu who is the spouse of Goddess Lakshmi

SAIBALAJI INTERNATIONAL JOURNAL OF MANAGEMENT SCIENCES

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Consumer Perception for Packaged Drinking Water in Pune

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Abstract

India has suffered from decreasing quantity of usable water in the past few years due to lowering of water table. Water shortage and health awareness is driving packaged water consumption in India. . Pune Consumers are growing more health--conscious and are more careful of their drinking habits due to less water availability. Brand loyalty is very high for Packaged Drinking Water as all the products differ in taste/ quality and can be bought on the shelf, same as that of soft drink and fruit beverage. Availability and brand awareness plays a crucial role in purchase decisions of Packaged Drinking Water.

To understand consumer behavior toward Packaged drinking water, it is first necessary to determine perception Packaged Drinking Water. a methodology based on a perceptive sorting was designed for the purpose. 189 consumers gave their perception.. This study facilitated to understand the Pune consumers consumers' perception for Packaged drinking water .

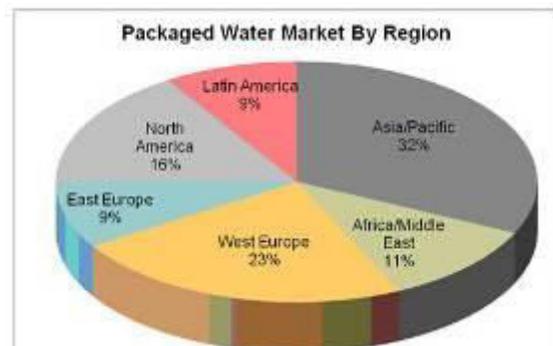
KEY WORDS: India, Consumer Perception, Packaged Drinking Water.

Introduction

Water, a precious natural gift, is very essential for survival of mankind. The drinkable water used for various purposes ought to be free from impurities. The water obtained from untreated sources such as Wells, Bore wells is generally not clean and safe for drinking. Unfortunately enough safe potable water is not available as harmful chemical substances found in the earth layers enter in to water or it may be contaminated due to pathogenic micro-organisms. If contaminated water is consumed then water-born diseases increases. Due to this, it has become very important to make available safe portable water for mankind. The demand for purified water becomes more during summer season. Although many companies have already entered in the bottling of safe portable mineral water still there is a huge gap between demand and supply.

Global Package Water Market

Consumers often use packaged drinking water as they perceive it to be safer and of improved quality to a great extent. Waterborne diseases in developing countries

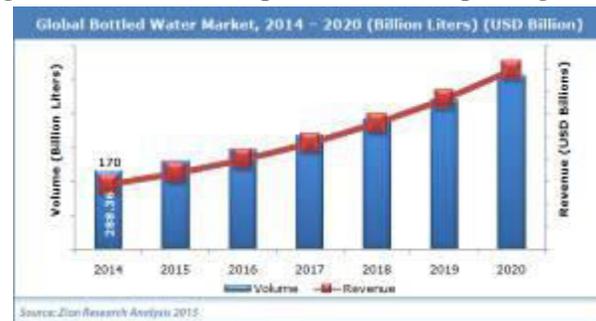


influence consumer's attitudes. Higher living standards make it possible to use packaged drinking water easily.

Global consumption of packaged water has doubled in the past decade, and is set to continue growth to replace carbonates as the leading soft drinks category in future.

Types of water contamination are:

1. Physical Contamination: due to contaminants like mud, sand, odour, colour, algae, fungus etc.
2. Chemical Contamination: due to insecticides, pesticides, oils, excess of ions, unwanted minerals.
3. Biological *contaminants*: due to microorganisms in *water*.



Bottled Water Industry In India

No Indian city has 24/7 water supply. Water is provided irregularly, may be only for a few hours per day, or only every alternate day or even less. Therefore every household needs storage amenities, which vary depending on their financial possibilities. The demand for purified water increases even more during summer season.

Further, the treatment facilities allow particulates, excessive amounts of minerals, and biological contaminants into the water stream and when they reach households they are unacceptable to most people for consumption. It is necessary to purify the water and supply it under hygienic conditions for human drinking purpose and water treatments are also the responsibilities of the municipality, but due to mismanagement the resulting impurities represent a critical factor in the choice to buy packaged water. In India, with rise in health awareness, Water shortage, poor quality of *tap water* and due to the easy availability of *bottled water* per capita consumption of bottled water is increased. The product is now a days widely required in offices, restaurants, bus stands, railway stations, airport, hospitals, and house-holds.

Packaged Drinking Water Need In India

- In India 80% of the diseases are water-borne.
- 60% -80% children get infected with water-borne diseases.
- 8 million cases of typhoid each year.
- 17 million cases of viral hepatitis,
- 50,000 people die each day due to water contamination.

The bottled water in Indian market is dominated by three companies namely Parle Bisleri, Coca Cola and Pepsico India. It is expected that the market grows at an annual rate of 30% over the next 5 to 10 years.

This is not very amazing when you take into consideration other countries , the average consumption of bottled drinking water in India is only one fifth of the global average (i.e) 0.5-liter contrasted to Europe, 111 liter and USA ,45-liter. As per a UN study conducted in 122 countries, in connection with water quality, India's number was 120. In contrast to global standards India's bottled water segment is largely unregulated. Safe water is rated with a different standard in different countries. In India, the aspect has been ignored since long. Indian consumers have a tendency to believe that all bottled water is safe water while this may not be true

The Indian market is growing at a rate of 40 per cent, this growth rate makes Indian Bottled water market one the fastest growing in the world. According to a national-level study, there are more than 200 bottled water brands in India and among them nearly 80 per cent are local brands. India ranks in the top 10 largest bottled water consumers in the world. There is a huge market for packaged water industry and several MNCs are waiting to expand in the country. Under mandatory BIS certification as per Food Safety and Standards Regulation (FSS) the Bureau of Indian Standards (BIS) had created a standard for packaged drinking and natural mineral water . This implementation led major players to obtain ISI and BIS certifications to avoid termination of licenses.

The mineral water is the purified water prepared with requisite amounts of minerals such as barium, iron, manganese etc., which is accepted by human body. It is obtained from natural resources like spring and drilled wells or fortified artificially by combining and treating with mineral salts and packed under hygienic sterilized conditions.

The Benefits of Mineral Water

1. Mineral water is supposed to be good for health and the mineral content gives it taste along with therapeutic value.
2. Packaged water Minerals is absorbed by the body easily compared to minerals in food.
3. Mineral water benefits the body by helping it to fight against micro organisms along with de-oxidizing body.
4. Usually water purifiers remove all mineral content from the water during mineral revitalization water purification process minerals is added back into the water.

The Packaged Bottled Water Industry Segmented Into:

1. Packaged drinking water is taken from any source and subjected to different treatments to meet prescribed standard before being packed in a container
2. Natural mineral water is having less than 250 ppm of total dissolved solids in it.

Articles Relating To Pune Packaged Bottled Water Industry

Times of India, Jan 13, 2015, In Pune division, which includes Pune, Satara, Sangli, Solapur and Kolhapur, 11 of the 31 samples drawn were found unsafe while eight were of substandard quality. Pune and Solapur have reported the highest number of unsafe samples found harmful for human consumption. They contained fungal growth and had elevated microbial counts. Though state governments issue permission to set up water-bottling plants, the Bureau of Indian Standards (BIS) grants product licences. The agency has the mandate to ensure quality of both packaged drinking water and packaged mineral water.

Seven of the 29 samples officials from Food and Drug Administration (FDA) drew from five districts including Pune between August 2011 and December 2014 were found unsafe while four samples failed the quality parameters. Of the seven unsafe samples, three each were from Pune and Solapur.

Sources said bottling unit owners invest up to Rs 2 lakh while a standard mineral water processing plant needs around Rs 20 lakh and many supply water without ISO certification. The demand for packaged water is so high that it barely matters whether contents are certified or not. People don't ask about the certification.

DNA, Jun 2014, recent raids by the Food and Drugs Administration (FDA), it has been found that several companies in rural Pune and Baramati are manufacturing packaged drinking water.

With FDA's order of shutting Pimple Gurav's Narayan Mineral Water and M Avhale Industries in Haveli taluka, the number of such companies has increased. According to FDA officials, these plants were carrying out reverse osmosis (RO) and carbon and sand filtration and sold the processed water in 20-litre containers to offices and party organisers.

These plants are run without licenses from the Bureau of Indian Standard (BIS) and Food Safety and Standards Authority of India (FSSAI) that are prerequisites to run a packaged

drinking water plant and can have traces of heavy metals which is injurious to health. **India times, Apr 30, 2015**, Government agencies had sent 543 warning letters to the manufacturers for flouting the norms. At least 30 licenses were cancelled. In Delhi and Noida, 23 of the 190 samples failed tests and two licenses were cancelled. In Maharashtra and Goa, 104 of 729 samples failed the tests.

Need for the study

Packaged drinking water is growing as the features of hygiene, convenience and quality has been guaranteed. According to an estimate, Pune city consumes between 30,000 to 40,000 bottles of 20-litre capacity of water per day during summer. Customers are having numerous brands to select in the packaged drinking water and variety availability is also many

But when the aspect of brand influences the buy there comes the threat on domestic brand also, hence a research has been carried over to analyze the perception of customers consuming packaged drinking water.

Scope of the study- Competition is increasing for Packaged Drinking Water in today's complex world. It is recapitalized that the vitality of water is the need of human being. The monsoon delay, non availability of pure water has necessitated packaged drinking water consumption due to its quality, price worth, and easy availability. The business today consumption of packaged drinking water is increased as it eliminates WATERBORNE disease.

Research Methodology -A descriptive research is used for the study. It is studied by a survey design and consisted of designing, administrating the questionnaire, constructing the sampling strategy and analyzing, results. Questionnaire was used as it is simple to administer, and provides relatively reliable data in time limited, the questionnaire has been designed comprehensively, order to motivate respondents to cooperate and complete it. The area of the study was Pune and the sample size includes 189 respondents.

Objective of the study

To understand the demographic profile among customers using packaged drinking water

1. To analyze the Purchase Time for packaged drinking water.
2. To analyze the underlying dimensions for packaged drinking water perception among customers

Data Analysis & Interpretation

Table: 1-Demographic Details of the Respondents

Gender of the Respondents	Frequency(N=189)	Percentage
Male	100	53
Female	88	47
Age		
18-30 years	86	45
31-40	56	30
41-51	38	20
above 52 years	9	5
Education		
Primary education	18	10
Diploma holders	47	25
Graduation	81	43
Professional education	43	23
marital status		
married	123	65
unmarried	66	35
size of family members		
4 members and less	117	62
More than 4 members	72	38
Income		
4-8 lakhs	59	31
8-12 lakhs	90	48
12-16 lakhs	25	13
Above 16 lakhs	15	8

Source:Primary Data

Interpretation:

It is inferred from table 1 that out of 189 total respondents 53 per cent of the respondents Were males and 47per cent of them were females.

Most of the respondents belonged to 18-30 years age group. 45 per cent . Respondents belonging to the age group of 18-30 , 30% in 31-40 years and 20 per cent of the total respondents belonged to the age group of 41-51.

It is also understood from the table 1 that 10per cent of the respondents had Primary education. 25 per cent of the respondents were Diploma holders. 43 per cent had college Graduation education and 23of the respondents had Professional education.

Marital status reveals that 65 per cent of total respondents were married and 35 per cent of the respondents were unmarried. Majority (65 %) of the respondents were married.

While considering the size of the family of the respondents, it was found that 62 per cent of the respondents had 4 members and less and 35 per cent of the respondents families had more than 4 members.

Hypothesis

To investigate how demographic variables affect Consumer perception for packaged drinking water a null hypothesis formulated that these independent variables do not influence the Consumer perception for packaged drinking water

H₀1: There is no significant relationship between the gender of respondents and Consumer perception for packaged drinking water

H₀2: There is no significant relationship between the age of respondents and Consumer perception for packaged drinking water

H₀3: There is no significant relationship between the marital status of respondents and Consumer perception for packaged drinking water

H₀4: There is no significant relationship between the education of respondents and Consumer perception for packaged drinking water

H₀5: There is no significant relationship between the Occupation of respondents and Consumer perception for packaged drinking water.

H₀6: There is no significant relationship between the Income of respondents and Consumer perception for packaged drinking water.

Table 2: Demographic and Consumers’ preference for packaged drinking water

The association between the Consumers’ preference on packaged drinking water and the variables relating to sample respondents such as gender ,age, marital status, level of education, occupation and income of respondents were tested through chi-square

Variables	Chi square calculated Value	Df	P value > 0.05	Significant/Insignificant
gender	4.39	df=1	0.036	significant
age	7.35	df=3	0.061	Insignificant
marital status	0.419	df=1	0.517	Insignificant
education	12.2	df=3	0.007	significant
size of family members	8.18	df=1	0.004	significant
Income	2.87	df=3	0.412	Insignificant

Source: Primary Data

Interpretation :It was found from the analysis that there is no relationship between demographic variables like age, marital status , Income and consumer preference for packaged drinking water.

it was found from the analysis that there is relationship between gender, education, size of family members and consumer preference for packaged drinking water, Since the P-value is less than the significance level (0.05), we cannot accept the null hypothesis.

Table -3, Purchase Time of Packaged Drinking Water

	Frequency(N=189)	Percentage
time of travelling	85	45
domestic use	29	15
Functions	47	25
scarcity and contamination in drinking water	19	10
others	9	5
Total	189	100

Source:Primary Data

Interpretation:

Table -3 Shows that 45 per cent of the total respondents purchased the packaged drinking water at the time of travelling. 25 % respondents purchased during travel and 25 per cent of the respondents bought for Functions and 10 per cent of the respondents bought when there was scarcity and contamination in tap water respectively. It was also observed that corporation water quality is good in most areas of Pune and a few societies had bore wells also

Consumer Perception on Packaged Drinking Water

H_{0 7}: Correlation matrix is insignificant relating to consumer perception

H_{1 7}: Correlation matrix is significant relating to consumer perception

Principal Component Analysis:

Table :4- KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.579
Bartlett's Test of Sphericity	Approx. Chi-Square	213.320
	Df	45
	Sig.	.000

Interpretation:

Table 4 explains the principal component analysis. Before the principal component analysis Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Bartlett's Test of Sphericity performed by SPSS. The K-M-O test and Bartlett's Test of Sphericity found that all extraction Values are as per the expected values, therefore all items were used to further analysis.

KMO test is significant because test value is greater than .500 at .579 shows a Factor Analysis is possible and Bartlett's Test of Sphericity is found significant $\chi = 213.320$, $P < .01$). It indicates that there is relationship between the variables influencing consumer perception on packaged drinking water and data set was adequate to perform factor analysis.

In the process of factor analysis of the scale, the Varimax Rotation technique was employed to examine the obtained factors which is shown in Table:4

Table:5 Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.037	20.372	20.372	2.037	20.372	20.372	1.788	17.883	17.883
2	1.750	17.500	37.872	1.750	17.500	37.872	1.648	16.477	34.360
3	1.151	11.508	49.380	1.151	11.508	49.380	1.382	13.822	48.182
4	1.125	11.250	60.630	1.125	11.250	60.630	1.245	12.449	60.630
5	.853	8.528	69.158						
6	.792	7.924	77.082						
7	.688	6.883	83.964						
8	.599	5.994	89.958						
9	.595	5.945	95.904						
10	.410	4.096	100.000						

Extraction Method: Principal Component Analysis.

Table:6

Rotated Component Matrix ^a	Component			
	1	2	3	4
Packaged drinking is consumed mainly while staying outside	.112	.115	.808	.220
Packaged drinking water has grown to be a business	-.120	.320	.006	-.701
Have confidence on Packaged drinking water brand	.226	.755	.126	-.108
Packaged drinking water is germ-free and hygienic	.722	.059	.089	.054
Plastic Packing of water will change the environment	.088	-.083	-.016	-.778
packaged drinking water is available in all places	.704	-.016	.059	.059
There is no dilemma to use packaged drinking water	.137	-.183	.727	.228
Packaged drinking water is safer than tap water	.298	.585	-.282	.102
Have a preference for packaged drinking water due to waterborne diseases	.734	-.059	-.097	.136
Packaged drinking water is suitable for all occasions	.195	.757	.290	.033

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. a. Rotation converged in 5 iterations.

Interpretation:

Only four factors in the initial solution have Eigen values greater than one. The table shows the Eigen values associated with each linear component before extraction, after extraction and after rotation. The Eigen values associated with each factor represent the variance explained by that linear component.

Table 6, are four factors resulting from the analysis explaining a total of 60.630 percent of the variation in the data set. The variation percentage after Varimax rotation as explained by first, second, third and fourth factor is 17.883, 16.477, 13.822, 12.449 percent.

Table 6, indicates that, Benefits was the First factor (loading, .734, .722, and .704), , Quality and trust was the second factor (loading .755, .757) Convenient aspect was the third factor (loading .808, .727), ethical Image consideration was the fourth factor (loading -.778 and -.701),

Research Implications

Proper water treatment has to be done on the water used by manufactures from nearby wells and rivers; as consumers trust it a lot.

As drinking water is very essential, manufactures should concentrate on quality aspects, so that the consumer preference will increase.

The usage of packaged drinking water has made significant impact on the minds of normal man hence care should be taken to ensure to product available conveniently taking into consideration the ethical aspects of it.

Conclusion

Packaged drinking water is witnessing sturdy growth owing to factors such as life style changes, Foreign Tourists increase, health awareness increases, etc. Natural mineral water on the other hand, falls under the premium water segment is primarily consumed by the urban consumers owing to its high cost. The increase in the number of domestic and foreign tourists along with professionals is expected to be a major driver for bottled water sales in India.

Monsoon delay has raised consumption of packaged water at large. Packaged drinking water has gained popularity in many corporate offices and household due to necessity. Easy quality availability should be taken care of by the companies as consumers depend on it.

Medical practitioners also suggest drinking purified water during travelling to stay away from diseases. If proper plans, strategies are made; market can make a positive attitude in

the minds of common man. The bottled water business are facing stiff competition but manufacturers need to change their perception because with ever increasing demand of water the need is growing and sustainable environmental friendly products are need of the hour.

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Hr Analytics A Strong Tool In Assessment Of Training Effectiveness In Automotive Industries

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Abstract

“**Human Resource Analytics**” is the application of considerable data mining and business analytics techniques to human resources data, to provide an organization with insights for managing employees effectively so that business goals can be reached quickly and efficiently.

The objective of this study is to understand through HR analytics, the effectiveness of training practices, how far employees are benefited by undergoing training programs and success in transfer of training at work performance with reference to automotive industries, as this industry accounts for almost seven per cent of India’s Gross Domestic Product (GDP) and employs as many as 19 million people, both directly and indirectly. .Descriptive research design is followed with the help of structured questionnaire for collection of primary information from the data bank of employees. The training effectiveness is analyzed by measuring participant’s reaction, learning knowledge acquired and impact on business performance.

The inference drawn out of analysis from the data collected from the employee data base of automotive industries that training activities fosters teamwork & cooperation among participants. The result of assessment can further be useful to make changes, improvements and modifications to effective training methodologies in automotive industries located in Pune, Mumbai and Aurangabad.

Key words: Human Resource Analytics, Data Mining, Training Effectiveness, Transfer of Training, Automotive Industry.

Introduction

Human resources are stepping into the spotlight with HR analytics. In past years, one of HR's primary goals was to collect and keep track of employees' personal and professional information, such as payroll, health benefits and performance reviews. Now, the tide of technology has reached HR's shores and is carrying it into deeper waters where it can

analyze data to play a more active role in the organization. HR managers typically used metrics to measure such data as turnover rates and sick days. With HR analytics, they can gauge employee engagement and whether or not workers have the skills to reach company goals. HR representatives can now talk with business leaders, find out what they need and hire accordingly. HR analytics allows human resources to interpret data, recognize trends or issues, and take proactive steps with different departments to keep the organization running smoothly and profitably. Analytics is always an important topic and trend in every part of business and HR is also not far behind. Today many organizations including automotive industries are looking for metrics or analytics in HR which are not just related to people but also on processes such as recruitment, retention, compensation, succession planning, benefits, training & development, performance and appraisal and many others.

Typical benefits and use cases of analytics are as mentioned:

- i. Improve organizational performance through high quality talent related decisions
- ii. Forecast workforce requirements and utilization for improved business performance.
- iii. Optimization of talents through development and planning.
- iv. Identify the primary reasons for attrition and identify high-value employees for leaving.
- v. Provide the source of competitive platform for the organizations
- vi. Manages applicants in better way on basis of qualification for a specific position.
- vii. Recognize the factors which turn the employee satisfaction and productivity.
- viii. Enabling HR to demonstrate its benefaction to achieving corporate goals
- ix. Exploring data to find new patterns and relationships (data mining)
- x. Explaining why a certain result occurred (statistical analysis, quantitative analysis)

In automotive industries, Training & Development is an attempt to improve current or future employee performance by increasing an employee's ability to perform through learning, usually by changing the employee's attitude or increasing his or her skills and knowledge. Training evaluation ensures that training programs comply with the competency gaps and that the deliverables are not compromised upon. Evaluation ensures

that the training programs are effective in improving the work quality, employee behavior, attitude and development of new skills within the employee within a certain budget.

Since globally companies are trying to cut their costs without compromising upon the quality, evaluation just aims at achieving the same with training especially in the dynamic and fast growing automotive sector in India. Evaluation also acts as a feedback to the trainer or the facilitator and the entire training process. HR Analytics is acting as an important tool in automotive industries to know the effectiveness of the training programs carried out for all employees for a framed time period. The Indian auto-components industry has experienced healthy growth over the last few years. Some of the factors attributable to this include: a buoyant end-user market, improved consumer sentiment and return of adequate liquidity in the financial system. Now the responsibility lies on the human resource of this industry to deliver the best for sustainability in the competitive market.

This assessment is an attempt to check whether the training practices are up to the mark and expectations which can be helpful to make changes, improvements, and modifications to effective training methodologies while eliminating those that are ineffective. Surveys, designed and delivered via survey software, are cost-effective methods businesses can employ to simplify the training evaluation process.

Objective of Study

To understand and assess the effectiveness of training practices of automotive industries through HR Analytics.

Review of Literature

“**Human Resource Analytics**” is the application of considerable data mining and business analytics techniques to human resources data. The goal of human resources analytics is to provide an organization with insights for effectively managing employees so that business goals can be reached quickly and efficiently.

The challenge of human resources analytics is to identify what data should be captured and how to use the data to model and predict capabilities so the organization gets an optimal return on investment on its human capital.

Data mining is sorting through data to identify patterns and establish relationships. Generally, data mining (sometimes called data or knowledge discovery) is the process of

analyzing data from different perspectives and summarizing it into useful information

Business analytics (BA) is the practice of iterative, methodical exploration of an organization's data with emphasis on statistical analysis. Business analytics is used by companies committed to data-driven decision making.

Some typical benefits and use cases of analytics are as follows:

- xi. Improve organizational performance through high quality talent related decisions
- xii. Forecast workforce requirements and utilization for improved business performance.
- xiii. Optimization of talents through development and planning.
- xiv. Identify the primary reasons for attrition and identify high-value employees for leaving.
- xv. Provide the source of competitive platform for the organizations
- xvi. Manages applicants in better way on basis of qualification for a specific position.
- xvii. Recognize the factors which turn the employee satisfaction and productivity.
- xviii. Enabling HR to demonstrate its benefaction to achieving corporate goals.
- xix. Exploring data to find new patterns and relationships (data mining)
- xx. Explaining why a certain result occurred (statistical analysis, quantitative analysis)

Need for Human Resource Analytics.

- I. To measure the level of '**Employee Satisfaction**' and find out scope of improvement to increase the satisfaction level.
- II. To assess the '**Effectiveness**' of the existing '**Training Program**' and suggest valuable inputs for designing future training programs.
- III. To understand the '**Attrition Level**' and suggest corrective measures.
- IV. Skill-Met goals

- V. Job Mobility / Growth Patterns
- VI. Setting internal benchmark
- VII. Identification of top performer & retain them.

Training effectiveness analysis is considered to be the foundation of all training activities. In order to deliver appropriate, effective training which meets the needs of individuals and the organisation and represents value for money a training needs analysis is essential (Boydell and Leary 1996, Reid and Barrington 1999).

There is general agreement in the literature that a training needs analysis is a best practice first step in the systematic approach to training (Wills 1998, Boydell and Leary 1996, Reid and Barrington 1999, Garavan et al., 1995, Bartram and Gibson 1997, 1999, Reay 1994). The systematic approach to training is the predominant model found in the literature (CLMS M 2 U6, Wills 1998, Buckley and Caple 1995, Boydell and Leary 1996, Reid and Barrington 1999, Garavan et al., 1995).

The systematic approach is described slightly differently by different authors, with varying stages and elements but there are a number of core features to the approach. The systematic approach is one which involves considering the linkages between the parts of the training process. There is an assumption that training must be planned in a cyclical or processual manner and that this approach will lead to high quality, planned training (CLMS, Buckley and Caple 1995, Barrington and Reid 1999, Wills, 1998, Bartram and Gibson 1999).

Bartram and Gibson (1999:107) state that a “systematic approach to identifying training needs ensures that people are offered opportunities to learn which are efficient and effective”. All of the systematic approaches outlined in the literature outline a number of steps in the process and cover similar basic elements; 11 determining the training need, choosing appropriate methods to address the identified need, planning, implementing and evaluating.

The benefit of this approach, as outlined in the literature, is that nothing is left out and there is a planned and professional approach. It also provides data necessary to justify or explain to senior management what training is required, what budgets are needed, what they are spent on and what the impact is for the organisation (Wills 1998).

Research Methodology

Research Design: Descriptive research design is used to determine some definitive purpose with the help of structured questionnaire for collection of primary information from the data bank of employees. The training effectiveness is analyzed by measuring participant's reaction, learning knowledge acquired and impact on business performance.

Sampling Design and Technique

Sample Size, white collar employees of the organization located in Pune, Mumbai and Aurangabad. After filtering the data, finally 32 responses information was considered for the research. Systematic Random Sampling is used for primary data collection for the study.

Data Collection

Measurement & Scaling, A Likert-type scale assumes that the strength/intensity of experience is linear, i.e. on a continuum from strongly agree to strongly disagree, and makes the assumption that attitudes can be measured. Respondents were offered a choice of five to seven or even nine pre-coded responses with the neutral point being neither agree nor disagree.

Parameters	Rank
Extremely Satisfied	4
Satisfied	3
Dissatisfied	2
Extremely Dissatisfied	1

Methods of Data Collection

Secondary Data -Secondary data refers to the information or facts already collected. For this research data was referred from already collected data of the organization, that is the data bank of the employees with the organization . Thus data was collected with and objective of understanding the part status of any variable or the data collected and reported by some source is accessed and used for the objective of a study. Data was collected through the post-training evaluation forms filled by trainees after attending training programs and the data base maintained of the same.

Statistical Tools & Techniques- Tools used for analysis are Percentage Analysis and Ms-Excel. Data Analysis and Presentation technique used are comprehensive charts and graphs

Analysis and Interpretation

A comprehensive analysis chart is prepared from the data thus collected with its analysis and interpretation.

Q. No	Extremely Satisfied	Satisfied	Dissatisfied	Extremely Dissatisfied	Interpretation
1	18	14	0	0	Sufficient information was provided at the conduction of training programs.
2	20	12	0	0	Exchange of information & expression is encouraged.
3	17	14	1	0	Training course covers the expected topics.
4	11	19	1	0	Training Program objectives are met.
5	15	17	0	0	It reflects that training design considered the challenges faced by organisation
6	18	14	0	0	Training programs are effectively formulated & conducted
7	11	20	0	0	Training methods are of good Quality
8	13	19	0	0	Trainers encourages cross learning from the participants.
9	19	12	0	0	Training sessions were conducted in suitable language to be accepted and understood by trainees.
10	16	16	0	0	Atmosphere at the time of conduct of training programs was cohesive and comfortable.
11	20	12	0	0	Training course fosters teamwork & Cooperation among participants
12	20	12	0	0	Trainer possesses sufficient knowledge regarding the content.
13	24	8	0	0	Trainer has good Communication skills
14	19	13	0	0	Sufficient time was devoted to each training module
15	15	17	0	0	Doubts if any are properly addressed and cleared

Discussion:

With the help of HR Analytics following are drawn;

- Respondents agreed that a sufficient input was given while conducting training programs.
- Most of the respondents agreed that the training course covers the topics expected by them & objectives of the training programs are completed.
- Training design has considered the challenges faced by organisation, contents of the training programs was good, appropriate methods & suitable language was used while conducting training programs,
- Sufficient time, comfortable atmosphere provided for each training module & doubts of trainees was cleared during the sessions.
- Trainers having good Communication skills, sufficient knowledge of training course were selected for conducting training programs. Training activities fosters teamwork & cooperation among participants.

Conclusion

Analysis of all the facts & figures, of the **training programs** gives a very positive impression regarding the training programs conducted at automotive industries in Pune, Mumbai and Aurangabad. It becomes quite clear that there is no other alternative or short cut to the development of human resources. Training when used in a planned and purposeful manner can be an extremely effective management process; particularly with the help of upcoming tools like HR Analytics it became more accurate and easy.

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Malaysia Airlines: Recovery Plans and Value Propositions

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Abstract:

Malaysia Airlines faced two major setbacks in the year 2014- In March, flight MH370 disappeared and in July another flight MH17 was shot down. More than 500 human lives were lost in these two disasters causing substantial distress to the organization. Early in 2015, the official website of Malaysia Airlines was hacked, presumably by a group of pranksters who claimed to be terrorists. When a company is struggling to stay upright amidst a tsunami of crises, it could do without such pranks. The challenges have erupted across various dimensions for the national carrier of Malaysia- financial, marketing, human resources and legal. Ultimately, the question that arises is that of survival; how will the airlines company recover from the pain and scars caused by these ‘eruptions’?

This case study explores the impact of damage caused by external forces on a services company. It describes the rather choppy growth curve of Malaysia Airlines (MAS) and focuses on the specific challenges of branding value propositions that the remodeled Malaysia Airlines Berhad (MAB) has to plan in order to continue flying.

Keywords: Malaysia Airlines, crises management, recovery plan, branding, value proposition

Introduction

Malaysian Airline System Berhad (MAS bhd) or Malaysia Airlines is the national air transporter of Malaysia. Its services are spread across four continents and its network has operations across many domestic as well as worldwide destinations. The airlines company has following business units: Aircraft repair and refurbish unit, two budget airlines- MASWings and Firefly and a cargo transporting unit (Malaysian Airline System Bhd 2014). Malaysia Airlines’ remarkable journey began when Ocean Steamship Company of Liverpool, the Straits Steamship of Singapore and Imperial Airways decided to run an air service between Penang and Singapore. A joint initiative between the three entities resulted in the formation of Malayan Airways Limited on 12 October 1937 (Rise of an airline 2015). The first commercial flight of Malayan Airlines as the national airline took to the sky on 2 April 1947. In 1963, Malaysia was born and the airline was renamed as Malaysian Airlines Limited. Its assets were divided in 1972, after Singapore gained independence from Malaysia, to form Malaysian Airline System or MAS for Malaysia and Singapore got its own national carrier called Singapore Airlines or SIA (Malaysia Airlines 2015). MAS commenced its operations on 01 October 1972. Subsequently, it

was renamed as Malaysian Airline System Berhad after its parent company Khazanah Nasional Berhad took the full ownership in 2014.

History of Malaysia Airlines

1946	Founded as Malayan Airways
1985	Partially privatised
Late 1990s	Sinks into red during Asian financial crisis
2000	Renationalised in government bailout
2006	Announces turnaround plan: Outsources some routes to AirAsia, offers early retirement
2011	Announces capital partnership with AirAsia; posts biggest annual net loss
2012	Dissolves AirAsia tie-up amid union opposition
2014	Flight MH370 from Kuala Lumpur to Beijing disappears on March 8 with 239 people aboard. Flight MH17 was shot at and brought down in Ukraine on 17th July, 298 people who were aboard, were killed. There were no survivors. Sovereign wealth fund Khazanah Nasional on August 8 announces plans for full nationalization.

Malaysian Airline System was branded as Malaysia Airlines and the traditional Malaysian kite design, called “waubulan” became its logo (Figure 1.1)



Figure 1.1 Malaysia Airlines Logo(Source:

<http://www.picpicx.com/wp-content/uploads/2014/12/e8cc3f24cd94015f9dd5bd62ed87032e.jpg>)

Problem Identified

In 2014 Malaysian Airline System faced a couple of disasters – critical enough to threaten its very existence. Crisis 1: On 8 March, 2014 a Boeing 777 disappeared resulting in one of the biggest aviation mysteries of the century. This was flight MH370 flying from Kuala Lumpur to Beijing in China. 239 passengers and crew were aboard and despite continued search operations involving several countries, the missing carrier could not be found. “The reality of our situation following the MH370 incident and the challenging business environment has made it even more imperative and urgent that the group relook at its business model and plans going forward to ensure sustainability of the business.” -Malaysian Airlines

Crisis 2: On July 17, 2014, exactly 131 days later, MH17 (another Boeing 777) crashed in Ukraine, in the neighbourhood of Donetsk, with 298 passengers and crew. A surface-to-air missile had hit the aircraft.

“The harrowing reality for Malaysia Airlines after MH17 is that if the government doesn’t have an immediate game plan, every day that passes will contribute to its self-destruction and eventual demise.”



-ShukorYusof, an analyst with an aviation consultancy Such crises can dislodge the financial planning foundations of the most robust businesses. Malaysian Airline System which, according to analysts, was suffering from poor management, unwise business decisions and government meddling was already in the red when it had to also come to terms with the two major disasters (Aussie tennis star 2014). Thus, how did the company deal with the twin crises? What kind of branding

value propositions should it offer to recover its losses?

Case Scenario

Malaysian Airlines was flying to 47 overseas destinations by the end of the 1980s. Its growth was largely due to the economic boom in Malaysia during the same period. The profit making airlines experienced its first losses just before the Asian economic turbulence in 1997, when it went in red with approximately RM (Malaysian Ringgit) 260 million losses. Thus began its rather bumpy flight through several years of

financial turbulence (Figure 3.1). **Figure 3.1: Profitable Years for Malaysia Airlines**
 (Source: Malaysia airlines profitable years 2014)

Reasons for un-profitability: The prolonged periods of unprofitability have been attributed to rising prices of fuel, increased costs of repair and maintenance, small yield per available seat kilometres (ASK), which measures the passenger carrying capacity of any airline and uneconomical network of flight routes. [ASK = existing number of seats × total kilometres flown]

Also, since 2002, when Tony Fernandes' creation- AirAsia entered the aviation industry with its low cost business model, MAS had been facing stiff competition at its home base in Kuala Lumpur. In the same period Malaysia Airlines cut unprofitable routes, thus leading to profits in the period 2002-04 (Figure 3.2).

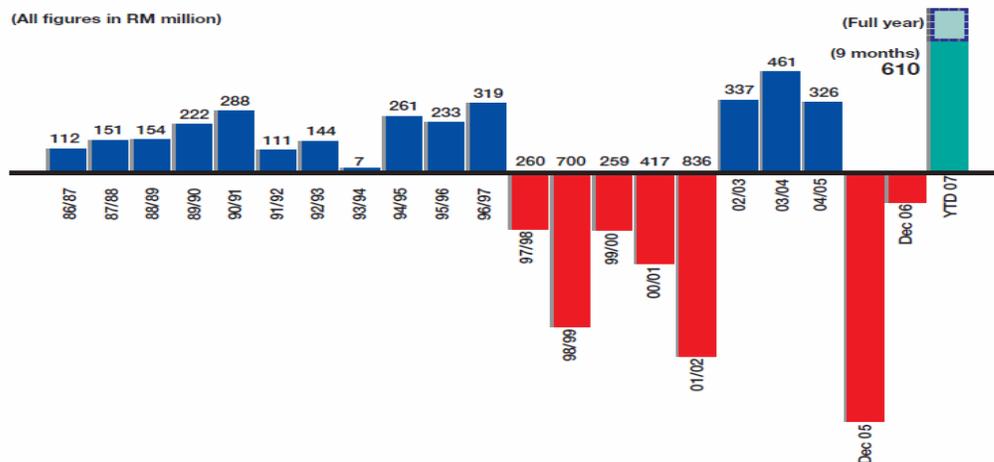


Figure 3.2: MAS' financial turbulence (till 2007)

(Source: Business turnaround plan 2006)

Between 2006 and 2007 MAS's 'Business Turnaround Plan' focused on four key P&L troubles- lower yield, uneconomical flight routes, un-productivity, poor financial planning (Business turnaround plan 2006). It addressed these problems by:

- Route Rationalization- its domestic routes were pared to 23 from 114 and major unprofitable routes were cancelled. At the same time, it increased its capacity to routes such as Jakarta, Bangkok and Los Angeles.
- Rescheduling flight timings
- Changing its operations to hub-and-spoke model from what it had earlier- point-to-point model.

- Reducing manpower by 15% through the mutual separation scheme(MSS), retirement and contract expiry.

In December 2011, MAS issued a “Business Plan- Our Way Forward” document (Business plan 2011).The opening line of this document made no attempt to sugar-coat the bitter pill as it said: “Malaysian Airlines is in crisis”. It stated that the company was in a more tenuous position than as compared to a similar crisis in 2006. Following facts were mentioned: (i) Less than 60 percent of its flight routes are profit making; (ii) Its cost for every unit is 10 to 15 percent more than the related revenue.The competitive environment, in the same period, comprised of

- (i) brisk increase in the low-cost or budget carrier (LCC) segment,
- (ii) persistent growth of the full service airline companies from the Middle East countries and resurgence of full service carriers from Asian countries such as Garuda (of Indonesia), Thai Airways (of Thailand) and Japan Airlines.

The airlines boasted of superior service standards but it did not focus adequately on the premium segment. Its marketing efforts did not put much thought into building its brand for long term brand equity but predominantly focussed on tactical and short term activities like sales promotions

The business plan looked at opportunities presented by strong demand outlook for Asian aviation industry due to significant increase in disposable income of Asians, better access to internet services, increased usage of credit cards and escalated trade among the Asian countries. Its five step recovery plan aimed at making it the preferred premium carrier and entailed major changes in its business model (Table 3.1).

Table 3.1: Highlights of Recovery Plan of Malaysia Airlines in 2011 (Source: From “Business Plan-Our Way Forward”(MAS, Dec 2011)

To have profitable trimmed network	Their network to include those routes where more number of premium travellers want to fly, and where they have the home advantage and assured competitive advantage.
To regain the loyalty of old customers	In 2012, plans were to acquire 23 aircrafts each with modern passenger facilities. Give a boost to sales and marketing functions to regain the trust and loyalty of Malaysian customers especially, and assure superior services. Better management of revenue and improve yields.

Focus on cost control	To focus on the savings resulting due to increased efficiency of new aircrafts. To target reduction in fuel and maintenance expenditures. Also, plan for minimum overheads and other expenses. Strategic collaborations with competitors like Air Asia to save in procurement expenses. Such collaborations will be fully compliant with the worldwide anti-trust legislation.
Simplistic operations	To de-clutter and empower different business units of MAS and focus on their core business of flying.

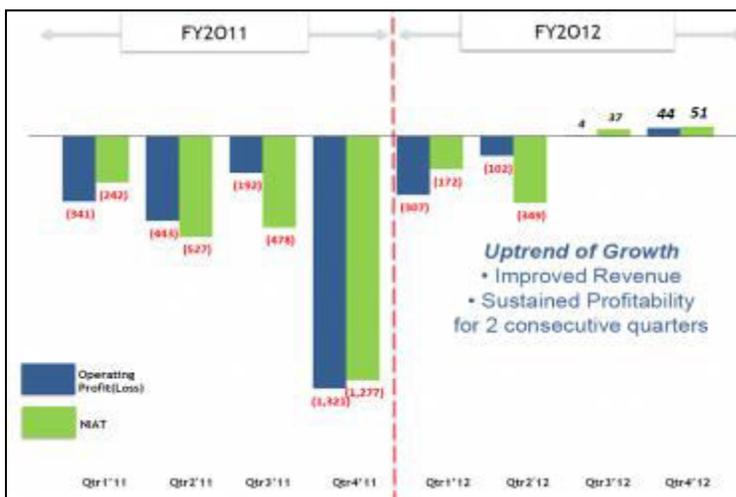


Figure 3.2(a): Domestic Capacity Share of Seats-Malaysia

Post 2011, its “Way forward” business plan may have enabled the airlines to post some profitable earning quarters in 2012 (Figure 3.3). But a quick look at its capacity share (percent of seats) for both domestic as well as international destinations in a specific week in March 2013 shows that AirAsia was its biggest commercial adversary nibbling at the market pie

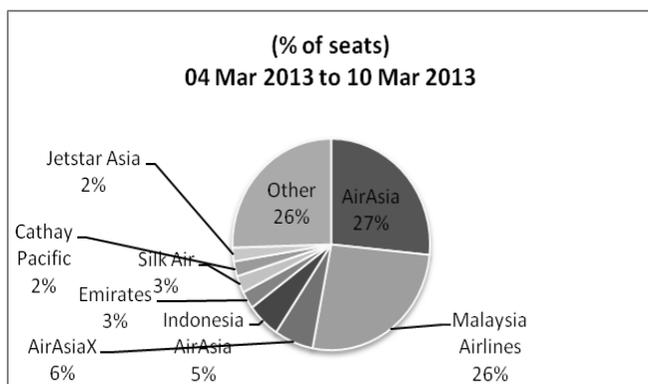


Figure 3.2(b): Profitable earnings quarters in 2012 (Source: Malaysia airlines 2013 outlook 2014)

Figure 3.2(b): Malaysia International Capacity Share of Seats (Source: Malaysia airlines 2013 outlook 2014)

Analysts argued that Malaysia Airlines ignored customer service by not making substantial investments in improving it as opposed to its other Asian peers like Thai Air and Singapore airlines.

Thus, the double disasters in 2014 threatened its very existence as the airlines went into a tailspin due to the added financial burden, negative press, and consumer distrust and concern. Net loss was \$137.8 million for the first three months of the year 2014. The

company acknowledged that the loss of the aircraft had added stress to the already challenged financial year.

Recovery Plan for MAS post MH370 and MH17 disasters. In August 2014, Khazanah Nasional Berhad, also known as Khazanah announced its “12 point MAS recovery plan” and issued a summary report titled- “Rebuilding a National Icon: The MAS Recovery Plan”. An important and interesting aspect of this plan was the statement of establishment of a new company (Now known as Malaysia Airlines Berhad or MAB) and conditional investment funding of upto RM6 billion¹ by Khazanah (Khazanah



appoints Administrator 2015). This funding is planned to be done in stages after ascertaining satisfactory fulfilment of laid out conditions at each stage. Since the announcement of recovery plan, MAS was delisted in December 2014 and the important operations of MAS along with its assets and liabilities are planned to be transferred to MAB by September 2015. Right sized workforce and work contracts are to be migrated into MAB and Khazanah is now the sole shareholder of MAS. Effective 25 May 2015, Khazanah appointed Dato' Mohammad Faiz Azmi as the Administrator for MAS to facilitate seamless transfer of selected assets and liabilities to MAB as provisioned in the MAS Act 2015², which was passed by both the houses of Malaysian Parliament in 2014 (Khazanah appoints Administrator 2015). MAB is to become operational from 1 September 2015 with a new business model and management team headed by Christoph Mueller, currently the Chief Operating Officer of MAS (MAS Restructuring Programme 2015). The plans are that the national airliner will become profitable again by 2017-18 and it is also expected to get relisted on the stock exchange in around same time period. (Khazanah announces its 12 point recovery plan 2014).

Crises Management by Malaysia Airlines in 2014 and 2015. Within a few hours of the disappearance of MH 370, the company activated its official website for updating and providing information related to the incident. It also used its Facebook (Figure 3.5) and Twitter accounts to spread the message related to the flight. **Figure 3.5: Media Statement released on 08 March 2014 on Facebook** Image courtesy: Su Jie (Ophelia)

¹Malaysian Ringgit or RM is the local currency.

² Under the Malaysian Airlines Systems Berhad Act or MAS Act, the Administrator plays a key role to facilitate the transfer of assets from MAS to MAB.

Similar communication channels were used after MH 17 disaster in July 2014 and website hacking in January 2015 (Figure 3.6). The airlines confirmed that its site was compromised although the customers' bookings and other relevant data were not affected. On the morning of 26 January 2015, its website showed the words "404- Plane Not Found".



"404-Page Not Found" is the common error message displayed when a website cannot be loaded. The hackers were clearly making reference to missing MH370 when they posted the 404- message as the visitors were re-directed to some other webpage with an image of a lizard dressed in a tuxedo and a title- "Hacked by LIZARD SQUAD -- OFFICIAL CYBER

Figure 3.6: MAS Facebook status on 26 January 2015

On 29 January 2015, the Malaysian civil aviation chief officially declared that the unfortunate incident of MH370 disappearing was an accident and this did not go down too well with the relatives of passengers considered to be dead. The families say that they want Malaysia to "honour its promise" of finding the plane (China media 2015).

"It is therefore, with the heaviest heart and deepest sorrow that, on behalf of the government of Malaysia, we officially declare Malaysia Airlines flight MH370 an accident," civil aviation chief Azharuddin Abdul Rahman said in a televised announcement (Malaysia declares MH370 an accident 2015).

Following this public announcement by the civil aviation chief, the statement on MAS official Facebook page read as: "Prior to the scheduled announcement by the Department of Civil Aviation (DCA) Malaysia, all next-of-kin were notified via telephone calls, and in certain instances by text messages when the calls were unanswered. These were done personally by its Family Support Centre, caregivers or representatives from the airline's regional offices." (Families informed 2015)

As part of its restructuring exercise, MAS has reduced its flights to Australia by as much as 40% effective from August 2015 (Malaysia Airlines restructuring 2015). Till July 2015, MAS was operating 73 weekly flights to Australia. This capacity was trimmed to

43 flights from August 2015. The rival airline Air Asia X may benefit from the cut, but market watchers feel that this restructuring decision is prudent as MAS needs to focus on survival, not market share.

Managerial Implication

Any services business can face unforeseen threats from external factors and crisis management should be included in the services blue-print. Crisis management will have many elements- operations, legal, and communications and these are the broad areas that should be considered for in-depth planning in advance.

On 29 July 2015, a six feet long wing fragment from a plane crash was found in Indian Ocean near a French island near eastern coast of African continent. It is believed that it may belong to missing Malaysia Airlines flight 370 (Discovery of wing fragment 2015). On 17 Feb 2017, 34 months after searching the oceans for the missing debris, Malaysia, China and Australia formally called off the deep sea search. The three countries, collectively spent almost 160 million USD on the search.

Voice 370, a Next-of-kin association of MH370 fliers gave a statement- *“In our view, extending the search to the new area defined by experts is an inescapable duty owed to the flying public in the interest of aviation safety....commercial planes cannot just be allowed to disappear without a trace.”*

Malaysia Airlines should be well prepared to address this situation. Negative sentiments can rekindle and new litigations may crop up.

FUTURE OF MALAYSIA AIRLINES-BRANDING VALUE PROPOSITIONS: Malaysia Airlines Systems (MAS) has been dealing with financial losses for past few decades but after the disasters of 2014 a brand like Malaysia Airlines is associated with negative sentiments. The brand as a symbol is likely to elicit discomfoting visual imagery thus maligning the brand heritage. Rebranding at this stage can help in uplifting the poor brand image.

Khazanah’s 12-point recovery plan for MAS proposed the formation of a new company, which is now known as MAB. Post September 2015, we got introduced to a new branding strategy in the aviation industry to carry forward the organizational vision and attributes of MAB. In a press release on 8 March 2016, Group Chief Executive Officer of Malaysia airlines Berhad, Christopher Mueller expressed his optimism regarding the restructuring progress. His statement mentioned diligent execution on efficiency and

tighter cost controls producing results (Malaysia Airlines Berhad restructuring continues to show positive results, 2016).

The renewed branding exercise should communicate a pleasing visual imagery of the brand with metaphors for positive sentiments. It should create a brand with a strong personality while emphasising upon lasting brand-customer relationship. In December 2014, the 19 year old Nick Kyrgios, a tennis player from Australia, was named the latest brand ambassador of Malaysia Airlines (Australian tennis player 2014). Kyrgios is of Greek-Malaysian descent and he shot to international fame in June 2014, when as the 144th seed he defeated world number one Rafael Nadal in the fourth round of the Wimbledon Championships in London (Aussie tennis star 2014). The choice of brand ambassador was strategic because Kyrgios, as an upcoming tennis star may be associated with positive sentiments. His multi cultural roots and affiliations may help the brand in associating with global audience. It is to be noted that Perth and Sydney are two of the most profitable routes for Malaysia Airlines (Exhibit 1). MAS bhd decided to invest in its brand by sponsoring Kyrgios, despite the widening losses (Exhibit 6). Such investments in brand building mostly bring encouraging results. However, in July 2015, Nick Kyrgios exited the Wimbledon championship after second round amidst controversy arising due to his on-court tantrums like using offensive language, and arguing with the umpire. It remains to be seen if this tennis star can help in building a strong and reliable brand for MAB (Nick Kyrgios' Wimbledon 2015). Active communication and providing competitive advantage will be the key implementation areas to position the brand as a reliable and responsive carrier. The communication program should be executed in a manner that is not only aligned with the intended brand identity and position, but also achieves brilliance and durability. So far, the company has associated with social media along with the traditional media choices. In future, it has to continue with adapting the newer media and communication options. The company will have to measure and follow the brand equity of the new entity. This should include tracking the brand awareness, perceived service quality, brand loyalty and brand associations. Specific communications objectives should aim at building the desired brand image. The value propositions in rebranding should include the functional, emotional and self-expressive benefits for the customer. The 12-point recovery plan issued by Khazanah addresses these areas by focussing on relevant management functions of operations, finance, human resources etc. The company will have to understand the brand-customer relationship and create a brand that is perceived as credible. The turbulence in this sky is for real but the airline can fly through this with forethought and firm control.

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A Study On Public Awareness About The Negotiable Instruments Act And Attempts from Government And Financial Institutions To Ensure Public Awareness

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Abstract

A cross sectional quantitative study was conducted in Panipat city (Haryana) in order to assess the awareness of general public, who are the users of negotiable instruments, regarding negotiable instruments act and amendments, and to find out the effectiveness of attempts made by financial institutions and government to ensure public awareness about the use of negotiable instruments. A total of 25 people were surveyed, and their responses were recorded using questionnaire. The response from the participants was analyzed using IBM SPSS, and MS Excel software. Based on the result of analysis, it was found that the awareness regarding the Negotiable instruments is very low, and the attempts to increase the public awareness by government and other financial institutions were perceived ineffective by public. Men had better knowledge of negotiable instruments compared to women. Gender, qualification of a person, and type of bank account have an impact on the awareness of the Act. Also, perceived effectiveness and the level of information provided by the institutions were found to be highly correlated.

Key Words: Negotiable Instrument, Public Awareness

Introduction

All the commercial transactions largely depend on the banking and financial system of the country and most of the transactions are carried out through paper or electronic (electronic cheque) instruments called the negotiable instruments. Negotiable instruments include promissory notes, bill of exchange and cheque payable to either order or bearer.

The Negotiable Instruments Act (The Negotiable Instruments Act, 1881) defines the three instruments as follows:

A "promissory note" is an instrument in writing (not being a bank-note or a currency-note) containing an unconditional undertaking, signed by the maker, to pay a certain sum of money only to, or to the order of, a certain person, or to the bearer of the instrument.

- 1) A "*bill of exchange*" is an instrument in writing, containing an unconditional order, signed by the maker, directing a certain person to pay a certain sum of money only to, or to the order of, a certain person or to the bearer of the instrument.

- 2) A "*cheque*" is a bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand.

Problem Statement

In today's world where the use of cash in day-to-day's life is getting extinct and when negotiable instruments have become ubiquitous in commercial transactions, it is extremely necessary that people's faith in such instruments be strengthened steadily. In order to enhance the credibility and validity of the instruments, government occasionally improves upon the Act in the light of stakeholders like industry associations and financial institutions. Introducing and amending the act is one side of the story. In order to make the Act and amendments effective, public should also be made aware of the acts and amendments that govern the use of negotiable instruments.

It is frequently observed in India that banking and financial institutions take advantage of unawareness of consumer about the Negotiable Instruments Act, ultimately victimizing the consumer. Therefore, a study about consumer's awareness on negotiable instrument and attempts from government and financial intuitions towards promoting public awareness needs to be carried out to assess the current situation of the problem.

Objectives of the Study

1. To assess the awareness of general public, who are the users of negotiable instruments, regarding negotiable instruments act and amendments.
2. To find out the effectiveness of attempts made by financial institutions and government to ensure public awareness about the use of negotiable instruments.

Scope and Limitations of the Study

1. The study is limited to the city of Panipat, Haryana.
2. Findings of the study cannot be generalized and extended to other areas.
3. Convenience sampling is used for survey which has its own limitations.

Literature Review

The Negotiable Instruments Act, recognizes the act as "An Act to define and amend the law relating to Promissory Notes, Bills of Exchange and Cheques." Under Section 1 of the act it states, "This Act may be called the Negotiable Instruments Act, 1881. Local extent. Saving of usages relating to hund is, etc. It extends to the whole of India but nothing herein contained affects the 'Indian Paper Currency Act, 1871, (3 of 1871). section 21, or .affects any local usage relating to any instrument in an oriental language: Provided that such usages may be excluded by any words in the body of the instrument which indicate an intention that the legal relations of the parties thereto shall be governed

by this Act and it shall come into force on the first day of March, 1882.”(The Negotiable Instruments Act, 1881)

According to Section 13 of the Negotiable Instruments Act. “A negotiable instrument means a *promissory note, bill of exchange* or *cheque* payable either to order or to bearer”. “A negotiable instrument may be made payable to two or more payees jointly, or it may be made payable in the alternative to one of two, or one or some of several payees”. (Kuchhal & Deepa, 2009) define the word *negotiable* as “transferable by delivery”, and the word *instrument* as “a written document by which a right is created in favour of some person”. Thus, they conclude that “negotiable instrument” literally means “a written document transferable by delivery”. The definition of negotiable instruments is subjected to Section 31 of the Reserve Bank of India Act which was amended in 1946. The section prohibits the issue of promissory notes which are “payable to bearer” or bills which are “payable to bearer on demand” to prevent the private parties from infringing the monopoly of Reserve Bank and the Government of Note Issue in India. Section 32 of the same act declares issue of such notes and bills as criminal offence and unenforceable by law. (The Reserve Bank of India (Amendment) Act, 1946).

Prior to the amendment of the Negotiable Instruments Act, 1881, in the year 1988, whereby Sections 138 to 142 were inserted, the act of dishonor of cheque was treated as an offence under the Indian Penal Code. Because the penal law is grounded on the principle of *proof beyond doubt*, the drawer of a dishonored cheque could easily get away with punishment by raising fragile doubts and the drawer of the cheque was left scot-free. With the insertion of these provisions in the Act the situation certainly improved and the instances of dishonor have relatively come down but on account of application of different interpretative techniques by different High Courts on different provisions of the Act it further compounded and complicated the situation although on dishonor of cheques the trends of the verdicts of the Supreme Court unequivocally demonstrate that there is subconscious judicial pressure in the mind of the Judges which leans heavily in favour of the holder of the cheque.(Jain, 2003)

Having regard to the working of these penal provisions on dishonour of cheques and the bottlenecks that have surfaced in strictly implementing these provisions, Parliament enacted the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002 (55 of 2002), which was intended to plug the loopholes. This amendment Act inserted five new sections from 143 to 147 touching various limbs of the parent Act. Section 143 is intended to achieve speedy trial. The Section 144 deals with the service of summons. Section 145 contemplates evidence on affidavit. Then Section 146 provides for presumption to bank memorandums. Section 147 provides for compounding of offences under this Act. Besides this Sections 138, 141 and 142 have also been amended by doubling the imprisonment term from one year to two years and the period of time to

issue demand notice to the drawer from 15 days to 30 days and by providing immunity from prosecution for nominee director.(The Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002) Because of the problems faced by various financial institutions and industry associations, arising out of the recent legal interpretation of the place of jurisdiction for filing cases under Section 138 to be the place of drawers' bank by the Supreme

Court, the Union Cabinet, chaired by the Prime Minister Shri Narendra Modi, approved the proposal to introduce the Negotiable Instruments (Amendment) Bill, 2015 in Parliament.To address the difficulties faced by the payee or the lender of the money in filing the case under Section 138 of the NI Act, because of which, large number of cases were stuck, the jurisdiction for offence under Section 138 was clearly defined. The amendments are focused on clarifying jurisdiction related issues for filing cases of offence committed under Section 138 the Negotiable Instruments Act, 1881. (Government of India, 2015)

The 2015 Bill amends the Act to state that cases of bouncing of cheques can be filed only in a court in whose jurisdiction the bank branch of the payee (person who receives the cheque) lies.If a complaint against a person issuing a cheque has been filed in the court with the appropriate jurisdiction, then all subsequent complaints against that person will be filed in the same court, irrespective of the relevant jurisdiction area.If more than one case is filed against the same person before different courts, the case will be transferred to the court with the appropriate jurisdiction.(prsindia.org, 2015)(The Negotiable Instruments (Amendment) Bill, 2015)

The Bills also amends the definition of 'cheque in the electronic form'. Under the Act, it was defined as a cheque containing the exact mirror image of a paper cheque and generated in a secure system using a digital signature. The definition has been amended to mean "a cheque in the electronic form" means a cheque drawn in electronic medium by using any computer resource and signed in a secure system with digital signature (with or without biometrics signature) and asymmetric crypto system or electronic signature, as the case may be;' (The Negotiable Instruments (Amendment) Bill, 2015). After the amendments in Section 138, there is a single place to file the complaint. Litigation expenses are supposed to come down, and the drawers of cheques, including company directors will be more careful while signing such cheques. The government feels that these procedural changes will be fair to both parties.According to the newly introduced Section 142A, all cases which were pending in any court, whether filed before it or transferred to it shall go before the court having jurisdiction under the new procedure.(Antony, 2015)

Research Methodology

Research approach and research design

Quantitative Approach of research was followed to study this problem. *Descriptive* Research design was used because the study focuses on measuring characteristics (awareness and perceived effectiveness) and now how, when or why the characteristics occurred.

Method and tool of data collection

Survey method was used to study the characteristic of population. A *questionnaire* with 3 distinct sections was used as the tool for survey. (*Refer to appendices for questionnaire*)

Section 1 of the questionnaire is for recording the basic information of respondents including demographic information. Age, Gender, Qualification, Primary bank, Type of account and experience in banking practices are recorded by the section. Section 2 consists of quiz type questions regarding various instruments and practices. It consists of 7 questions. Section 3 is for measuring the perception of participant towards effectiveness of government's and financial institutions' effort towards making public aware of the act. It consists of 5 questions.

Scaling Technique

Categorical scale is used in section 1 to capture basic information of respondents. Dichotomous scale is used to record answers of respondents in section 2 (quiz section) of questionnaire. Itemized rating scale is used to measure the perception. Likert-type scale is used in section 3 which ranges from Strongly Disagree to Strongly Agree (1 to 5).

Sample Design, Sampling and Data Collection The population universe of this study consists of general public in Panipat who are the users of negotiable instruments. *Convenience* sampling technique was used for the purpose of sampling. Respondents were selected based on their proximity to researcher and their willingness to participate in survey. 25 people were surveyed in total. Person qualified and willing to take the survey was introduced briefly about the survey prior to the survey.

The questionnaire was administered by the researcher. Which means, questions were asked by the researcher in same structured fashion as in the questionnaire and response of a participant was recorded by the researcher. This was done to ensure the validity of responses.

Analysis Tools and Types

IBM SPSS and Microsoft Excel were the tools used for the purpose of analysis. Simple percentage analysis, frequency analysis, T-test, ANOVA and Correlations test were performed for analysing the data collected.

Data Analysis and Interpretation

For the purpose of analysis, responses in section 2 of the questionnaire are consolidated into single score which is termed as Awareness Score. It is assumed that Awareness Score represents the level of awareness of the respondent regarding the negotiable instruments act. Higher the score better the awareness. The score is calculated as total number of right or positive answers given by respondents. Each right or positive answer yields 1 marks and total marks is awarded out of 7 (seven questions total). Similarly, responses in section 3 are consolidated into one score namely Effectiveness Score.

Effectiveness score is calculated as an average of 5 responses in the section. It is a mean score of 5 different responses representing perception towards 5 different dimensions of effectiveness. Higher effectiveness score shows that effectiveness of government's and financial institutions' efforts towards public awareness is perceived more positively and deemed more effective.

1.1 Demographics Analysis

Details	Frequency	Percentage
Age		
18-30	7	28
31-50	12	48
Over 50	6	24
<i>Total</i>	25	100
Gender		
Male	18	72
Female	7	28
<i>Total</i>	25	100
Educational Qualification		
None	3	12
Primary Level	3	12
Secondary Level	3	12
Higher Secondary Level	6	24
Bachelors	8	32
Masters	2	8
<i>Total</i>	25	100

Primary Bank		
HDFC	7	28
SBI	8	32
PNB	4	16
BOM	2	8
KOTAK	4	16
Total	25	100

Account Type		
Savings	21	84
Current	4	16
<i>Total</i>	25	<i>100</i>

Table 1.1 shows that, out of 25 that participated in survey 7 (28%) belonged to 18-30 age group, 12 (48%) belonged to 31-50 age group and 6 (24%) belonged to Over 50 group. 18 (72%) participants were male and 7 (28%) were female. 3 (12%) participants didn't have any educational qualification, 3 (12%) had primary level education, 3 (12%) had secondary level education, 6 (24%) higher secondary education, 8 (32%) had bachelors level education and 2 (8%) had masters level qualification. Out of 25 surveyed, 7 (28%) had HDFC, 8 (32%) had SBI, 4 (16%) had PNB, 2 (8%) had Bank of Maharashtra (BOM) and 4 (16%) had Kotak Mahindra as their primary bank. 21 (84%) participants were primarily using savings account and 4 (16%) were using current account as their prime account. 1 respondent had less than 1 year of experience with banking practices, 6 (24%) had experience of 1 to 5 years, 6 (24%) had experience of 6 to 10 years and 12 (48%) had experience of above 10 years with banking practices.

1.2 Mean awareness and effectiveness score: Male Vs Female

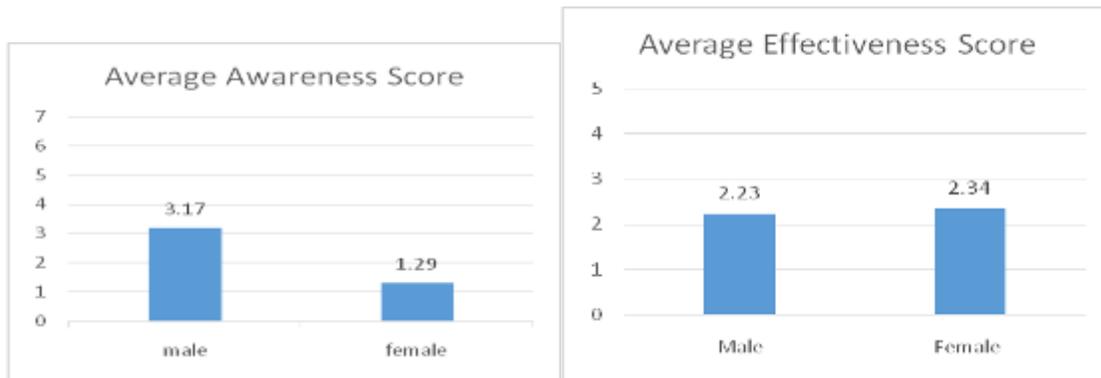


Figure 1.2 Mean Comparisons of Male and Female

Figure 1.2 clearly shows the difference in mean scores between male and female regarding awareness. Male mean score is 3.17 out of 7 and female mean score is 1.29 out of 7. Average effectiveness rating by male is 2.23 whereas by female is 2.34. To test further whether or not the gender has any role to play with the awareness, t-test was performed. Mean awareness score for total participants is 2.64 out of 7 (37.71%) and mean effectiveness score of total participants is 2.26 out of 5 (45.28%).

1.3 T-test: Gender vs Awareness and Effectiveness Score

For testing Gender against Awareness score following hypotheses are proposed:

H0: There is no significant relationship between gender and awareness score

H1: There is a significant relationship between gender and awareness score

For testing Gender against Effectiveness score, following hypotheses are proposed:

H0: There is no significant relationship between gender and effectiveness score

H2: There is a significant relationship between gender and effectiveness score

The test revealed the p-value for Effectiveness score of 0.674, which is greater than 0.05 (at 5% significance level). Therefore, null hypothesis cannot be rejected. Which means, there is no significant relationship between gender and perceived effectiveness. Perception about effectiveness of efforts from governments, banks etc. are not influenced by gender.

The p-value for Awareness score is 0.004, which is significant at 5% alpha level. Hence, the data supports alternate hypothesis and null hypothesis is rejected. Which means, there is a significant relationship between gender and awareness. Awareness of negotiable instruments act is influenced by the gender of a person. In this research, it has been found that males are more aware of the act compared to females

		t-test for Equality of Means						
		t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Effectiveness Score	Equal variances assumed	-.426	23	.674	-.10952	.25735	-.64189	.42284
Awareness Score	Equal variances assumed	3.205	23	.004	1.881	.587	.667	3.095

Table 1.4 T-test for Gender vs Awareness and Effectiveness scores

1.4 Test of relationships between categories vs awareness and effectiveness

	Awareness		Effectiveness	
	F-value	P-value	F-value	P-value
Age	0.144	0.866	2.060	0.151
Qualification	5.282	0.003*	0.813	0.555
Primary Bank	6.231	0.002*	0.074	0.989
Type of Account	6.251	0.020*	1.219	0.281
Experience with practices	1.006	0.410	1.207	0.332

*(Refer to Appendices for detailed test results)

Table 1.5 ANOVA: Categories vs Awareness and Effectiveness

Following can be concluded from the results of ANOVA test performed for each category against awareness and effectiveness score.

- ❖ There is no significant relationship between age and awareness.
- ❖ There is no significant relationship between age and perceived effectiveness.
- ❖ There is a significant relationship between qualification and awareness.

- ❖ There is no significant relationship between qualification and perceived effectiveness.
- ❖ There is a significant relationship between primary bank and awareness.
- ❖ There is no significant relationship between primary bank and perceived effectiveness.
- ❖ There is a significant relationship between type of account and awareness.
- ❖ There is no significant relationship between type of account and perceived effectiveness.
- ❖ There is no significant relationship between experience with banking practices and awareness.
- ❖ There is no significant relationship between experience with banking practices and perceived effectiveness.

In conclusion, test results showed that Qualification of a person, Primary bank and Type of account one operates can influence the level of awareness about the negotiable instruments act. Factors like age and experience doesn't influence the awareness. Also, age, experience, type of account, primary bank and qualification do not influence how people perceive the effectiveness of efforts for raising awareness about the Act.

1.6 Correlations between perceived effectiveness and its dimensions

Dimension	Correlation
Amendments Knowledge	.422*
Government's Attempts	.776**
Institutions' Attempt	.655**
Adequacy of Information	.800**
Accessibility of Information	.713**

Table 1.6 Test of Correlations between perceived effectiveness and its dimensions

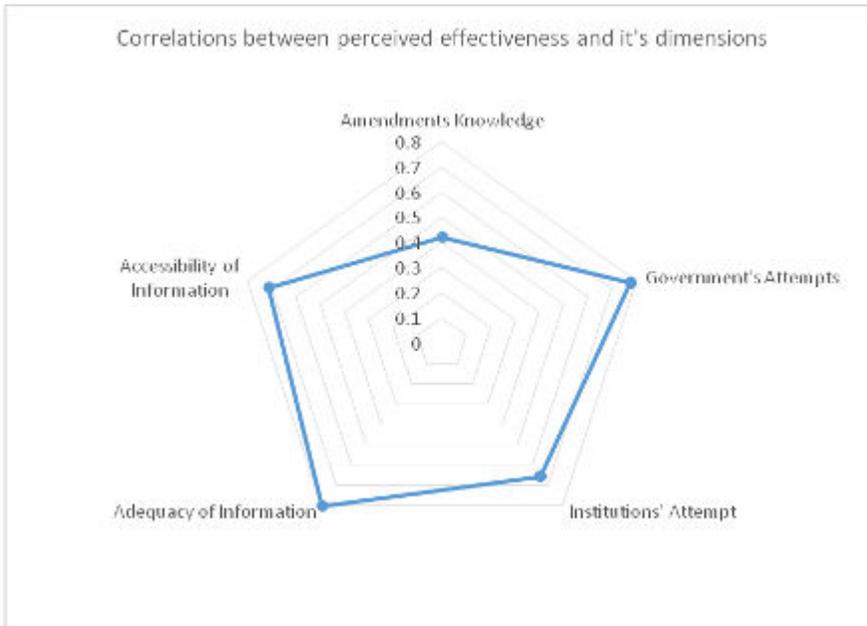


Figure 1.7 Correlations test: Perceived Effectiveness vs its dimensions

The test of correlations revealed that all the dimensions of perceived effectiveness are positively correlated with the perceived effectiveness; Adequacy of information being the highest and Knowledge about Amendments being the lowest

Conclusion:

Based on the study, one can conclude that awareness regarding the negotiable instruments is very low (nearly 38%). Public also perceives that the attempts of government, banks and financial institutions to increase the public awareness are quite ineffective (48%). Male are more aware than female regarding the negotiable instruments and gender of a person is significantly associated with the awareness level. Along with gender, qualification, bank and account type of the person has significant influence on awareness of the Act. No factors under study influence the perceived effectiveness. Adequacy of information provided by institutes highly correlates to the perceived effectiveness.

Recommendations:

1. Government must ensure ways to make students aware of the negotiable instruments from early days of education as it is seen that qualification of a person has significant influence on the awareness level.
2. Government should conduct awareness program for women to promote the use of negotiable instruments among them.
3. Standard practices must be enforced in all banks by government so that the information regarding the negotiable instruments are easily accessible, instant, adequate and helpful.
4. Further research shall be conducted to analyse the relationship of account type and awareness level and to know why and how the different account types results in different degree of awareness about the Act.

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A New Paradigm Shift in Logistics and Supply Chain Practice with Special Emphasis on Last Mile Delivery-A Study on Last Mile Delivery Company In Pune.

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Abstract

The future of logistics is paved with technology and innovation. In 2017, many businesses are looking for clever ways to reduce supply chain waste and innovate the industry on a whole – an industry this scale required to constantly vigorously to become better and more creative. The author opines that over the next several years, many trends will change the logistics operations, especially in emerging markets.

Supply Chain Managers and Logistics shipping and providers can introduce easy and effective solutions to better manage schedule requirements, such as building slow-steaming into overseas shipment planning. Including sales and marketing staff members in supply chain planning has also been important to help them know customer and goods demand cycles. 3D printing and the Internet of Things also play a significant role in the emerging trends in logistics. **The researchers in the project focus on understanding the key drivers which will fuel the growth in emerging the trends in logistics industry.**

Key words: Last mile delivery, Reverse logistics, 2 tier and 3 tier cities, Third party logistics.

Introduction

Supply Chain Management is the administration of interconnected businesses engaged in the extreme provision of goods and service packages need by end customers (Harland, 1996) .

Supply Chain Management covers all motion and storage of raw materials, Work-in process inventory, and finished goods from point of beginning to point of consumption.

In the words of The Supply Chain Council, SCM is also called as administrating supply and demand, obtaining raw materials and parts ,manufacturing and assembly, warehousing, order entry and order management, distribution across all channels, and delivery to the customers. Logistics market in India has witnessed an exponential growth rate over the past decade. Logistics is defined as a business planning shape including obtaining, maintenance, arrangement, and replacement of personnel and material. Logistics management is an area of research that has been getting increasing from giving attention by academicians and practitioners from the last two decades since it may lead to reduced operational costs, improved delivery performance and increased customer satisfaction levels, thereby forming an organization more competitive in terms of price, quality, delivery and flexibility.

The importance of logistics is also increasing due to globalization as more and more multi-national companies (MNC) are obtaining, producing and distributing goods on a global scale, making their supply chains very complex to manage. However, a new trends in outsourcing logistics activities to experienced logistics services providers (LSP) is also visible in the current scenario, these third-party logistics (3PL) providers, may empower companies get very efficient and customized logistical support while themselves focusing on the core organizational functions. Today, there are many large multi-national LSPs that offer complete supply chain solutions across many diverse countries in terms of their socio-economic and political atmosphere. Apart from logistical actions such as transportation and warehousing, LSPs also offer value-added services such as customs clearance, freight forwarding, import/export administration, inventory management, assembly/installation, packaging and labelling, distribution, after sales support, reverse logistics and so on. By outsourcing logistics, companies can leverage the expertise of LSPs while concentrating on their core competencies.

The major objective of this paper is to define the emerging trend in supply chain management in logistics industry. This research is made to re-clarify and re-define the position relationship between transportation and logistics system through collecting and analysing various application cases and practices in logistics.

and also discusses the role of E-Com express with special emphasis on last mile delivery and major issues faced during supply chain operations by this company.

Objectives of study

1. To understand the emerging trends in scm and logistic industry
2. To understand about the last mile delivery concept
3. To analyze the successful determinants for a logistics company

Indian Scenario

The Logistics sector in INDIA has today become an area of priority. One important reason for the same is the high growth in the Indian economy that has resulted in a symbolic rise in the volume of freight traffic moved across Indian contingent. The huge volume of traffic has given growth opportunities in all facets of logistics including transportation, warehousing, freight forwarding, express cargo delivery, container facilities, shipping facilities etc. The growth direction also suggests that increase demand is being placed on the sectors to provide the solutions required for supporting future growth. Strength of the logistic section is probably to be one of the key determinants of the pace of the future growth of the economy.

The market size of the logistics sector in INDIA is estimated to be between USD 90-125 billion provided that the Indian economy has increased to over USD 1.73 trillion, these estimates may already be well below the actual size of the industry. Sources estimates that the industry staff over 45 million people and is going at the rate of 15% with sub-section growing at even 30-40% per annum. Due to these reasons the Indian logistics sector is viewed as one of the most agreeable business in the globe. Recent policies decisions and sleuth of benefits given by the government of India will attract a strong growth area for logistics in the future. Despite holding promise, the logistics sector in India remains in several complexities which have the potential of holding it back. These includes significant inefficiencies in entire spectrum of supply chain including transportation, poor condition of storage infrastructure, complex tax format, lesser penetration rate of technology acceptance, and poor skills of logistics professionals.

The logistics industry in India is evolving rapidly and it is the interplay of infrastructure, technology, and different and new types of service providers that will define whether the industry is able to help its customers reduce their logistics costs and provide efficient services. Despite existing economic sentiments, the logistics and warehousing industry prolonged to witness exponential growth largely due to growth in detail, E-commerce and manufacturing sectors. The logistics sector is expected to grow at around 10 to 15% in period 2016-2017.

Emerging Trends in SCM and Logistic Industry

The beginning of 2016 is seeing lots of activity in supply chains in India. This is due to the government's increasing focus on green infrastructure development, introduction of GST, falling oil prices, emerging digital channels with reasonable new technologies and corporate focus on the country as a growth engine driven by consumer demand.

The following are some interesting and impactful trends

1. Concept of Third Party Logistics (3PL) , A third party logistics (3PL) company is one that which deals with shippers in order to manage another company's logistics operations department. 3PL is the action of outsourcing activities that are related to logistics and distribution.

A Third party logistics providers usually specialize in following areas of logistics operations

- Combine integral operations
- Warehousing
- Distribution services
- Cross-docking
- Inventory management
- Packaging
- Freight forwarding

2. Internet of Things

The Internet of things (stylized Internet of Things or IoT) is the internet working of physical devices, vehicles (also referred to as "connected devices" and "smart devices"), buildings, and other items—embedded with electronics, software, sensors, actuators, and network connectivity that enable these objects to collect and exchange data. The IoT allows objects to be sensed and/or controlled remotely across existing network infrastructure, creating opportunities for more direct integration of the physical world into computer-based systems, and resulting in improved efficiency, accuracy and economic benefit in addition to reduced human intervention. When IoT is augmented with sensors and actuators, the technology becomes an instance of the more general class of cyber-physical systems, which also encompasses technologies such as smart grids, smart homes, intelligent transportation and smart cities. Each thing is uniquely identifiable through its embedded computing system but is able to interoperate within the existing Internet infrastructure. Experts estimate that the IoT will consist of almost 50 billion objects by 2020. This digital wave has been slowly penetrating in logistics domain, As manufacturing, Storage, distribution, and every aspect of humanity evolves in modernity, the Internet of Things (IoT) continues to grow and impact every stage of supply chain movement.

This IOT represents a frightening, yet curious and profitable prospect: how will transportation management services work, warehouse management systems, and other

aspects of third-party logistics (3PL) benefit themselves by using the industrial internet of things in the future?

3. Creation of Smart Containers

A New concept in tracking the containers (20& 40 Ft) is slowly penetrating in logistics Area This Smart containers are fitted with Radio Frequency Identification (RFID) sensors which will improve the transparency and accuracy of the product being transported. Earlier, identification of shipping container materials was based on human inputs to answer questions about a given product, which includes what, how why, many, where an item needs to go. However this RFID fitted smart containers will be connected with remote sensing device which will now accurately be tracked.

4. Smart Vehicles

Most of us think trucks as the primary means of transportation; however, the IoT's impact on shipping will includes planes, trains, ocean-carriers, and the smart vehicles called drones. This Smart vehicles will gather information and determine which factors affect a given product's shipping path.

5. 3D Printing

The evolution of 3D printing will greatly affect manufacturing and the supply chain including physical delivery of goods. Its importance in creating complex items that were once made on assembly lines has the ability to eliminate the need for larger volume production from a traditional factory, as well as the factory workers.

In time, the supply chain will become more efficient, more simplified, more local and globally connected. The Concept of 3D Printing will help us in following way .

- Reduction in warehouses leading to Less Inventories
- Efficient movement of goods with possibility of Easy home delivery
- Less interruption of logistic suppliers.

6. Driverless Vehicles

A Driverless trucks as the name suggest could operate around the clock by saving time and energy by 90%. This trucks will have following features

- Safety concerns related to fatigued drivers would no longer exist by reducing traffic accidents by 90%.

- Freight turnover would increase due to shorter transit times. The resulting savings and increased revenues could be invested in other areas, for instance hiring more labour to speed up the loading/unloading process.

7. Robotics in Logistics

Robotics has been slowly and gradually penetrating in Supply chain and Logistics Domain. This use of Robots will have following benefits

- Reduced errors and need for reverse logistics.
- Increased order-to-delivery times.
- Reduced burden on work force
- Reduction in transportation duration.

8. Automated Parcel Delivery Terminals (APDT)

Automated Parcel Delivery Terminals (APDT) are new generation concept conceptualise by E commerce company to expedite delivery of their consignments. This APDT will have following advantages .

- Seamless deliveries
- 24*7 service
- Eco friendly
- Enhances shoppers brand experience
- Increase in efficiency of last mile delivery
- Cashless environment
- Reduce costs of Transaction

This last mile delivery Logistics Company is a leading end to end logistics solutions provider to the Indian e-commerce industry. Head quartered in Delhi, This company was started in 2012 . The Promoters of this business have 100+ years of experience in the Indian logistics and distribution industry.

The company has established its presence in the market due to its unique business model which is built in on delivery service capability, scalability, customization and sustainability. This organization uses cutting-edge technology and automated solutions to enable first mile pick up, processing, network optimization and last mile delivery. The company has a team size of over 14,000.

This organization operates nearly 1000 towns in India and is the first private logistics company in India to envision full stage coverage to reach every doorstep of the county.

The company has broad network across metros, tier I, Tier II, Tier III, Tier IV towns and rural area allows it to serve the emerging needs of customers by providing fulfillment

services and facilitating the e-commerce business. The company is able to handle 80% of its entire volume of shipments by its own network. It also provides fulfillment solutions for e Commerce Company.

The Organization aims to service over 15,000 pin codes covering more than 2,000 towns and cities over next couple of years.

Key Successful Determinants of Logistics Company

The New Mile Operating System:

- **The First Mile**

This concept refers to the good's penetrating into the supply chain operations. At this stage retailer have instant access to shipping information, which can then be forwarded to the end customer, who will eventually receive the delivery. It can be a tracking number, estimated time of shipment or a notification that the package is on it's way. As the logistic operators make information easily available to retailers, it lowers send-again rates and enables faster deployment of products at various locations and routes.

- **The Last Mile**

Last-mile delivery- As the name suggest is the last stage of the supply chain, in which consumer goods are delivered to the home , an important part of its supply chain.

Primarily known as movement of goods between a transport hub to the doors of customer. During this process, the carrier takes on the challenge to transfer information to all parties connected – retailer, logistics managers and the end customer.

- **SDD-Same Day Delivery:**

The service where Logistics Company will deliver the products on the same day of pickup.

- **SDL - Special Delivery Location:**

The unique service where logistics Company delivers the product to the locations which are located in the outskirts of pune.

- **SPD - Sunday Pickup / Delivery**

The unique service where Logistics Company delivers or receives on Sundays.

- **HPD - Holiday Pickup / Delivery**

The unique service where Logistics Company receives or delivers on Holidays.

- **Real Time Tracking:**

Real-time last mile tracking on a map enables the location of the delivery vehicles through the function of GPS.

- **Proof Of Delivery:**

Cash and card management (COD) at point of sale, electronic proof of delivery as picture, signature, timestamp etc.

- **Automated Optimization:**

Plans and optimizes routes and capacity for all transportation process including Single Pick Up-Multiple Drop and Multiple Pick Up-Multiple Drop functions.

- **Next Day Delivery (NDD):**

The service where Logistics Company expresses will deliver the shipments on next day

Implications for the Company

By indulging these technologies in supply chain layout an organization can gain:

- Enhanced identification and bridging capabilities of gaps.
- Optimized functions.
- Increased supply chain visibility.
- Better decision making power.
- Larger efficiency.
- Better respond leading to effective customer relationship and hence added competitive and favorable advantage.

Conclusions

Technology had plays a very crucial part in determining the success and growth of a supply chain and physical movement of goods. This Exploratory research confirms that the present day technologies has immensely involved in determining the efficiency and effectiveness of the logistics and supply chain industry. this technologically will definitely increase velocity, visibility of variability and variety which are key determinant for better logistics management

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Industrial Sickness a Constraint to growth and Development of MARTHAWADA: a Case Study of Nanded

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Abstract

This study is made to carry out the performance sickness of small scale industrial sector in some parts of Marathwada Region during 2013-2016. The analysis also states the causes of sickness & suggests remedial measures to overcome it with reference to small scale industries. SSI sector is one of the pioneering sectors in development of Indian Economy in terms of employment generation. The SSI sector is reorienting its export strategy towards the new trade regime being ushered in by the W.T.O. By its less capital intensive and high labor absorption nature, SSI sector has made significant contributions to employment generation and also to rural industrialization. The growth rates during the various plan periods have been very impressive. Thus, resulting in increasing number of SSI. Thus stating the potential scope in the sector. On the other hand few industries are facing down fall due to various internal as well as external influences. The research is carried out to analyze different causes of sickness in geographical diversity of Marathwada region.

Key words:- growth rate, potential scope, down falls, external influences.

during its implementation and operation stage because of a number of factors in the environment internal and external. The sick industries are unable to utilize the production capacity or produced goods and services. The sickness has been acute and adversely affecting production and employment in the country besides other socio-economic repercussion, so there is need to identify sickness in the initial stages and to initiate the process of corrective measure and revive/ rehabilitation before the sickness assumes a serious proportion.

Incidence of industrial sickness is a continuous process and at a particular time some units in a particular industry will be running sick even if the industrial climate is favorable from all points of view. Its analogy can be understood from a society in which some are healthy, some are of medium health, some are sick and others are recouping from sickness. Similar case is with industrial units. Continuous sickness leads to closure. Hence, to avoid closure of industrial unit one has to act much in advance before the incidence of closure takes place. The effort should be to arrest or minimize the rate of sickness. Moreover, prompt action is needed as soon as the symptoms of sickness are

visible. All possible remedial measures should be taken at this stage rather than making a hue and cry when the unit is actually dead.

In common parlance, a sick industry is one which is not healthy. A health unit is one which earns a reasonable return on capital employed and which builds up reserves after providing reasonable depreciation.

An industrial unit is considered sick when its financial position is not satisfactory and it becomes worse year after year. It incurs losses and its capital reserves may be stretched out in course of time. The increasing trend in industrial sickness is touching all types of units including small, medium and large scale industries. The sickness does not occur all of a sudden. A healthy unit shows profit and has positive values of net working capital and net worth. But when it tends towards sickness one of these may become negative.

The necessity of industrialization as a means of achieving sustainable growth and prosperity has been therefore, recognized in the development strategy of any region in India. And Marathwada is no exception. The region is yet to emerge out of industrial backwardness. The process of setting up large and medium scale industries in the state is not satisfactory due to several constraints. Development of sustainable micro and small enterprise is therefore the only alternative to the problems that need immediate attentions viz., utilization of local resources, unemployment and dispersal of industrial activity (Chakraborty2006). Beside growing significance of MSME sector in rest of Marathwada region, sickness among the medium and small scale industries in Nanded seems to be rising fast. It has assumed a serious proportion and become a cause of anxiety for the policy of the region.

Definitions of Micro, Small & Medium Enterprises as per MSME Development Act 2006

Enterprises engaged in Manufacturing / Productions of Goods	
Classification	Investment limit in plant & machinery
Micro Enterprises	Not exceeding Rs 25 Lakhs
Small Enterprises	Above Rs 25 Lakhs but not exceeding Rs 5 Crores
Medium Enterprises	Above Rs 5 Crores but not exceeding Rs 10 Crores
Enterprises Rendering Services	
Classification	Investment in equipments
Micro Enterprises	Not exceeding Rs 10 Lakhs
Small Enterprises	Above Rs 10 Lakhs but not exceeding Rs 2 Crores
Medium Enterprises	Above Rs 2 Crores but not exceeding Rs 5 Crores

Background of Study:

The background of my study is to identify the major problems faced by the Industries & to analyze them with a core perspective of Marathwada Region. Marathwada is the region comprising the eight districts of (divisional headquarters) Jalna, Aurangabad, Parbhani, Hingoli, Nanded, Latur, Osmanabad and Beed. Nanded & Aurangabad geographically & historically is considered as one of the blessed place; blessed with rivers, temples, Gurudwaras, different people belonging to different caste and creeds, having different life styles. This area itself would provide a wide scope for the research in understanding the central idea, problems & prospects of cause of Industrial sickness.

Nanded District is categorized as D+. Various incentives have been declared by the State Govt. like : Industrial Promotion subsidy, Stamp Duty Exemption, Electricity duty exemption, Interest Subsidy, Technology up gradation, Cleaner Production, Quality certification etc. The study provides a scope of industrial region in Nanded, Krushnoor (SEZ), and MIDC.

Literature Review

Most of the research studies on sickness are pertaining to fail and those who have not failed. A few related studies without empirical analysis have been conducted to identify the general problems of small scale industry. The related studies are discussed below in brief.

Vepa (1971) has observed one of the main problems confronting the growth of small scale industry in most of the developing countries and under developed countries is lack of adequate finance. State bank of India (1975) constituted a study team under the chairmanship of J.S. Varsheya to find out the reasons for sickness in small scale industries, taking preventive steps and revival of sick units to restore them to health for the overall economic development. A high powered committee was also constituted in 1978 under the chairmanship of the Union Finance minister to discuss the problem of sick industrial units and the role of Banks and financial institutions. Bidani and Mitra (1982) have stated that industrial sickness develops gradually and is not an overnight phenomenon. If the financial institutions are taken into confidence at the initial stage, when the problem arises, the diagnosis and treatment would certainly be much easier. The study is intended for bankers and persons working in term lending financial institutions and consultants undertaking studies for revival of sick units. Bala (1984) has critically evaluated the Government policies and their implementation in perspective of the benefits and problems of the small entrepreneur. The study is a comprehensive one

covering loans, subsidies and assistance related to marketing, raw materials, machinery, consultancy and training of entrepreneurs and workers, power and labor policy. Khandelwal (1985) has made a study of 40 small scale units working in Jodhpur Industrial Estates. The study is based on information collected through personal visits and questionnaire. His work throws light on working capital management practices adopted by small scale industrial units. The analysis of aggregated working capital management is followed by an intensive analysis of individual components of working capital, viz., and management of cash, accounts receivables and inventories.

Bansal (1992) has shown in his study that how the industrial sickness hindering the economic development of the state. Due to miscalculations, the industrial units face the industrial sickness and are ultimately forced to close their shutters, the industrial sickness and are ultimately forced to close their shutters permanently creating several severe problems like unemployment and wastage of resources. Juejo, Rohra and Maitlo (2007) found that the most of the entrepreneurs are completely unaware about the requirements, for making better feasibility reports. Many projects were sick by birth because of inadequate feasibility reports regarding the demand of product in various markets, wrong choice of technology, improper forecasting of financial requirements, delayed in supply of plant and machinery or in their installation or release of funds by financiers.

The increasing incidence of sickness in the SSI units of Nanded is a woeful phenomenon, which is causing a severe strain on the banks and financial institutions. Sickness is an cumulative effect of many factors, which may be inter-related or independent of each other. It would, therefore, be difficult to recognize a particular factor responsible for a particular sick unit. There are several factors responsible for sickness in the small scale sector of Nanded like frequent changes in climatic conditions, limited market support by government, outdated technology etc. in Indian context or in the context of other states of India, there are lots of studies have been done on industrial sickness. The survey of existing research work indicates that there is no study on industrial sickness in Nanded as yet. In regards to other aspect of socio-economic problems of the region, highly worthy studies have been undertaken by different scholars. Unfortunately the problem of industrial sickness in Nanded has not been able to draw the attention of researchers to any noticeable extent. The present study is an attempt to provide a complete picture of industrial sickness of the state with reference to micro and small units.

Objective of the study

1. To analyze the core factors of industrial sickness.
2. To bring into light the schemes & interference of Government.
3. Propose some fruitful recommendations.

Profile of Industries at a Glance in Nanded till (2012 to Sept.16) :

Sr. no.	Category	No.of Enterprises			Employment generation			Investment (P & M)Rs.in lakh)		
		Mfg.	service	Total	Mfg.	Service	Total	Mfg.	Service	Total
1	Micro	1768	399	2167	11378	1615	12993	12679	2509	15188
2	Small	259	44	303	4219	803	5022	14862	1497	16359
3	Medium	2	0	2	118	0	118	1767	0	1767
	Total	2029	443	2472	15715	2418	18133	29308	4006	33314

Research Methodology

As a matter of fact, industrial sickness in the small scale industries in Nanded is an area of great concern nowadays. With an ever increasing population of the state and less scope for getting jobs in public sector, these small scale industries are the only hope of providing a source of livelihood to the local populace. In these present days of down-sizing and right-sizing in government jobs, a proper study of industrial sickness and finding its measures to stop it will be the only means of empowering the people for economic development. We have selected 250 sample units from Nanded industrial areas for the purpose of the study. We have ensured to give equal representation to different types of industries. The data for study have been collected mostly from the primary sources however the use of secondary data has also been considered for the application and research purpose. An elaborative questionnaire was prepared for administering among the entrepreneurs. For the purpose of conversing the questionnaire one entrepreneur for each industry has been selected irrespective of the fact that some are partnership firms and some are proprietorship firms.

Findings

It is found that out of 250 selected sample units, only 190 units are working, while remaining 60 are either sick or closed in Nanded. High of incidence of sickness and closure is observed in the units of wood products, Ginning and pressing, rice mills. On the other hand low rate of incidence of sickness and closure is found in oil mills, dal mills and printing. It is observed that 70% sick and closed units of the sample are situated in rural areas.

To generalize the causes of Sickness it is defined as follows:-

There are two major factors Internal & External which is further classified on individual basis.

Internal causes:

1. Managerial:

- Lack of Management expertise and supervising.
- No proper manpower development programme.
- Inability to maintain proper accounts.
- First generation entrepreneurs, mostly coming from trading activities with little or no experience
- Lack of feedback/MIS
- Over centralization
- Dishonest management.

2. Technical:

- Wrong choice of location, location of industry far too distant from raw materials and customers.
- Improper layout of the plant.
- Working below installed capacity.
- Obtaining machinery without spares.
- Absence of modernization of the product.
- Lack of technically trained skills.
- Lack of modern machinery and technology.

3. Production:

- Poor quality of raw materials
- Poor maintenance and replacement of machinery.
- Poor collection of power (gas, Chemical, Oil etc.) and other inputs.
- Delayed supplies from subcontractors.
- Obsolescence.
- Poor quality control.

4. Marketing:

- poor pricing system
- poor products and product mix
- Non-compliance with delivery schedule.
- Lack of sale promotion
- Lack of sufficient advertisement

-Lack of sales planning and forecasting.

5.Financial:

- Lack of finance and working capital.
- Adverse debt-equity ratio.
- Too much bad debts and uncollectable.
- underestimation cost of product.
- Lack of proper financial planning and control.
- continuous losses
- Diversification of working/loan capital to sister concerns, misuse of funds by investment in windfall trading.

6.Personnel:

- weak organizational set-up
- poor labor relations resulting in strikes and lock outs
- Absenteeism/ labor turnover
- Excessive manpower.
- Dishonesty and lack of integrity
- High expectation and low labor productivity.
- Lack of training
- Lack of motivation and job satisfaction.

7.Others:

- Dishonesty of the entrepreneurs
- Quarrels among partners/shareholders.

External Causes

1. Infrastructural Bottlenecks:

- Inadequacy of essential inputs like power, fuel, water, transport etc.
- Inadequate supply of raw materials both quantitatively and qualitatively.
- Non availability of spare parts, manpower etc.

2. Financial Bottlenecks:

- Heavy financial burden due to lack of rate fluctuations of interests and debt servicing liability.
- Price rise of raw materials, fuel, spare parts, power, water and other inputs.
- Fixation of loan installments by the bankers/financial institutions without taking into account the gestation period.
- Non-availability of adequate funds.

3. Government policies:-

- Changes in the govt. policies increase in sales tax, VAT, excise duty etc., hike in wages due to new policy, sudden withdrawal of subsidy, tax holiday, exemptions etc.
- Easy availability of substitute/ similar goods in the market through duplicate production.
- Government price control.
- Deterioration of law and order situation in the country.

4. Market Constraints:-

- Market saturation point
- Sudden and wide fluctuations in the demand
- Technological advances resulting product obsolescence

5. Extraneous factors:-

- Sudden and ultimately death/departure/ removal of a key person.
- Natural calamities like fire, flood, cyclone etc.
- Political influence over the workers and patronage of unhealthy trade union practices leading the workers and patronage of unhealthy trade union practices leading to over manning.
- political situation.

Remedial Measures

In competitive economy the problem of industrial sickness is likely to come up occasionally depending upon phases of business cycles. In advanced economies, survival of the fittest and weeding out of inefficient industrial units is a common feature. However, in a place like Nanded the problem of industrial sickness cannot be left to the market forces because of its adverse repercussions on the economy as a whole. There are no social security measures to provide financial relief to unemployed persons. It is sickness among the industrial units, and also every care and precautionary measures should be taken to save the industry from future sickness. To check the growing phenomenon of sickness some remedial measures will have to be taken by all concerned Viz., management itself.

These remedial measures may be of two forms, Viz., prevention of sickness and nursing schemes for rehabilitating sick industries. Both are discussed under:

Prevention of Sickness

- It is well established that “prevention is better than cure”. Continuous use of the predictive models, by the management in assessing a firm’s health and taking necessary preventive steps to prevent any sickness of an industry getting worse.
- Besides the management, financial institutions like bank and term lending institutions and the government have also significant role to play in preventing sickness.
- Among various preventive measures, the important points are:- proper and unbiased appraisal of project, proper and adequate super-vision, follow-up, reporting and monitoring of industries.
- The entrepreneurs have, also a vital role to play in all these exercise right from the selection of the project to their successful implementation and operation.
- In case, the sickness is noticed then some immediate steps should be taken to turnaround the sick industry into an economically viable one.
- Turnaround means substantial and sustained positive change in the performance of a business.
- Inclination towards sickness is warned by couple of signals before the industry goes through the incipient and advanced stages of sickness.
- Thus the concerned agencies should be vigilant not only during the implementation but thereafter also to give necessary timely guidance to the management.
- Similarly, concerned parties should ensure technical advice to the management during difficult time so that the weak industries are saved at the right time.

Revival and Rehabilitation of sick industries

The objective of rehabilitation is to restore the capacity of generating the internal surplus rather than immediately recovering the amount. Only such industries may be considered for revival or rehabilitation which have chances of becoming viable and would be able to dispose of all the out standings including new funds raised for revival. To try to revive an industry which would remain permanently sick would ultimately prove to be highly costly to the national economy, unless there are compelling reasons to keep an industrial unit running on non-financial considerations. An opportunity for rehabilitation should be given only to those borrowers is very important. (Reddy; 1988). So, it is essential to prepare a thorough feasibility study prior to the undertaking of rehabilitation programme and carefully monitoring of the performance during the nursing period.

The main object of nursing is to cure the sickness of an industry for its revival. Industrial sickness may be cured, by giving some reliefs and concessions to the sick industry, providing raw-materials on time, providing efficient marketing facilities for marketing of the finished products, keeping a check on the managerial competence, allowing labor rationalization in cases where the industry is overstaffed, providing funds for modernization, if the state of sickness is not advanced, providing the help of technical/

professional managers to sick industries, exempting the sick industry from payment of excise duty, sales tax, increase the tax holiday period etc. till the time the industry is in a better condition. In order to rehabilitate potentially viable sick industries, concerned parties formulate nursing program to revive them and bring them to health. In depth study is necessary to determine the new break-even point or the viable level at which the sick industry will have to operate to generate reasonable surplus, i.e., a surplus which will over a period of time to health. In depth study is necessary to determine the new break-even point or the existing irregularities and build up adequate equity to meet normal margins and allow gradual withdrawal of the special concessions if any, granted to the industry. Actually, potentially viable industries are those where situation is not corporate and submit to the discipline laid down by the bank. Having decided to nurse the industry, the bank institution has to undertake the follow-up activities. It is necessary to check the progress of the nursing efforts from time to time. The following activities should be performed here for monitoring the industry properly.

- a) **Information system:** For the purpose, necessary information such as stock statements, monthly budgets and actual figures for production, sales, purchases, overhead expenditure etc., cash flow statements balance sheet is asked frequently.
- b) **Review of the Account:** It is essential to know the performance of the industry on regular basis through the review of the accounts.
- c) **Monitoring the Areas of Weakness:** After detecting the areas of weakness, a detailed study of such areas would suggest the line of action to be taken.
- d) **Monitoring Meetings:** There must be at least monthly meetings between the borrower and the institutions to assess the progress of implementation. Such meetings should review the progress achieved during the period. If any adverse variances are observed, suitable corrective actions could be taken up for review at these meetings.
- e) **End-use of Addition Funds:** since the nursing programme usually involve outlay of additional funds, it is necessary to ensure that these funds are properly used for the purpose intended. This would enable the borrower to get timely payment from all concerned agencies.
- f) **Inspection/ Visits:** The main aim is to ensure that all the assets are not only intact and well maintained but also to optimum use. During inspection, position in respect of physical stocks could be examined. Dialogues with few workers give a lot of information about what is happening in the industry.
- g) To meet over-run costs of project additional term loan be sanctioned. To take stock of such situations debt-equity ratio be monitored.
- h) One of the problems faced by micro and small enterprises in Nanded is obsolete technology. These units are not able to compete with the large industries and cheap imports.

- i) There is little availability of funds with promoters for technological up gradation. Adaptation of technology developed in other parts of the country for micro and small sector also needs to be considered for making them more cost effective and dovetailed to the requirements of the customer.
- j) Sickness from technological obsolescence can be prevented through modernization.

Therefore, large scale modernization should be introduced in the micro and small industrial units of Nanded. Some sick units should be allowed to be amalgamated with viable units. And the management of such amalgamated units should be left free to decide how it can rehabilitate and improve its working.

Inadequate working capital is one of the main reasons of sickness in micro and small enterprises of Nanded. The banks and financial institutions should ensure that working capital needs of business units have been adequately estimated at the time of preparation of project report. The working capital needs should be adequately financed out of the owner's capital and long term sources of funds besides financing by commercial banks. The institution granting term finance should bridge the gap between the total needs and sources of working capital so that the unit runs smoothly. The ratios of net sales to gross working capital and bank finance to working capital gap should be made use of in determining the adequacy of working capital so that the unit runs smoothly.

Conclusion

There are different perspectives in defining industrial sickness in India.

- At the political level, large sickness gets forced recognition only when an enterprise closes its doors or is on the brink of closure, creating a serious employment problem. The lending banks and financial institutions look the problem from the view of recovering their money and they regard an enterprise as sick if the recovery of their dues seems uncertain.
- The proprietors look the issue from the view point of return on their investment. Thus the industrial sickness has been defined by different authorities in different ways. The industrial sickness is a situation where the rate of return on investment in a unit is insignificantly and continuously less than prevailing rates on similar investments. There is no one definition which suits all the purposes of defining a sick unit.

- The analysis perspective of definition of sickness reveals that the identification of a sick unit as sick is so late in India that the possibilities of its revival recede. Therefore, there is a need to hasten the process of identification of a unit as sick by way of change in the definition of sickness.
- The micro and small entrepreneurs at the time of project planning should evolve a sound equity based capital structure. Financial institutions too should strive to make the entrepreneurs aware of risk inherent in addition of excessive debt into the capital structure
- Higher the amount of debt, higher obviously would be the interest and amortization. Only in exceptional cases, where profitability is relatively high, and adequate owner's capital is not being available, the upper limit of debt to net worth ratio be utilized.
- Under adverse conditions with unstable and unpredictable cash flows, the risk of debt financing is obviously to be considered with due caution.
- Similarly banks and financial institutions should not allow the micro and small scale units to fully utilize their debt rising capacity in the beginning itself.
- The unused part of debt rising capacity should always be reserved for contingent situations. It is observed that in a number of situations cost of the project overheads runs during gestation period itself.
- It could either be due to inflationary trends or under estimation of costs due to lack of experience and knowledge.
- The ratios of net sales to gross working capital and bank finance to working capital gap should be made use of in determining the adequate requirements and the gap.
- The banks and financial institutions before sanctioning of loan should also ensure about the future prospects of the product and services.

- The market grid is of considerable for capital structure planning. If the situation is congenial for stable sales and growth prospects, it is obviously a favorable condition for higher debt financing of project.

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A Study on Technical charts and its Fidelity on News and Events of the Economy: A Case Study on Infosys

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Abstract

Investors usually make their investments in bank, gold, real-estate etc. These investments are done with a common goal of reaping more cash benefits for the future. One of the most compelling reasons to invest is the prospect of leading a decent financial/retired life. Hence, one will always invest, where she/he can gain maximum returns along with security. It has been observed that equities are considered one of the best investment avenues as it helps reap maximum gains. However they also come with some fair amount of risks. But it has been witnessed that despite of some volatility, equity has delivered the best return in the long run.. Selection of stocks and decision of the right price to enter is a prudential step of equity investment and this is the step where most of the investors lose strength. Making a decision to choose a right company for the purpose of investment is very crucial. Once a decision is made then the right time to enter and exit is of prime importance. A decision on entry and exit would involve a thorough study of fundamental analysis and/or technical analysis. A qualified analysis may minimize the risk in equity investment and help to choose a rewarding investment avenue. For a retail investor Technical analysis is a good option due to its ease in learning and expertise is achieved through practice. Technical analysis aims to give a tentative forecast with the help of past price and volume. Technical Analysis is a study of charts, chart patterns, oscillators and indicators. For applying technical analysis it is mandatory to develop an expertise in observing the right signals at the right time in the charts for decision making. Once an individual learns to analyze the stock technically, the process of analyzing and monitoring one's own investment becomes quick and effective. However to analyze a stock fundamentally remain tough, time consuming and probably lags the changes in trend. As technical and fundamental analysis contradicts each other though their aim remains common i.e. to help the investor take the right decisions and earn.

The research aims to:

- a) Study and highlight the importance of technical analysis.
- b) To illustrate with the help of a case study if technical charts and its trend is affected by the events or news in the economy.
- c) The study covers the news and events for the period in which analysis was done.
- d) A time bound forecast is made using technical analysis on experimental basis.

Key Words: Candle stick chart, MACD, RSI, Stochastic, Bollinger Bands

inclusive of various chart patterns, oscillators and indicators. These tools are used to determine if an asset is trending, and if it is, then what is its price direction. Technicians also look for relationships between prices, volume and in the case of futures, open interest. Sentiment indicators such as put / call ratios and implied volatility are also used in technical analysis. Some traders use technical or fundamental analysis exclusively, while others use both types to make trading decisions. Technical analysis mainly seeks to predict the short term price travels.

Objective: The objective of the research is to:

- a) Study and highlight the importance of technical analysis in equity investments.
- b) To illustrate with the help of a case study if technical charts and its trend is affected by the events or news in the economy
- c) To The study covers the news and events for the period in which analysis was done.
- d) A time bound forecast is made using technical analysis on experimental basis.

Hypothesis: “Short term - medium term future trends in technical analysis are derived on the basis of the past movements in the charts and not on political events and/or company performance in the economy”

B. Null Hypothesis: “Short term - medium term future trends in technical analysis are not derived on the basis of the past movements in the charts but they depend on political events and/or company performance in the economy”.

Research Methodology: The research is based on secondary data.

The research is based on technical charts of Infosys. It has covered the time frame starting from 1st April 2016 till December 2016. It has covered the news on important events viz.

- a) Brexit News
- b) Q1 results of Infosys
- c) Q2 results of Infosys
- d) Surgical strike
- e) US election Result

d) Demonetization

Technical Analysis:

The basic assumptions of technical analysis are:

- **The market discounts everything:**

It simply means that in price reflects everything. Any news good or bad is immediately understood by the price, rather than fundamentals which take time to reflect the news.

- **Price moves in trends:**

In technical analysis, price movements are believed to follow trends. This means that after a trend has been established, the future price movements is more likely to be in the same direction as the trend than to be against it. Most technical trading strategies are based on this assumption.

- **History tends to repeats itself:**

Another important idea in Technical analysis is that history tends to repeat itself, mainly in terms of price movement. The repetitive nature of price moments is attributed to market psychology; in other words, market participant tends to provide a consistent reaction to similar market stimuli over time. Technical analysis uses chart pattern to analyze the market movements and understand trends

Technical Outlook:

Technical Analysis is a vast subject in itself. However from our study point of view we must know the basics to the extent that has been used in the charts for the purpose of analysis. Let us focus on the meaning and uses of the following in the charts:

Candle stick:

A candlestick is a chart that displays the high, low, opening and closing prices of a security for a specific period. The wide part of the candlestick is called the "real body" and the color of the body if Black/red indicates that the stock closed lower and

white/green indicates that the stock closed higher.

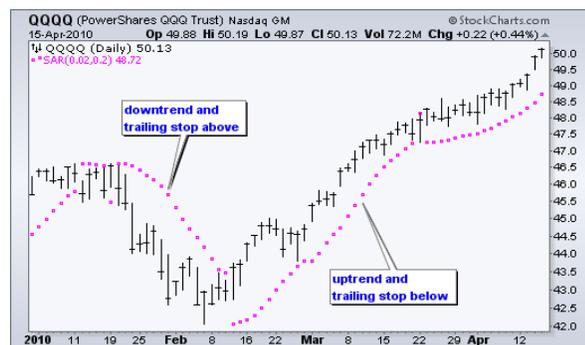


Moving Average Convergence Divergence :MACD' A trend-following momentum indicator that shows the relationship between two moving averages of prices. The MACD is calculated by subtracting the 26-day exponential moving average (EMA) from the 12-day EMA. The primary method of interpreting the MACD is with moving average crossovers. When the shorter-term 12-period exponential moving average (EMA) crosses over the longer-term 26-period EMA a potential buy signal is generated and vice versa.

RSI: Developed J. Welles Wilder, the Relative Strength Index (RSI) is a momentum oscillator that measures the speed and change of price movements. RSI oscillates between zero and 100. Traditionally, and according to Wilder, RSI is considered overbought when above 70 and oversold when below 30. RSI can also be used to identify the general trend.

Stochastic: Developed by George C. Lane in the late 1950s, the Stochastic Oscillator is a momentum indicator that shows the location of the close relative to the high-low range over a set number of periods. According to an interview with Lane, the Stochastic Oscillator “doesn't follow price, it doesn't follow volume or anything like that. It follows the speed or the momentum of price. As a rule, the momentum changes direction before price.” As such, bullish and bearish divergences in the Stochastic Oscillator can be used to foreshadow reversals. This was the first, and most important, signal that Lane identified. Lane also used this oscillator to identify bull and bear set-ups to anticipate a future reversal. Because the Stochastic Oscillator is range bound, is also useful for identifying overbought and oversold levels.

Parabolic Sar: Developed by Welles Wilder, the Parabolic SAR refers to a price-and-time-based trading system. Wilder called this the “Parabolic Time/Price System.” SAR stands for “stop and reverse,” which is the actual indicator



used in the system. **SAR trails price as the trend extends over time.** The indicator is below prices when prices are rising and above prices when prices are falling. In this regard, the indicator stops and reverses when the price trend reverses and breaks above or below the indicator.

Bollinger Bands: Bollinger Bands consist of a middle band with two outer bands. The middle band is a simple moving average that is usually set at 20 periods. A simple moving average is used because the standard deviation formula also uses a simple moving average. The look-back period for the standard deviation is the same as for the simple moving average. The outer bands are usually set 2 standard deviations above and below the middle band.

Information technology in India: IT is an industry consisting of two major components:

- a) IT services
- b) Business Process Outsourcing (BPO).

India is the world's largest sourcing destination for the information technology (IT) industry, accounting for approximately 67 per cent of the US\$ 124-130 billion market. The IT-BPM sector which is currently valued at US\$ 143 billion is expected to grow at a Compound Annual Growth Rate (CAGR) of 8.3 per cent year-on-year to US\$ 143 billion for 2015-16. The sector is expected to contribute 9.5 per cent of India's Gross Domestic Product (GDP) and more than 45 per cent in total services export in 2015-16. The sector has increased its contribution to India's GDP from 1.2% in 1998 to 7.5% in 2012. The IT sector in India is generating 2.5 million direct employments. India is now one of the biggest IT capitals of the modern world and all the major players in the world IT sector are present in the country. According to Gartner the "Top Five Indian IT Services Providers" are TCS, Infosys, Cognizant, Wipro and HCL Technologies.

The Indian IT sector is expected to grow at a rate of 12-14 per cent for FY2016-17 in constant currency terms. The sector is also expected triple its current annual revenue to reach US\$ 350 billion by FY 2025.

IT sector performances in financial year 2016: As per NASSCOM the IT sector in India (February 2016):

- Amid sluggish growth in global tech spending, Indian IT – BPM industry continues to grow in double digits.
- India continues to gain market share in the global sourcing arena.
- India becoming a global digital hub – rapid building of capabilities and offerings.
- Start – ups redefining India' innovation capabilities.
- Domestic market growth is steady, accelerated implementation of announced initiatives will fast track growth.

- Indian IT – BPM industry is well on track to achieve its 2025 aspirations.
- Multiple indices (direct and indirect) may be needed in future to reflect growth, diversity and impact of Indian IT industry 2016.

Case of Technical Indicators of Infosys: The study is focused on technical indicators and its outcome on the scrip of Infosys as well as the impact of the market news on the stocks. The study is based on the frequency of success of a technical indicator for short term positional traders and /or swing traders.

Company Introduction: Infosys is an Indian multinational that provides services like business consulting , IT and outsourcing services. It has the main headquarter in Bangalore and Karnataka. Infosys is the second largest Indian IT services company, its market capitalization was 263,735 crores (\$42.51 billion), making it India's sixth largest publicly traded company.

Q1 Results (declared on 15 Jul, 2016): The net profit was largely in line with estimates but it missed estimates on the dollar revenue front. The second largest domestic IT firm by sales had reported a net profit of Rs 3,436 crore in June quarter.

Effect in Stock Market after Q1 Results: Infosys plunged by almost 10 per cent within minutes of the announcement of its Q1 results.

Q2 Results (declared on 14 Oct, 2016): The IT bellwether on Friday reported a 4.95 per cent quarter-on-quarter (QoQ) rise in net profit to Rs 3,606 for the quarter ended September 30.

Effect in Stock Market after Q2 Results: : Infosys, which started on a positive note, soon slipped over 5 per cent in morning trade on Friday after the IT major revised its FY17 revenue guidance to 8.0%-9.0% in constant currency

Observation of Quarterly Results and its impact on share prices:

Infosys :

Infosys shares lurched by almost 10 per cent within minutes of the announcement of its Q1 results on Friday, July 15, 2016. The net profit was largely in line with estimates but it missed estimates on the dollar revenue front. Quarter 2 results took up the shares of Infosys by 6% since April this year, however after starting on a positive note it soon slipped over 5 per cent. IT major revised its FY17 revenue guidance form 11%-13% to 8.0%-9.0% in constant currency terms.

Impact of other events and its impact on Indian stock markets and on Infosys:

BREXIT Poll: BREXIT is an abbreviation for "British exit," which refers to the June 23, 2016, referendum whereby British citizens voted to exit the European Union. The referendum roiled global markets, including currencies, causing the British pound to fall to its lowest level in decades.

NEWS as on 24th June 2016: Market benchmark Sensex plunged by 604.51 points on Friday to 26,397.71, its biggest single-day fall in nearly four months, as a shock victory for 'Leave' camp in the UK referendum sent markets across the world into a tailspin. As a result, total investor wealth, measured in terms of cumulative market value of all listed stocks, tanked nearly Rs 1.79 lakh crore. The rupee also took a sharp plunge of 96 paise (intra-day) against the US dollar to crash below the 68-level, but RBI intervention to infuse liquidity helped the local currency recoup some early losses.

Impact on Infosys: There was a trend reversal since the beginning of June 2016. The trend continued in the same direction

Surgical Strike: A surgical strike is a military attack which results in, was intended to result in, or is claimed to have resulted in only damage to the intended legitimate military target, and no or minimal collateral damage to surrounding structures, vehicles, buildings, or the general public infrastructure and utilities.

NEWS as on 29th September 2016: The Nifty50 suffered big jolt, which took the index near its crucial support level at 8,600, led by losses in BHEL, AurobindoPharma, ICICI Bank, Tata Power, Adani Ports. The fear among investors was palpable all over as India vix spiked some 29 per cent to hit a three-month high.

The S&P BSE Midcap index slipped 4.4 per cent led by losses in Bajaj Finserv, UPL, IDFC Bank, GlenmarkPharma, Indiabulls Housing Finance, Bharat Forge, Tata Power, and Shriram Transport.

Impact on Infosys: There was a trend reversal since the beginning of June 2016. The trend continued in the same direction

US Election result and Demonetization announcement: Americans are voting to choose their next president. The numbers running up to Election Day tightened amid crises affecting both Democratic contenders Hillary Clinton and her Republican rival Donald Trump. While Thedemonetisation of 500 and 1,000 banknotes was a policy enacted by the Government of India on 8 November 2016.

NEWS as on 9th November 2016: The announcement of demonetization was made by the Prime Minister of India NarendraModi in an unscheduled live televised address on 8 November. Indian markets are likely to welcome the country's move to kill off its 500

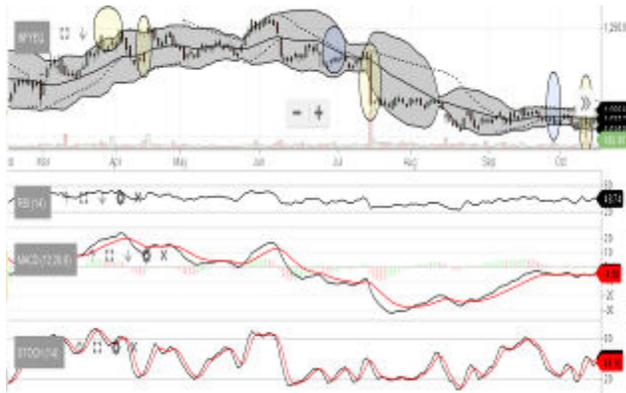
and 1,000 rupee banknotes on Wednesday - the U.S. presidential election result notwithstanding - as banks' coffers will fill up as people deposit the notes as part of the process. Analysts also see the move as leading to a softening in inflation. Any broader market gains could be tempered should Republican candidate Donald Trump win the U.S. election on Tuesday, an outcome that market investors have warned could lead to sell-offs due to doubts about his policies.

Impact on Infosys: There was a trend reversal since the beginning of June 2016. The trend continued in the same direction

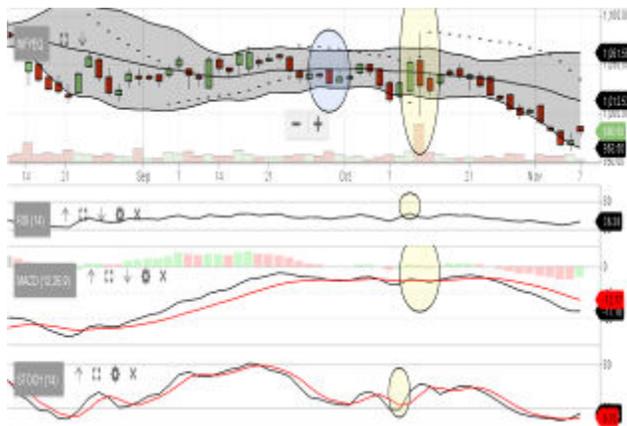
The Technical Chart Analysis:

For the purpose of analyzing the volatility we shall in this section use the candle stick charts which will also include the study of Moving Average Convergence and Divergence (MACD), Relative Strength Index, Stochastic, Bollinger Bands and Parabolic Saar Indicator.

4.3 Infosys six monthly chart w.e.f 1st April to 31st October 2016.



4.3.b) Infosys fortnightly chart of Q2.



4.3.c) Infosys fortnightly chart Q3.



Data Interpretation:

Infosys: The charts indicate rise in the share prices since August 2015. It started with higher tops and higher bottoms from mid-November 2015 to June 6, 2016. From June 7, 2016 onwards the trend dragged down with gaps.

Let us observe the technical indications from the last week of June 2016 up to a week after the results were declared:

i) **Candle-stick pattern:**

- a. **Observation on Brexit & Quarter I:** A bearish engulfing pattern was formed on the 31st May 2016 followed by a gravestone pattern on the 3rd June 2016. There by confirming a strong bearish trend. On July 15, 2016, the day of the result the prices nosedived from 1193 to 1059.
- b. **Surgical Strike & Quarter II:** The down trend was on the move while On 23rd September 2016 a dark cloud cover was reflected. No clear pattern was formed on the end of the quarter. A strong bearish engulfing pattern was formed on the October 14, 2016; the result declaration day of

Infosys. However a large bearish engulfing was formed covering the upper and lower band of Bollinger bands. Please note the chart showed a sideways move since mid-August 2016.

- c. **US Elections &Demonitisation:** The market was trying to recover but depicted an inverse hammer the other day after the news
- d. **Stochastic: Observation on Brexit& Quarter I:** It hinted a sell on May 31, 2016. On the result day there was no indication to act. The various buy signals indicated were not strong ones. No clear guidance by this indicator.
- e. **Surgical Strike & Quarter II:** Even in this quarter the various buy signals indicated were not strong ones. No clear guidance by this indicator.
- f. **US Elections &demonitisation:**
It was recovering from its oversold position and continued being positive for a couple of days.

ii) **Parabolic sar:**

- a. **Observation on Brexit& Quarter I:** It reflected a drag in the prices from 9th June 2016 onwards. Parabolic sar was a little misleading on the previous two days before the result. However on the day of result it indicated a fall in prices.
- b. **Surgical Strike & Quarter II:** It showed positivity in the prices only from 8th August onwards. In the last week of September 2016 it signaled a down fall in the prices except one day prior to the declaration of result and continued with the suppression trend from the day of result itself.
- c. **US Elections &Demonitisation:**Parbolicsar continued indication a downward trend.

iii) **MACD:**

- a. **Observation on Brexit& Quarter I:** The clear sell signal was indicated on 9th June 2016 onwards. There by moving to a down trend territory. The downtrend continued even long after the results were declared.
- b. **Surgical Strike & Quarter II:** A buy signal was initiated in the negative zone itself. It struggled to come to a positive zone but remained flat and from 24th September 2016 till the day of result declaration . The flat trend continued even later.

- c. **US Elections & Demonitisation:** MACD continued signaling the downtrend.

Summarized Analysis and Observation: Infosys witnessed a primary uptrend since 2012; However a reversal was noticed in June 2016. Since then Infosys is on a downtrend.

Conclusion:

According to the predictions, the IT sector was expected to grow by 12-14 %. The first quarter witnessed the BREXIT phase. While other things remained more or less constant throughout the first two quarters.

To understand the applicability of the technical analysis the Infosys equity performance was studied for the FY 16-17. It had been observed that along with technical charts, patterns and the indicators like, candle stick patterns, stochastic, MACD, RSI does signal the direction of volatility. Hence an investor who wants to invest for short to medium term must rely on the technical charts and indicators rather than the performance OR news of an economic event. As from the above we learn that though in one quarter Infosys was profitable on the day of result, however the prices nosedived on investor sentiments. We also observed once the trend has taken place an investor should continue being in the direction of the trend unless and until it views a strong trend reversal signal.

Hence to conclude, the hypothesis: “Short term - medium term future trends in technical analysis are derived on the basis of the past movements and not on political events and/or company performance” stands true.

The study confirms the usual guidelines for investors:

1. Trend is you friend. It is highly recommended that on the happening of such events the position for short to medium term must be taken in the direction of long to medium term trend; Until a strong reversal is confirmed by various patterns and indicators.
2. Never take a position against the waves of the trend.
3. If one religiously trades in accordance to the guidelines of technical charts and/or its indicators then one must not pay much heed to the market noise/rumors
4. If at all the retail investor is confused between the signals and the news(if he considers) than inaction is the key. Rather than making wrong moves.
5. Confidence in the study is highly recommended.
6. Investors must have portfolio at any given point of time as The reliability of technical indicators in short term charts may go adverse only in case of an extremely exceptional major and sensitive economic, political or financial event.

7. Result of any kind of regular or expected events which is talked about in the economy is reflected in the share prices
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Study on Consumer Behaviour towards New Retailing

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Abstract

Consumer Behaviour refers to the consumer buying behaviour of the ultimate consumer. Many factors, influence specificities and characteristics the individual in the manner what he is and also the consumer in his decision making process, purchasing behaviour, shopping habits, and the brands he buys or the retailer's shop or place where he goes. Retail market in our country is one of the largest industries estimated growth from current US\$ 330 billion onto US\$ 427 billion by 2010 & U.S. \$ 637 by 2015 by making the contribution of 10% in Gross Domestic Product (GDP) and plays a dynamic role in growth of economy. In retail a chain of production participate in which Pre – producer, Manufacturing, Distributors, Wholesalers, and Retailers. A purchase decision depends in the result of each and every one of these factors. These factors also effects an individual and a consumer which led by his culture, his subculture, his social class, his groups, his family, his own personality, his social or psychological factors, etc and is influenced by modern and cultural trends as well as his social and Societal environment.

By identifying and understanding these factors that influence their customers, brands have the opportunity to develop a strategy, a marketing message (Unique Value Proposition) and advertising campaigns more efficient and more in line with the needs and ways of thinking of their target consumers, a real asset to better meet the needs of its customers and increase sale

Keyword: Consumer Behaviour, Retail Marketing, E- Marketing, M- Marketing etc,

Introduction

In 21st century consumer are aware of the question like: What to buy, how to buy, where and when to buy, in how much quantity should be buy which depends on consumer perception, their self concept, social and cultural background and also their our beliefs values, age, attitudes, motivation, personality, etc and many other factors that are both internal and external to us. While buying, consumer also consider whether to buy or not and from which source to buy.

In LIG societies, the consumer can rarely meet his barest needs. As the market now – a –day is consumer oriented mean the focus of the market is in consumer values and satisfaction of market works according the requirement of the consumer by

understand the consumer wants, needs, and desire, as consumer behaviour is the last topic to study for the marketer's internally and externally environment so as to formulate the new technique and to develop marketing strategy with the going era.

The following are the factors lead to the formation of attitudes and also needs of the consumer.

Consumer Behaviour and Retail Marketing

Been a **consumer** related market the act towards the advancement of technology like: E-Marketing i.e. electronic marketing and M-Marketing that is Mobile marketing where some company like: filpkart, snapdeal, shopclue, homeshop18 etc are involved for shopping as work on the consumer satisfaction and allow consumer right from their home by allowing to shop more and more with also full satisfaction but as every light has its dark side the new technology also have its dark side too as it satisfy the consumer but in some case it do not provide proper attention towards product quality which motivates the fraudan cases more and more. This also leads to a large number of competitions in the market by as consumer is the price oriented the online market cheat to consumer on the product quality leading to a monopoly on price etc. here consumer behaviour leads to be in the new form as it changes accordingly their experience in shopping.

As marketing is divide into **segments** as per the nature of product the new era technology provide them a new runway in buying the products sitting in home and purchase online, here the consumer gets variety of product and choice and it is difficult for consumer to indentify product related too their needs

1. Consumer Buying Behavior

In the past few year the concept of shopping has been change wholly in terms of buying mind formats or buying behaviour of consumer, with the change and being particular about their shopping behaviour and so their buying concern a shift is been seen from consideration of price to design, colour, and service quality and also the main focus of the consumer is for looking of the products which make their feel good.

2. Retail

The word 'Retail' has derived from French word "*Retailleur*" which implied to "Cutting off, clip and divide" in terms of tailoring. It first was cataloged (record) as a noun with the explanation of a "Sale in small quantities" in the year 1433 (French). Same in the Dutch and German retail also refer to 'sale of small quantities or items'.

In other words the retail also said as "To sale something or anything for their personal use or for another use". In its deep meaning for *retail* was to "Cut off, scrap (shred)". Retail market depends on the channel given below:



3. Marketing

According to American Marketing Association –

“Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange that satisfy individual and organisational goals”

According to wikipedia Indian Retail Market

Indian Retail Group	Market Reach in 2011
Pantaloon Retail	65 stores and 21 factory outlets in 35 cities, 2 million square feet space
Shoppers Stop	51 stores in 23 cities, 3.2 million square feet space
Spencers Retail	200 stores in 45 cities, 1 million square feet space
Reliance Retail	708 mart and supermarkets, 20 wholesale stores in 15 cities, 508 fashion and lifestyle 1206 <u>crore</u> (US\$180 million) per month sales in 2013
Bharti Retail	74 Easy day stores, plans to add 10 million square feet by 2017
Birla More	575 stores nationwide
Tata Trent	59 Westside mall stores, 13 hypermarkets

Lifestyle Retail	15 lifestyle stores, 8 home centers
Future Group	193 stores in 3 cities, one of three largest supermarkets retailer in India by sales 916 crore (US\$140 million) per month sales in 2013

Source: https://en.wikipedia.org/wiki/Retailing_in_India

Objectives

1. To know consumer behaviour towards retail markets.
2. To analysis market in new era of 21st century.
3. To know consumer purchasing power of the consumer.

Review Of Literature

Ayan Chattopadhyay in his paper ‘**Consumer Shopping Behaviour in the New Era of Retailing: An Empirical Study on Food and grocery and Apparel Purchase in East India**’ (Indian journal of Marketing, December 2013) tells:

- i. Purchase of food the nearest store was the prime factor of the people of Kolkata and Bhubaneswar, while it was range for Ranchi and Patna respondent.
- ii. ANOVA revealed the difference of duration and expenditure incurred of respondent, while purchasing of food and grocery is significant for all four states capital.
- iii. Uniform behavioral pattern was observed in all state location with a strong association between frequency of visit, preference size f group during shopping, decision makers and the state population locations.

Arjun Mittal “**E-commerce: It’s Impact on consumer Behavior**” told about

- i. The result of the study shows that purchasing decisions of internet trust and perceived risk which have strong impacts.
- ii. The major factors for using internet for shopping Consumer`s trust, privacy concerns, security concerns are the trust on websites which influence to the purchasing decision of any consumer.
- iii. The result suggests how the E-commerce companies make marketing strategies according the research data and analyzing result.

Ishwar Kumar, Ruchi Garg, and Zillur Rahman “**Influence of Retail Atmospherics on Customer Value in an Emerging Market Condition**” tells about

- i.** The five explanatory variables measured in the study, can be considered, acted upon, administered in a retail store's marketing strategy.
- ii.** This study suggests that retail customers give greater value to luxury tactile factors like: Music air conditioning facility, ambient scent, and soothing atmospherics.
- iii.** Consumers can be attracted by Window dressing, shelf arrangements and displays, architecture etc.

K. Rama Mohana Rao and K. Ratna Manikyam "Customers' Opinion on Small Scale Retail Stores: A Case study"

- i.** After this study we come to know about that small scale retailer are the main player of Indian retail Sectors.
- ii.** The boom of retail market doesn't affect the consumer opinion.
- iii.** Consumer aspect their satisfaction regarding their service.
- iv.** On the basis of communication the consumer were quite satisfied.
- v.** The finding of this study do not leads to a conclusion that marketer ignore the competition.
- vi.** If retailer updates their quality and service so they have got a bright future.

Mridanish Jha in his paper "A Study of Consumer Shopping Behaviour in Organized Retail at Ranchi" study on the consumer behaviour and perception results that demographic affecting consumer behaviour in retail in Ranchi city.

- i.** One factor behavioral dimension signifies the quality consciousness of the consumer for products as a consideration that retail markets provide superior quality products and also comparison of the quality of the brands during purchasing.
- ii.** Second factor is brand loyalty behavioral dimension which explains that customers are willing to visit preferred store rather than nearby store.
- iii.** Third factor deals with the consciousness of the customers.
- iv.** Fourth factor shopping for entertainment behavioral dimension of shoppers who look for entertainment and enjoyment while shopping with their friends or family.
- v.** Five factor deals with price consciousness behavioral dimension.
- vi.** Sixth factor describes the value consciousness of the customers.
- vii.** Seven factor opinion dimensions explain the behavior of respondents who look for the advice from friends and relatives for making brand selection.

Megha Verma and Saranya R. “Role of Gender in influencing Consumers’ Attitude Towards Online Advertising” they study reveals that there was no significant influence of gender aptitude towards online advertisement. While studying depth demographic variable came up like occupation, income group, and so forth which effect the advertisement.

Nisha Rathore “A Study on Consumer behaviour Towards Organized and Unorganized Retailing” **i.** consumer behavior is one of the reasons in the growth in Indian retailing market.

ii. This change in consumer behaviour can be due to increasing their income, which change their life style and living of stands.

iii. Now the consumer such for a place where things get at a place and in less time.

iv. Consumer beliefs and value which is for retail store that they will get a product in lower or reasonable price.

v. It can be said after study that no matter how organized the organized retailing is but it has to go for the long way to understand the consumer requirements and need.

C. Raghunath and Mridula Sahay “Consumer Behaviour in Online Retail in India” **i.** The online shopping is becoming popular and trend among Indians as they experience it is more comfortable, because it is time saving and convenient to use.

ii. While make a purchase online consumer are affected by various factors, including price, faith, and convenience.

iii. Consumers are getting lower price on the online stores with compared to offline shops.

iv. But as everything has its drawback so online purchases also have its drawback like: Physical storage, intermediaries, etc. are not present in online stores thus it can be said that assist its clients with reasonably priced merchandise.

v. It is available for 24x7 which makes shopping very easy for consumers in worldwide.

vi. To know the impact of the various factors on consumers a survey was conducted.

vii. The result tells that low price and convenience are the factors for customers to buy online.

Chiara Seghieri, Leonardo Casini and Francesco Torris “The wine consumer’s behaviour in selected stores of Italian major retailing chains” The findings of this

study suggest that factors influence the consumers' purchase process with regard to the wine industry, consumers which usually face various competitive products, and thus are more likely to take time to evaluate. The study identifies the principal consequences of the results in order to provide both retailers and producers some useful marketing suggestions.

Hypotheses

H1: To identify product related needs of consumer

H2: To know consumer Decision Process

Retail marketing

First of all market analysis requires an main objectives regarding 4-Cs which are consumer, Conditions, competitor and the company here, customer value are considered as a superior

Considering the main objectives of the company for providing better customer value we should learn the needs of the consumer, the offering of the retail market competitors and the environment which can economic, physical, technological, etc.

A **consumer** is said to be anyone who engages himself in physical activities, of evaluating, acquiring, using or disposing of goods and services.

A **customer** is one who actually purchases a product or service from a particular institution, organization or a shop. A customer is always defined in terms of a specific product or company.

H1: To identify product related needs of consumer and can then divided in different categories as per their needs and requirements or with similar tastes and preferences and prepare marketing strategy accordingly. Following are the some topics should be highlighted in the mind of retailer while considering consumer 4P's and Distribution channel and considering communication and consumers services

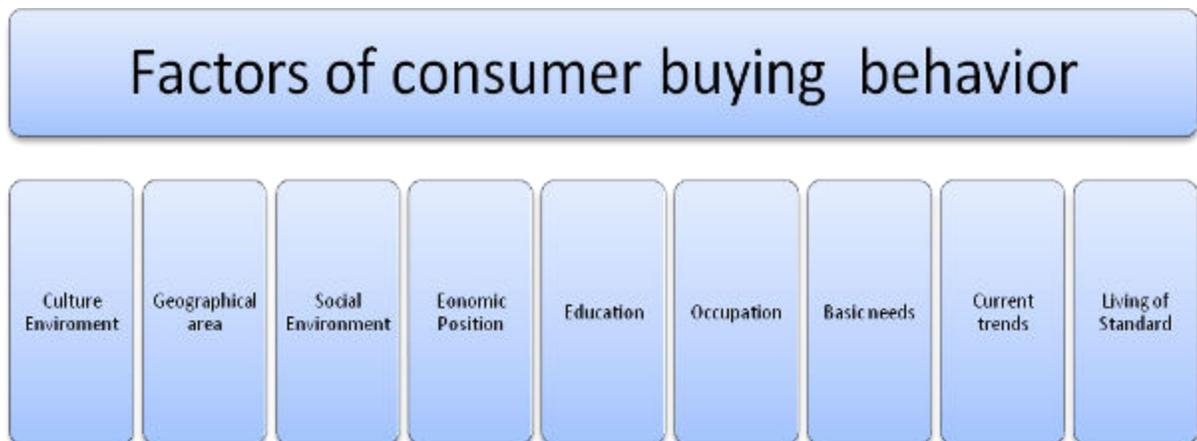
H2: To know consumer Decision Process dependes on the following topics:

1. Problem recognition of the consumer and solve in time as consumer more complain about the problem related to non- time delivery in online marketing and exchanging problems.
2. Information search of consumer requirements internal or external manner to provide them better methods of treatments
3. Alternative evaluation of the consumer demands in markets should be analysis time to time as per in online and offline marketing.
4. Purchasing power of the consumer are also highlighted as the main objective of the consumer requirement and their class.
5. Customer satisfaction also play a vital parts in analysis the power bank of the consumer as market is consumer oriented

Factors influence Consumer buying behaviour

Consumers while purchasing any product go through different factors. Consumer as show in below Chart -2

Chart - 2 Factors influence buying behaviour



Cultural environment

Culture environment make a very particular tradition impression on consumer mind towards their perception regarding buying behavior.

For example, any person preference regarding product size, shape, product color, and also product cultural looks, this means a culture environment is effective.

Geographic Environment or location

Geographic environment effects consumer buying behavior much as compared to others, as location or area does matters for consumer convinces to purchase any product, in gernal consumer do not preferred to buy product from unconvinced stores which are long distances from their homes or localitly.

For example, consumer will first prefer to buy any product from nearby stores than to far away stores but the matter of quantity and price consent the consumer will go too far from their places. .

Socio environment

Social environment influence consumer buying behavior with respect to social class they belongs too, as it effects the social position of a consumer in the society.

Economic environment

Economics environment of the consumer tell about the economic position of any consumer in their monetary capacity of purchasing any product which leads to the

decision of consumer living standard of buying high quality of product maintain their profile in the society with high price or low capacity of buying product, we can say that it all about the economic factor which influence consumer buying behaviour.

Education/literacy level

Consumer literacy gives the capacity to identify the quality, price of product etc and also to evaluate the price of the desired product as it also affects the living standard of the consumer to highlight the social economical identity of the consumer. For example: An educated person can see the manufacturing date or expiry date of any product, also evaluate the quality and price of the product.

Occupation

Occupation also matters for consumer buying product as it tells the earning capacity of a consumer which tells about their purchasing capacity in the retail markets and also their professions preference of a product in their own fields.

Basic Requirements or needs

Basic needs of a consumer whether belongs to high class(HIG) or low class (LIG) is important for each consumer that means the basic need environment of consumer are equal for every consumer.

For example: Food, shelter are the most basic need for every consumer.

Current Trends

In today new era the consumer are attracting towards the fashion trend specially the young generation who are actually very demanding in the market, which mostly come from film industries. As the consumer are attract towards the film, so their fashion trends in the Youngs is also attracted.

For example: kids easily influence by current trend by watch cartoons.

Living of Standards (LOS)

The consumer lifestyles or their living of standard also effect consumer buying behaviour, as their standards living demands etc efforts and see less in price.

For example: a lower class consumer who depends on daily wages is weak in monetary sense will not be able to devote in higher living but for higher class people who have their own source of income will maintain higher living standard.

Research Methodology

Research refers to finding of knowledge. Research can be defined as scientific or systematic collection of a data and also finding solution to a problem. In completion of any research, we use two types of data i.e. primary data and secondary data. In this study also I have used secondary data in this data.

Research Design

The study is descriptive in nature. A study was done in systemized manner to reach the desired objectives of the study.

Conclusion

The Indian organized sector is advancing with the time deal with the present era with blowing effect unorganized sector, because of which affects on the small retailers to know certain points to make a new technology for the long journey to go with retail and to earn a good profit out of it:

1. **Prices** level of the product,
2. **Quality** of the product,
3. **Availability**,
4. **Presentation** /Display & cleanliness and hygiene in online screen or in offline shop,
5. **Services**
 - ❖ Like: Home delivery,
 - Credit facility for all,
 - Cash on delivery (COD) for offline service users,
 - Warranty and guaranty facility,
 - Cash back on non- satisfaction of products.
 - Replacement facility etc.

Suggestion

1. Consumer needs to more awareness about the new technology usage.
2. Consumer can be Grouped with similar need sets for their satisfaction
3. Proper maintenance of the consumer satisfaction, Distribution channel, communication and service provided by the retailer.

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Review of Demonetization in India

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Abstract:

The paper reviews the effects of demonetization.

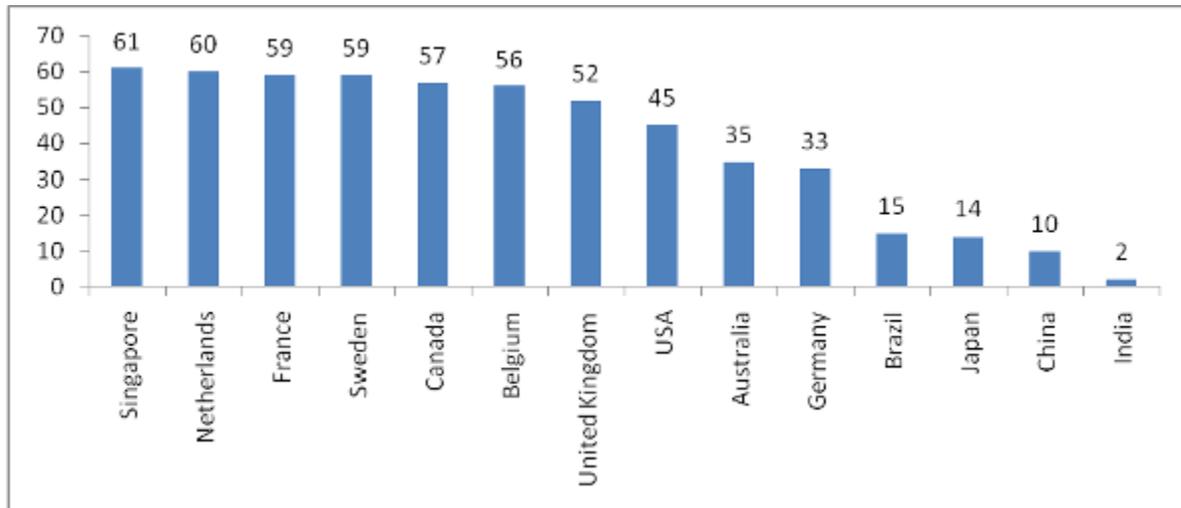
Demonetization is estimated to slowdown economic growth rate in short term and is expected to provide efficiency gains and boost up economic growth in long term. The transition from a cash based economy to a cash less economy is a matter of change of lifestyle from traditional cash based to a more transparent and efficient electronic transactions. The paper attempts to analyze the opinion of bankers, management students and teachers on impact of demonetization. The primary data is collected from Pune through questionnaire. Paper provides recommendations to make demonetization more effective.

Keywords: Demonetization, Economy, Primary, Cashless, Electronic, Transparent, Lifestyle

Introduction:

In a country where 98% of all economic transactions by volume are done by cash, demonetization of 86% of currency was a bold move by Prime Minister Mr. Narendra Modi. Such a drastic change passed peacefully, without any major social unrest is an indication that the citizens of the country have supported the move, though improper mob management by bank employee has led to some casualties. In an era of information technology characterized by reach of smart phones with a large section of population, there could not have been a better time to change the status quo and embrace technology for a smart payment ecosystem. Nobody uses outdated inland letters now days in the era of smart phones, because of comfort, speed of communicating through mobile phones. The same analogy applies to old cash based system of payments Vs smarter electronic payments. So now it is the need of the hour to upgrade the way we make payments. 58% of railway tickets are booked through cash less transactions (LiveMint, 2016). Figure 1 shows percentage of cashless transactions in major economies.

Figure 1: Percentage of Cashless Transactions in Major Economies



Source: Business Today, 2016

Growing acceptance of cash less transactions: Bharat Interface for money (BHIM) app has been downloaded over 1 million times. Unified Payment Interface (UPI) has shown 582% increase in volume (2 million), 686% increase in value (711 crore). USSD Unstructured Supplementary Service3 Data increased 10 times in value and volume. Overall electronic payments inc 40% in volume (939 million) and 10% in value (10 lakh crore). Two crore new accounts have been opened and 3 lakh crore deposited in these new accounts.

The support System: The supportive ecosystem is available to assist the change from cash based transactions to cashless transactions. 91% of urban households have linked their Aadhar card with bank accounts. Aadhar data can be used for enabling Aadhar based cashless transactions.

Objectives:

1. To compare the opinion of banker, management students and management faculties on demonetization
2. To analyze the impact of demonetization

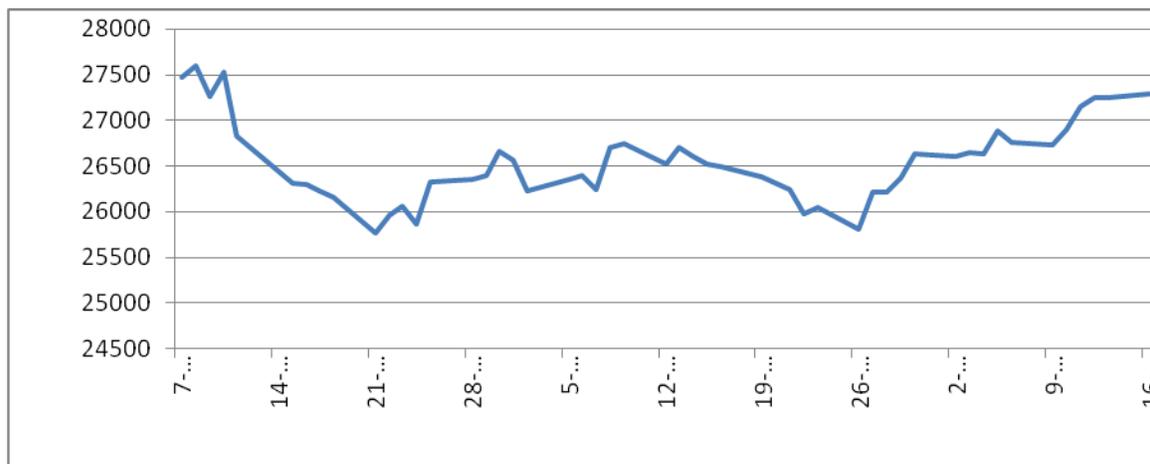
Literature Review:

Demonetization has done a surgical strike on black money. Every political party promises to weed out the corruption, but nobody has taken a bold step like Mr. Narendra Modi. Combined effect of Goods and Services Tax and demonetization would reduce corruption and enhance transparency. Success story of Singapore is an example of eliminating corruption by demonetization (Gupta, Acharya, 2016). Demonetisation puts a premium on honesty and penalises dishonest conduct.

The terror funding by fake currency has suffered after demonetisation. The cases of stone pelting has drastically declined after demonetisation (Majid, 2016). The terrorist activities have declined by 60% in Jammu & Kashmir, and hawala operations have declined by 50%. Moist are struggling to find cash to buy ammunitions (The Times of India, 2017).

In 1946 after demonetisation the stock market fell for two years, in 1978 stock market rallied for 3-5 years after demonetisation (Modi, 2016). There is no significant impact on equity markets after demonetisation in 2016. The Sensex had recovered from initial loss after demonetisation declaration as shown in figure 2. The closing price on 7th November 2016 was 27458 and on 17th January 2017 was 27288.

Figure 2: Closing Prices of BSE Sensex after Demonetisation



Source: Bombay Stock Exchange, 2017

The MSCI India index had done slightly better than MSCI Asia ex Japan. MSCI India had declined from 100 base on 8th November 2016 to 95.59 on 30th December 2016, whereas MSCI Asia had slipped down from 100 to 95.02. The earning estimate of Financial Year 2018 for Sensex companies has not changed (Chakravarty, 2017).

Research Methodology:

A descriptive research design was used for the study. Primary data was collected through self designed questionnaire after review of literature. The sample size was 50. The

respondents were bankers, students and teachers of management discipline. The data was collected from Pune. The data was analyzed using mean score, t test, anova.

Findings:

Table 1: Gender of Respondents

Particular	Frequency	Percent	Valid Percent	Cumulative Percent
Male	19	38.0	38.0	38.0
Female	31	62.0	62.0	100.0
Total	50	100.0	100.0	

Source: Survey Data

38% of respondents were males and 62% respondents were females.

Table 2: Occupations of Respondents

Particular	Frequency	Percent	Valid Percent	Cumulative Percent
Student	21	42.0	42.0	42.0
Banker	15	30.0	30.0	72.0
Academicians	14	28.0	28.0	100.0
Total	50	100.0	100.0	

Source: Survey Data

Table 3: Mean Score on Impact of Demonetization

Particulars	Mean
Demonetization will reduce black money	3.80
Demonetization will reduce corruption	3.92
Demonetization is a bad idea	1.68
Demonetization was not planned properly	2.84
Demonetization was not executed Properly	3.02
Demonetization will increase transparency	3.90
Demonetization will increase tax compliance	3.64
Demonetization will increase economic growth in long term	4.26
Demonetization will reduce terrorism	3.26
Demonetization will reduce fake currency in the system	3.62

Source: Survey Data

Demonetization was considered to have positive impact on reducing black money (mean: 3.80), reduce corruption (mean: 3.92), increase economic growth in long run (mean: 4.26), increase transparency (mean: 3.90). Respondents were moderately satisfied with positive effect of demonetization on reducing fake currency (mean: 3.62), increase tax compliance (mean: 3.64). Respondent considered no significant impact of demonetization on terrorism (mean: 3.26). Respondents were neutral regarding execution of demonetization (mean: 3.02) and planning (mean 2.84). Demonetization was not considered by respondents to be a bad idea (mean: 1.68).

Table 4: T Test for Gender on Impacts of Demonetization

Particulars	Gender	Mean	P Value (t test)
Demonetization will reduce black money	Male	3.810	0.938
	Female	3.793	
Demonetization will reduce corruption	Male	3.857	0.706
	Female	3.966	
Demonetization is a bad idea	Male	1.762	0.342
	Female	1.621	
Demonetization was not planned properly	Male	3.143	0.202
	Female	2.621	
Demonetization was not executed Properly	Male	3.286	0.154
	Female	2.828	
Demonetization will increase transparency	Male	3.905	0.974
	Female	3.897	
Demonetization will increase tax compliance	Male	4.048	0.027
	Female	3.345	
Demonetization will increase economic growth in long term	Male	4.333	0.547
	Female	4.207	
Demonetization will reduce terrorism	Male	3.524	0.138
	Female	3.069	
Demonetization will reduce fake currency in the system	Male	3.905	0.083
	Female	3.414	

Source: Survey Data

It was found that male respondents were more convinced than female respondents regarding positive impact of demonetization on increasing tax compliance. As P value was less than 0.05, it is concluded that there is a significant difference between views of male and female respondents regarding impact of demonetization on increasing tax compliance. There was no significant difference between male and female respondents on other impacts of demonetization.

Table 5: ANOVA Test of Impact of Demonetization with Regard to Occupation

Particulars		Sum of Squares	Df	Mean Square	F	Sig.
Demonetization will reduce black money	Between Groups	0.86	2	0.429	0.801	0.455
	Within Groups	25.14	47	0.535		
	Total	26.00	49			
Demonetization will reduce corruption	Between Groups	12.56	2	6.280	8.405	0.001
	Within Groups	35.12	47	0.747		
	Total	47.68	49			
Demonetization is a bad idea	Between Groups	2.45	2	1.223	5.511	0.007
	Within Groups	10.43	47	0.222		
	Total	12.88	49			
Demonetization was not planned properly	Between Groups	13.98	2	6.989	3.876	0.028
	Within Groups	84.74	47	1.803		
	Total	98.72	49			
Demonetization was not executed Properly	Between Groups	3.02	2	1.511	1.226	0.303
	Within Groups	57.96	47	1.233		
	Total	60.98	49			
Demonetization will increase transparency	Between Groups	4.96	2	2.479	3.278	0.047
	Within Groups	35.54	47	0.756		
	Total	40.50	49			
Demonetization will increase tax compliance	Between Groups	0.55	2	0.274	0.211	0.810
	Within Groups	60.97	47	1.297		
	Total	61.52	49			
Demonetization will increase	Between	3.17	2	1.584	3.315	0.045

economic growth in long term	Groups					
	Within Groups	22.45	47	0.478		
	Total	25.62	49			
Demonetization will reduce terrorism	Between Groups	4.81	2	2.403	2.222	0.120
	Within Groups	50.81	47	1.081		
	Total	55.62	49			
Demonetization will reduce fake currency in the system	Between Groups	0.39	2	0.197	0.196	0.823
	Within Groups	47.39	47	1.008		
	Total	47.78	49			

Source: Survey Data

ANOVA test shows that there is a significant difference (P value less than 0.05) between banker, student and academicians regarding their views on impact of demonetization with regard to impact on corruption, demonetization is a bad idea, demonetization was not planned properly, demonetization will increase transparency, and demonetization will increase economic growth in long term. On the other hand there was no significant difference between student, academician, and banker with regard to reducing black money, demonetization was not executed properly, increase tax compliance, will reduce terrorism, will reduce fake currency in the system.

Improve Government Finances and Spending: The improvements in tax revenues will improve government revenues and provide resources for government spending on infrastructure. Government spending will drive private spending and with lower interest rates and improved credit flow, it will lead to economic growth. Government may also pass on the benefits of reduced fiscal deficit by reducing the tax rates. This will further boost domestic consumption and improve economic growth. It's a futuristic approach focussing on adoption of technology for a cleaner economy. VAT collections increased 18.1% in 23 states in November 2017 and increased 8.9% for 17 states. Digitization will make data available for audit, planning and decision making.

Concerns:

Charge of using digital payments: Card based payments are financially viable as long as the card service provider is getting a fee for such payments. The merchant bears the

cost, assuming that it will lead to extra sales, but when cards will replace the cash, the merchant may not be interested to bear the cost. The customer should not be made to bear the cost, else there would be no motivation for a customer to switch over to digital payments. The card company would not survive in absence of any economic profits. Since the government is not ready to bear the cost, the customer will be the loser by paying 1-2% extra as payment charges.

Constraints on using Mobile Phones for payments: Out of billion mobile phones, only 300 million are smart phones. Rural areas have a tele-density of about 50%. People living in rural areas and senior citizens will face hardships due to cash crunch.

Slowdown of GDP growth rate in short term: The demonetisation is expected to slow down the GDP growth rate in short term. The IMF had reduced its forecast of GDP growth rate for India from earlier 7.6% for 2016-17 to 6.6% now. So 1% slowdown is anticipated in 2016-17 from its earlier estimates. The impact will also be felt in next fiscal by 0.4%, as IMF has estimated growth rate to be 7.2% now for 2017-18 from 7.6% estimated before demonetisation (The Indian Express, 2017).

Digitise health care: The health care in India needs to be digitized to make life easier for common man, as 70% people pay themselves for their healthcare and 25% have insurance (Mathur, 2016). Seventy percent expense is towards buying medicines. The healthcare system needs to be digitized in same way manner as banks have been digitised through core banking solutions. The healthcare system should also maintain all records of patients in digital format and use digital payments.

Farmers under Stress: Agriculture accounts for 50% of employment in India. The farmers use cash for transportation and other needs of the agriculture. The farmers will be badly affected as cash crunch will make life difficult for them (Shekhar, 2016). Though government has tried to provide some relief to farmers by waiving of Rs. 660 crore interest in short term loans for November-December 2016 period and also sanctioned Rs. 400 crore to NABARD to cater to refinancing cost of cooperative banks (The Financial Express, 2017). But just loan waivers may not provide an institutional framework needed to cater to transaction requirements of farmers. A comprehensive approach is required to provide alternative payment mechanisms to farmers.

Policy Implications:

Most of the respondents have commented that corruption will not reduce until government takes strict action against the corrupt bureaucrats and other employees

involved in corruption in government offices. The policy implication of the paper is that a continual review mechanism is required to make demonetization effective to reduce corruption, black money, fake currency and terrorism. Government must maintain the policy focus towards transparency by supplementing demonetization with other policy measures. The suicide note of former Chief Minister of Arunachal Pradesh has pointed out about corruption in honorable Supreme Court and in government functionaries. Corruption in any form in any office should be deterred by strict punitive action. Reforms in police, judiciary and monitoring of real estate, precious metals, use of shell companies must be monitored strictly to check corruption and black money. Government should ensure transparency in governance system from panchayat to parliament and reward honesty, transparency and penalize dishonest and corrupt people.

Conclusion:

Demonetisation is a bold step towards transparent and efficient payment mechanism. The short term hiccups in the economy due to sudden cash crunch is a hardship which are worth if demonetization leads to reduced corruption, black money, curbs terror funding, channelizes money for productive purposes. Resources can be used in a more efficient manner to support small and medium companies by reducing interest rates, strengthen banking system, bring transparency in political funding empower more people and reduce income inequality. But demonetization should also be supported by continual review mechanism on alternative ways of accumulating black money and bringing people with no criminal record in politics, and reform police, judicial system, enhance financial inclusion, Corruption is a mindset, unless we change the mindset, demonetization will have little impact on curbing corruption and black money. Corrupt and dishonest people will find other ways of doing financial transactions. It is irony that many religions of the world originated in India, but people accept corruption as a legitimate way of life in India. It is responsibility of leaders in all walks of life to ensure that they set an example of transparency and high moral conduct, so that gradually it will become a legitimate way of life, and we can transform, energize people and have a clean India.

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The Study of the Impact of Branding On Consumer Buying Behavior

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Abstract

The research paper is about the understanding of consumer buying behavior related to Indian environment & highlights the brand factor that highly influence consumer involvement in product purchase. Brand knowledge is very important factor as the consumer is more aware of the brand & he has all the knowledge about its price, quality etc. the more he will be attracted towards that brand. Branding is a set of marketing and communication methods that help to distinguish a company from competitors and create a lasting impression in the mind of customer. The key components that form a brand toolbox include a brand identity, brand communication, brand awareness, brand loyalty, and various branding strategies. Brand equity is the measurable totality of a brand worth and is validated by assessing the effectiveness of these branding components.

Keywords: Consumer buying behavior, brand knowledge, brand identity, brand communication, brand awareness, brand loyalty, brand equity.

Introduction

The origin of word “Brand “could be traced to the Norwegian word ‘brandr’ meaning to burn. Owners of livestock (cow’s n sheep) had the habbit of putting some identification mark on the body of animals by using a burning hot iron, to distinguish their possession. Similarly, companies started resorting to branding to distinguish their marketing offerings (products n services) by their competitors. Amul, Nirma, Lux, Titan, Nokia are the example of popular brand names.

“A Brand is a name, term, sign, symbol, or design, or a combination of these, that identifies the maker or seller of a product or service.”(Phillip Kotler).Consumer perceive brand as an important part of a product and branding add value to a product. Brands can be considered as the major enduring assets of a company. Brands are like human begins. They are born, fed and nurtured, made strong n responsible so that they can be faithful friends of the people, form mutually beneficial and satisfying relationships with them and become their co. for life. Such brands, make their parents (org. or corporate) proud of

them. The best brand brands are the ones who help in forming and sustaining strong long term “parent-brand-people”

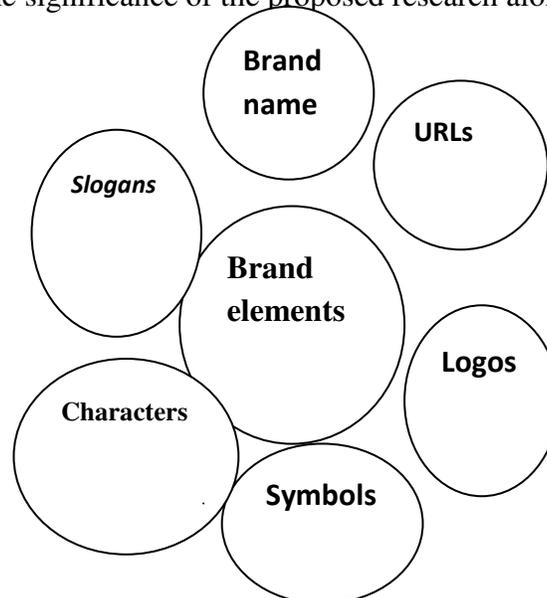
Brands vary in the amount of power and value they have in the market. A powerful brand has high brand equity.”Brand equity is the positive differential effect that knowing the brand name has on consumer response to the product or service. A measure of a brand equity is the extent to which customers are willing to pay more for the brand.(Phillip Kotler).for example, compared to the price of Rs.500/-for an unknown brand of walkman, a customer may be willing to pay Rs.1000 for an Philips or Sony.

David A.Aaker has proposed a structure of five assets underlying brand equity which create value for both customers and the marketer.

- 1) Brand loyalty
- 2) Name awareness
- 3) Perceived quality
- 4) Brand associations
- 5) Other assets

Aaker’s brand equity model and Keller’s customer based brand equity model are viewed as the most authentic and valuable models that mainly consider the consumer perceptions and their buying decisions basis on the evaluation of their knowledge about brand, their association with specific brands and how the purchase will affect them if they purchase a recognized brand.This paper presents the study of impact of branding on consumer buying behavior and purchase decision. The research will attempt to find whether there is positive relation between the positive effect of the brand and the consumer purchase decision. It discusses the significance of the proposed research along with it limitation.

Brand Elements



Advantages Of Branding

- 1) Easy to Advertise.
- 2) Easy to identify the products.
- 3) Creation of separate market.
- 4) To get more price.
- 5) Easy to expand more product mix.

Objectives

- 1) To study the influence of brands on consumer buying behavior.
- 2) To study the impact of age and gender as the factors affecting branded products.
- 3) To assess whether positive feelings towards a brand will translate into a consumer purchase decision.

Role Of Consumer Buying Behavior

Buying Behavior is the decision processes and acts of people involved in buying and using products.

Need to understand:

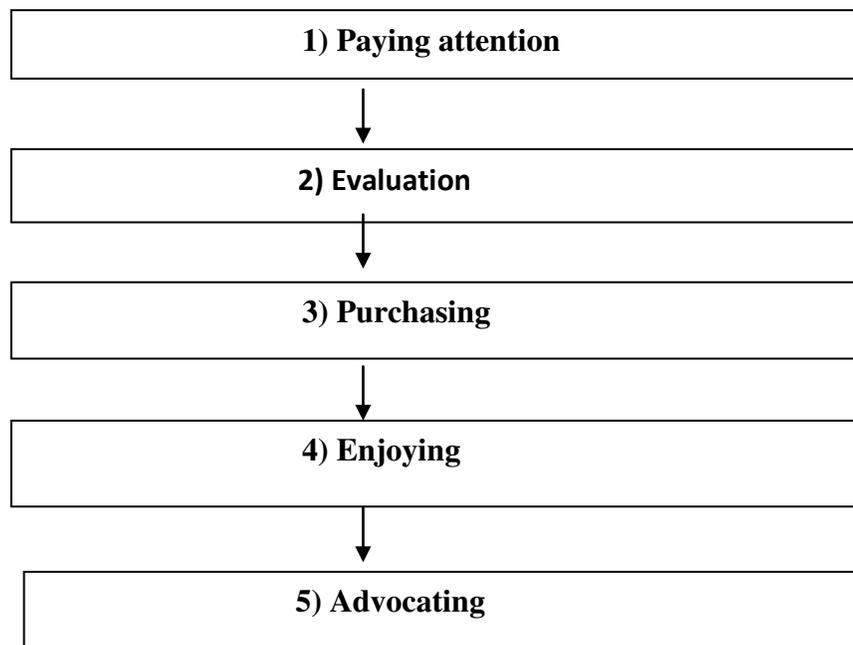
- 1) Why consumer purchase?
- 2) Which factors influence consumer purchase?
- 3) Which demographics factors changing in our society?

Consumer buying behavior refers to buying behavior of the ultimate consumer. A firm needs to analyze buying behavior for buyer reaction to a firm's marketing strategy has a great impact on the firm's success. The firm should also analyze the marketing concept stresses that a firm should create a marketing mix that satisfies customers, therefore need to analyze to what, where, when, and how consumers buy. Understanding buying behavior pattern is not enough without understanding the composition and origin of the customers. Today's most of the Indian customers are attracted by the branded goods because of their high quality. As Indian companies seek to be major players in global markets, one of the key challenges they face is building global brands. While brands may not necessarily translate into premium prices, they help companies gain higher market share in a crowded market place as they convey an assurance of quality and reliability. A Brand gives a reason to the

consumer to buy one product instead of another. It does this by adding something intangible to purchase, ownership, or use of the product. These benefits are affected by Brand image. Brand image has traditionally been thought of as method for acquiring customers, but it also influence current customers. Owner is more satisfied with a product which has an image of overall quality.

Branding Affect Customer Behavior: The Five Key Stages

Successful brands understand and nurture the “Customer decision journey”, which is composed of five distinct stages:



Factors Affecting Consumer Impression Of A Brand

(Kotler, 2005). Defined impression as the procedure by which information is received, chosen, sorted out and Interpreted by an individual. A percentage of the factors that impact consumer impression of a brand include:

- Quality: This is one of the factors which consumers consider when settling on their decision of brand. As Indicated by (Ugla, 2001), quality is an integration part of brand identity.
- Price: (McDonald and Sharp, 2000), expressed that price can be utilized as an reason for brand decision in two ways; either by trying at the lowest price in order to escape monetary risk or the highest price so as to attain quality. As per (söderlund, 2000), price, place and brand are three essential factors when choosing consumers buy decision in regular product.

- Influence by others: as per (Kotler et al., 1999), influence by others assumes an indispensable part in customer's decision processes.
- Consumers have the propensity for counselling each other regards to another product or brand and looking for their recommendation.
- The advices of other people have a strong influence on consumers purchasing behaviour. In any case, the level of such influence relies on upon the situation or individual.
- Later connectors have a tendency to be more influenced than early of schedule connectors. Influence by others can't be honed by marketers.
- A purchaser can likewise be influence culturally i.e. quality, behaviour and inclination from family or other institution or socially i.e. by a little group like family or participation group.
- Purchase decision could likewise be influenced by attitude of others.

Methodology -Methods of data collection

1) **Primary data-** Primary data is that data which mainly collected by the researcher on his own to carry out the desired research.

1) Observation method – Through personal observation

2) Personal interview – Through questionnaire

II) **Secondary data:** Secondary data is that data which already been collected for other purpose rather than the present purpose. This process of secondary data is comparatively easy and information can be easily collected from different sources.

I) Internal sources

- Marketing activity

II) External sources

- Journals

- Book

The study will help to find out the Consumer purchase decision which helps the firms to survive in this competitive world.

Literature Review

Branding is a popular subject having a significant amount of work done by academics as well as researchers on new product launch and brand awareness. Brands are more powerful in terms of forging relationship with customer which is sustainable and profitable compared to regular unbranded products. Through the literature ascertained, it has been derived that brand awareness can be created through the presentation of brands to the customer which turn to develop stimuli like response from them where they are able to relate, recognize, recall and be on the whole aware of brand. Existing brand trend to use Brand reinforcement techniques to build on their brand awareness programs. The new products on the other hand make use of advertising and promotion to increase the awareness of product amongst the existing and potential consumers of the product. Strategies that can be employed by business to increase awareness of brand include making us of attitude advertising and management of the brand image. Behavior of customer associate with their purchase of products in the market is largely based on elements of their value framework. For consumer in the market place value framework is made up of items like brand image, the class association, of the brand, its price and its overall awareness in the market relative to others.

Purchase decisions made by consumers on a cognitive level are influenced by brand image. Market research also provides that brands that have a higher level of associated brand image and awareness amongst the consumers are likely to be purchased again and again by consumer. (Hoyer, Wayne, D., & Steven P. Brown, 1990). Therefore specifically for inducing repeat purchase behavior in the consumers, brand awareness can be considered as significant contributor for example (Macdonald).

New products can increase their awareness in the market place amongst consumers through a number of different strategies employing new as well as traditional media. Traditional media based advertising and promotion using ATL techniques have the widest reach in the market but can be expensive to manage for new products. As a result new BTL launch a techniques, are innovatively employed by businesses to introduce new brands into the marketplace in a more personal way in which consumer in the market can relate to the new brands more effectively while reducing the overall cost incurred. Popular new media strategies that are being employed by businesses include using internet and mobile based network marketing strategies.

Brand loyalty can be expanded by building strong customer relationship and consumer loyalty programs. Clarify brand loyalty as continual purchasing ethics. Brand loyalty is not a onetime stroke however a continual process. It helps the organization to get customer preference, buy intention and secured profitability.

Brand loyalty is the interpreter of organizations financial performance. Brand loyalty is actually accomplished when the customer show repeated buy behavior towards the

particular brand. Loyalty comes as a consequence of the customer fulfillment, if customers are fulfilled from the brand functions then they demonstrate loyalty towards the brand and they turn into the heartless of price factor and they will indicate strong interest to purchase the product at any expense. (International journal of Business and social science Vol.6, No.1; January2015).

Brand loyalty serves to augment the brand value in the area. There are sure behaviors which created in the buyers as an after effect of the brand loyalty. Brand image which make the entire image of the brand which are; positivity, strength, and peculiarity. Clarify the brand image as the general personality reflection and conviction about the specific brand by remembering its unique qualities which make it not the same as the others.

The brand image is important aspect towards buy expectation. It drives the customers to expend more esteem on the particular brand having good brand image. It helps the consumers to choose whether which brand is a superior choice for them and they are compelled to make purchase expectations a few of times. For internet marketing it is critical for companies to be learned about factors such as consumer attitudes, values, convictions, feelings, purchasing habits, and purchasing decisions in different settings furthermore they should to perceive many measurements of human behavior and decision-making is constituted by national society found the electronic communications design being used inside online social media permits research into how one individual can hold impact over an another. They likewise found that these patterns are of great utilization to advertisers "who scan for new popular marketing strategies to encourage new product diffusion" Their objective was to confirm the assumption that network data can help recognize influences to or far from potential customer adoption of a potential product.

Findings

The researcher in this paper studies the influence of brands on consumer purchase behavior. We find that in current scenario the effect of a brand on the purchase of a particular good is very effective. The today's customer is very brand conscious. They prefer branded products for various reasons like good packaging, no bargaining, effective quality, recommended by particular agency, etc. Normally, we find that the only young customers were prefer branded products but in today's scenario, we find that there is no any difference between the age and gender regarding influence of purchase decision of branded products. The male and female both are recommend the branded products for various reasons specially in these categories like cosmetics, apparels, consumable goods, etc. We further finds that the age factor is also not influence the purchase of branded products. But we can say that the frequency of young customers related to purchase of branded products is more compare to another aged group. Today's customers were very intelligent. They mostly aware about the various brands available in the market related to different products. They prefer branded products for gaining various benefits like status

symbol, good quality, easy availability, no bargaining, easy complaint against fraud goods and easy replacement, benefit of guarantee and warranty, etc. The different age groups and different gender does not influence the consumer buying behavior, mostly customers of different age and gender prefer branded products. That's why the profits of companies increasing very rapidly who deals in branded products. The brand name is the most important factor towards consumer buying decision which discussed by various researchers. So the importance of study this factor is the need of hour.

Managerial Implication

Brand image of any product and evolving both in the minds of customer should be a strength for the product in building the image in the minds of the public so it can be a strategic asset in carrying out marketing activities to influence customer in choosing a product to pursue higher value of that product. A good brand image is shown to have advantages and better reputation, trustworthy and always provide service Excellency and to better known to the public.

Suggestions

1. The development of e-branding, for example, might also be an interesting topic to Consider.
2. Policy makers have to consider branding as an important aspect of marketing to enhance a product.
3. Other marketing concepts like pricing, promotions can also be researched into.
4. The companies should introduce new varieties of products for attracting the various age group and different gender.
5. India is known as the group of 'Cultures'. They have different festivals to celebrate. Every festival has their own tradition to celebrate. So, the companies have opportunity to provide different varieties of products in different region according to their festival tradition to capture the new era of competitive market. Because for the sake of reputation or status symbol, the mostly customers purchased branded products for exchanging gifts. From the study we found that brand is the most important factor which motivates the customer regarding consumer purchase decision. So, the companies have to more focus on their brand name.
6. The companies have to establish the link of their brand name with the customers through different sources of communication. Because ultimately the customer is the only one who buy their products which helps the company to increase their market share as well as profit earning.
7. The companies also focus on the different group of incomes of the society. There are some people who wish to buy branded products but they cannot afford it. So the

companies plan to commence the new range of products especially in fast moving consumer goods with low price that can be afforded by the low income group also.

8. The uniqueness of the product is essential for the customer's point of view. Every time when customer goes to market for shopping they find unique product from the stock available in the market. The companies required to introduce the new variety of products with time to time so that the link between customer and brand will be exist permanently.

9. The purchasing decision of customers also influenced by advertisement. In today scenario, there is a big role of advertisement in the market. The company needs to take care of their promotional tool of advertisement. Because sometimes the impact of advertisement adverse the role of society as well as market orientation which effects the image of a particular brand.

10. There are various brands available in the market to become the most popular brand among the customers. The company needs to establish a good relation with the customers.

11. To establish a good relation with customers, company use the social networking sites platforms. The companies make their 'accounts' or make a 'page' on various social networking sites like Facebook, Twitter and other social sites to make a link with the customers. There are some companies who also initiate on this part.

12. With the help of social networking sites, the company share their important information to the customers related to their new products, new discount scheme or any other incentive schemes, combo offers and many more. This procedure helps the companies to increase their list of customers.

13. The company also make their own web link on the internet, which help the customers to locate the companies store in anywhere at any time. It also helps the customers to see the new range of products which launched by a particular brand, new offers of the company at their home with the help of internet services.

14. Some companies also initiate on this part. They option on their web link to register their e-mail id for forwarding the news related to new offers and new variety of a particular brand by the company

The companies have to improve on these factors for improve the purchase decision of customers.

Research Limitation

The research made an attempt to assess whether consumers feel a positive affinity towards certain brands. However it is possible that the gender of the respondents will play a part when assessing the affinity towards certain brands. For example, woman will tend to feel a stronger affinity to say cosmetic products rather than males. To this effect

an attempt would be made to include only generalized brands thus avoiding gender bias. There is however a possibility that gender bias affected the affinity that respondents feel towards a product. It would not be possible to control other factors that may affect the research. The answer that respondents give may, for example, depend on their current mood, which may affect their answers. However such factors could not be controlled since this research will not be carried in laboratory controlled environment.

Conclusion

Branding plays very important role in enabling consumers to arrive at a decision to purchase a product. People are switching from the local product to branded products. They like to use branded products in order to show the status, power and wealth. So there is positive correlation among branding and consumer buying behavior so it is concluded that branding have a great impact on consumer buying behavior. This research will be important to marketers and students of marketing. It is hoped that the research will offer the latest insights in to whether branding affects the consumer final decision purchase. At a present time mostly consumers like a style and social status and brand conscious in the society.

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The Expatriation Challenge

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Abstract

The current study analyzes the challenges of expatriation and repatriation. The expatriation process most commonly includes selection and training; adjustment and performance management and finally, repatriation of managers. The purpose of this paper is to analyze the different phases of the expatriate process in order to identify challenges faced by companies in a rapidly changing international environment

Key words Expatriate, Repatriation, Adjustment, Culture Shock, International Assignment

Introduction

In today's world, being successful in the national market for a company is not enough. Due to globalization several international investments, mergers and acquisitions are taking place. The companies need to make every effort to remain competitive in the global market. Knowledge transfer and Knowledge sharing have become the cry of the International business. In this context, expatriates have become an essential part of international management and company's global success.

An expatriate (often shortened to expat) is a person temporarily or permanently residing, as an immigrant, in a country other than that of their citizenship (<https://en.wikipedia.org>). Expatriation is "the process of sending managers to another country to run a subsidiary of a multinational organization. Before departure, the expatriation process should include an extensive period of training and preparation to ensure that the managers are familiar with cultural differences and to reduce the likelihood of culture shock" (Dictionary of Human Resource Management 2001, p. 120). In order to successfully finish the expatriation process, it is important to consider the employee and his/her family's comeback. This important aspect of Repatriation is often the 'forgotten' phase of expatriation cycle. An expatriate assignment is only successful if it ends with successful Repatriation, and MNCs should therefore pay as much attention to Repatriation as to Expatriation.

Methodology

The study includes extensive literature review from secondary sources of data, including international journals and books on International Human Resource Management and Expatriate Management.

Expatriation Process

The process of managing and supporting expatriates on international assignments can be divided into three broader phases; before the assignment, during the assignment and after the assignment. These stages are chosen because they tend to have the highest impact on the success or failure of the Expatriation process.

Before the Assignment

Jassawalla, et al, (2004), state that the key issues with the expatriation and repatriation process relate to how the company is working with the uncertainty that the expatriate experience prior to departure to the assignment abroad. Suutari and Brewster (2003) therefore state that prior to departure, the main task for the company is to help the expatriate to develop realistic expectations about the assignment abroad and the re-entry.

This phase of Expatriation process therefore includes the Selection and Training of the expatriate.

Selection

The process of expatriate assignment begins with expatriate selection which is the most vital step, critical to the success or failure of the international assignment. But, most of the companies do not follow a systematic selection procedure and thereby, leaving room for lot of subjectivity in expatriate selection. Many MNCs even fail to acknowledge the importance of psychosocial factors (i.e. personality characteristics, family situation and language skills) and best practices in the selection of expatriates (i.e. self-selection and family involvement) in determining the success of expatriates (Caliguirri & Colakoglu, 2007). An inappropriate selection strategy not only incur the direct costs such as travel, accommodation, relocation etc., but also includes indirect costs like lost business, spoilt relationship with the customer, colleagues etc.

There are three interrelated phases in expatriate manager selection (Harvey and Novicevic, 2002): (1) Critical Environment Issues, (2) Organizational Issues and (3) Expatriate Candidate Characteristics. The first step is to analyze the environment in which the manager is expected to work (the level of development, cultural distance, industry characteristics, nature and type of competition, legal framework, etc.). The

second step includes defining organizational issues like- the degree of operating control, the extent of decision making autonomy, the nature of the task and hierarchical level of assignment. Finally, the last step focuses on the candidate who would fit the first two steps the best.

Training

Training is considered to be important because it could influence later expatriate's adjustment to a new environment (Okpara and Kabongo, 2011) and expatriate's performance (Caliguri et al, 2001).

Gary Ferraro (1998, p. 150) argues that "by facilitating adjustments to the host culture, Cross cultural training increases job performance, reduces the number of incorrect attributions of behaviour, increases understanding of one's own culture, reduces stereotypic thinking, helps in intercultural team building, decreases the social ambiguity that can lead to "culture shock", develops cross-cultural competencies, and generally leads to more fully accomplishing one's professional objectives."

Cross-cultural training is an important ingredient of successful expatriate assignments. Earlier, companies were not so inclined to provide cross-cultural training for their expatriates or their family members before their departure on international assignments but now, companies have started recognizing the importance of cross-cultural training and have included it as one of the key elements of Expat training programme. Brislin's model (according to Okpara and Kabongo, 2011) includes three techniques that can be used in cross-cultural training: Cognitive (dissemination of information on a foreign cultural environment), Affective (learning to deal with cultural incidents) and Behavioural (improving ability to adapt to host country's communication style).

Proficiency in a foreign language or even basic understanding is always beneficial (Hofstede 2001; Dowling/Festing/Engle 2013, pp. 130-131). The advantages come not only from the ability to communicate and understand the native colleagues but also from their appreciation when seeing the expatriates' willingness to learn the language.

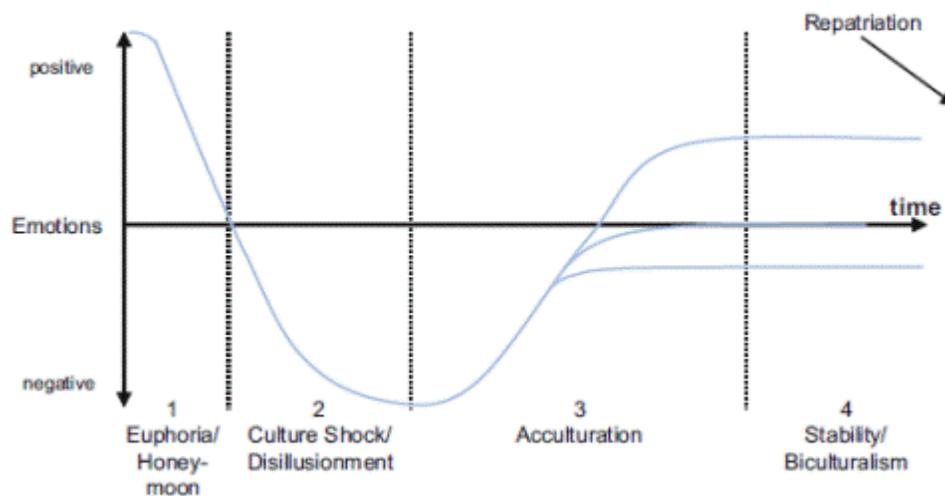
Black & Gregersen (1991) have confirmed in their study that spouse's inability to adjust to the foreign environment is the most common reason for premature return of expatriates. Despite of the fact, most of the companies choose to ignore the spouse and family in either the selection process or pre-departure training.

During the Assignment

According to Jassawalla, et al (2004) the problems that arise during the assignment are often related to a lack of support, a loss of connection with the home office, and a feeling of isolation. Inadequate support while on the assignment not only increases the expatriate's anxiety, it also construes a clear signal of how the repatriation is going to be.

During his/her assignment, the Expatriate goes through the ups and downs of different phases.

Research has shown that there are four typical phases in Expatriate Assignment (Hofstede 2001; Dowling/Festing/Engle 2013, pp. 130-131):



Source: Adapted from Hofstede 2001, p. 259; Griffin/Pustay 2013, p. 547.

- In the first stage, the *honeymoon phase*, the excitement of working in the new environment is high. This stage usually lasts a few weeks or months.
- In the second stage, the differences between the old and the new environment are perceived in a magnified perspective. A *culture shock* occurs, however, expatriates may remain stuck in this phase and it is here that a premature termination of the assignment is most likely.
- In the third phase, the expatriate often overcomes the problems and *acculturation* to the new environment can be observed. The employee begins to understand the patterns of the new culture, improves his language competence and adjusts to everyday living.
- In the fourth phase, the situation stabilizes and the employee adapts to the new culture. In this phase, the expatriate might even develop a *bicultural perspective*. He or she might even prefer some of the environmental influences of the host country over the situation in the home country.

Black and Stephens (1989) identified three facets of expatriate adjustment during these phases of his/her Assignment: Work adjustment which includes supervision, responsibilities and performances; General adjustment includes conditions in the foreign country and Interaction adjustment which encompasses interaction with members of the host community.

Effective International HR support programs designed to reflect the entire duration of the expatriate lifecycle tend to make the expatriate and his/her family feel consulted, supported, and empowered by the sponsoring organization throughout the lifetime of the assignment, including repatriation.

This, in turn, leads to enhanced productivity and performance for the employee while abroad and reduced attrition on re-entry.

Performance management of expatriate

Clarification of performance goals is an important element linking MNC strategies and goals with the performance management practices of expatriates (Tahvanainen, 1998). The performance expectations from the Expatriate must be clearly communicated, in order to avoid any ambiguity. It is important to be sure that the goals of the Expatriate must be in line with the goals of the Multinational. Company needs to make efforts to provide career development and psychosocial support to the Expat for better performance outcome.

After the Assignment

Jassawalla, et al (2004) state that during the time the expatriate has been away, the home office might have undergone significant changes in structure, information systems and formal and informal processes. Familiar faces and informal processes might have given way to new employees, new rules and power structures. Social issues might be a source of anxiety, but it generally pales in comparison to the anxiety related to not receiving credit for the foreign assignment and not having a choice of a job that requires their newly acquired skills.

International assignments may not end up as expected, due to several reasons, like:

- Repatriation is not taken seriously by the employer when compared to expatriation.
- On their return, the Expatriates want to put their new skills and knowledge to use and are often disappointed when they don't get proper support and recognition.
- Changes happened in the Home Office might make it even more difficult. Like, the company might have reshuffled its top management and decision makers, reorganized its reporting structure, or even reshaped its culture.

- Things might change in Expat's personal life like, children may find it hard to settle back into school or relate to old playmates.

In order to deal with this, the company management may adopt the following strategies:

- Treat repatriation similar to expatriation, plan and execute systematically.
- Conduct Repatriation programmes, provide mentoring for finding a new role, information on the challenges as a result of repatriation, and provide assistance.
- Time-bound expatriation helps provide better preparedness where the expat is aware from the beginning when his/her assignment ends and can plan for next steps, with the support of the organization

Implications for the Company

- Many of the returnees prefer quitting mainly due to inadequate attention and planning around repatriation process.
- Considering the investment made on training, posting and maintenance of the assigning, his quitting the job may affect the company adversely.
- When an experienced assignee quits and joins the rival organization, the latter tends to gain a competitive advantage.
- High withdrawals by returnees may impact company's ability to hire bright individuals in future.

Therefore, Expatriate turnover is a very important aspect for the companies to deal with, in order to retain their talent pool and in order to maintain company's global competitive advantage. To try to minimize such frustration and retain returning expats, a small but growing number of companies are taking a more strategic approach to repatriation. They're starting to think about the next assignment much earlier, sometimes even before an employee goes abroad.

Some Examples of the companies following effective Repatriation practices are as discussed below:

Honda starts expat assignments with clear strategic objectives. Assignees then complete a survey to identify personal strengths and weaknesses related to the upcoming assignment. Six months before an expat is scheduled to return home, the company initiates an active

matchmaking process to locate a suitable job for that person; a debriefing interview is conducted upon repatriation to capture lessons learned from the assignment.

At **Monsanto**, for example, the head office starts thinking about the next assignments for returning expats three to six months before they will return. As a first step, an HR officer and a line manager who is senior to the expat, both with international experience, assess the skills that the expat has gained during his/her experience overseas. They also review potential job openings within Monsanto. At the same time, the expat himself/herself writes a report that includes a self-assessment and describes career goals. The three then meet and decide which of the available jobs best fits the expat's capabilities and the organization's needs.

Conclusion

Expatriates are no doubt assets as well as the risks to be managed by a company. Organizations should identify ways to increase the asset value of the expatriates and minimize the risk associated. With the advent of Globalization, Expatriate managers continue to be a viable means for exercising control over foreign operations, having a direct bearing on organizational performance. This paper examined different phases of Expatriation with special reference to selection and training before the international assignment, adjustment and performance management during the international assignment and repatriation after the international assignment. MNCs need to remain active at each of these phases of Expatriation. In case of any negligence, it may result in unfavorable expat outcomes, expat dissatisfaction, leading to resistance towards international assignments by not just the expat, but his fellow colleagues also.

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Behavioural Finance

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Abstract

Behavioural Finance is assumed that information structure and the characteristics of market participant systematically influence individual's investment decisions as well as market outcomes. According to behavioural finance, investor market behaviour derives from psychological principles of decision making to explain why people buy or sell stocks.

In this paper, an attempt has been made to throw some light in the development of the behavioural finance in spite of the presence of other theories and will also discuss a few behavioural finance principles and their significance in the financial market study. The various subtopics of behavioural finance will also be analysed, which include loss aversion, corporate finance and momentum contrarian investing. This paper will draw unique conclusion across behavioural finance and hypothesis about what topics within behavioural finance are likely to yield the most interesting research in the near future.

Keywords: Behavioural Finance, Investments, Psychological Principles, Decision Making, Principles, Significance

Introduction

Behavioral finance is part of finance that seeks to understand and explain the systematic financial market implications of psychological decision processes. It utilizes knowledge of cognitive psychology, social sciences and anthropology to explain irrational investor behavior. The study aims at identifying the most and the least influencing factors of the individual investor behavior. Within behavioral finance, it is assumed that the information structure and the characteristics of market participants systematically influence individuals' investment decisions as well as market outcomes.

The field of “behavioral finance” has evolved that attempts to better understand and explain how emotions and cognitive errors influence investors and the decision-making process.

Within behavioral finance, it is assumed that the information structure and the characteristics of market participants systematically influence individuals' investment decisions as well as market outcomes. The factors which influence on the behavioral finance are attitude and disposition, motivators, influencer and barrier. Attitude and Disposition consists of overall investor disposition toward investing or trading in the stock market. Motivators consist of key considerations that may encourage investment in the stock market. Influencer relates to factors that influence investor behavior while barriers relate with the key obstacles that may hinder investment in the stock market.

Behavioral Finance also relate the terms like Loss Aversion, Corporate Finance and Momentum Contrarian Investing. This terms also effects on the behavioral finance.

Objectives

- i. To study the concept of behavioral finance.
- ii. To evaluate various principles of the behavioral finance.
- iii. To evaluate the behavior of the investors.

Literature Review

A wide range of studies available over internet based sources and also a few books and journals are consulted to develop the foundation of the paper. The main development of the conventional finance is the —Efficient Market Concept. As rightly pointed out, the efficient market hypothesis became one of the most influential concepts of modern economics and a cornerstone of financial economics.

The investor rationality concept has also been criticized by many scholars. Behavioral finance is a new approach to financial markets that has emerged, at least in part, in response to the difficulties faced by the traditional paradigm. In broad terms, it argues that some financial phenomena can be better understood using models in which some agents are not fully rational. To identify the common investment mistakes and to provide insights into how investors make the initial decision to invest and why some are reluctant to invest at all. A study attempting to investigate the factors influencing individual investor behavior in Indian Stock Market found that there are five underlying psychological axes that appear to be driving the Indian individual investor behavior. These five pertinent axes on the basis of the underlying variables are named as prudence and pre-cautious attitude, conservatism, under confidence, informational asymmetry, and financial addiction. The results reveal some psychological axes, such as conservatism and under confidence, which are consistent with the prior literature to some extent; but there are some contrary behavioral axes reported by the multivariate analysis such as prudence and pre-cautious attitude and informational asymmetry which are not yet considered in

prior literature in growing economies, particularly in Indian context. Thus there are many studies available some of which support the traditional finance and some are against the theory. Those critics have given birth to the new discipline named behavioral finance. Behavioral Finance also depends on the type of investors. Because the market's behavior is impacted and determined by how individuals perceive that behavior, investor psychology and sentiment are fundamental to whether the market will rise or fall. Stock market performance and investor psychology are mutually dependent. Hence its need to study the types of investor.

The types of investors are as follows:

a) Savers:

Savers are those people who spend the majority of their life slowly growing their “nest egg” in order to ensure a comfortable retirement. Their primary investing strategy is to hedge each of their investments with other “non-correlated” investments, and ultimately generate a consistent annual return in the range of 3-8%.

b) Speculators:

Unlike Savers, Speculators choose to take control of their investments, and not rely solely on “time”. Speculators are happy to forgo the relatively low returns of a diversified portfolio in order to try to achieve the much higher returns of targeted investments.

c) Bull Investor:

An investor who expects prices to rise and so buys now for resale later. It is a prolonged period where the investment prices rise faster than their historical average.

d) Bear Investor:

An investor who expects prices to fall and so sells now in order to buy later at a lower price. The chances of losses are greater here as prices are continuously falling and the end is not in sight.

e) Specialists:

Specialists believe that the key to successful investing isn't luck but its education and experience. The Specialist generally picks a single investing area, and becomes an expert in that area. Some Specialists deal in paper assets, some deal in real estate, and some start businesses.

Research Methodology

For this study, the data related to the behavioral finance is required. Data analysis is done with the help of discussion with the authors and the teachers. Data like Conceptual knowledge about behavioral finance related information was collected through secondary sources viz, books, research papers and websites are required for this study.

Growth of Behavioral Finance

To know the meaning of behavioral finance the famous quotation of Albert Einstein i.e. "Only two things are infinite, the universe and human stupidity, and I'm not sure about the former" seems to be much more relevant. Really the human mind is the greatest and it is also the worst in some cases History of the behavioral finance goes back to Herbert A Simon, the Nobel lieutenant of 1978, for his paper in 1955 —A behavioral model of rational choice may be regarded as the first thought that endeavored to state about a new concept called behavioral finance. However the systematic study of behavioral finance started actually from the work of Daniel Kahneman & Amos Tversky (1973) where they for the first time discussed about the different heuristics affecting investment decisions. They also founded the very famous Prospect Theory in Tversky & Kahneman (1979) where they found that individuals will respond differently to equivalent situations depending on whether it is presented in the context of losses or gains and found that individuals are much more distressed by prospective losses than they are happy by equivalent gains. Statman Meir (2009), a professor from Santa Clara University wrote in an article published in the Wall Street Journal that most investors were intelligent people, neither irrational nor insane. But behavioral finance tells us we are also normal, with brains that are often full and emotions that are often overflowing and that means we are normal smart at times, and normal stupid at others.

The late Peter L. Bernstein wrote in *Against the Gods* that the evidence "reveals repeated patterns of irrationality, inconsistency, and incompetence in the ways human beings arrive at decisions and choices when faced with uncertainty. Behavioural Finance is the field which studies the investors' behaviour not only from the point of view of rationality but also incorporating different other irrational psychological investment biases which are overlooked by the conventional finance completely. This new field incorporated the theories of psychology, sociology and also neurology in the study of investor behaviour. It may be noted that the behavioural finance is itself is not a pure and original development. It is due to the shortcomings of the efficient market hypothesis and other conventional finance developments that the growth of behavioural finance is accelerated. As Subash Rahul pointed out in his thesis. The science does not try to label traditional financial theories as obsolete, but seeks to supplement the theories by relaxing on its assumptions on rationality and taking into consideration the premise that human behaviour can be understood better if the effects of cognitive and psychological biases could be studied in context where decisions are made.

Principles of Behavioral Finance

The models within the traditional finance paradigm assume that investors act rationally and consider all available information in the decision-making process.

Hence, investment markets are efficient and security prices reflect the true' intrinsic values' of the assets. That investors act promptly to new information and update prices correctly within a normatively acceptable process. Investment market returns are believed

to follow a random walk pattern; hence considered not predictable. Underlying all these is the theory of arbitrage, which suggests that rational investors undo price deviation away from the fundamental, values quickly and maintain market equilibrium.

As such, the behavioral finance paradigm has emerged in the response to the difficulties faced by the traditional paradigm. In essence, it argues that investment choices are not always made on the basis of full rationality, and it attempts to understand the investment market phenomena by relaxing the two factors of the traditional paradigm, that is, agents fail to update their beliefs correctly and there is a systematic deviation from the normative process in making investment choices. Behavioral finance argues that there is 'limits to arbitrage', which allows investor irrationality to be substantial and have long-lived impact on prices. To explain investor irrationality and their decision-making process, behavioral finance draws on the experimental evidence of the cognitive psychology and the biases that arise when people form beliefs, preferences and the way in which they make decisions. As such, limit to arbitrage and psychology are seen as the two building blocks of behavioral finance. Traditional finance theorists believe that, any mispricing created by irrational traders (noise traders) in the marketplace, will create an attractive opportunity which will be quickly capitalized on by the rational traders (arbitrageurs) and the mispricing will be corrected. Behavioral theorists show that, strategies required to correct the mispricing can be costly and risky; thus, rendering the mispricing unattractive and allowing them to continue.

In order to study the various irrational investor behaviors in financial markets, the knowledge of human cognitive behavioral theories from psychology, sociology and anthropology are important. Major theories used include:

Prospect Theory

The Prospect Theory shows how people manage risk and uncertainty. In essence, the theory explains the apparent regularity in human behaviors when assessing risk under uncertainty. That is, human beings are not consistently risk-averse; rather they are risk-averse in gains but risk-takers in losses. In this theory, people place much more weight on the outcomes that are perceived more certain than that are considered mere probable, a feature known as the "certainty effect". People's choices are also affected by 'framing effect'. Framing refers to the way a problem is posed to the decision maker and their 'mental accounting' of that problem.

Judgment under Uncertainty

The following theories summarize how people form beliefs under uncertainty.

- a) **Overconfidence:** This shows that people are poorly calibrated in estimating probabilities and usually overestimate their precision of the knowledge and ability to do well. People are also overconfident about good things happening in the future than

bad. In addition, people overestimate their confidence to the past positive outcomes and usually recall only their successes than their failures.

- b) **Fear of Regret:** Human beings have the tendency to feel the pain or the fear of regret at having made errors. As such, to avoid the pain of regret, people tend to alter their behavior, which may end up being irrational at times. Linked with fear of regret is 'cognitive dissonance', which is the mental suffering that people experience when they are presented with the evidence that their beliefs have been wrong identified the influence of human heuristics on the decision-making process.
- c) **Anchoring and adjustment:** People who have to make judgments under uncertainty use this heuristic by starting with a certain reference point (anchor) and then adjust it insufficiently to reach a final conclusion.

Regret Theory:

Regret theory is about people's emotional reaction to having made an error of judgment. Investors may avoid selling stocks that have gone down in order to avoid the regret of having made a bad investment and the embarrassment of reporting the loss. They may also find it easier to follow the crowd and buy a popular stock: if it subsequently goes down, it can be rationalized as every-one else owned it.

Anchoring:

Anchoring is a phenomenon in which in the absence of better information, investors assume current prices are about right. People tend to give too much weight to recent experience, extrapolating recent trends that are often at odds with long run average and probabilities.

Over-And-Under Reaction:

"The market does not reflect the available information as the professor tells us. But just as the funhouse mirrors don't always accurately reflect your weight, the markets do not always accurately reflect the information. Usually they are too pessimistic when it's bad and too optimistic when it is good". The consequences of investors putting too much weight on recent news at the expense of other data are market over or under-reaction. People show overconfidence. They tend to become more optimistic when the market goes up and more pessimistic when the market goes down. Hence, prices fall too much on bad news and rise too much on good news. And in certain circumstances, this can lead to extreme events.

Loss aversion:

Loss aversion is the tendency to react more strongly to losses than gains. It is thought that the pain of losing is psychologically about twice as powerful as the pleasure of gaining, and since people are more willing to take risks to avoid a loss. The basic principles of loss aversion is sometimes applied in behavior change strategies and it can explain why penalty frames are sometimes more effective than reward frames in motivating people to commit to a motivating people.

Momentum Investing:

One of the phenomena that behavioral finance has uncovered is the presence of momentum in stock markets. This theory explains momentum through market over and under reactions based on many of the psychological biases identified by various academic works. It provides to describe these biases is one based on investor overconfidence and biased self-attribution. Overconfident investors in the model overweight the information they receive and cause stock prices to move far from its fundamental value.

Contrarian Investing:

A contrarian investor can be defined as one who attempts to profit by betting against conventional wisdom but only when the consensual opinion appears to be wrong. The idea of Contrarian investing beaten down stocks and betting on them to rebound is certainly not a new idea. Every time period a contrarian portfolio with a time horizon of over one year is hugely profitable. The results are able to largely breakdown the idea that value stocks are inherently more risky, but rather linear extrapolation of past results leads to momentum stocks going too high and value stock prices going too low.

Conclusion

The increasing analysis of the human element in the stock market, a market which is much more rational, has quality available data and is more efficient than the property market, makes behavioral-based research critical for analyzing property, a market which is segmented, suffers from unavailability for quality data, is less informed and inefficient and has a high presence of the human element. The behavioral finance principle discussed and analyzed in this paper sets the path for developing such a combined strategy for property investment.

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An Overview of Importance of Training- Literature Review

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Abstract

Training needs analysis is the initial step in a cyclical process which contributes to the overall training and educational strategy of staff in an organisation. The cycle commences with a systematic consultation to identify the learning needs of the population considered, followed by course planning, delivery and evaluation. Training presents a prime opportunity to expand the knowledge base of all employees. Employees also miss out on work time while attending training sessions, which may delay the completion of projects. Despite the potential drawbacks, training and development provides both the company as a whole and the individual employees with benefits that make the cost and time a worthwhile investment. This research paper is focused on Importance & evaluation of training. Training employees is an essential activity for all organisations. Training provides employees with the knowledge and skills they need to perform their job.

Key Words:-

Importance, Need, Evaluation, Process, Benefits & Classifications.

Introduction

Today's work environment requires employees to be skilled in performing complex tasks in an efficient, cost-effective, and safe manner. Training (a performance improvement tool) is needed when employees are not performing up to a certain standard or at an expected level of performance. The difference between actual, the actual level of job performance and the expected level of job performance indicates a need for training. The identification of training needs is the first step in a uniform method of instructional design. A successful training identify those who need training and what kind of training is needed. It is counter-productive to offer training to individuals who do not need it or to offer the wrong kind of training. A Training Needs Analysis helps to put the training resources to good use. The secondary data were collected for the purpose of study.

Objectives of the study

- a) To understand the importance given to training in industries.
- b) To understand the need of training for improving skills and competency of employees in industries.
- c) To know about the various techniques to evaluate training program.

Training

Definition:-

Dale S. Beach stated “Training as ‘the organized procedure by which people learn knowledge and/or skill for a definite purpose’. Training refers to the teaching and learning activities carried on for the primary purpose of helping members of an organization acquire and apply the knowledge, skills, abilities, and attitudes needed by a particular job and organization.”

Edwin Flippo stated “Training is the act of increasing the skills of an employee for doing a particular job’

Importance of Training

1. To Increase the Productivity:- Increased human performance often directly leads to increased operational productivity and increased company profit. This productivity can be increased by instructions. Increased performance and productivity, because of training are most evident on the part of new employees who are yet fully aware of the most efficient and effective ways of performing their jobs.

2. To Improve Quality of Work:- Better informed workers are less likely to make operational mistakes. Improvement in quality may be in relation to company’s product/service or employment atmosphere.

3. To improve Health and Safety:- Proper training can help prevent industrial accidents. A safer work place leads to more stable mental attitudes on the part of employees. Managerial mental state would also improve if supervisors know that they can better perform themselves through company designed development programmes.

4. Out datedness Prevention:- Training and development programmes foster the initiative and creativity of employees and help to prevent manpower obsolescence, which may be due to age, temperament or motivation or the inability of a person to adapt himself to technological changes.

5. To Improve Organizational Climate:- An endless chain of positive reactions results from a well planned training programme. Production and product quality may improve, financial incentives may increased , less supervisory pressures may result. Increased morale may be due to many factors, but one of the most important of these is the current state of an orga'nistion's educational endeavor.

6. Personal Growth:- Management development programmes seem to give participants a wider awareness, and enlarged skill, and enlightened altruistic philosophy and make enhanced growth possible.

7. To Assist a company to fulfilling its Future:- Organisations that have a good internal educational programme will have to make less drastic manpower changes and adjustments in the even of sudden personnel alterations. When the need arises, organizational vacancies can more easily be staffed from internal sources if a company initiates and maintains adequate instructional programme for both it s non-supervisory and managerial employees.

8. Help in addressing employee weaknesses:-Most workers have certain weaknesses in their workplace, which hinder them from giving the best services. Training assists in eliminating these weaknesses, by strengthening workers skills. A well organized development program helps employees gain similar skills and knowledge, thus bringing them all to a higher uniform level. This simply means that the whole workforce is reliable, so the company or organization doesn't have to rely only on specific employees.

9. Improvement in workers performance:-A properly trained employee becomes more informed about procedures for various tasks. The worker confidence is also boosted by training and development. This confidence comes from the fact that the employee is fully aware of his/her roles and responsibilities. It helps the worker carry out the duties in better way and even find new ideas to incorporate in the daily execution of duty.

10. Ensuring worker satisfaction:-Training and development makes the employee also feel satisfied with the role they play in the company or organization. This is driven by the great ability they gain to execute their duties. They feel they belong to the company or the organization that they work for and the only way to reward it is giving the best services they can.

11. Reduced cost:-Training and development results with optimal utilization of resources in a company or organization. There is no wastage of resources, which may cause extra

expenses. Accidents are also reduced during working. All the machines and resources are used economically, reducing expenditure.

12. Reduction in supervision:-The moment they gain the necessary skills and knowledge, employees will become more confident. They will become self reliant and require only little guidance as they perform their tasks. The supervisor can depend on the employee's decision to give quality output. This relieves supervisors the burden of constantly having to give directives on what should be done.

Employee Training

Training employees is an essential activity for all organisations. Training provides employees with the knowledge and skills they need to perform their job.



Source- www.Learnmanagement2.com

Benefits of Training

- As the business world is continuously changing, organisations will need to provide their employees with training throughout their careers. If they choose not to provide continuous training they will find it difficult to stay ahead of the competition.
- The other benefit of training is that it will keep your employees motivated. New skills and knowledge can help to reduce boredom. It also demonstrates to the employee that they are valuable enough for the employer to invest in them and their development.
- Training can be used to create positive attitudes through clarifying the behaviours and attitudes that are expected from the employee.

- Training can be cost effective, as it is cheaper to train existing employees compared to recruiting new employee with the skills you need.
- Training can save the organisation money if the training helps the employee to become more efficient.

Induction Training

This is training that an employee will receive when they first join an organisation or begin a new role. This type of training is designed to provide the employee with the essential skills needed to perform their job. Induction training can also include an introduction to the company ethos, values and culture so that the employee is aware of the behaviours expected of them.

On the Job Training

As the name suggests, on the job training, is training provided during the regular performance of duties. This can take a variety of forms including

- **Guidance:**-The employee being guided through a task or process by a colleague or supervisor, so that the employee knows how to perform the task and to what standard.
- **Shadowing:**-Spending time with an expert so that the employee can observe how the expert performs their daily duties.
- **Observations:**-The employee is observed whilst they perform their duties. At the end of the observation, the observer will provide the employee with feedback on their performance and a training plan based on the results from the observation.
- **Coaching:**-The idea behind coaching is to improve the employee's existing skills, (or to provide them with new skills) by focusing on how the employee performs something i.e. there is a focus on technique. Coaching provides employees with the opportunity to practice skills with a coach away from their usual work environment.
- **Mentoring:**-The employee is partnered with an experienced employee so that they can discuss performance. The experienced person is known as the mentor and the employee they are partnered with we will call the mentoree. The mentoree will discuss their performance and problems with the mentor.

- **Computer Based Training:**-Some firms will use a computer based (digital app) to provide training. Computer based training usually involves providing the employee with relevant information followed by quizzes to test how well the employee has learnt the information.

Off the Job Training

This is training provided away from the employee's usual work environment. Off the job training may be in the same building or off site. This training may be provided by trainers working for the same employer as the employees being trained or an outside company hired by the employer. Off the job training is often used to support the employees studying for a formal qualification or exam. In contrast to coaching this type of training usually focuses on knowledge and not skills.

Training Need Classification



Source:-<http://www.slideshare.net/hemanthcrpatna/a-project-report-on-training-and-development-with-special-reference-to-sahara-india>

a. Organizational Level:-

Training need analysis at organizational level focuses on strategic planning, business need, and goals. It starts with the assessment of internal environment of the organization such as, procedures, structures, policies, strengths, and weaknesses and external environment such as opportunities and threats.

After doing the SWOT analysis, weaknesses can be dealt with the training interventions, while strengths can further be strengthened with continued training. Threats can be

reduced by identifying the areas where training is required. And, opportunities can be exploited by balancing it against costs.

However, individual competence can also be linked to individual need. The methods that are used to analyse the individual need are:-

- Appraisal and performance review
- Peer appraisal
- Competency assessments
- Subordinate appraisal
- Client feedback
- Customer feedback
- Self-assessment or self-appraisal

b. Individual Level :-

Training need analysis at individual level focuses on each and every individual in the organization. At this level, the organization checks whether an employee is performing at desired level or the performance is below expectation. If the difference between the expected performance and actual performance comes out to be positive, then certainly corporate need and training need are interdependent because the organization performance ultimately depends on the performance of its individual employee and its sub group.

c. Operational Level:-

Training Need analysis at operational level focuses on the work that is being assigned to the employees. The job analyst gathers the information on whether the job is clearly understood by an employee or not. He gathers this information through technical interview, observation, psychological test; questionnaires asking the closed ended as well as open ended questions, etc. Today, jobs are dynamic and keep changing over the time. Employees need to prepare for these changes. The job analyst also gathers information on the tasks needs to be done plus the tasks that will be required in the future.

Evaluation of Training Program

The process of examining a training program is called training evaluation. It checks whether training has had the desired effect. Training evaluation ensures that whether candidates are able to implement their respective work places or to the regular work routine.

1. Immediate:-This relates to changes in knowledge, skill or behavior immediately after a training experience. In other words, it attempts to assess

- Whether or not, training has been effective in communication the message.
- Have people learned the skill you were setting out to teach?
- Do they understand what is now required to them?
- Have they been equipped with the necessary behavior to be able to implement the learning.

2. Intermediate:- This refers to evidence that knowledge, skill and behavior which has been learned is being put into use on the job. In other words, can the trainee, manager and colleagues identify changes in behaviours, skill and attitude as a result of the trainee's attendance.

3. Long Term:- This refers to the long-term effectiveness of the individual. The unit and perhaps even the organization. This ultimate evaluation is difficult and only possible if the training in the first instance has been related to the real corporate strategic and business needs of the organization. What the trainer is attempting to evaluate is, does the individual now make a real contribution to the business needs of the organization, or has training just been a comfortable and hopefully enjoyable experience which has brought about little change?'

Evaluation is about determining the value of the training delivered. It should seek to assess:

- i. The effectiveness of the training
- ii. The effectiveness of the learning process – in other words. Whether the trainees have learned what we set out to teach them.
- iii. Whether the learning has been applied.
- iv. Whether the applied learning has brought about the changes required in relation to attitudes, skill or behavior.

If trainers can begin to think about evaluation within the context of the three phases outlined above, it should be possible to design and apply a range of evaluation techniques appropriate to each phase. Of course, many techniques will be appropriate to all phases, but some will apply primarily to one or the other.

It is often assumed that it is relatively easy to assess knowledge gain. However, what is often overlooked is retention levels. Ask any students two months after a major exam to remember the learning at the level they achieved just prior to the examination; you will find that retention level is directly related to the method and purpose of learning and the activity participated immediately afterwards, and much of the learning may well have been lost.

Therefore, while it may well be possible to assess and measure knowledge gain effectively, it is more important for the trainers to assess retention and application levels.

Purpose of Training Evaluation

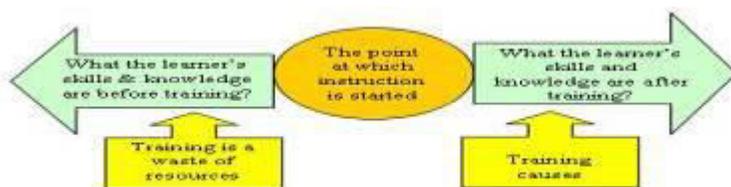
The five main purposes of training evaluation are:

- a. Feedback:** it helps in giving feedback to the candidates by defining the objectives and linking it to learning outcomes.
- b. Research:** it helps in ascertaining the relationship between acquired knowledge, transfer of knowledge at the work place and training.
- c. Control:** It helps in controlling the training program because if the training is not effective, then it can be dealt with accordingly.
- d. Power games:** At times, the top management (higher authoritative employee) uses the evaluative data to manipulate it for their own benefits.
- e. Intervention:** It helps in determining that whether the actual outcomes are aligned with the expected outcomes.

Process of Training Evaluation

Before Training

The learner's skills and knowledge are assessed before the training program. During the start of training, candidates generally perceive it as a waste of resources because at most of the times candidates are unaware of the objectives and learning outcomes of the program. Once aware, they are asked to give their opinions on the methods used and whether those methods confirm to the candidates preferences and learning style.



Source:- <http://www.naukrihub.com/trainings/training-evaluation.html>

During Training

It is the phase at which instruction is started. This phase usually consist of short tests at regular intervals

After Training

It is the phase when learner's skills and knowledge are assessed again to measure the effectiveness of the training. This phase is designed to determine whether training has had the desired effect at individual department and organizational levels. There are various evaluation techniques for this phase.

Conclusion

Continuous employee training is essential as it ensures your employees always have the knowledge and skills to work effectively. In fact some professions such as medicine and law stipulate that practitioners have to perform a minimum number of continuous professional development. Having a good staff of people is not the only requirement of today's scenario rather they need to be polished with their skills by giving them certain required trainings. So finding the need of training in any organization is very essential and accordingly designing the training program. I came to know the detail about What this company is all about, what is its basic functions, what services it provides to the customers, how it sales its product and makes profit out of it. The suggestion I would suggest regarding the training of the people in the company is that various training programs should organized in regular intervals of time so as to develop their overall personality such as their attitude, perception as well as various training regarding communication skills as well as soft skill related training should be organized so as to make them fluent while talking with their customers. Training related to Customer Relationship Management as well as Data Management System should be given. Retraining and refreshment trainings should be provided to them so that if they have some doubt in the actual training then they can get it clear or if they have got outdated during the course of time because of various scientific and technological changes, so it would make them up to date with relevant knowledge required for that particular job. One of the important things that would help the sales people to deal easily with their customers as well as to attract them is to provide the training for differentiating the products with that of their competitors so that if a customers asks them that why should he purchase his product and not that of other Brand than they should be able to deal with their queries easily. A good training program provides comfortable environment and job satisfaction for the employees. Training plays a vital role for the development of the enterprise. It brings out new talents who are capable of having good basic knowledge of the enterprise and its objectives. This will make the organization to get profited from the employees as well as they also get attractive benefits from the organization for their

performance in the form of incentives, bonus and promotions. This would motivate the employees and hence the growth of the company will be a steady one.

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Financial Outsourcing In India: Emerging Trend In Accounting Practices

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Abstract

Outsourcing is nothing, but purchasing service from an outside vendor rather than using internal resources. In the past, generally companies used the outsourcing as a means to achieve better service at lower cost, but now they use to improve the performance AS new and innovative business model. India is uniquely placed to offer a wide range of quality, cost-effective outsourced services, such as IT and IT-enabled services in finance and accounting. Similarly this paper is focus on the frequent emergence and the growth BPO industry in the Indian firms. The objective of this paper is to analyse the ethical issues of outsourcing of finance and accounting practices faced by the Indian firms and also high light the various costs and benefits of outsourcing practice.

Key Words – Outsourcing, Off shoring, Transactional Process, Automation, Ethics, Commercialization

Introduction

There is a growth trend towards the outsourcing of accounting activities. The drivers of outsourcing emanate from organizational initiatives, improvement focus, financial and cost objectives or growth objectives. For the past two decades, the outsourcing and off shoring of professional services has grown phenomenally. Outsourcing the finance and accounting processes has recently become a strategic issue for many organizations. Businesses are under increasing pressure to improve performance and reduce costs. Although the emphasis has often been on reducing cost, there is a trend towards outsourcing to enable strategic change.

In the past, companies pursued outsourcing as a means to achieve better service at lower cost. Today, many organizations are moving beyond this to achieve step changes in their performance as new, innovative business models. Outsourcing financial operations can encourage businesses to be more innovative and focused on value creation. Outsourcing is the delegation of tasks or jobs from internal process to external entity (such as a sub-

contractor). Most recently, it has come to mean to avoid native staff to staff overseas, where expenses are markedly lower. The need to reduce costs whilst simultaneously improving process and financial visibility is unprecedented. CFOs are facing many pressures – a global economic downturn, hypersensitive stock markets, and pressure to improve the standard of reporting and disclosure. The struggle to protect market value leaves little time to transform finance into a valuable partner for the business.

Offshore and outsourcing of accounting is becoming an increasingly attractive option for many companies as a means of gaining access to scarce skills, cutting costs and obtaining competitiveness. Although vendor firms in other countries are involved, India is recognized as a leading location for remote customer interaction, data analysis and accounting. Off shoring is the relocation of certain firm activities to foreign “host country” locations. For example, GE Financial Services relocated operations to India several years ago and now has over 12000 employees in the country (GE Capital,2005). In the last five years, off shoring has shifted from being a niche to a dominant strategy used by a number of firms, resulting in increased finance services capacity in offshore locations.

A key consideration in which finance and accounting processes outsourced is transactional processes (such as accounts payable, travel and entertainment, accounts receivable, billing, cash management, etc.) tended to be the most popular to outsource. In other words Outsourcing can also be defined as the procurement of resources- purely from an external source to accomplish business objectives. Whereas Off shoring is defined as the provision of services from a country that is geographically remote from the client enterprises. In terms of offshoring, India continues to lead the global market for outsourcing services.

This is despite an apparent shortage of Indian graduates with the cultural compatibility to work in shared service centers which is causing salary inflation and attrition problems. There has been a rise in near-shoring and on-shoring, particularly for customer facing processes by global companies. The UK’s public sector has become a significant outsourcer, usually preferring onshore providers. This paper is focus on the emerging role of BPO sectors in the accounting practices in Indian corporate sector.

Literature Review

Brannemo, 2006 argued that it is crucial for company to understand and have a clear conceptual framework of the outsource decision. Furthermore, company must also know the benefits and risks of outsourcing. According to Ellram, Tate and Billington, (2007), outsourcing has implications for day-to-day management and performance, as well as strategic implications. Therefore, company must outsource intelligently.

Outsourcing decisions may affect company's cost structures, long-term competitive situation and can also alter the nature of risks that the company must manage Suhaimi et al. (2007) used a case study approach to provide an understanding of the motivation for information systems outsourcing at a commercial bank.

The findings highlighted the challenges faced include managing the partnership and handling staff transition and morale. Krell (2007) suggested that finance and accounting outsourcing covers a wide variety of processes, ranging from highly transactional activities such as accounts payable, accounts receivable and payroll, to processes that require greater and more complex degrees of knowledge and analysis, such as treasury, tax strategy, or financial planning and analysis.

Accounting outsourcing means transferring part of accounting functions to a third party provider or a fully owned subsidiary in order to cut cost, gain access to scarce skills or obtain competitiveness (Nicholson and Aman, 2006).

Research Methodology

As per the objective of this paper is to analyze the various ethical issues of Financial and Accounting Outsourcing in India, this study is based on the secondary information about the growth and development of Outsourcing practices in India. Therefore this study is exploratory and carried out through analytical approach and states the various cost and benefits of outsourcing process for Indian firms.

Objectives of the study

- i. To study the drivers of Financial Outsourcing and its emergence in the Indian Business.
- ii. To analyze the various costs and Benefits of Financial Outsourcing to the Business Firms.
- iii. To Study the various Ethical issues of Financial Outsourcing Process.

Emergence of Financial Outsourcing in India

A fundamental shift is under way to migrate transaction, technology, and administrative processes offshore over the next decade. Just as the physical supply chain moved to best-shore locations in the 1980s, the information supply chain, including IT and software-application development and maintenance, moved offshore in the 1990s. Now it's the administrative supply chain. In the next wave, many knowledge-intensive positions will likely go offshore too including highly trained CPAs and accountants.

Therefore in India among other one of the fastest growing sectors of the BPO market and outsourcing of professional services is the outsourcing of finance and accounting (FAO). According to an Everest Research Institute Study, the global Finance and Account Outsource (FAO) sector has grown by 30% in 2007 alone.

The growth in the FAO market is primarily due to a larger trend of offshore BPO. According to a Gartner report as cited by Bhatnager (2005), the global offshore BPO market will grow to \$24 billion by 2007, of which India will capitalize on \$13.8 billion. India is currently the world leader in offshore destinations, with 46 per cent of the world market for offshore business processes (NASSCOM-McKinsey in Jan, 2006).

India's offshore IT and BPO industries employ approximately 1.5 million people in India and account for 7 per cent of the country's GDP (Jan, 2006). By 2011, Indian firms may be able to process as many as 22 million tax returns per year, generating a total revenue of US\$2.1 billion (Research & Markets, 2006). India-based big players of Outsourcing include Infosys (formerly Progeon), Wipro BPO (Spectramind), WNS Holdings, HCL Tech (BPO) and MSOURCE. The Indian government is keen to continue to develop India's market for offshoring finance and other activities. Government legislation has led to favourable taxes and other business start-up friendly policies for multinationals establishing their own centres in the country and for multinational and Indian third-party providers of outsourcing services.

This occurs at both the national level and also the city and state levels, which often compete for new business. The Indian government has engaged in relationship building at company, regional and country levels. In order to meet new business needs, the Indian government has taken a new educational focus in key skill areas for the future, such as industry-specific knowledge and new languages.

New 'industry focused' curricula are aimed at developing deep skills and requisite environmental knowledge. New training is also being undertaken in French, German, Japanese and other languages in order to meet future demands from non-Anglo American countries.

Cost and Benefit Analysis of Financial Outsourcing In India

Off shoring makes the business headlines, suggesting that relocation can lead to fantastic cost reductions as well as new skills and expertise. Business benefits, however, are not guaranteed. Several senior managers of various multinational companies reported feeling that 15-20% costs savings of off shoring were not worth the risk. Therefore this briefly focuses on the key insights specific to costs and benefits of outsourcing finance activities.

Cost of Outsourcing

Long time to implement – The implementation of outsourcing of accounting is a timely process, because it takes much time to make the process simple, standardized and centralized.

Poor performance – Some of the managers reported that the outsourcing process does perform its duties more efficiently as it can be performed through the internal sources back into the office.

Flexibility – Due to the upcoming technological development in the country, the firm may need to change its working style but the outsourcing process may not be prepared to deal with the change. Such change in the outsourcing may be the heavy cost for company.

Talent Lost – Most of the managers states that due to more and more activities outsourced the talent of internal source i.e employees get lost, because they get free and may not get the work according to their skill.

Data Disclosure to third parties: Some managers states their nature as reluctant to share finance data with third parties due to the fear that this information might somehow reach to competitors.

Lack of Performance measures – No performance measures can be employed for the activities which are outsourced by third party because they perform their task according to their standardized rules, which may not completely help the firms to achieve their objective.

Benefits of Outsourcing

Core competency focus – By outsourcing most of the business activities, the employees and managers of the firm get free from their routine task. Similarly it enables them to focus on more value – added activities to increase their competitiveness in the market.

Leading knowledge and track record – Most of the managers states their comfortable feeling with the successful track record of outsourcing providers in automating high volume, low value activities. Therefore they have the opinions that outsource partners as have the detailed knowledge about the regulatory and reporting requirements.

Increased transparency- Outsourcing of business activities result in more transparent and accurate reporting, because their functional process is totally unbiased & independent from the control of internal authority of the firm.

Cost Saving- After employing the Outsourcing process for the business activities, this process become less costly in the long run. With the continue use of third party service the firm's labor charges get reduced in the future

Ethical Issues of Accounting and Financial Outsourcing in India

1. The ethical problem, accounting firms face is exercising due care in the performance of services if those services are outsourced to another country.
2. Ethical problem is determining whether adequate planning and supervision can be had when the work is done on another continent.
3. Ethical problem occurs when the information provided to the external service provider is incomplete, incorrect or inconsistent. It is difficult to see how the American CPA can deal with such cases unless the information is evaluated before it is transmitted to the external service provider.
4. It is not necessary to obtain a client's consent prior to turning over such information, Therefore the Client should first enters into a contractual agreement with the service provider to maintain confidentiality of the information. The member must also be reasonably assured that the provider has appropriate procedures in place to prevent the unauthorized release of confidential information to others. If no such agreement is entered into, specific client consent should be obtained before any client information is disclosed to the third-party provider.
5. Compliance with Standards addresses the issue of what responsibility a business client in public practice has for complying with general and technical standards when using a third-party service provider to provide professional services for maintaining the record of business transaction and financial disclosure part. By using the outsourcing practices for the Accounting practice does not relieve the client firm from its responsibilities for its accountability Thus, Firm authority is remain responsible for providing adequate oversight for all services performed by third-party service providers and for ensuring that all services are performed with professional competence and due professional care. Furthermore, it must have an adequate plan to supervise such services and obtain sufficient relevant data to support the work product and comply with all technical standards applicable to the professional services.

Conclusion

“Do what you do best and outsource the rest,” is a simple, yet compelling quote attributed to management guru Tom Peters. Following this maxim, leading finance executives in organizations around the world also are using outsourcing to lower costs and improve quality. More important, they are using outsourcing to transform their business operations, generate better decision support information and create higher shareholder returns. Similarly this states the upcoming reasons for opting the outsourcing process for financial and accounting function as a strategic issue to reduce cost and complication. The analytical view about outsourcing practice states that inspite of various ethical issues, India is uniquely placed to offer a wide range of quality, cost-effective outsourced services, such as IT and IT-enabled services in finance and accounting. Some of the biggest Fortune 500 companies are outsourcing their business processes to India due to:

1. The availability of a large, young, well educated and English speaking workforce
2. The availability of reliable telecom and infrastructure facilities
3. Government support in the form of subsidies and exemptions for the ITES industry. (in Income tax, import duties, sales tax etc.)

In so far as finance and accounting is concerned, the functional expertise available in India is very high and is driven by the availability of highly skilled personnel qualifying from esteemed professional institutions. At the end it can be said that Outsourcing is a CFO's path to freedom, to invest more talent in a strategic vision, deliver value directly to the bottom line, and command a more powerful presence at the executive table.

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The Impact of Human Resources Practices on Employee Engagement: An Exploratory Study in the Hospitality Industry

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Abstract

Purpose – To study the present scenario of employee engagement by appraising HR practices in the hospitality industry. To develop conceptual model by ascertain the antecedents and consequences of employee engagement in the hospitality industry.

Research Methodology - Present study is descriptive and conceptual in nature. Data have been collected from secondary sources such as research journals, books, newspaper articles, expert's interviews and hoteliers' suggestions. Digital sources like e - reports and surveys, websites were visited to collect data to reconnoiter problem area and existing HR practices and programs in the hospitality industry.

Study Limitations-This paper outline the current issues and challenges in the hospitality Industry in terms of HR practices. Different issues and challenges in terms of financial and operational practices are not included in this study. Many others direct and indirect factors expected constant.

Findings- Hotel Industry is suffering from voluminous challenges like high attrition, high turnover, low retention, huge gap between demand and supply of hotel management students. This plagues hospitality industry very acutely. Serious steps must be taken to eradicate this immoral culture.

Originality- The paper addresses the current challenges in the hospitality industry in India based on appraising HR practices and their outcomes. This study based on secondary sources of data. The study contribute hotelier sustaining in competitive advantage.

Keywords: Attrition, Career Development, Employee Engagement, Job Characteristics, Training and Development, Turnover

Introduction

Human resource department plays a very vital role in mounting hotel's image. They recruit, screens prospective employees, train, develop and provide career progression. The major challenge of HR department is in its interactions with other hotel departments. The human resources department's effectiveness depends on its manager's ability to form effective working relationships with managers of other departments, to motivate and engaged them actively in their role work. As per article on The Hindu in Business Line segment by R. Ravikumar (2011) hotels like Indian Hotels Company, EIH Ltd and Hotel

Leela Venture reported 17 to 29% increases in employee cost during year 2010. To ensure availability of enough talent, ITC Hotels has increased the number of candidates for management training three times to sixty in 2011. According to hotelnewsnow (2013) correspondent Chitra Balasubramaniam speaks that lack of skilled manpower still plagues the Indian hospitality industry. If the shortage persists, the hotel industry faces two key challenges; the rising cost of skilled labor and enhance the capacity of their in-house training programs said Parvadhavardhini, principal of Welcomgroup , Graduate School of Hotel Administration , Manipal. Sadiqe (2014) explored the various challenges faced by Indian hospitality by highlighting the importance of employee engagement. Author stated that lack of well-trained staff and lack of infrastructure facilities are two main issues to be sorted for the survival of Indian hospitality industry.

Objectives of the study

The following objectives covered under this study:

1. To study the present scenario of employee engagement by appraising HR practices in the hospitality Industry
2. To present a conceptual model of employee engagement by viewing its antecedents and consequences in the hospitality industry.

Research Methodology

Present study is descriptive and conceptual in nature. Data have been collected from secondary sources such as research journals, books, newspaper articles, expert's interviews and hoteliers' suggestions. Digital sources like e - reports and surveys, websites were visited to collect data to reconnoiter problem area and existing HR practices and programs in the hospitality industry.

Review of Literature

Relationships between HR practices and employee engagement

Tourism is a people intensive industry. Although the role of staff turnover might vary from one location or sector to other, staff turnover in tourism occurs primarily voluntarily and in unpredictable frequencies, while it is mostly found amongst staff working at operational levels. Milman (2003). In hospitality industry, commonly named causes of staff turnover include the low specialization of skills and limited opportunities for career progression. (Derry and Shaw 1997; Hartman and Yrte, 1996). Organizational causes like peer relationship, family relationship or leader links creates turnover intentions. Recurrent changes in work availability, job demands, resources available, part-time staff switches for additional source of income, active staff take career break or hunting

alternative job common behaviors to turnover. Overall dissatisfaction with the type of the tourism job and its employment terms e.g. low financial rewards, monotonous job content, working conditions (Griffeth et al. 2000).

Retention and Employee engagement

The strong correlation between engagement and retention is well understood by BlessingWhite Report “Beyond the Number: A practical approach for individuals, managers, and executives” (2011) which states that employee’s specified desire to remain with their current employer, is a strong predictor of actual turnover. It is also an indication of how strongly committed an employee is to their current employer’s success. Globally, 60% of all employees report that, given the choice, they plan on remaining with their current organization for the next 12 months. However, this number jumps to 81% among engaged employee but drops to 23% among the disengaged. Neha Gupta (2013) discussed the reason behind high attrition rate in tourism industry on the basis of survey among the employees of travel agencies and tour operators. She suggested that employee retention could be used as tool to lower down the rates. HR practices like career development program, employee recognition, reward program and quality of supervision could be supportive to gain retention.

Attrition and Employee engagement

Per a report by Marketpulse; Study to Assess the Requirement of manpower in Hospitality and Travel Trade Sector (2012) under Ministry of Tourism, Government of India there is attrition of 28% amongst the students trained for hospitality sector. They do not take up hospitality as a career after completing their course. The survey has also estimated a net demand of 5.65 lakhs in the hospitality sector in 2011 – 12, the supply is 72,000. After accounting for attrition, the net supply works to just 52,000. This amounts to 9%; hence, the current gap between demand and supply of manpower is almost 91%. If this is not addressed, the gap between demand and supply will widen further to 8.64 lakhs by the year 2021-22. Farooque and Habibuddin (2015) accentuated various factor behind attrition of hotel employees in the city of Bangalore. Authors analyzed exit interview forms of all employees from 2014-15. They conclude salary and wages, long working hours, nature of work, improper employment practices and competition. The impact of attrition rate on hotels include low customer satisfaction, low sale increased turnover and loss of reputation.

Turnover and employee engagement

In human resource context, employee turnover is the rate at which an employee gains or loses employees. In other words “how long employees tend to stay”. Low turnover means employees are happy, healthy and engaged with the organization and their performance is satisfactory to the employer. High turnover means employees are unsatisfied, unhappy as well as unmotivated with the employer. Lack of career advancement, relationship with leader, working conditions, unsafe or unhealthy conditions of job, low package are some of the cited causes of high turnover. A highly committed and motivated workforce can make a difference when coupling in the market. Thus, the main challenges in hospitality industry could be owing to high attrition and turnover and low retention. If we recover the three key sides of organization i.e. ART- Attrition, Retention and Turnover by innovative and effective HR practices like employee engagement, then human wealth will have developed and performance and yield of organization would increase. Thus, the theoretical study is done to communicate the present scenario of employee engagement by appraising human resources practices in hospitality Industry.

The Present Scenario of Employee Engagement in the Hospitality Industry

HR is the important variable for the sustainability and growth of any organization. The process starts the recruitment of good quality employees and selection of the precise people for the precise jobs. Employee engagement is directly related on the selection of right people for right jobs (Hunter and Schmidt, 1983). Present scenario of employee engagement in the hospitality industry could summarize and understood by reviewing present HR practices. Industry experts believe that employee engagement is the key in maintaining benevolence for a value –based industry like hospitality. Thus, along with traditional practices coupled with innovative HR concepts like job characteristics, training and development, rewards and recognition, career path, relationship with peers and supervisor, engagement practices, OD intervention and Human Resource Information System should be the new “call word” in Indian hospitality world.

Employee engagement

It is important to note that in this new era of doing business, the employee does not need the organization; rather, the organization requires the employees (most valuable assets) to survive. Employee engagement is a key for make best use of this assets. Employee engagement is a positive attitude held by the employee towards the organization and its values. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a reciprocal relationship between the employer and the employee Robinson et al. (2003).

Priyanka Anand (2011) focused on the two important HR practices i.e. performance appraisal and employee engagement in the hotel industry. Author conducted research on HR processes and practices in ITC Maurya. The basic methods and systems were described keeping in mind the general trend in the industry. Her findings identifies that ITC Maurya conducts the Q12 Gallup survey on its employees, this method is used to access the existing levels of satisfaction amongst employees. The employees are involved and highly satisfied with the work environment. The performance appraisal standards are updated and different methods of appraisal are used across the organization. DiPietro and Pizam (2007) testified a study of employee alienation (equal with disengagement) in 595 quick service restaurants found that employee alienation was not uniform across surveyed. The authors of this study concluded that employee disengagement is not necessarily caused by the nature of the work (unpleasant working conditions, inconvenient hours, low pay but instead, by the leadership style and practices in the organization.

Job characteristics

Job characteristics are those tasks that provide challenging work, variety, use of different skills and the opportunity to make important contributions. Jobs high on core characteristics provide opportunities for individuals to bring more of themselves to work or become more engaged Kahn (1990). “Initiatives like celebrating birthdays, interactions with parents and family members, social meetings, pepping up and boosting employee motivation are some engagement practices used hoteliers these days. Traditional and conformist tools like bonuses and hefty salary were hard to offer an inspirations cue” says H.N.Shrinivas (SVP-HR) Head, The Indian Hotels Company Limited (2009). Venkatesh Kulkarni (2002) quoted that majority of the students that get admitted to hotel management programs go through some form of industrial exposure. These students have already been introduced to the hierarchy of department of most hotels; as a result they find themselves at the lowest ring of the hierarchical ladder. He also utters due to the high percentage on the guest needs there is a little predictability about timings. Thus over-work leads to less engaged in work. Long working hours and tight shifting schedules make employee tiresome and less motivated towards work. Thus, job characteristics positively influence employee engagement.

Training and Development

Training and development refers to an activity aimed at bettering the performance of individuals and groups in organizational settings. This shows the extent to which the organization will support the current and future development needs of the employee (Wikipedia).Hospitality companies face the dual challenge of equipping their employees for the complex dynamics of their industry along with attractive career progression and training and development for shifting the focus for young recruits from jobs to careers.

Ravi Shankar, Chief HR Officer, Mahindra Holidays highlights one of the biggest challenge gazes in organization is “Developing internal talent to take a leadership roles, within a short time”. This could be followed by individual-focused-training programs. Primarily factors which contributes 70% of all attrition within the hospitality industry is due to the way employees are treated, working conditions, career prospects and salaries offered says Prabhjot Singh Goomer HR Director, Hilton, NewDelhi. Debashish Sengupta, academician and along with HR practitioner S. Ramadoss in their book “Employee Engagement” have elucidated and illustrated cases for employee engagement. The Taj Hotel in-depth case explains some engagement practices like Vibes, TAP ME, The Orange Club, TajBuzz and also explained how the hospitality Industry recovered after the dastardly attacks on the Taj Hotel in Mumbai in 2008. Authors also expounded other’s business engagement stories like Titan, TCS, Google and Bharti Airtel. Another book “Closing the Engagement Gap” (2009) by Gamal Aziz and CEO of MGM Grand’s and co-author Don Lowman Managing Director of Tower Perrin highlights MGM carrying out human resource programs. Hotel’s six month courses REACH on basic supervisory skills for ambitious hourly workers. Book also reveals employee’s outcomes like recognition dinners and rewards led 90% of MGM Grand employees satisfied with their jobs, 89% feels special meaning in their work, 91% are proud to tell others where they work.

Rewards and recognition

Maslach et al. suggest that a lack of rewards and recognition can lead to burnout, while the presence of rewards and recognition can be important for engagement.”(Maslach et al.2001) Abukhalifeh and Som (2013) focused on the antecedents that influence employee engagement in food and beverage service departments. Literature reviewed indicates that there is a significant relationship between employee communication, employee development, rewards and recognition, and extended employee care. The Incentive Research Foundation (2011) estimates roughly 100 to 200% of an employee’s base salary is spent to recruit and train a replacement. In an arena where customer satisfaction is important the labor pool is shrinking, keeping employees satisfied and engaged is serious. Rewards is most impressively conveyed through amalgamation of pay, bonuses and other financial and non-financial rewards like welfare facilities, recreation facilities , extra holidays ,voucher schemes etc. Reimbursement and salary alone cannot consider as the only aspects for engaging employees rather employees must believe their recognition and reward packages is fair and market –related in order to acquire employee engagement.

Assertive relationship with peers and supervisor

Karatepe et al. (2010) aimed to develop and test a model that investigates core self-evaluations as a mediator in the relationship between coworker support and work engagement. Data were collected from a sample of 100 full-time

frontline employees of the five- and four-star hotels in Iran. The relationships were tested using hierarchical multiple regression analysis. The results demonstrate that core self-evaluations partially mediate the impact of coworker support on vigor, while it fully mediates the relationship between coworker support and dedication. In contrast, core self-evaluations do not function as a mediator in the relationship between coworker support and absorption. Implications of the findings are discussed and avenues for future research are offered.

Career development

Career development is the process of engaging employees and this call for the dying need of formulating diversity and conflict management policies. Bassi (2010). If there is no career progression, or limited career advancement opportunities, then employees will definitely be disengaged at certain level and shall not remain committed with an organization. Career progression is very crucial in the sphere of hospitality zone. Fresh recruits are more focused on rapid career growth. Career Development no more choice for entry-level hospitality degree holders and experienced hotel executives. Others service sector like BPO and retailing offers better work-life balance, greater comparative remuneration. According to an article in People Matters (2012) on Industry focus 60% of those who are leaving the organization are the age group of 23-30, mostly due to aggressive nature of the young recruits. On the other side, to meet the expectations of the employees all over the world, Accor India defined the framework of a worldwide compensation and benefits policy, which is adapted according to the specifics of each country. Jean-Michael Casse, Senior Vice President, Accor India (2010) speaks that “employee will have benefit from career development through a change of function, profession or country, while remaining within Accor.

Mathew Cooper, GM of Courtyard by Marriott Gurgaon believes “that the growth of sub-sector within the hospitality including Regions Tourism, Medical Tourism, Eating Outlets, and MICE Tourism will add foreign tourist, develop upwards mobility among Indian professionals and creating greater travel opportunities”. Kuntal Rai Bhatnagar, Practice Head, Grassik Consultants (2010) in his article “ Provide a Career Not just a Job” consider education , ethnicity , training resources, quality manpower as main prominent hurdles for career advancement.

Customer satisfaction

Ncube & Jerie (2012) paper explored employee engagement contribution in enhancing competitive advantage in the hospitality Industry. Both qualitative and quantitative approaches used through graphs and tables to illustrate data. The study used cross case

analysis to compare Hotel A and Hotel B (total n = 78). The study revealed the contribution of employee engagement to competitive advantage and highlighted how employee engagement acts as a key determinant of competitive advantage. Donna A. Dickson (2008) conceptual paper explored the need for enterprises in the hospitality industry to have managers who are not adept at the technical competencies of them, but have significant capability in people management. Author also studied the ability to raise employee engagement. Thus, due to heterogeneity nature of hospitality industry, employee's way for delivering service is very important factor behind customer satisfaction.

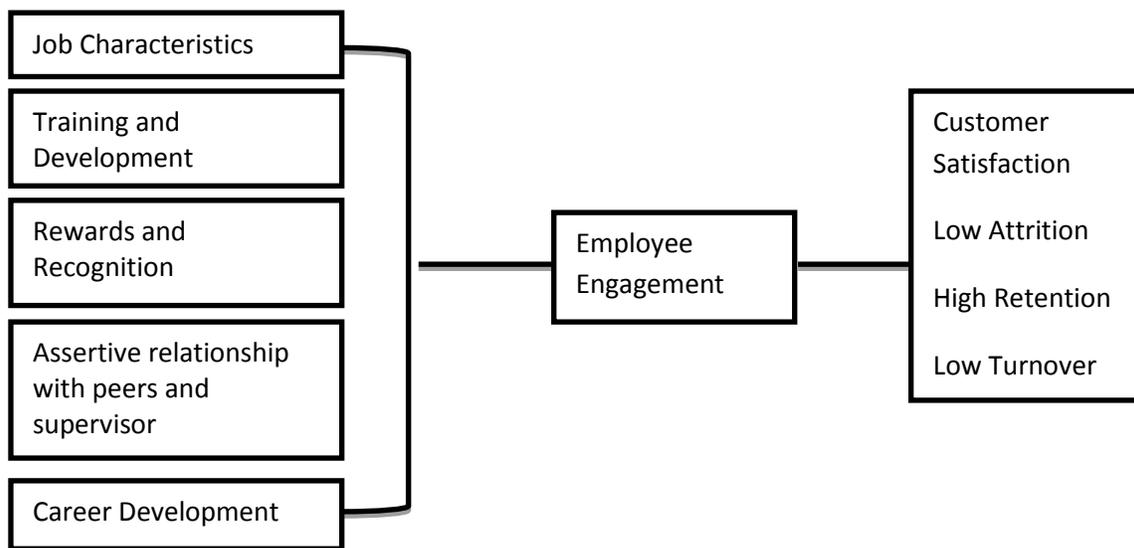


Figure 1: The proposed Conceptual Model: Antecedents and Consequences of Employee Engagement

Source: Author own data

Based on above mentioned arguments, the proposed model for this study is as depicted in Figure 1. The Model consists of independent variables, which affects on employee engagement (dependent variable) and customer satisfaction depends upon how much employee is engaged thus also employee engagement acts as an independent variable for customer satisfaction.

Conclusion and Limitation of the study

Hotel Industry is suffering from voluminous challenges like high attrition, high turnover, low retention, huge gap between demand and supply of hotel management students. This plagues hospitality industry very acutely. Hotels need to be able to retain committed, motivated, and engaged employees to encounters these challenges. The problem of Attrition, Retention and Turnover (ART) is presented which could be solve out through new and innovative HR call “employee engagement”. Employee engagement is a way-two relationship between employer and employee. Employee engagement level is measured through existing HR tools and techniques like job characteristics, training and development, rewards and recognition, assertive relationship between peers and supervisor, and career development. Present scenario of employee engagement is moderately critical, on one side HR Practices and Programs in large hotel chains are very promising and satisfactory which leads their employees not only satisfied and committed but also engaged towards their work and organization. On the other side small and budgets hotels suffering from unsatisfied and unmotivated employees, making overall engagement scenario middle-of-the-road. Thus, from a review of past literature, a conceptual model is development. The model is develop shows a relationship between employee engagement and customer satisfaction. Customer satisfaction, low attrition, high retention, and low turnover are one of the key consequences of engaged organization. Customer satisfaction could be increased via employee engagement, which in turn positively influence by five independent variables called as its antecedent. Employee engagement plays a mediating variable between stated antecedents and consequences. This paper outlines the current issues and challenges in the hospitality Industry in terms of HR practices. Different issues and challenges in terms of financial and operational practices are not included in this study. This paper based on secondary source of data, a conceptual model on the antecedents and consequences of employee engagement has been proposed. Limited factors are considered affecting employee engagement; other factors like employee personality, organizational stress, culture expected as constant.

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Work Study: An Effective Way to Increase Productivity in Operation Management

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Abstract

Productivity improvement is very important factor for firm to survive and to achieve breakthrough. The pattern of economic competitiveness had changed globally now days. Many organizations try to remain profitable and competitive by increasing its productivity. Motion and Time Study technique is one of the productivity improvement technique used in Manufacturing Companies.

This paper is aimed at crucial area of Productivity improving by Time study and Motion Study technique. Motion Study and Time Study is defined as a scientific analysis method designed to determine the best way to execute the repetitive task and to measure how much time spent by an average worker to complete a given task in a fixed workplace. In this study, the work cycle are divided into small measurable work element. These elements are recorded in the observation table. Observations have been recorded for the different trails to analyze the operations effectively to find out how much time needed for the assembly. This help in the identification of value added and non-value added operations in the work cycle. Non value added operations are eliminated to find out the best effective way for assembly and reduces the operator fatigue so that the productivity increases.

Key Words: Productivity improvement, Motion Study, Time Study

Introduction

In today's competitive business environment, it is necessary that the employees work harder, be more productive so that, production costs can be kept low to meet global competition. In this direction, it's necessary to give special attention on improving labor productivity and reducing costs by improving work methods and simplifying

the work. To facilitate this, the work study technique i.e. Motion study and time study has been developed over a period of time. Work study is a management tool to achieve higher productivity in organization for manufacturing products to its customers. The purpose of Time Study and Motion study is to determine how much time required for operation on each station and hence determine time for each type of product for assembly and reduce motions of operator so that reduce operator fatigue. By reducing motions reduce the time required for manufacturing of products hence increase productivity. Time required for each station is measured by Stopwatch. There are two methods of Stopwatch Time Study i.e. Continuous Method and Fly Back Method.

Objectives of the study

- i. To analyze the time require for the assembly of products for different model.
- ii. To evaluate the non-value added movement of the worker.
- iii. To set ideal time standard for assembly of product by eliminating non value added movement of worker for reduce operator fatigue and increase productivity.

Literature Review

Both time study and motion study which resulted from the integration of concepts and practices developed by F.W.Taylor and by Frank B. and Lilian M. Gilberth are concerned with the systematic analysis and improvement of manually controlled work situations. However, time study is a quantitative analysis leading to the establishment of time standard whereas motion study is a qualitative analysis of a work station leading to the design or improvement of an operation/ activity. Motion Study and Time Study are closely linked. Motion Study is concerned with reduction of work content while Time Study is concerned with the investigation and reduction of the ineffective time and the subsequent establishment of time standards for the task or job or operation on the basis of work content established by method study. Basically Motion study is the foundation for time study. Motion study can be used successfully without Time study but Time study cannot be used without motion study.

Advantages of Motion Study and time Stud

- a) Work Simplification
- b) Improved working method
- c) Better product quality
- d) Improved workflow
- e) Less fatigue to all operators

f) Optimum utilization of all resources

Research Methodology

For this study, the data related to the time study and motion study is required. Data analysis is done with the help of tables and data collected with the observations and discussions. Primary Data about Time study, Motion Study and to minimize operation fatigue has been collected through observations, stopwatch method and discussions with Production Manager and Section Manager while secondary data like Conceptual knowledge about Time Study and Motion Study related information was collected through secondary sources viz, books, websites are required for this study.

Presentation of Data:

There are 18 workstations from A to R on assembly line of products of the manufacturing company. There are 3 types of products X, Y and Z is produced on that assembly line.

Time Study at each workstation:

In this research, Stopwatch is used to find out how much time is required for operations on each workstation.

Methods of timing using Stopwatch:

There are two methods of timing using a stop watch. They are: Fly back or Snap back method and Continuous or Cumulative method. In this research, continuous method is used. In Continuous method, the stop watch is started at the beginning of the first element. The watch runs continuously throughout the study. At the end of each element the watch readings are recorded on the study sheet. The time for each element is calculated by successive subtraction. The final reading of the stop watch gives the total time known as observed time. In this research, this method is used to find out time required for each operation on each workstation.

Table No.1- Sample of Observation Table.

Sr No	Elements									
	a		b		C		d		e	
	T	R	T	R	T	R	T	R	T	R
1										
2										
3										

In this table,

Elements- Each workstation are divided into elements.

R- At the end of each element, in turn, the particular reading of the watch is recorded for the corresponding element. The watch continued to run so that at the end of first element of the second piece of work is starts. Each reading is recorded in the column of ‘R’.

T- The time required for each element for operation. The time for each element is secured

by subtracting successive readings. The samples of readings at one workstation for three models are as follows:

1) Workstation A:

Sr No.	Elements													
	a		b		c		d		e		f		g	
	T	R	T	R	T	R	T	R	T	R	T	R	T	R
1	15	15	6	21	4	25	7	32	8	40	8	48	4	52
2	3	61	11	72	7	79	4	83	8	91	5	96	9	105
3	3	110	4	114	10	124	6	130	6	136	10	146	9	155
4	3	163	14	177	7	184	5	189	6	195	5	200	8	208
5	3	215	12	227	7	234	5	239	6	245	5	250	8	258
Total Time	12		47		35		27		34		33		38	
No. of observation	4		5		5		5		5		5		5	
Observed Time	3		9.4		7		5.4		6.8		6.6		7.6	

i) Model X: Table No.2 – Time Study for X Model:

Total time= 45.8sec

At workstation A, for model X the operations are divided into the elements from a to g and the time required for each element are measured and recorded on the observation table. The time required at workstation A for model X is 45.8sec.

Sr No.	Elements									
	a		B		c		d		e	
	T	R	T	R	T	R	T	R	T	R
1	4	4	3	7	5	12	5	17	8	25
2	7	34	4	38	6	42	5	47	8	55
3	7	61	3	64	5	69	4	73	8	81
4	6	92	5	97	4	101	8	109	7	116
5	7	130	3	133	3	138	5	143	5	148
Total Time	31		18		23		27		36	
No. of observation	5		5		5		5		5	
Observed Time	6.2		3.6		4.6		5.4		7.2	

ii) Model Y: Table No.3 – Time Study for Y Model

Total Time= 27sec

At workstation A, for model Y the operations are divided into the elements from a to e and the time required for each element are measured and recorded on the observation table. The time required at workstation A for model Y is 27sec.

iii) Model Z: Table No.4 – Time Study for Z Model

Sr No.	Elements							
	a		b		C		d	
	T	R	T	R	T	R	T	R
1	4	4	4	8	10	18	7	25
2	5	33	5	38	11	49	8	57
3	6	64	4	68	9	77	9	86
4	5	92	6	98	10	108	7	115
5	6	124	5	129	11	140	7	147
Total Time	26		24		51		38	
No. of observation	5		5		5		5	
Observed Time	5.2		4.8		10.2		7.6	

Total Time= 27.8sec

At workstation A, for model Z the operations are divided into the elements from a to d and the time required for each element are measured and recorded on the observation table. The time required at workstation A for model Z is 27.8sec.

Analysis of Data:

As per the time study taken at workstation A, the time study taken at all workstations for all models are given in the following table,

Table No.5: Time Study for all models at all workstation

	Time(sec)		
	X	Y	Z

A	45.8	27	27.8
B	38	43.5	23.8
C	33.8	32.8	48.5
D	28.4	28	18.4
E	40.5	46.2	33.8
F	19	23.7	25.2
G	22	23.2	27.6
H	33.66	29.2	25.8
I	27.37	27.4	28.8
J	26.7	27.2	22
K	29.2	34.5	28.6
L	24.25	24.6	28.4
M	17.7	16.4	0
N	31	22.7	21.6
O	30.88	32.4	32
P	32	26.4	23.8
Q	48.6	46.45	33
R	35.75	34.8	33

Above table shows the time required at each workstation in second for assembly for all models.

Conclusion

- i) The Model X takes 48.6 sec to complete assembly of one product. If in whole period of shift only X models runs on the line, then 507 products are produced.
- ii) The Model Y takes 46.45 sec to complete assembly of one product. If in whole period of shift only X models runs on the line, then 530 products are produced.
- iii) The Model Z takes 48.5 sec to complete assembly of one product. If in whole period of shift only X models runs on the line, then 508 products are produced.
- iv) At workstation E, When all the elements required for the operation are kept on the table in front of the operator then the operator fatigue are reduced and time required for the operation are also less.

v) At workstation P, when the machine required for operation kept below the present position then the operator fatigue should be reduced.

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Store Brand: A Road Ahead

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Abstract

Store brands are brands where the retailer's name is very evident on the packaging. Store brands or private labels are owned and controlled by retailers. Store brands are products developed by a retailer and available for sale only from that retailer; some retailers may attempt to utilize this measure of exclusivity to differentiate them from the competition. Store brands help retailers to increase sales which indirectly add to the bottom line. In this paper, researcher presents the research to examine store brands and bring into light some issues that need additional research. Researcher's interest regarding store brands can be clustered around five major issues. (1) What is the need of introducing store brands? (2) Who are the target customers for store brands? (3) The relationship among store brand and national brand on the basis of prices and demands. (4) Also examine the retailer's store brand positioning problem. (5) What is the reason behind the success of **store brand in retail stores?**

Key Words: Store Brand, Retailers, Private Label Brand.

Introduction to Indian Retail Industry-

The Indian retail sector is one of the most emerging and largest sectors in the economy. According to India Brand Equity Foundation the total market size is estimated to be around USD600 billion by 2015 and expected to grow to USD1.3 trillion by 2020³. Grocery retailers recorded healthy growth in Indian Retail Industry. We have many companies in India who are performing well in the Indian Retail Industry. Aditya Birla Retail, Reliance Fresh, Big Bazaar are few companies who are doing very well in Retail Industry.

Introduction to Store Brand Store brands, also known as private labels, have enjoyed increased attention in recent years. For the *retailer*, store brands are the only brands that require taking full responsibility for product introduction, product sourcing and warehousing, advertising, and promotions. In contrast to the shared risks and returns for national brands, the retailer plays a critical role in the success of the store brand. Moreover, the entry of a store brand changes the retailer-national brand manufacturer

³ BCG Retail 2020, Ernst & Young, Deloitte, indiaretailing.com, Economist Intelligence Unit, Euro monitor,

interaction. A store brand may increase primary demand, creating room for win-win scenarios among entrant and incumbent brands. Alternatively, store brand entry may result in brand switching, drawing buyers away from the existing brands.

Moreover, long-term price sensitivity may change due to the different competitive market structure in the pre- and post entry periods, and the direction of this change may depend on the incumbent brand's position. From a consumer benefits perspective, relevant questions are whether the entry of a store brand increases consumer choice and whether it lowers retail prices. In the packaged goods world, store brands (or private labels) behave much the same as any other brand.

They face downward sloping demand with respect to price and upward sloping demand with respect to quality. Promotional price elasticity is greater than everyday price elasticity. While the actions of the manufacturers in large measure determine the decisions retailers take about national brands or regional players, the retailer plays a bigger role in the success or failure of its own label. Although retailers have lots to gain by better understanding the determinants of successful store brand programs, this knowledge may be more valuable to manufacturers.

Lessons learned from competing with other national brands may not transfer one-to-one to the store brand case because, quite simply, a popular private label program changes the status of the retailer from being solely a customer to also a competitor. When customers are competitors, standard predatory tactics may not be appropriate; instead there is a premium on creating a successful basis for coexistence.

Objective of the study

The research focuses on the five major objectives which are as follows:-

- To find out the needs of introducing store brand in retail store.
- To know about the target customer of the store brand.
- To find out the competition level between store brand and national brand.
- To know about different promotional problems faced by retailers for store brand
- At last, to find out the reason for the success of store brand.

Location of the study

The research was conducted in front of different retail stores (D Mart, Big Bazaar, Star Bazaar, More etc) in Pune city.

Sampling Methods & Sample size

Random sampling method was followed and 120 respondents contributed for the research.

The respondents chosen were stores customers and retailers at the retail store.

Research Instrument & Methodology

The research was conducted on store customers as well as retailers. The study is divided into three parts, first on retailers, second on customers and third on manufacturers (National Brand). The survey was conducted on customers in front of different retail stores who are coming out from the store. A well structured questionnaire was prepared for conducting the study.

Data Analysis

The data collected through questionnaire were coded and cross-tabulated keeping in context the objective of the study.

Distribution of Customer

Among the respondent 35 of the customers ere of the age group below 25 years, 50 of the age group 25-45, 30 customers were of the age group 45-60 and rest 5 customers were of the age group above 60. 61% customers were women and 59% were men. 40 customers were below 10000 in income group per month, 35 customers were in the income group 11000-20000 and 34 customers were of the income group 21000-30000 and rest 11 were of all the income group above 30000.

Income group		
Income	Frequency	Percentage
Below 10000	40	33.3
11000-20000	35	29.2
21000-30000	34	28.3
Above 30000	11	9.2
Total	120	100

Age group		
Age	Frequency	Percentage
<25	35	29.2
26-45	50	41.6
46-60	30	25
>60	5	4.2
Total	120	100

Need of Introducing Store Brand

From the five major issues, the first issue is the need of introducing store brand. Basically retailers are introducing store brand to satisfy the customer by providing quality product in lesser price. From the store brand a retailer can customize his product as per the need of their target customers. Store brand also helps the company to increase their loyal customers. It has been generally observed that store brands are priced 20-30% lower than national brand and because of this difference in the price the demand of the store brand is high in the store and it helps the retailers to increase their sales revenue. The quality of goods sold under the private labels is also comparable to the quality offered by national brand. Store brand entry may benefit the retailer in several ways, all of which represent reasons to become a player in the category.

Occupation group		
	Frequency	Percentage
service	35	29.2
Business	17	14.1
Student	20	16.7
House Wife	48	40
Total	120	100

- Store Brand emphasizes more bargaining position as compare to national brand manufacturers.
- Attractive store brand entry may increase category value which can generate sales
- High unit margin and potentially high volume is generating profits of store brand.
- High Profit Margin
- Low entry barrier to labeling.
- Low switching cost to the customer.

One more reason is that, through store brand a retailer has great control over the product process. By the help of store brand a retailer can give assortment of merchandise to the customer through its own methods and procedures and it gives more options and choices to select from. Retailers are also offering products that have distinct attributes and which are not offered by national brand.

Target customer for store Brand

The bases of target customer are based on Income, Occupation, Gender and age group.

Income Different Income group customers have different factors to choose store brand. Customers whose salaries are below 10000 per month are price conscious and they seek

for more product variety as compared to quality. Customers who come under the Income group of 11000-20000 are more quality conscious and price is also one of the important factors for buying decision for them. Customers whose incomes are between 21000-30000 are brand conscious and also seek for the quality product and those customers whose monthly incomes are above 30000, they are brand and quality conscious and they also want product variety.

factors motivate customers to choose a particular store brand								
Monthly Income		What factors motivate you to choose a particular store brand ?						Total
		Quality	Price	Availability	Product Variety	Brand Name	Other	
Below 10000	Count	6	20	4	7	2	1	40
	Percentage (%)	15	50	10	17.5	5	2.5	100
11000 to 20000	Count	13	12	4	3	3	0	35
	Percentage (%)	37.2	34.3	11.5	8.5	8.5	0	100
21000 to 30000	Count	11	3	2	4	14	0	34
	Percentage (%)	32.3	8.9	5.8	11.7	41.3	0	100
Above 30000	Count	3	1	1	2	4	0	11
	Percentage (%)	27.2	9	9	18.4	36.4	0	100

Age Group

Age is one of the important factors for the base of target customers. As per the age a customer has the knowledge about product, company, product benefits, and shopping experience, which helps a customers to take his decision. Customer, whose age is below 25 searches for more product variety and brand name. Those customers whose ages are between 26-45, they are more price conscious. In this age group customers are also look for brand name and quality product. Between the age group of 46-60, customers are brand conscious, price conscious and also want that product should be available on the

store. For those customers whose age is above 60 years, they want availability of the product on the store because they are not in the position to take an effort for shopping.

factors motivate customers to choose a particular store brand								
Age Group		What factors motivate you to choose a particular store brand?						Total
		Quality	Price	Availability	Product Variety	Brand Name	Other	
Below 25 years	Count	4	6	6	10	8	1	35
	Percentage (%)	11.5	17.2	17.2	28.5	22.8	2.8	100
26-45 years	Count	12	16	5	6	10	1	50
	Percentage (%)	24	32	10	12	20	2	10
46-60 years	Count	5	6	6	5	6	2	30
	Percentage (%)	16.7	20	20	16.7	20	6.6	100
Above 60 years	Count	1	1	2	1	0	0	5
	Percentage (%)	20	20	40	20	0	0	100

Gender

Male are more quality conscious, price conscious and they also go for brand name. But females are attracted toward brand name. Female also wants that the product should have equal worth to price, so quality and price both are important for them.

factors motivate customers to choose a particular store brand								
Gender		What factors motivate you to choose a particular store brand?						Total
		Quality	Price	Availability	Product Variety	Brand Name	Other	
Male	Count	20	14	8	5	10	2	59

	Percentage (%)	33.8	23.8	13.6	8.5	17	3.3	100
Female	Count	16	15	5	7	18	0	61
	Percentage (%)	26.2	24.5	8.3	11.4	29.5	0	100

Occupation

Service class people are quality conscious and they also think for price before any purchasing. Business class people are brand and price conscious. Students are more attracted toward brand name, they all are least bothered about any other factor. House wives are conscious about quality as well as price. They feel that what ever product they are going to purchase, should be of good quality with suitable price.

factors motivate customers to choose a particular store brand								
Occupations		What factors motivate you to choose a particular store brand?						Total
		Quality	Price	Availability	Product Variety	Brand Name	Other	
Service	Count	10	7	4	5	7	2	35
	Percentage (%)	28.5	20	11.4	14.4	20	5.7	100
Business	Count	3	5	1	1	6	1	17
	Percentage (%)	17.8	29.6	5.8	5.8	35.2	5.8	100
Student	Count	4	2	2	5	7	0	20
	Percentage (%)	20	10	10	25	35	0	100
House Wife	Count	15	15	4	8	5	1	48
	Percentage (%)	31.2	31.2	8.3	16.7	10.4	2.2	100

Researcher found that retailers are targeting to those customer who are giving so much importance to price, quality & quantity of the product. These kinds of customers always believe in saving and like to get good discounts in their products. In the category for the customer the target customers are house wives, service class, people from the age of 26-60 and those customers whose incomes are up to 30000 per month. Retailers should also target to those customers who are searching for product, which is not available in national brand e.g. pulse, Besan flour, sugar, tamarind, etc.

The relationship between store brand and national brand on the basis of prices and demands

If National Brand and Store Brand both are offering same product, customer will go for which brand?			
Brands		Yes	Total
Store Brand	Count	48	48
	Percentage (%)	40	40
National Brand	Count	72	72
	Percentage (%)	60	60

Between the Store Brand and National Brand whose quality is better			
Brands		Availability	Total
Store Brand	Count	26	26
	Percentage (%)	21.6	21.6
National Brand	Count	94	94
	Percentage (%)	78.4	78.4

When a question was asked by the respondent that if National Brand and Store brand both are offering same product, for which product you will go then 40 percent respondents said they would go for store brand and rest of the 60 percent said they would go for National Brand. Data shows that most of the customers will go for National Brand because the quality of National Brand is better as compared to the Store brand. These 60 percent respondents are those who are more quality conscious as compared to price. Rests 40 percent customers are price conscious so they will

go for store Brand.

21.6 percent respondents told that quality of store Brand is better and 78.4 percent respondents said that quality of national brand is better. In the 21.6 % of respondents few respondents come under the Income group of below 10000 per month and store brand gives them an opportunity to save their money.

Also examine the retailer's store brand positioning problem

Gender		From where do customers know about different Store Brand available						Total
		Through Store	TV	Newspaper	Banners	Family	Friends	
Male	Count	33	2	5	1	10	8	59
	Percentage (%)	55.9	3.5	8.5	1.7	16.9	13.5	100
Female	Count	45	0	2	0	6	8	61
	Percentage (%)	73.7	0	3.4	0	9.8	13.1	100

Maximum number of respondents knew about the Store Brand through the store only. Some of the respondents knew about the store brand from their family and friend. Retailers are facing many problems in promoting their store brand.

- Retailers don't have enough money to spend in aggressive advertisement.
- TV is one of the major modes of communication, which reaches to the maximum number of customers, but retailers cannot use this because their investment pattern is low as compared to the national brand.
- Retailers only display their product in the stores, which is not as much attractive as national brand.

- The packaging and labeling is also simpler and unable to catch customer's attention.

What is the reason behind the success of store brand in retail stores

The main reason behind the success of store brands in the store is the cheap cost of the product. Store brands offer similar products, which are offered by national brand in lesser price. Quality of the store brand is somewhat equal to the national brand. Store brands also offer those products, which are not available in national brand. One more reason behind the success of store brand is that retailers are not providing good assortment of national brand in the store. They keep much more stock of store brand as compared to national brand to make the customers go for store brands.

Future growth of store Brand

. In future will customers go for Store Brand			
Brands		Yes	No
Store Brand	Count	119	1
	Percentage (%)	99	1
National Brand	Count	1	119
	Percentage (%)	1	99

When it was asked to the respondents that in future will you go for store brand then 99% said yes and only 1 % said no. It shows that the growth of store brand is high and if retailers use proper strategies then they will be able to attract the new customers.

Conclusion

There is a tremendous scope of store brand. According to the survey customers are ready to purchase store brands but they are not aware about different store brands available in the market. Retailers need to use aggressive promotional activity to promote their brands. They should also ensure high standards of quality and value promises for consumers to accept store brand. In future retailers have an opportunity to make their position in the

market like the national brand. But for this they have to bridge the gap and position their products as good quality products. This is the perception of the customer that those products which are offered in cheap prices are not of good quality. Retailers should also provide large assortment of national brands to attract new customers and thereby try to divert them towards the store brand with help of attractive offerings. Today the customers are of various types and retailers can not attract them with the help of pricing strategy only. So they should use other parameters also to satisfy the customers such as quality, brand name, and product variety.

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A Study of Impact of Demonetization on India's Economy

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Abstract

The term demonetization is not a new concept for the Indian economy. The highest denomination note ever printed by the Reserve Bank of India was the Rs 10,000 note in 1938 and again in 1954. But these notes were demonetized in January 1946 and again in January 1978, according to RBI data. When the entire world was waiting for the result of US presidential elections, Prime Minister Narendra Modi came out with his master stroke on corruption, counterfeit currency, terrorism and black money by announcing “**demonetization**” and ceasing Rs 500 and Rs. 1000 notes as a part of legal tender in India. This paper is an attempt to analyze the impact of demonetization on various sectors, pros and cons of demonetization and the perception of various government officers, professionals and businessmen about demonetization. How this term would work as tool against black money?

Many industries are going to be benefitted due to the demonetization policy and many are going to suffer. But overall the demand is going to or rather has already reduced by 30%-40% due to lack of money with the consumers. As the demand goes down, the profits for the quarter ending December'16 is also reduced. The demand will catch the momentum as the dust settles down. The economy will stabilize as soon as there is enough new currency in the hands of people

Keywords : Demonetization, black money, stabilize, new currency.

Introduction

Demonetization is the process of devaluing a piece of currency to zero. In other words, changing the value of a particular denomination of currency to nil. Making it a piece of paper with absolutely no value greater than a regular piece of paper. When a currency note of a particular denomination ceases to be a legal tender it is termed as demonetization..India 500rs and 1000rs notes ,which made up to 86% (Of which 500rs notes made up to 46 % and 1000rs notes made up to 40%) of the money supply in India at that time were called invalid from 12 am of Nov 9th 2016. According to Investopedia, demonetization is the act of stripping a currency unit of its status as legal tender. But since our government is replacing the old Rs 500 notes with newer ones and doing away with the Rs 1,000 notes, it would be more appropriate to call the move as 'scrapping' or 'phasing out' of certain currency notes.

The term demonetization has become a household name since the government pulled the old Rs 500 and Rs 1,000 notes out of circulation. In place of 500 and 1000 Rs notes new currency notes of 500 and 2000 were introduced by RBI. Whereas the notes of one hundred, fifty, twenty, ten, five, two and one rupee will remain legal tender and will remain unaffected by this decision. This measure has been taken by the PM in an attempt to address the resolve against corruption, black money and counterfeit notes. This move is expected to cleanse the formal economic system and discard black money from the same.

The reasons of it are as under:

- 1) To tackle black money in the economy.
- 2) To lower the cash circulation in country which is directly related to country corruption
- 3) To eliminate fake currency and dodgy funds which have been used by terror groups to fund terrorism in India.
- 4) The move is estimated to scoop out more than Rs 5 lakh crore black money from economy.

Similar measures have been taken in the past in January 1946, currency notes of 1000 and 10,000 rupees were withdrawn and new notes of 1000, 5000 and 10,000 rupees were introduced in 1954. The Janata Party coalition government had again demonetized notes of 1000, 5000 and 10,000 rupees on 16 January 1978 as a means to curb forgery and black money.

Objectives

- To study the of impact of demonetization on various sectors
- To analyze the immediate impact of demonetization on Indian economy
- To workout the pros and cons of demonetization

Research Methodology

The paper is based on secondary data. The data has been collected from internet.

Impact of on Indian economy

Since our economy is heavily dependent on cash, as only less than half the population uses banking system for monetary transactions, demonetisation has hit trade and consumption hard. With people scrambling for cash to pay for goods and services, the move is likely to take a big toll on the country's growth and output during the current fiscal. Consumption makes up for around 56% of India's GDP , hence, a drop in spending

will pull down growth. The current step could also lead to behavioural changes in households' savings and their consumption pattern.

Impact of on Indian economy will be huge but the question is it positive or negative. As far as theoretically concerned it will give positive effect on the economy but none of the countries which have implemented demonetization before have been successful in implementing it. The positive impact in economy in the long run. Most the people will come under the structured financial system and the parallel economy and black economy will come an end. If we will look at wealth distribution in future if they are followed by good polices that are they have to reduce supply of 2000rs in the circulation and increase the notes of less denomination to be circulated. Consumers spending will increase if they go for cashless transaction or if they have notes of lesser denomination in hand which will in order bring more business to India and improve the GDP and Employment rate. Stagnation of money will decrease among all people and most people will surely learn to Transact money in internet . So the penetration of internet will also increase and people will get educated in the usage of internet these are all minor effects

As far as corruption concern it would probably decrease because of cashless economy. This also raises a question the people can also get corruption in the form of gold. As we have seen several people has opted the option to invest in gold to overcome from demonetisation. GDP will go down for short run but after a year the GDP will increase as Consumers or People spending will increase with that everything needed for a good economy will come into effect. Inflation will increase a little after a year or two to a certain extent. We are now at 3 to 4 percent inflation it may go up to 5 to 6 percent due to increased money flow.

Now comes a big question BANKS trust worthiness we as people know that India has a good CRR and SLR ratio in order to prevent the banks from failure With all this taken into account the BCI index will grow due to huge money supply and demand by the people. So an biggest threat to any economy will reduce that is nothing but unemployment. Due to interest rate cuts it will attract foreign companies to India due reduced interest and as expected if there is a sharp fall in corruption India will become one of the top countries in ease of doing business If country goes towards digital of the great expense of Government will go down that is the money spent for printing money will go down which can be used to improve infrastructure of the country These are the things i expect to happen in the near future due to demonetisation .

1. Demonetization is not a big disaster like global banking sector crisis of 2007; but at the same time, it will act as a liquidity shock that disturbs economic activities.

2. Liquidity crunch (short term effect): liquidity shock means people are not able to get sufficient volume of popular denomination especially Rs 500. This currency unit is the favourable denomination in daily life. It constituted to nearly 49% of the previous currency supply in terms of value. Higher the time required to resupply Rs 500 notes, higher will be the duration of the liquidity crunch. Current reports indicate that all security printing press can print only 2000 million units of RS 500 notes by the end of this year. Nearly 16000 mn Rs 500 notes were in circulation as on end March 2016. Some portion of this were filled by the new Rs 2000 notes. Towards end of March approximately 10000 mn units will be printed and replaced. All these indicate that currency crunch will be in our economy for the next four months.

3. Welfare loss for the currency using population: Most active segments of the population who constitute the 'base of the pyramid' uses currency to meet their transactions. The daily wage earners, other labourers, small traders etc. who reside out of the formal economy uses cash frequently. These sections will lose income in the absence of liquid cash. Cash stringency will compel firms to reduce labour cost and thus reduces income to the poor working class.

There will be a trickle up effect of the liquidity chaos to the higher income people with time.

4. Consumption will be hit: When liquidity shortage strikes, it is consumption that is going to be adversely affected first.

Consumption ↓ → Production ↓ → Employment ↓ → Growth ↓ → Tax revenue ↓

5. Loss of Growth momentum- India risks its position of being the fastest growing largest economy: reduced consumption, income, investment etc. may reduce India's GDP growth as the liquidity impact itself may last three -four months.

6. Impact on bank deposits and interest rate: Deposit in the short term may rise, but in the long term, its effect will come down. The savings with the banks are actually liquid cash people stored. It is difficult to assume that such ready cash once stored in their hands will be put into savings for a long term. They saved this money into banks just to convert the old notes into new notes. These are not voluntary savings aimed to get interest. It will be converted into active liquidity by the savers when full-fledged new currency supply take place. This means that new savings with banks is only transitory or short-term deposit. It may be encashed by the savers at the appropriate time. It is not necessary that demonetization will produce big savings in the banking system in the medium term. Most of the savings are obtained by biggie public sector banks like the SBI. They may reduce interest rate in the short/medium term. But they can't follow it in the long term.

7. Impact on counterfeit currency: the real impact will be on counterfeit/fake currency as its circulation will be checked after this exercise.

Impact on black money:

Only a small portion of black money is actually stored in the form of cash. Usually, black income is kept in the form of physical assets like gold, land, buildings etc. Hence the amount of black money countered by demonetization depend upon the amount of black money held in the form of cash and it will be smaller than expected. But more than anything else, demonetization has a big propaganda effect. People are now much convinced about the need to fight black income. such a nationwide awareness and urge will encourage government to come out with even strong measures.

The Sectoral Impacts

While sectors with linkages to the unorganized economy are likely to be affected, technology and financial services are expected to gain in the medium to long term. On a sectoral basis, the commodities and agricultural sector, including the market for consumer durables and non-durables is expected to feel the heat. In the short to medium term, large denomination purchases will likely be made via electronic purchases rather than through brick and mortar outlets. This will impact the retail sector adversely. The real estate sector is likely to see a significant negative impact in the medium- to long-term, particularly in the repurchase market. There are expectations of a revaluation of current real estate transactions across the board representing possible losses to players in the sector.

The luxury goods market is also likely to get affected as this move represents an erosion of real wealth to a large Areas of sub-sectoral impact will be felt in luxury cars, SUVs, gems, jewellery, gold and high-end branded products. The real estate sector is likely to see a significant negative impact in the medium- to long-term, particularly in the repurchase market. There are expectations of a revaluation of current real estate transactions across the board representing possible losses to players in the sector. The luxury goods market is also likely to get affected as this move represents an erosion of real wealth to a large number of people. On the positive side, there is likely to a reset of spending patterns as this move represents indirectly a significant push towards a cashless economy. Businesses in the fin-tech sector, including payment banks, mobile wallets, electronic transfer providers, etc., are expected to see gains.

The impact of this move will be felt across sectors with differing intensities and across varied time zones.

Effect on parallel economy: Cash Economy to Witness Contraction

The currency of the aforementioned denominations constitutes around 86% of the total value of the currency in circulation. It is expected to remove black money from the economy as they will be blocked considering the holders will not be in a position to deposit the same in the banks, temporarily halt the circulation of large volumes of counterfeit currency and curb the funding for anti-social elements like smuggling, terrorism, espionage, etc.

Effect on GDP: Downward Bias to GDP Growth

The sudden decline in money supply and simultaneous increase in bank deposits is going to adversely impact consumption demand in the economy in the **short term**. This, coupled with the adverse impact on real estate and informal sectors may lead to lowering of GDP growth.

The GDP formation could be impacted by this measure, with a reduction in the consumption demand. However, with the recent rise in festivals, demand is expected to offset this fall in an overall impact. Moreover, this expected impact on GDP may not be significant as some of this demand will only be deferred and will re-enter the stream once the cash situation becomes normal.

Lower Money Supply has a Deflationary Effect: With the older 500 and 1000 Rupees notes being scrapped, until the new 500 and 2000 Rupees notes get widely circulated in the market, money supply is expected to be reduced in the short run. Reduction in money supply can also have a deflationary effect in the economy. However, whether the impact of the reduced money supply will lead to deflation or contraction in demand or a mix of both will vary from sector to sector depending on the nature of goods & services. To the extent that black money (which is not counterfeit) does not re-enter the system, reserve money, and eventually, money supply will decrease permanently. However, gradually as the new notes get circulated in the market and the mismatch gets corrected, money supply will pick up speed.

Impact on Bond Markets: Surge in deposits will create more demand for government bonds and other high rated bonds in a situation of tepid demands for credit, leading to lower bond yields especially in the shorter end of the curve. At the same time, a reduction in leakages in systemic liquidity will reduce the scope for open market operation purchases in the coming days. We believe that the RBI will continue to sterilize excess liquidity from the banking system to keep the short term rates aligned with the policy rate.

Credit Impact across Sectors: Impact of this policy measure will flow to the economy mainly through the Real Estate sector, which has strong linkages with sectors such as cement and steel and which will turn credit negative in the short-run. A significant impact in the short-run will be on the daily/weekly wage employment in the informal sector. The construction sector has one of the highest employment multipliers. The key segments of

the economy where cash transactions play a vital role are real estate, gold and the informal sectors, which may face near term contraction. With more money coming into the banking ambit, deposit growth is likely to improve and positively impact the savings rate. The medium- to long-term gains are likely to outweigh the short-term pains.

Effect on Banks

As directed by the Government, the 500 and 1000 Rupee notes, which now cease to be legal tender are to be deposited or exchanged in banks (subject to certain limits). This will automatically lead to more amounts being deposited in Savings and Current Accounts of commercial banks. This, in turn, will enhance the liquidity position of the banks, which will be later utilized further for lending purposes. However, to the extent that households have held on to these funds for emergency purposes, there are expected to be withdrawals at the second stage.

Effect on Online Transactions and alternative modes of payment:

With cash transactions facing a reduction, alternative forms of payment will see a surge in demand. Digital transaction systems, E wallets and apps, online transactions using E banking, usage of Plastic money (Debit and Credit Cards), etc. will definitely see substantial increases in demand. This should eventually lead to strengthening of such systems and the infrastructures required.

Bank Deposit Rates to Soften: We can expect a large amount of cash in circulation to be brought within the purview of the formal banking system by way of deposits. This is structurally positive for banks, as part of this cash gets deposited as current account and savings account (CASA) deposits, reducing banks dependence on higher cost borrowing. Deposit deployment remains a challenge in the short to medium term due to the current tepid demand for credit, subsequently pushing deposit rates lower.

NBFC's Asset Quality Faces Pressure: We believe in the asset quality of Retail Asset Lenders, especially NBFC's which have developed expertise in the credit assessment of the informal segment and have built models around it to stay under pressure in the short term. Within NBFC's, asset quality of lenders with a large dependence on cash collection remain vulnerable in the short term. In the longer term the implications could be a risk profile shift for the NBFCs, as the stronger borrower profile could potentially migrate to banks. Across the medium term, the demand for real estate, especially in the secondary market i.e. Resale Transaction and Tier-II cities where the cash component, as a proportion of transaction is significant, could face a slowdown. This trickle-down effect could encompass the entire real estate sector putting pressure on the demand itself. This could adversely impact NBFC's & housing financiers with a large proportion of exposure Mortgage built with a self-employed customer profile. We believe that Micro Finance Institutions and Small Finance Banks (SFB's) may not be significantly impacted in the long term, considering that the cash flows of the borrower segment are usually in the

smaller denomination. However, there could be near term disruptions in the collection cycles along with a spike in over dues, which could put their liquidity strengths and the disbursement cycles under pressure.

Payment Banks to Benefit: Payment banks and other entities which are part of the transaction ecosystem are likely to be long term beneficiaries, as more and more cash finds its way into the formal banking channels. We believe the cumulative measures taken to reign in black money will improve banking habits, create financial and transactional history of the informal & cash dependent segments and could, over the long term, make them 'bankable'.

Investment in Financial Products: Investors in the short term will now believe that Cash is not the safest asset and there is little point in hoarding it. This will shift them from physical asset to financial assets where returns are also higher

Impact on Consumption Sectors

Agreement Cost of Real Estate May Rise: We expect that the real estate demand from end users is unlikely to be impacted, since a majority of them are backed by funding from bank loans. Demand from investors for real estate however may come down since in some cases, investors prefer cash transactions. If the proportion of earlier transactions in the real estate sector, which were allegedly done through partial cash payment reduces, the registered prices for real estate will go up. We expect the supply of real estate in the secondary market, which is strongly rumoured to have a large cash component involved, to suffer in the short term, which may in turn improve demand for residential real estate in the primary market.

In the medium term, the prices in this sector could regain on many fronts as developers rebalance their prices (probably charging more on cheque payment).

Used car Sales May Fall: Sales of vehicles in the second hand market for original equipment manufacturers will get impacted, which will cause a ripple effect on New Car sales, as buyers will not be able to dispose of their old vehicles easily.

Slowdown in Discretionary Spending to Hurt Consumer Durable Sales: Sales of White Goods like TV, Refrigerator & Washing Machine could slump as much as 70% as a good portion of the market is driven by Cash. This may continue for next Six Months till the dust settles down and there is adequate circulation of the new currencies.

Prices are expected to fall only marginally, due to moderation in demand, as use of cards and cheques could compensate for some purchases.

Demand for Gems and Jewellery to Decline: We can expect the demand for gems and jewellery to decline in the next two to three quarters. This would result in a weakening in the credit profile of industry players due to the high working capital cycles and high operating leverage. The unorganised segment will be hit particularly hard, given the large proportion of unaccounted inventory and high proportion of cash sales. Over the

medium-term the organised industry players will benefit at the cost of the unorganised players. Gold imports through the unofficial channels are likely to reduce. There will be no significant impact on jewellery exporters because it is mostly an organised market and sales are against invoices.

High End Retail Demand to fall: We expect the impact on high end fashion retail and luxury goods to be more pronounced as discretionary demand in this segment will be curtailed. In case of Quick Service Restaurants, although 60%-70% of the transactions are currently in cash, the impact is likely to be moderate due to the low ticket size of purchases and high likelihood of patrons adapting to plastic money. We expect a limited impact to be caused on the food and grocery retail sub-segment, given the non-discretionary nature of purchases in this segment, since the buying cycle for the current month would have been largely influenced.

Private Educational Institutions: Since Private Educational Institutions take huge amounts of donations in Cash which is 40 % to 50%, we expect that this move will impact the Private Education Institutions receipts.

Medical Institutions (Both Hospitals & Medical Colleges): Again, as Medical Institutions like Hospitals and Colleges take huge amounts of donations in Cash which are more than 100 % of fees, we can keep on expecting that this move will impact not only the admissions but also the receipts.

Political Parties: Elections & Political Parties are major sources of Black Money transactions. Most of the funding of National Political Parties is in Cash which is 40% to 50%, and when it comes to Regional Parties it goes upto 50% to 60%. The sources of more than 90% of such funds are never disclosed. Candidates as well as their donors even the Political Parties will feel cash strapped. An assembly seat candidate spent on an average Rs. 4-5 Crores on Campaigning that is likely to go down drastically.

This is going to cause huge craters on their funding and will reduce their funds drastically. It is going to deal a major blow to political parties fattening their coffers with cash contributions in anticipation of high stakes electoral battles in UP, Punjab, Uttarakhand, Goa and Manipur. This stroke is bound to leave big players hamstrung and suddenly resource-poor.

Dabba Trading (Bucketing): It may kill Dabba Trading. Trades done outside bourses, Satta Bazaar & Illegal Betting market may die a natural death as currency gets a new face. Demonetisation was a jolt for Dabba traders, who were thriving in equity markets for many years now.

Effect on various economic entities

The key segments of the economy where cash transactions play a vital role are real estate / construction, gold and the informal sectors as such. The role of cash transactions in case of real estate and gold is mostly dubious, however in case of the informal sectors it is the lifeline. For example, small and marginal farmers in the fruits and vegetables category

typically require off-loading of their produce in the local Mandi in cash and could see an immediate impact. A sudden demonetization will adversely impact this segment of the economy and it will witness immediate contraction, though this impact will diminish over time.

With cash transactions lowering in the short run, until the new notes are naturalized widely into circulation, certain sections of the society could face short term disruptions in facilitation of their transactions. These sections are:

- Agriculture and related sectors
- Small traders
- SME
- Services Sectors
- Households
- Professionals like doctors, carpenters, utility service providers, etc.
- Retail outlets

The nature, frequency and amounts of the commercial transactions involved within these sections of the economy necessitate cash transactions on a more frequent basis. Thus, these segments are expected to have the most significant impact post this demonetization process and the introduction of new notes in circulation.

Conclusion

Demonetization as a cleaning exercise may produce several good things in the economy. At the same time, it creates unavoidable income and welfare losses to the poor sections of the society who gets income based on their daily work and those who doesn't have the digital transaction culture. Overall economic activities will be dampened in the short term. But the unmeasurable benefits of having more transparency and reduced volume of black money activities can be pointed as long term benefits.

If the money disappears, as some hoarders would not like to be seen with their cash pile, the economy will not benefit. On the other hand if the money finds its way in the economy it could have a meaningful impact. However experiences from different countries shows that the move was one of the series that failed to fix a debt-burdened and inflation-ridden economy.

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Behavioural Finance - A Psychological Approach towards Financial Decision Making

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Abstract

Behavioural Finance is the study of psychology in financial decision making. Its a branch of Behavioural Economics. It is an analysis of the role biases in financial decision making. It also takes the insights of psychological research and applies them to financial decision making. Behavioural finance is emerging as a new approach in financial market in response to the difficulties faced by the traditional paradigm. Many researchers have taken the view that finance theory should take account of observed human behaviour. They use research from psychology to develop an understanding of financial decision making and create the discipline of behavioural finance.

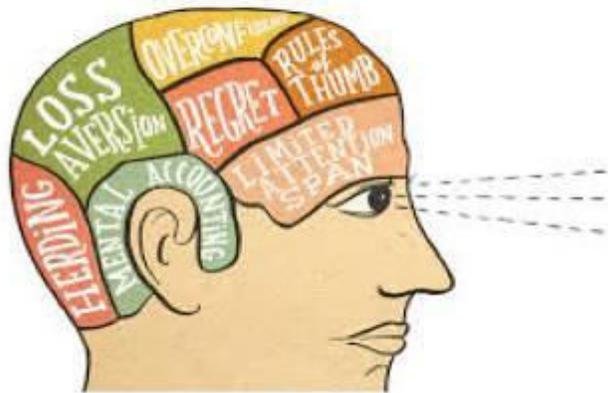
Behavioral finance helps us in understanding of the reasoning patterns of investors, including the emotional processes involved and the degree to which they influence the decision-making process. It also attempts to explain the what, why, and how of finance and investing, from a human perspective. Thus Behavioral finance is a broader cross-discipline that combines psychology with finance. Behavioral finance studies sociological factors that influence the financial decision making process of individuals, groups, and entities. It is based around the idea of "efficient markets." These markets may mean different things to different people. Efficient Markets Hypothesis (EMH) is a classical finance theory is built upon, states that at any given moment in time, the price of any and all assets and securities being traded is correct and reflects all available information. This also includes the law of one price, which means that there is only ever one price for an asset at any moment in time. The idea of correct prices is a neat and clean way of thinking, but the real question that begs answering is whether or not the law of one price actually exists. There are broader behavioral finance topics that are further away from stock markets and still have a lot to do with finance.

Keywords: Psychology, Emotional, Sociological, Securities, Finance.

Introduction

Behavioural Finance is the study of psychology in financial decision making. It's a branch of Behavioural Economics. Behavioral finance also considers sociological factor that influence the financial decision making process of individuals, groups, and entities. It is an analysis of the role biases in financial decision making. It is useful in psychological research and applies them to financial decision making Behavioural finance is emerging as a new approach in financial market in response to the difficulties faced by the traditional paradigm.

BEHAVIOURAL FINANCE



Numerous research studies have taken the view that finance theory should take account of observed human behaviour. They use research from psychology to develop an understanding of financial decision making and create the discipline of behavioural finance. It is based around the idea of “efficient markets.” These markets may mean different things to different people. Efficient Markets Hypothesis (EMH) is a classical finance theory is built upon, states that at any given moment in time, the price of any and all assets and securities being traded is correct and reflects all available information. This also includes the law of one price, which means that there is only ever one price for an asset at any moment in time. The idea of correct prices is a neat and clean way of thinking, but the real question that begs answering is whether or not the law of one price actually exists.

Historical Background

Behavioural Finance began to emerge as a new field during 1990s, in many academic journals, business publications, and even local newspapers. However the foundation of behavioural finance can be traced back rove 150years. Many books written in the 1800s and early 1900s showed the beginning of the behavioral finance school.

During last fifty years established finance theory has assumed that investors have little difficulty making financial decisions and are well-informed, careful and consistent.

It was observed during last 20 years that investors rarely behave according to the assumptions made in traditional finance theory. Researchers in this field have taken the view that finance theory should take account of observed human behaviour. Research from psychology was used to develop an understanding of financial decision making and create the discipline of behavioural finance.

Literature Review

The existing academic literature has tended to develop behavioral finance against the “foil” of traditional rational finance. But a number of authors (e.g., Statman 1999a; Thaler 1999) make the case for the “end of behavioral finance,” arguing that because all financial theory requires some assumptions about investor behavior, researchers should strive to make the best assumptions about behavior in all models rather than invent a subclass of models featuring empirically observed behavior.

Behavioral finance is part of finance, which seeks to understand and predict systematic financial market implications of psychological decision processes. According to Fromlet (2001), —Behavioral finance closely combines individual behavior and market phenomena and uses knowledge taken from both the psychological field and financial theory.

According to Baker and Nofsinger (2002), the difference between traditional and behavioral finance is an issue of how each discipline is developed. Traditional finance has developed in a normative way; it concerns the rational solution to the decision problem by developing ideas and financial tools for how investors should behave rather than how actually they do behave. In this respect, behavioral finance is descriptive because it offers explanations for what actually happens rather than what should happen.

Daniel, Hirshleifer, and Subrahmanyam (1998) present a related model based on overconfidence and biased self-attribution. Overconfidence leads investors to overweight their private information in assessing the value of securities, causing the stock price to overreact. When public information arrives, mispricing is only partially corrected, giving rise to underreaction. Furthermore, biased self-attribution means that when public information confirms the initial private signal, investor confidence in the private signal rises, leading to the potential for overreaction.

Behavioral finance also challenges the use of conventional utility functions based on the idea of risk aversion. For example, Kahneman and Tversky (1979) propose prospect theory as a descriptive theory of decision making in risky situations. Outcomes are evaluated against a subjective reference point (e.g., the purchase price of a stock) and

investors are loss averse, exhibiting risk-seeking behavior in the face of losses and risk-averse behavior in the face of gains.

Behavioural Biases

Research in the area of Psychology has provided a range of Decision making behavior is known as biases. These biases can affect many types of decision making, but have implications in relation to investment and money. These biases behave in particular way to sit deep within beliefs of a person or a group. However, while taking investment decisions they may lead us to hurtful or even unhelpful. As a basic part of human nature, these biases affect investors of all types. If we know them and their effects, then we may be able to minimize their influence and learn to work around them. In a particular circumstances a variety of documented biases arise, some of which contradict others.

Key Biases and Their Implications

1. Overconfidence

Overconfidence causes investors to overestimate the reliability of their knowledge. Being a human, we have a tendency to overestimate our own skills and predictions for success. Investors behave in particular way to give more importance to their talents and underestimate the likelihood of bad outcomes over which they have no control. This leads to excessive trading volume and speculative bubbles with a negative effect on their returns.

Overconfidence is directly applied in investment, which can be complex and involve forecasts of the future. This may lead overestimation of investor's ability to identify winning investments. According to Traditional financial theory, holding diversified portfolios leads to minimize risk in any particular area. 'Misguided conviction' can weigh against this advice, with investors or their advisers 'sure' of the good prospects of a given investment, causing them to believe that diversification is therefore unnecessary.

In fact, investors are unduly optimistic about the performances of the shares they chose, and underestimated the effect of the overall market on their portfolio's performance. In this simple way, investors overestimate their own abilities and overlook broader factors influencing their investments.

Overconfidence may be fuelled by 'self-attribution bias'. This means that investors faced with a positive returns following a decision, will view that outcome as a reflection of their ability and skill. However, when faced with a negative return, this is attributed to bad luck or misfortune. This bias gets in the way of the feedback process by allowing decision makers to block out negative feedback and the resulting opportunity to improve future decisions.

In one of the study it was found that on average men have lower returns than women because they trade more actively, presumably because they have greater confidence in their abilities.

2. Loss Aversion

Loss aversion means the notion that investors suffer greater disutility from a wealth loss than the utility from an equivalent wealth gain in absolute terms. Behavioral finance considers that investors are not risk-averse but lose-averse. Losses are weighted about twice as heavily as gains. Investors work from psychological reference point and strongly prefer to avoid loss. Loss aversion is depending upon the marginal utility of money, where the 1st dollars are more valuable than additional dollars.

Loss Aversion is useful in explaining the tendency of investors to hold on to loss making stocks while selling winning stocks early. Investors with losing positions show a strong desire to get back to break even. This means the investor shows highly risk-averse behaviour when facing a profit (selling and locking in the sure gain) and more risk tolerant or risk seeking behaviour when facing a loss (continuing to hold the investment and hoping its price rises again).

3. Mental Accounting

Investor's psychological self thinks about money and risk through 'mental accounts' – separating wealth into various buckets or pools. People often base these pools on goals or time horizon (such as 'retirement' or 'school fees'). Accounts can also vary in risk tolerance, investing some in risky assets for gain while treating others more conservatively. Sometimes Investors separate their decisions that should, in principle, be combined.

Investors divide their investments in safe investment portfolio and speculative portfolio to prevent the negative returns that speculative portfolio may have from affecting the entire portfolio. Investors pay less attention between the relationships of the investments held in the different mental accounts than traditional theory suggests. This natural tendency to create mental buckets also causes us to focus on the individual buckets rather than thinking broadly, in terms of our entire wealth position.

In Mental accounting different investments are mentally segregated, applying different criteria and due diligence to different investments where the different consideration may be unwarranted. For example, treating separate investments as if they were the only investment rather than as part of one's portfolio.

4. Framing-

Framing is the way investors process information and make decisions depending how it's presented. Investor may buy a security because of its past performance without considering economic factors that may be changing that could change the performance of the security.

Investors treat all of their investments as a single pool, or portfolio, and consider how the risks of each investment offset the risks of others within the portfolio.

Investor should think comprehensively about their wealth. Rather than focusing on individual securities or financial assets. Traditional financial theory believes that we consider our wealth comprehensively, including our house, company pensions, government benefits and our ability to produce income.

However, investors tend to focus overwhelmingly on the behaviour of individual investments or securities. In reviewing portfolios, investors tend to fret over the poor performance of a specific asset class or security or mutual fund. These 'narrow' frames tend to increase investor sensitivity to loss. But by evaluating investments and performance at the aggregate level, with a 'wide' frame, investors tend to exhibit a greater tendency to accept short-term losses and their effects.

5. Representativeness

Investors underweight long-term averages. They tend to put too much weight on recent experience. This is sometimes known as the "law of small numbers." E.g. when equity returns have been high for many years, investors begin to believe that high equity returns are "normal."

This is the extrapolation of future results based on a limited set of observations or facts. Investors seeking a fund in which to invest, and basing their decision on the fund's most recent performance rather than covering a longer duration, especially during bear markets. Often, this is the effect of the lack of due diligence, where the investor relies on brochures or other advertising materials put out by the company or fund instead of doing independent research.

The idea of 'representativeness bias' reflects in the case where decisions are made based on a situation's superficial characteristics rather than a detailed evaluation of the reality. In simple words decisions are made based on stereotypes. A general financial example is for investors to assume that shares in a high-profile, well-managed company will automatically be a good investment. This notion sounds reasonable, but ignores the possibility that the share price already reflects the quality of the company. Thus future return prospects may be moderate.

People also suffer from representativeness bias when they evaluate fund managers. Investors are often drawn to a manager with a short track record of beating market averages over a few years. That is why they show less interest in a manager with a much longer track record that has exceeded averages by only a small margin. In fact the manager with the long-term track record has the stronger case to make about skill. But

Investor tends to look at the manager with the short-term track record, and believe that the record of superior performance will continue.

6. Conservatism

Conservatism shows that when things change, investors tend to be slow to pick up on the changes. They anchor on the ways things have normally been. When things change, investors might underreact because of the conservatism bias. But if there is a long enough pattern, then they will adjust to it and possibly overreact, underweighting the long-term average.

‘Conservatism bias’ explains the idea, an investor clings to an initial judgment despite new contradictory information or they only partially adjust their view in light of the new information. For example investors who buy shares in a high profile company may be slow to adjust their view of the company’s prospects even after the company’s profitability deteriorates.

Conclusion

Behavioral finance helps us in understanding of the reasoning patterns of investors, including the emotional processes involved and the degree to which they influence the decision-making process. It also attempts to explain the what, why, and how of finance and investing, from a human perspective. Thus Behavioral finance is a broader cross-discipline that combines psychology with finance. Behavioral finance studies sociological factors that influence the financial decision making process of individuals, groups, and entities.

The behavioural biases are serious considerations to be deep-seated aspects of human decision-making processes. They serve us well when making day-to-day choices, but they may be useful in achieving success when thinking about long-term financial decisions. If we are aware of them and their effect, we can possibly avoid the major pitfalls. The impact Behavioural biases on market makers and the concomitant implications for transaction costs would seem to be a valuable.

The emergence of the behavioral finance has led to a profound deepening of our knowledge of financial markets. There are broader behavioral finance topics that are further away from stock markets and still have a lot to do with finance. Behavioral finance has contributed to our better understanding of actual investors’ behavior and real market practices over the last few decades and is expected to make significant further progress. Finally, there is a scope for further research to study cross-country and cross-firm variation in biases and their implications for return predictability.

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The Untold Aspects of Human Efficiency

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Abstract

Human capital management is a strategic and planned approach to managing the most valuable of the organization namely workforce. To achieve organisation goals it is essential to assess the value and efficiency of human capital. Several approaches are known of the human capital assessment and its effectiveness, but the unified methodology has not been accepted yet. In the process of realization it is essential to deal with the new, modern themes, whose research is continuing as Human efficiency is one aspects which every organization puts emphasis on. Every HR manager tries to take the best out of people. However, there is one such aspect which hardly anyone bothers to look at and this aspect actually contributes around 70% of the human working efficiency. Thus, the research study is to identify how to increase the interpersonal effectiveness in order to overcome generation gap using aura as a tool which play a major role in the working of an employee.

Key Words: Human efficiency, Aura, Karma

Introduction

The study and knowledge of chakras and the human aura is common to almost everyone who studies metaphysics. First to consider is the gathering of collective knowledge about chakras and their functions, as well as the auric connections to the chakras. Next to consider are the direct experiences of the spiritual aspirants who observe their own auras or the auras of others.

Aura: In parapsychology and spiritual practice, an aura is a field of subtle, luminous radiation surrounding a person or object like the halo in religious art. The depiction of such an aura often connotes a person of particular power or holiness. It is said that all objects and all living things manifest such an aura. Often it is held to be perceptible, whether spontaneously or with practice.

Attempts to prove the existence of auras scientifically have repeatedly met with failure; for example people are unable to see auras in the dark, and auras have never been successfully used to identify people when their identifying features are otherwise obscured in controlled tests.

Law of Karma: Karma is not an external force, not a system of punishment or reward dealt out by a god. The concept is more accurately understood as a natural law similar to gravity. Buddhists believe we are in control of our ultimate fates. The problem is that most of us are ignorant of this, which causes suffering.

It is based on the proverb “as you sow, so shall you reap”. The acts of human done to another human whether good or bad return to him. An act of kindness done, will be awarded with kindness; whereas an act of hatred performed will be rewarded with hatred.

Scientifically, existence of aura and Law of Karma has not yet been proven. However, spiritualist still believe in the existence of it.

Objectives of the study

- To analyze if *Human Energy* affects human life.
- To understand if *aura* affects the efficiency of an employee.
- To understand if *Law of Karma* has any impact on working of the employee.

Literature Review

The term ‘Interpersonal Effectiveness’ is effective relationship with self and others. When there is a lack of interpersonal effectiveness in the work environment there cannot be any favourable outcomes. Only with effective interpersonal relationships it can prevail, a conducive environment for people involved in work, thereby positive results, in terms of performance, productivity and organizational development. Boomers, Generation Xers and Millennials are working together in workplace resulting in generational conflict. To fill in the generation gap it requires an intimate understanding of what makes these generations so different and how to integrate them into one unified team for the betterment of the organisation. Aura or electromagnetic (EM) field commonly called the Ethereal Body is a product of creation of matter by electrofield manifestation through the quantum particles onto the physical plane. Aura can be quantified and tangibly studied in an experimental manner. Indeed, since colors of light are defined by frequency, subtle energies and the bioenergy that emanates from all living things can be quantified as electromagnetic field energy that resonates with different frequencies of light can be measured using ‘Aura Video Station’. AVS is an interactive multimedia biofeedback aura imaging computer system. To overcome generation gap, the most traditional method of increasing positive aura or energy is followed, which increases interpersonal effectiveness.

Aura: A group of Japanese scientists from the University of Tokyo under the supervision of Mio Watanabe, conducted a series of experiments by which they managed to visually capture the aura of a person, thus proving its existence! With the assistance of highly sensitive cameras the scientists were able to photograph a person’s special glow. Notably, the glow appears brightest in the morning and seems to “fade” in the evening. It is most

visible around the face, mouth, cheeks and neck. Experts believe that this technique could become a new tool for use in the diagnosis and treatment of many diseases. A faint glow around certain body parts may indicate the presence of a disease or disorder.

In Hinduism, Jainism and Buddhism, a **chakra** (Sanskrit: *Cakra*, Pali : *Cakka*, Tamil: *chakra*) is thought to be an energy point or node in the subtle body. Chakras are believed to be part of the subtle body, not the physical body, and as such, are the meeting points of the subtle (non-physical) energy channels called nadi. The seven chakras are : Root, Sacral, Solar, Heart, Throat, Third Eye and Crown. These chakras help human connect to his aura.

Walter Benjamin in his study “Art, Aura and Authenticity” (2013) mentioned the authenticity of aura. He compared it to art wherein he said that aura is like art; some see it and understand it but some don’t.

The book “Pleasure Zone” by Stella Resnick states that aura of a person directly affects his working. If aura is positive, it is believed that the person will work efficiently and will work whole heartedly. But if the aura turns out negative, then the working would directly be affected resulting into inefficiency shown in workplace.

Meditation, The Art Of Ecstasy (1976) is a book by Bhagwan Shree Rajneesh, a well-known and well-respected spiritual teacher from India, even though his leaving the USA and his death were controversial. His comments about kundalini, chakras, and the seven layers of the auric field are quite fascinating. He expounds on some original ideas about these topics, for instance, the kundalini is a passage, rather than the life-force itself, which so many books call it. He also speaks of the seven layers of the aura as being each a different combined set of polarities, mentioned in the "Findings" chapter of this essay. Rajneesh has many books, and this is only one of many in which he addresses this topic.

- **Law of karma**

HOLY BIBLE clearly supports the Law of Karma. Galations 6:7 states “A man reaps what he sows.”

Swami Vivekananda was a true supporter of Law of Karma. He once stated “Karma is the eternal assertion of human freedom. Our thoughts, our words, and deeds are threads of the net which we throw around ourselves.”

The book “the seven spiritual laws of success” written by Deepak Chopra describes clearly in his book how Law of Karma works. He stated if a person shares happiness and joy, it will come back to him. The law of karma works in company also. If a person wishes good for a person and desires for his success, the same will revert back to him.

Dr. Martin E. P. Seligman stated in his book “Mental Pleasures” mentioned in his book the extent of reversion of Law of Karma.

Buddhism is true and hard core believer of karma. It states:

"All living beings have actions (Karma) as their own, their inheritance, their congenital cause, their kinsman, their refuge. It is Karma that differentiates beings into low and high states."

Buddha then explained the cause of such differences in accordance with the law of cause and effect.

Research Methodology:

In this research study, *exploratory method* of study is being used where opinion is drawn on the basis of literature reviews studied. Secondary literature were collected and classified under the study variables. Moreover, various employees of various companies were approached. They were personally asked if they believed in any of the unnatural activity in and around. Further, they were asked if they believed in aura, karma or energy and if any of these according to them affected human efficiency.

Analysis and Interpretation:

- **Aura affects the efficiency of human**

The study clearly reveals that the entire the aura vibrates at certain light frequencies all over, depending on the state of one’s emotional, physical, mental and spiritual well-being. All light frequencies have a certain color that is associated with their meaning; hence, the aura looks like a field of rainbow, multi-colored energy. By considering the placement, color, movement and lightness/darkness of the aura, one can see what is going on in all aspects of a being’s life and ultimately offer a complete picture of the person’s health in all aspects – emotional, physical, mental and spiritual.

Our thoughts control our emotions and our emotions govern what our body manifests. There is always an emotional root cause for illness, and figuring out what thought patterns and beliefs about oneself and one’s life is the key to permanent healing.

Modern medicine focuses on the physical body – curing illness from the surface. Yet illness will not be completely resolved without going to the next layer – the energy system that physicality is built upon. Energy medicine and healing focuses on just that, so

by utilizing such treatments the illness and its symptoms will dissipate further. This is because the illness will struggle to thrive as the energetic blockage it is 'living on', for lack of a better term, is released and revitalizing life force energy will then flow through the area once again.

Changing thought patterns is *the* cure. I always receive information relative to every aspect of a being – their mind, body and spirit during my auric analyses. However, it is my ultimate aim to find the thoughts and beliefs that are creating the health issues. Once I find these, I can inform the client what these thoughts and beliefs are and from there, the client can begin the process of examining and releasing negative, illness-causing beliefs and thoughts. To heal these is to truly heal.

The illness can still return once again though, because it is thoughts that created the energy blockage which provided the foundation for the physical illness in the first place. This brings us to the deepest layer and the root, that is, thoughts and beliefs.

- **Law of karma affects the working of an individual**

The **Bhagavad Gita** says “the course of karma is unfathomable.” And so it is.

In Sanskrit the word karma means action. Sanskrit provides a precise vocabulary for this abstract field that can help us navigate through it with more assurance. Every action creates an experience, and the memory of that experience is referred to as samskara.

They are the mental impressions or patterns formed by repeated experience. These are seeds of memories both in our personal and collective consciousness as a result of past experiences. As samskaras aggregate and combine with each other, they generate what are called vasanas . These are the latent tendencies for future actions. They are attitudes, inclinations and the seeds of desire.

It would be fair to say that karma, memory, and desire are the software of our soul as it travels through cosmic time. The Samskaras and vasanas are the applications that our thoughts and action writes. The output or display of this process is referred to as samsara the wheel of time. It is like playing a computer game that continues to direct, limit, and reinforce our choices based on our past decisions. Time plays out like a wheel, going around and around, repeating the same patterns again and again.

Measures and Application of Aura

S. No.	Author	What is Aura and How to	What will happen?	
1	Seeman (2010)	Balanced Research	-	

		Orientation		
2	Parra (2008)	Visual and Tactile Hallucinations	-	
3	Smith (2002)	Human Electromagnetic Energy Field	Interpersonal Communication	
4	Lang (2001)	Human Aura Research	-	
5	Murstein and Hadjolian (1997)	Fingertip Aura	Interpersonal Attraction	

Application of Aura It is identified that aura has association with interpersonal communication and interpersonal relation.

“Every action generates a force of energy that returns to us in like kind . . . what we sow is what we reap. And when we choose actions that bring happiness and success to others, the fruit of our karma is happiness and success.”

Conclusion

From the above study it is clear that human aura and Law of Karma both are responsible for the efficiency of an employee. It is observed that interpersonal effectiveness is relatively proportional to productivity. So for increase in productivity and organizational growth there must be increased interpersonal effectiveness. As generation gap is due to deficiency in interpersonal understanding between young and old which is believed that would be overcome by effective interpersonal effectiveness. Also, since the aura of the person is strongly associated with interpersonal attraction and communication, aura has been considered as a tool for bridging generation gap by increasing interpersonal effectiveness

Thus, for an employee to excel in his work, it is essential to understand that positive aura will ensure positive and healthy work atmosphere leading towards the growth of an employee. So does Law of Karma. If an employee wishes good health and growth of others, keeping in mind their well-being; then surely it will return back to him leading towards his own growth. The fact states that *human efficiency is affected only 30% by the outside factors. 70% of human efficiency is a dependent factor of an individual's Aura and Karma.*

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An Innovative Emerging Practice for Managing Multifaceted Projects in Discrete Manufacturing Organization – A Success Story

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Abstract

Project Management is nowadays increasingly being adopted for Implementation of Strategic Changes in Manufacturing Organizations. The purpose of this article is to analyze and throw light on innovative practices in the field of Project Management implemented by a Industrial Compressor manufacturing company³. This Innovative Project Methodology is being practiced at compressor manufacturing organization³ for realizing and delivering project excellence and to meet project objectives in short and long term. The organization has a strong Matrix organization Structure. The traditional method of the Project review includes tracking the project using MS Projects and Advance software's. However In this Paper the traditional view has been Re-assessed and new methodology has been projected to track the Project Execution,

In this context the paper reports on a Unique Organizational Innovation adopted for expediting the Project delivery at a Industrial compressor manufacturing company by “Reviewing and Escalation at each Points through Visual Aids in the Value Chain” thereby executing and delivering the Project on time or before Contractual delivery date (CDD) . This Methodology implemented is aligned with the Lean concept of Andon Lights being practiced in automobile Industry using Toyota philosophy.

The result of this visual process based approach led the organization towards a significant improvement in expediting project delivery in there manufacturing set up and for finally meeting and realizing the Strategic Project objectives.

Introduction

This Industrial Compressor manufacturing Company is one of the world's largest manufacturers of reciprocating compressors. The compressors are engineered and manufactured in the company's own works in Switzerland, and Pune, India (in accordance with ISO 9001:2000 standards).and has global sales and service network comprising of 12 subsidiaries and over 42 representatives across the world .

Customers of this company are in the field of oil refining, chemical and petrochemical industries, air separation, as well as gas transport and storage. These industries uses compressors for following industrial purpose,

- To raise the pressure,
- To increase the volume
- To cool or liquefy gases such as hydrocarbon gases, industrial gases and boil-off gases.

This industrial compressor manufacturing company started its operations in the year 2005 in Pune, India. and manufactures

- Standard high pressure compressors Type CU / CT
- CNG Package
- Process gas compressors
- Compressors for special applications

The company has a dedicated and experience Project team with proven experience in sizing, selection and providing customizing reciprocating compressors for optimal performance in many application like

- Oil refining & Chemical and petrochemical industries
- Industrial gases & Gas transport and storage
- Compressed natural gas for vehicle

The company operates in the B2B market segment and has a discrete project based manufacturing plant .The customer base of this organization is divided across 5 industry segments i.e. Industrial Gases, Defense, CNG transportation and storage, Petrochemical industries and Refineries. The company operates out of 4 regional offices (South, North, East and West) and with head office at western part of India. Manufacturing plant and inventory storage is centralized at one location with an additional valve service facility at Gujarat and Kolkata.

1. Standard High Pressure Compressors Type CU/CT/ (MODEL SHP/VARIOUS)

The Standard High Pressure compressor Produced by this industrial compressor company includes, type CU and CT are air-cooled compressors available in 3, 4 and 5 stage models. They are designed to compress air as well as a variety of gases like Hydrogen, Nitrogen, Helium,

Argon, Natural Gas and other non-corrosive gases and gas mixtures and are suitable for intermittent or continuous operation. Discharge pressure up to 400 bar (6,000 psi), flow up to 1600 Nm³/h, power up to 220 kw(300HP)

The compressors are being manufactured for following applications

- Industrial Gases
- CNG Refueling Stations
- Fertilizer Plant

The Industrial compressor are supplied as skid mounted, factory assembled package, the compressor can be started just by connecting it to the inlet connection, outlet connection and power supply through a control panel, there are approximately 300 Parts being assembled to make a CU /CT Model of Industrial Compressors .

Industrial Compressors are manufactured in Discrete Manufacturing setup and are customized to suit specific customer technical specification (TS) .

The compressors are Designed, Engineered, and Manufactured as Per EPC Consultants requirement and are generally being purchased by oil and Gas companies for industrial use .

Rolling out of industrial compressor is broadly categorized into five phases.

Phase 1 :-

- Release of Approved Engineering drawing in phase wise after Approval and for Procurement through Supply Chain management (SCM)

Phase 2:-

- Motion work manufacturing

Phase 3:-

- Packaging

Phase 3:-

- Final Assembly
- Testing in dust free environment

Phase 4:-

- Packing for final dispatch

Phase 5:-

- Packing the Consoles and Transportation

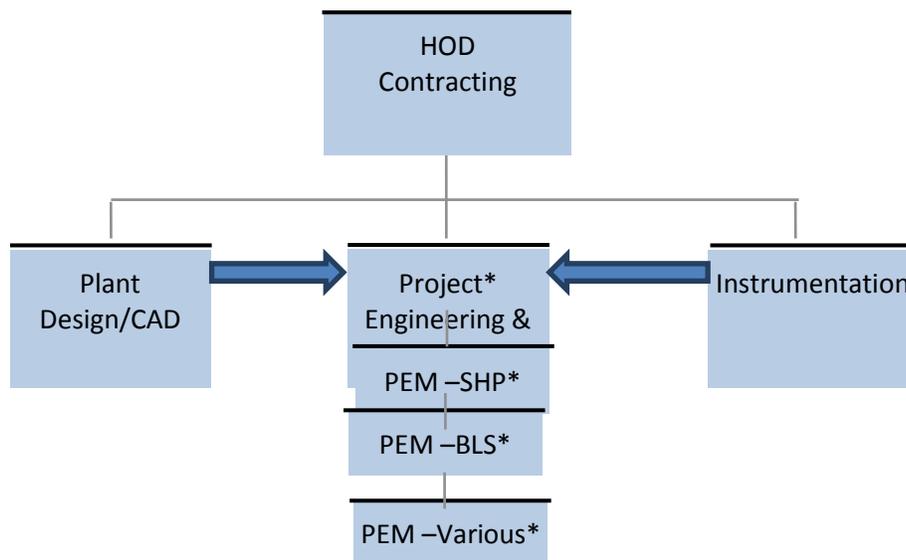
1. b Process Gas Compressors

The Industrial process gas compressor type is a type of reciprocating piston type compressor. These industrial compressors are oil-free or lubricated, horizontal or vertical and are according to American Petroleum Institute (API) 618 specifications. These industrial compressors are designed to handle normal as well as corrosive, dirty and toxic gases. A high Discharge pressure is the key characteristics of these industrial compressors.

Applications

2 Petrochemical plants , Chemical industry and Refineries

Project Management @ Industrial Compressor Manufacturing Company Project Management Methodology Followed . Contracting Department is the arm of compressor manufacturing company is responsible for Project Management. The Contracting department is responsible for Handing off the contractual Product Agreement (Scope), delivering on specified time line (Contractual delivery date) and meeting the cost structure (Baseline cost) so that project deliverables are met. The Project management starts will Design , Engineering , Manufacturing and goes on till the compressor is successfully, Erected Installed, Erected and Commissioned at the site , from Year 2005 till the 2008 , A functional form of department was responsible for Managing the project (Scope ,Cost ,Time) under guidance of Head Contracting responsible for Project Engineering and Management .The HOD –Contracting was assisted by Project Engineering Managers responsible with dual responsibility of Project Engineering and Project Management (Fig1) for Organization Structure



(Fig 2) Old Department Structure

***PEM –Project Engineering Manager**

The key responsibility of Project Engineering Manager was “supervision and execution of various projects from order received till client acceptance and collection of payment and receivables within budgeted cost and time frame “

The other Job description of Project engineering managers were as detailed below,

- Nominate respective project leaders (Engineers) for respective orders
- Review , verify ,clarification required from sales on scrutiny of purchase order for feasibility , commercial matter
- Project execution ,carrying out engineering design activities for projects whenever applicable ,against the specified /customized requirement
- To follow the basic cycle of engineering to plan, design , review , verify and validate from time to time and project to project
- Maintain procedure for design changes , implementing and maintaining the defined quality across the function under the Project Manager Control
- Close Co-ordinate with planning and Material to meet Project Schedule in terms of cost and time
- To guide the Supply chain department in new vendor development and finalization of vendor /contractor order based on comparative statement and available budget.
- Arranging Review meeting and update status of various Projects with internal and external customers
- Time to time claim Management for additional scope and outstanding Payments
- Guide Personal under control of Project Engineer on Risk assessment wherever necessary
- To guide Engineers in selection of vendors , update design and solve field complaints
- To improve existing Products , Preparing MIS , Ensure maintenance of documentations as per ISO Policies
- Close –Coordination with Service Department for handling over Projects.
- Project Closure with Sales and Customers
- Responsible for Personal Planning as well as for a Training and development
- Motivate and empower Staff, Monitor the activities by assigning appropriate responsibility and delegating desired authority to the authorized persons of various functions

2.a Old Executing Methodology

A Project Engineer was assigned by the Project Engineering Manager (PEM) depending on type of compressor (SHP/BLS/Various) to be executed. He was responsible for end to end execution which included Design, Engineering, Release of Specifications followed by close monitoring of Bare Block Manufacturing, Intermittent Assembly, and Packaging of Compressors in the Shop as Per Consultants /Customer requirement, the same Project Engineer was responsible for meeting Project Objectives (Scope, Time, Cost, Quality,) The Project Engineer was also responsible for meeting Project Receivables.

Data analyzed from 2005-2008, indicated that total 310 Compressors Projects were being Executed However around 20% project have had suffered LD (Liquidated Damages) due to non-adhering to contractual delivery time (CDD).

2. b Key Challenges in Managing Project

Insight from data analyzed from 2005-2008 also conveyed that the Project Engineering Manager (PEM) has to keep bird eye view on all the aspect of Project Engineering and Management .This multi fold mixed responsibilities led a cascading effect on entire project schedule which in turn had sequential repercussions on many deliverables including engineering errors and Scope creep and it also surfaced shortcuts being practiced in project Management methodology at Compressor Manufacturing company.

MS Project, Software although was being used to track and Schedule the Projects, following errors and Challenges were reported during this Period.

- Errors in Engineering drawings
- Delay in releasing Engineering drawing/Specification due to focus on multiple projects
- Delay in Approval of Drawing from customers and consultants and Scope Creep due to no follow up with customer on time.
- Multiple focus on Engineering and Manufacturing and Packaging leading to error in Assembly
- High Amount of Outstanding , and Cash Flow Issues due to Non Receipt of Payment on Time from Customers
- Absence of Proper Claim Management methodology.

3 Critical Success factors,

The critical success factor in customized compressor Manufacturing industry is attributed to following Process.

Sr No	Parameter	Rank*	Priority
1	Timely Release of Engineering Drawing & Specification for Approval of Project Management Consultant /Client Approval.	1	
2	Release of Engineering Drawing & Specification for Manufacturing for Long lead items Dampeners/Coolers/Motors /Dryers /Safety Valves /Customized Parts	2	
3	Release of Engineering Drawing for Manufacturing of Bought out Parts in Shop and at Supplier end	3	
4	Release of BOM (Bill of Material) for Manufacturing of Machine in Stage wise	4	
5	Manufacturing of Bare Block	5	
6	Release of Piping Isometric for Packaging of compressor	6	
7	Packaging Assembly of Bare Block on Skid	7	
8	Final Testing of compressor on Test Bed or at Site	8	
9	Dispatch of Machine to Respective client site	9	
10	Follow up for Payment & followed by Erection and Commissioning	10	

*The Rank shown above is based on Work Breakdown Structure (WBS), Rank No 1 indicates Highest Priority along with the order of preference.

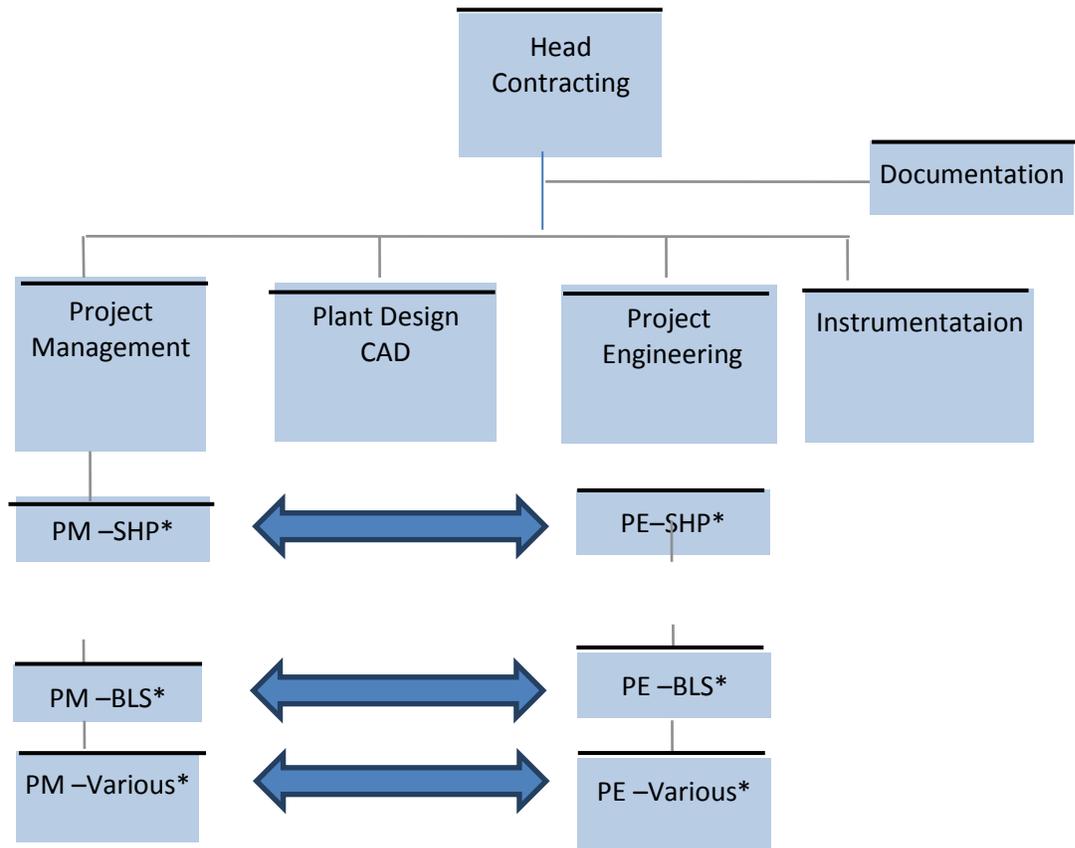
From the Rank Assigned it is very clear that all the process were interwoven and any lapse on the Process can lead to cascading effect on the entire project schedule there by dis- balancing the Customer contractual delivery (CDD).

Therefore it was clear that the critical success factor to stay ahead of the competition was to religiously follow up the designed Procedure on Daily /Weekly Basis.

4 New Methodology/Process Followed (2009-2015- Ongoing)

Beginning 2009, The Senior management gave a Rigorous thought to focus on delivery aspect Project Management, The Process followed was to design the existing Contracting department by creating a separate Project Management department and the same will work in tandem with contracting department, However will execute the Project independently and with direct reporting to Contracting Head / Managing Director, The Contracting head will responsible for Managing Engineering and Design of Packaged Compressor, but will have Extended Responsibility of Project Management, The department would be headed by a Sr. Project Manager, and will be supported by independent Project managers, the project manager role was

in line with the roles Played for executing the projects but in a proactive way with more focus on Pull Methodology , The revised department structure is shown below (See Fig 3).“Functional organizations are realizing that project management provides a systematic, phased approach which enables them to implement strategic initiatives that are outside the scope of their on-going business (Pellegrinelli(1))



(Fig 3) Revised Department Structure * **PM – Project Manager**, * **PE – Project Engineer**

An independent Project Manager responsible for Managing the Project and Meeting the Strategic Project objectives.

“Organizations’ have reached the point where the process of modifying the organization itself requires the concentrated management attention that can be provided only by competent , well organized and knowledgeable project teams” (Adams(3)),.

(4.a) New Execution Methodology

The New Execution methodology adopted to track the multiple projects were by using visual board at three– four stages of Release depending upon,

- Delivery of Long lead Items Like Dampeners/Coolers /Motors/Accessories , Phase-1

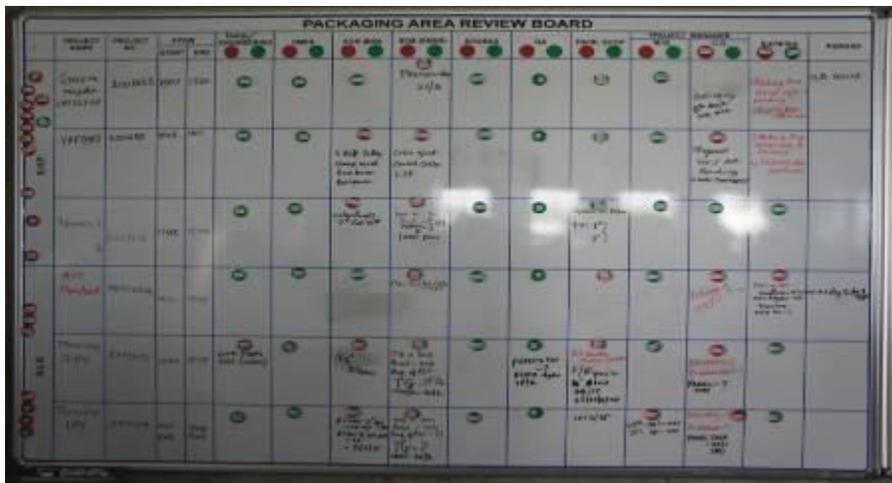
- Delivery of Forging/ Casting Parts, Phase -2
- Design release of Bought out Engineering Parts , Phase -3
- Sequencing of Parts required for Manufacturing Compressors parts in Shop Floor , Phase-4
 - Motion Work Sequencing using Visual Board using the concept of **PAW***, Fig 4
 - Packaging of compressor Using Visual Board using the concept of **PPAW*** Fig 5



(Fig 4)

Visual used: -  Red indicates Project Manager Attention & Department Responsible /Hold Point

 Green Indicates Project is moving



(Fig 5)

-  Red indicates Project Manager Attention & Department Responsible /Hold Point/
-  Green Indicates Project is moving



The concept of *PAW (Planned Assembly week for Basic Motion work Review) and *PPAW (Project Packaging Assembly week) was introduced for monitoring and leveling the Projects Load (Resources, Material, Manpower, Machinery) in Discrete and Complex Manufacturing set up ,This visual Board were fixed at designated Locations in Shop Floor for Monitoring .

Discussion

Daily Monitoring of ongoing Projects at designated place in shop floor using PAW* and PPAW* followed by weekly review of the future planned projects w.r.t delivery dates on every Wednesdays and data analyzed from 2009-2014 reveals a very valuable insights, The review of Engineering date of release using this updates on every Wednesday by Sr. Management surfaced and considerably reduced the known-unknown surprise during Project execution.

The Motion work manufacturing process in respective planned assembly week (PAW) and the Planned Packaging Assembly week (PPAW) Using Visual methodology on daily basis as shown above, started giving clear indication in the areas where attention was to be sought in the entire Value Chain” thereby giving an advance alert and focusing on Bottleneck and contractual delivery date (CDD).

From 2009-2015, The Compressor manufacturing company rolled out 269 Compressors and LD was considerably reduced as reported using this innovative concept.

Conclusions

The Methodology followed at compressor Manufacturing company is currently ongoing and has bring efforts to project deliverables , However , at this point in the study ,the subject needs to be further analysed from wider range of similar industry sectors.

This technical Paper does not reports on

- The impact of core Personality on effective performance in Project management Roles.

An analysis of the Sales data & LD revealed that from 2009-2015 , The compressor company has shown turn-around growth in last six years due to Visual Pull Concept .

Project are vehicles for change and as with any vehicle , they require a driver – The project manager (Pellegrinelli(1)), In the same way as we expect drivers to be licensed to ensure that they are competent to drive ,organization are looking for evidence that the drivers or project manager of the strategic change projects are competent for the role , If we take this analogy further , however , we release that even the best and most competent drivers will have difficulties in hostile environments , so will the project managers .To enhance project performance we must not only focus on competence of project personnel but to the support provided by the environment in which they operate .Project Management competences for strategy realization – Lynn H. CRAWFORD, University of Technology, Sydney, Sydney Australia

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Global Recruiting Trends

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Abstract

The key to maintaining a successful business is always being aware of what is occurring in your industry and with your competitors, and recruitment is no different. Nowadays businesses felt social and professional networks were the best way to find talented individuals. With social media and company websites becoming increasingly important, with companies investing more in their branding efforts. Creating a cohesive brand identity is becoming increasingly important. Placing a higher emphasis on a company brand's desirability in order to attract the right kind of talent is due to become the foundation of new recruitment trends. From emerging trends, it became very clear that there is an ongoing issue businesses face as a result of the gap between hiring volume and budget. It is an issue that prevents businesses from overcoming obstacles and developing their talent strategies. The trend has emerged because the professionals turn to social professional networks when looking for new opportunities, while social networks are being used maintain relationships with both active and passive talent. The key recruiting trends that the report suggests are most important to integrate with future strategy are ones that are likely to remain dominant such as social professional networks and the ability to source passive candidates. Employee referral programs, internal hiring, and employer branding any business will be prepared for the coming year and beyond. The report indicates that the focus for any strategy should be upon the power of relationships as this is exactly what is driving the change in global recruitment.

Key Words- professional networks, social networks & recruiting

Introduction

In order to plan for the future, we need to understand where we stand compared to our peers. The goal of this paper is exactly that to help talent leaders benchmark against teams across the globe when it comes to the most important recruiting metrics and trends.

To truly influence business decisions, we need to understand where the industry is going. This paper uncovers worldwide recruiting trends that will move the organization forward, and help position us as a strategic business partner. What's more interesting is a renewed emphasis on relationships, which is a critical factor in talent acquisition. Learn how this theme ties into the top priorities, upcoming challenges and opportunities ahead in 2016 and beyond.

Most important trends

Talent acquisition has a prominent seat at the executive table.

Talent leaders feel confident that their department is helping define the future of their company. Over 83% of them say talent is the number one priority in their organization. Recruiters will be even busier this year and are focusing on quality of hire. 56% of leaders say that their team's hiring volume will increase and in order to measure success they are focusing on how long a new hire stays at the company, hiring manager satisfaction, and time to fill. Budgets go to traditional tactics, but branding tops investment wish list. While nearly 70% of recruiting budgets are spent on job boards, recruiting tools, and staffing agencies, talent leaders identify employer branding as the #1 area where they wish they could invest more. Effective employer brand messaging focuses on culture and career growth. Over 80% of leaders acknowledge that employer branding has a significant impact on their ability to hire talent. Candidates reveal that companies can pique their interest if they talk about career growth, company culture, and challenges.

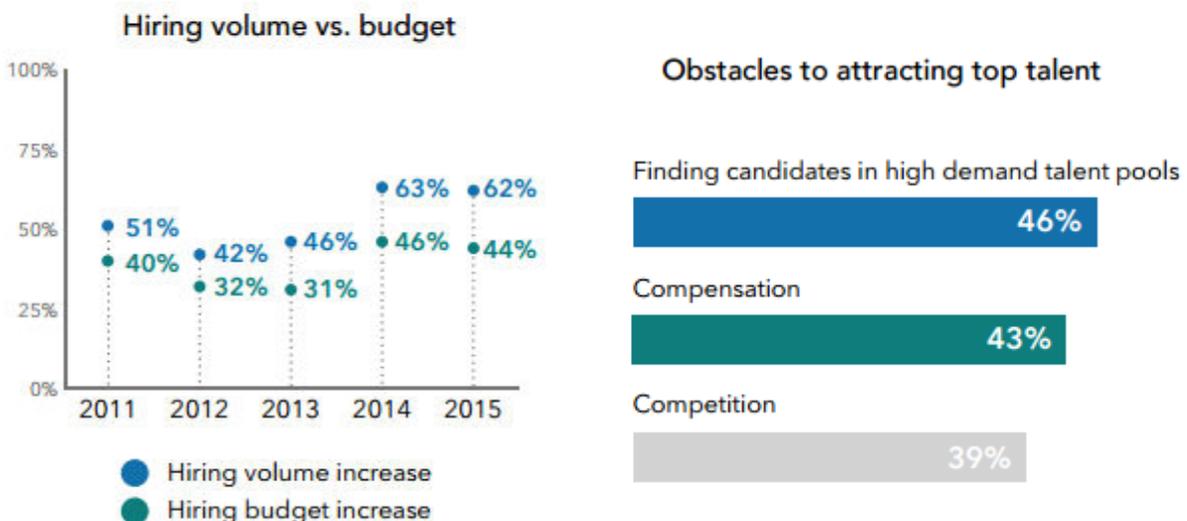
Diversity, screening automation, and data are key future trends.

Automating the screening and hiring process in order to eliminate human bias and time limitations will shape the future of recruiting. Big enterprises focus more on harnessing big data.

How recruiting leaders perceive their teams

Biggest challenges

The gap between hiring volume and budget is a continuous struggle, and their aligned movement indicates that this trend isn't going away anytime soon. This imbalance prevents organizations from overcoming obstacles or transforming their talent strategies.



Objectives

- To study the need for revamping existing recruitment trends
- To study how the internal recruiting, social and professional networks, employer brand, and passive candidate recruiting are the most essential and long-lasting trends in recruiting globally.

Hypothesis

Social and professional networks, internal recruiting, employer brand, and passive candidate recruiting are the most essential and long-lasting trends in recruiting globally.

Research Methodology

This whitepaper is a combination of the qualitative and primary information based on the own experience in the industry work and observations made thereof. The secondary data available in the public domain which mainly include the various articles, papers and books are also taken in to consideration.

Conceptual Understanding

Recruiting departments play a crucial role in the company's future

The recruiting organization is not the flashiest department. It doesn't directly bring in revenue or create game-changing products. Yet, it is the quiet enabler behind these company successes and this has not gone unnoticed. Talent and HR leaders have gained a prominent spot at the C-suite table, driving decisions about the future of the company

Talent and HR leaders say that:

83%

Talent is #1 priority
at their company

83%

They meet with
the C-suite regularly

75%

Their team is key
to the company's
workforce planning

Most recruiting teams won't grow this year

Despite the importance of recruiting, most leaders foresee that their team size won't increase. This means that as the hiring volume rises, recruiters need to get creative and automate their workflow. The recruiting teams that are growing are focusing mostly on finding full life cycle recruiters and employer branding specialists, indicating the increasing importance of the company's image.

How will the size of your recruiting team change over the next year?

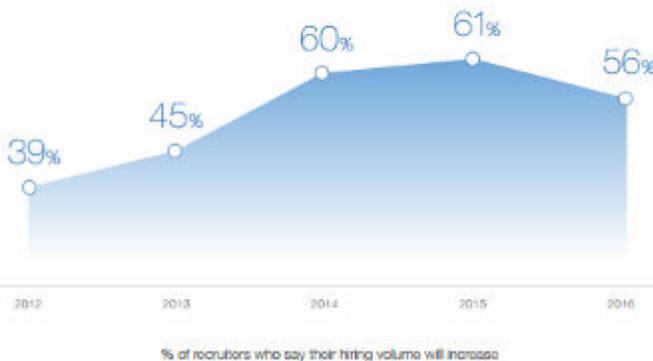


Key benchmarks and metrics to monitor

Hiring volume will increase for many companies

While the global numbers are very positive, this is the first time in five years when the year-over-year growth is slowing down. This subtle cooling of the job market reflects hiring slowdown in Brazil, China, and parts of Europe.

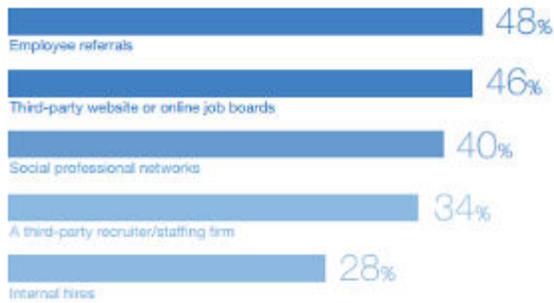
How do you expect your hiring volume to change over the next year?



Employee referrals are the top source of quality hires

The stats below illustrate the rise and reign of employee referrals. It's no surprise that more and more companies are starting to develop programs like these, given that referred employees are faster to hire, perform better, and stay longer in the company.

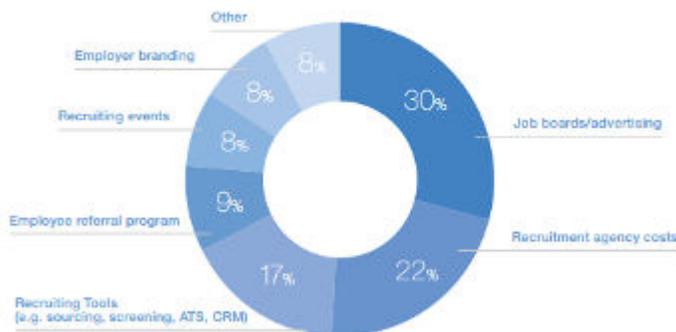
What are your top channels for quality hires?



Most teams invest their budgets in job postings and staffing agencies

Despite recruiters sharing that employee referrals are the top source of quality hires, very little budget gets allocated to referral programs. Same with employer branding – described as one of the most important trends, it is one the last places where teams invest. The bulk of the team's budget goes to more traditional tactics like posting jobs and staffing agencies.

What is the current breakdown of your recruiting budget?



While leaders under-invest in employer branding, they do appreciate its impact

Most teams spend only a small portion of their budgets on employer branding. Yet, the stat below shows that leaders overwhelmingly believe in its importance. One reason for this paradox is that employer branding ROI is hard to measure and most teams cannot show a direct correlation between a stronger candidate pipeline and their branding efforts.



Utilizing social and professional networks

While making sure that whoever you hire is the best person for the job is incredibly important, the first hurdle is to find the right pools of talent. The survey showed that businesses felt social and professional networks were the best way to find talented individuals. Social recruiting is one of the hottest and most discussed recruitment methods in the industry. Recruiters have widely adopted social technology for their purposes, as "making connections" comes naturally. Learn about the tools and best practices you need to be successful in the new social arena.

Employer Branding

With social media and company websites becoming increasingly important, with companies investing more in their branding efforts. Creating a cohesive brand identity is becoming increasingly important, with South Africa, South East Asia and Brazil at the forefront of this trend. 59% of companies are investing more in their employer brand compared to last year. Placing a higher emphasis on a company brand's desirability in order to attract the right kind of talent is due to become the foundation of 2016 recruitment trends.

Employee referrals

This policy has several advantages. The new people joining the company are expected to have a realistic job preview through the person who has referred them. Hence the expectations are in line with what the company has to offer them. It also generally costs the company less compared to other means of recruiting like advertising, job fairs. Previously, this may have become known as a trend of the past, with personal referrals or 'ins' to the company being replaced by the accessibility of the internet as an application platform. Opportunities are increasing for referral schemes, with employee referrals beginning to emerge as a long-lasting trend. With 39% of talent leaders ranking high on using employee referrals, the trend is set to increase.

Strategies for sourcing passive candidates

Companies have realized that they need to promote their jobs the same way as they market their services and products, if they want to keep their competitive edge. There are different strategies that a company can apply in order to attract passive candidates, those employees who are working but don't necessarily plan to change their jobs. The reality of today's recruiting world was pointed out in the candidates. Your pool of potential candidates extends far beyond the stacks of resumes you receive in response to job postings, the article stated. "There are plenty of highly skilled workers who are not actively seeking work, but who would jump at the chance if the right position came long.

Conclusion

Social and professional networks, internal recruiting, employer brand, and passive candidate recruiting are the most essential and long-lasting trends in recruiting globally

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‘Internal Marketing’ As an Approach to Human Resource Management and Marketing Collision

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Abstract

This paper attempts to put on view the important linkage between internal marketing (IM) and human resource development (HRD). As a result, first of all, the present paper examines the relevant literature about IM. In the next step, the elements of IM are introduced. Then, the main objectives of IM are clarified. Further, the relevant literature of HRD and the link between IM and HRD are described. Thereafter, by proposing a model, this paper demonstrates the linkage between IM and HRD which leads to firm’s advanced performance. This paper states that Marketing and Human Resource development departments should be bring into line and integrated with each other. In other words, it is required, to have market-oriented HR managers in order to make an impact on the accomplishment of an organization. HR managers should apply the same strategies that marketing managers use to encourage products and services outside the organization. Therefore, the tools that are widely used in the external environment (e.g., market research, segmentation and targeting) could be engaged internally to stimulate the employees.

Key words: Internal Marketing, Human Resource development, stimulates organizational accomplishment.

Introduction

Our people are our greatest asset' is one of the most over-used and meaningless phrases in the corporate lexicon. For years, companies have poured money into building their external brand and, more recently, into customer relationship management systems, while largely neglecting to explain to their employees either the business strategy or the critical role they are expected to play in delivering it.

In today's uncertain and competitive environment, organizations should try their best to apply all their resources effectively. It has been said that the most important assets of any business walk out the door at the end of each day. Indeed, people and the management of people are increasingly seen as key elements of competitive advantage. Spurred on by increasing competition, fast-paced technological change, globalization, and other factors, businesses are seeking to understand how one of the last truly competitive resources, their human resources, can be managed for competitive advantage and for achieving organizational superior performance.

Past studies have revealed a strong linkage between employees' job satisfaction and organizational superior performance. Moreover, researchers found a significant positive relationship between employees' job satisfaction and customer perceptions of service quality performance. It is expected that satisfied employees deliver better services which affects customer confidence positively and contributes to achieving customer loyalty. Consequently, having a loyal base of satisfied customers within such a competitive environment, increases revenues, decreases costs and builds market share. Thus, to have satisfied customers, the satisfaction of employees is necessary.

The idea of satisfied employees for the benefit of satisfied customers is developed through the concepts of internal marketing (IM). According to, the concept of internal marketing was based around viewing jobs as if they were "internal products" offered to employees. Moreover, the logic of IM states that employees are the internal customers of their organizations who had needs to be satisfied; and those needs were closely connected to their jobs.

Although people play a critical role in organizations, research has paid little attention to the link between IM and HRM. Thus, by reviewing the relevant literature, this paper attempts to demonstrate the important linkage between IM and HRM; which provides further insight for managers of organizations contributes to superior performance of organizations.

Internal marketing

Internal marketing is based on the idea that customers' attitudes toward a company are based on their entire experience with that company, and not just their experience with the company's products. Any time a customer interacts with an employee, it affects their overall satisfaction.

Everyone from a sales clerk to an over-the-phone tech support specialist helps to shape that customer's experience. Therefore, customer satisfaction is deeply dependent on the performance of a company's staff.

The Internal Marketing was first introduced by. The IM refers to the use of marketing perspective for managing an organization's human resources. The main concept of internal marketing is to count employees as internal customers, and work as a product, a product that should satisfy the needs and requirements of customers to achieve organizations to its definitions in this area. In other words, the main logic in internal marketing is to accept this point that it should be behaved with employee like internal customers

In the previous years, the IM concept has experienced an impressive advance. Researchers have rapidly investigated the IM concept in order to produce a unified definition for it. But, as yet, IM researchers haven't been able to create a single IM definition. Reviewing the previous literature indicates that the IM definitions of most of the scholars can be classified according to their scope and dominant perspective into four groups as follows:

1. Internal marketing as a mere synonym of human resource management
2. Internal marketing as a usage of marketing techniques in internal marketplace
3. Internal marketing as a precondition for satisfied external customers
4. Internal marketing as a source of competitive advantage.

The representatives of each group and their brief explanations are given in the following part of the paper

Four categories of IM definitions

PERCEPTION	AUTHORS
The same as HRM	MacStravic (1985, cited in Dunne & Barnes, 2000); Grönroos (1990, cited in varey, 2001); Varey (2001); Kotler (2003).
As a usage of marketing techniques in internal marketplace	Reardon & Enis (1990); Piercy & Morgan (1991, cited in Rafiq & Ahmed, 1993); Gilmore & Carson (1995, cited in Varey, 2001); Ozretić (2004).
as a precondition For satisfaction of external customers	Ballantyne (2000); Varey (2001); Kotler (2003).
As a source of competitive advantages	Hales (1994, cited in Varey and Lewis, 1999); Ballantyne et al. (1995, cited in Ballantyne, 2000).

As can be seen in table some scholars have defined IM as a synonym of HRM. In this perspective, IM contains the effort of an organization to recruit, train, motivate and reward their employee toward more satisfying practices. Further, managers should appreciate the important role of their employees in their organizations. Moreover, some scholars have defined IM as a usage of marketing techniques in internal marketplace. In this perspective, IM is the employment of external customers skills for internal employees (i.e. internal market research and segmentation, internal product policy, internal pricing, internal sales and distribution, and internal communication and promotion) which persuade employees that they are connected to external customers. Furthermore, some scholars have defined IM as a precondition for satisfaction of external customers. In this perspective, IM precede external marketing because for satisfaction of external customers, satisfaction of internal customers (employees) is necessary. Employees play critical role in organizations; they will meet the needs of external customers through their commitment to organizational objectives. Finally, other scholars have considered IM as a source of competitive advantages. In this perspective, IM focuses on practices related to employees which influence external marketing and organizational performance positively and contribute to achieving competitive advantages.

Internal marketing elements

By reviewing the relevant literature, it is inferred that scholars have introduced various elements of IM. There are many proposals about the IM elements provide for the academic literature. This paper extracted these elements from various studies; table 2 illustrates the authors and the IM elements that have been introduced, as follows:

Internal marketing elements

- Motivation
- Development
- Recruitment
- Training
- Motivation
- Communication
- Retention
- Internal Communication
- Training
- Education
- Information
- Fight for talent
- Provide a vision
- Prepare people for results
- Team work
- Freedom to work
- Measurement and recognition
- Meet internal customers
- Employee motivation and satisfaction
- Customer orientation and customer Satisfaction
- Inter-functional coordination and Integration
- Marketing-like approach
- Implementation of specific corporate or Functional strategies
- Attraction
- Recruitment
- Retention
- Strategic rewards
- Internal communications
- Training and development
- Organizational structure
- Senior leadership
- Physical environment
- Staffing, selection and succession
- Inter-functional coordination
- Incentive systems
- Empowerment

Internal marketing objectives

Although there is no a consensus on the definition of IM, there is a general agreement among the IM scholars on the existence of internal customers and the objectives pursued by the use of the IM (IM elements).

According to Tansuhaj et al. (1988) and Ahmed et al. (2003), there is a set of objectives that the IM should seek to develop. Which are as follows?

1. Increase the effort that the employee is willing to do for the organizations.
2. Increasing employee commitment with the organizations.
3. Increasing employee involvement with the organizations.
4. Increase employee motivation.
5. Increased job satisfaction.

Thus, organizations use internal marketing activities to improve employees' effort, commitment, involvement and job satisfaction .Also, these employees' outcomes are positively correlated to individual superior performance. Additionally, employees' superior performance contributes to organizational superior performance and will influence external customers' perceptions of service quality. Although the IM focuses on organizations' employees as internal customers and attempts to meet their needs, the main goal of internal marketing is to enhance services quality for external customers to have a loyal base of satisfied clients which contributes to increasing revenues, decreasing costs and building market share and etc. Taking into account the above literature, the following model briefly illustrates the main goal of IM

Objectives of Internal Marketing



Human resource management



Human Resource Management (HRM)

Human Resource management has grown in its range to the point where it has become an industry rather than just a simple occupation. Although there may be considerable debate concerning the actual role HR should perform and how it should be done, HR established a place at the senior management table by the early 1990s through their ability to identify and solve practical problems in fields such as recruitment, employee relations, training, etc the practice of Human Resource Management (HRM) is concerned with all aspects of how people are employed and managed in organizations. It covers activities such as: Strategic HRM, Human Capital Management, Knowledge Management, Organization Development, Resourcing (Human Resource Planning, Recruitment and Selection, and Talent Management), Performance Management, Learning and Development, Reward Management, Employee Relations and Employee Well- Being. Further, the overall aim of HRM is to enable organizations to be successful through their personnel.

- Provide a range of services which support the achievement of corporate objectives as part of the process of running the organization.
- Enable the organization to obtain and retain the skilled, committed and well-motivated workforce it needs.
- Enhance and develop the inherent capacities of people – their contributions, potential and employability – by providing learning and continuous development opportunities.
- Create a climate in which productive and harmonious relationships can be maintained between management and employees and in which feelings of mutual trust can be developed.
- Develop an environment in which teamwork and flexibility can flourish.
- Help the organization to balance and adapt to the needs of its stakeholders (owners, government bodies or trustees, management, employees, customers, suppliers and the public at large).
- Ensure that people are valued and rewarded for what they do and achieve.
- Manage a diverse workforce, taking into account individual and group differences in employment needs, work style and aspiration.
- Ensure that equal opportunities are available to all.
- Adopt an ethical approach to managing employees which is based on concern for people, fairness and transparency.

- Maintain and improve the physical and mental wellbeing of employees.

The relationship between IM and HRM

By reviewing the literature of IM and HRM, it can be inferred that there is the noteworthy overlap between these two concepts. considering human resources as internal customers would best be served through the contributions of both the marketing and human resources functions as it reflects the common roots of each discipline within psychological theory. The important role of internal marketing is to breed effective human resources, which imply IM and HRM are closely related to each other. some relevant aspects of HRM practices in achieving employees commitment, job satisfaction, and trust are related to the success of IM. Further, it is important to note that, for demonstrating the important linkage between IM and HRM, the relationship between HRM functions and IM elements should be understood and considered.

(1) Job analysis, (2) recruitment, (3) performance management, (4) compensation, (5) training and development, and (6) labor-management relations can be named as the most important functions of HR managers in organizations. Thus, this paper attempts to describe the linkage between these HRM functions and IM, which will facilitate the understanding of the link between HRM and IM; as follows:

1. For organizations, to achieve competitive advantages, they must identify their human resources needs. They must evaluate past trends, their current situation, and meet the future need of their human resources. before informed decisions can be made about recruitment and development needs, compensation plans, training and career development objectives, performance management systems, and job design, data must be collected and analyzed. The technique used to acquire the data necessary to make informed decisions is called job analysis. Job analysis is a process which collects necessary data for determining the knowledge, skills and abilities required to perform a job successfully. This process identifies job's activities, behaviors, tasks, and performance standards and necessary personal requirements to perform a job, such as personality, physical characteristics, aptitudes, and job-related knowledge and skills. It sounds like that without a systematic process of job analysis, organizations will not be able to implement IM process properly; because, job analysis as the first and most important

functions of HR managers, provides necessary information about all factors related to successful implementation of IM in organizations.

2. Recruitment is the process of attracting qualified employee to apply for vacant position in organization; which requires effective planning to determine the human resources. Recruitment must be tied to the organization's strategy. This helps organization to hire employees who possess superior knowledge, skills, abilities, and other positive characteristics that help employees to adopt themselves with organizations policy and strategy. This also makes it possible for organizations to implement a wide range of practices within a short time frame in response to employees' needs. Thus, recruitment, as one of the HRM functions, by selecting appropriate employees according to organizational strategy contributes to better implementation of IM in organizations.

3. Because employees are essential to the delivery of quality services, performance evaluation and performance management are important components of human resource management in today's organizations. The information gathered from an effective evaluation assists agencies in accomplishing their missions. Performance evaluations/management provides management with essential information for making decisions about employee advancement and retention. And when correct decisions are made about employees, they will be motivated. "accurate evaluations provide information and feedback to employees. Employees must be informed about the goals and objectives of the agency and the role they play in the agency's success. They must know what standards will be used to judge their effectiveness. Supervisors must communicate to employees their strengths as well as their deficiencies, thus providing the opportunity for employees to correct their weaknesses before serious problems emerge." Thus, accurate performance management contributes to better implementation of IM in organizations.

4. Decisions about salaries and benefits are important in attracting, retaining, and motivating employees. Employees expect fair compensation for the services they perform. Employees' expectations and perceptions about the fairness of compensation are critical factors related to the compensation system. Employees are motivated by appropriate compensation system which is called extrinsic rewards. Extrinsic rewards are part of the job situation that is provided by

others. They may include the salary and benefits or status that one receives from being employed. Employees may be motivated by the fair compensation and benefits that he or she receives through being employed. Thus, fair compensation system contributes to better implementation of IM in organizations.

The changes in the present industrial scenario have contributed to changes in the structure and functioning of organizations. Organizations have been focusing on changes in the structure resulting in flatter organizations. The results of various studies show that organizations have changed their shapes dramatically, reducing layers of hierarchy, dispersing authority and decision making, and adopting a variety of practices associated with knowledge sharing, quality improvement and information technology. Considering this, explain the need of organizations for employees with specific skill and knowledge. Training and development of employees are key concepts which help organizations to prepare such employees. Training and development has been defined as “a planned effort by an organization to facilitate the learning of job-related behavior on the part of its employees” Training and development programs enhance the skills, knowledge, or behaviors of employees. These programs have positive influence on both employees and organizations. Employees’ skill and knowledge will increase through training programs which leads to better adaption of employees with their job. Thus, employees’ job satisfaction increases through these programs which contribute to individual and organizational superior performance. As inferred, training and development of employees serve the purpose of IM in organizations.

5. The uncertainty workplaces changes have decreased the confidence of employees that their jobs are secure and their wages will remain competitive. According to Pynes (2009, p. 367) uncertain economic times, decreases in health care benefits for many workers, an increase in the temporary workforce, and reduced or lost pensions have contributed to increased insecurity in the labor market that is now affecting many organizations. These changes affect the workplace and provoke changes in labor-management relations. The present economic distress, leading to threats of downsizing and privatization, requires that unions and employers reexamine their structure and systems to see how they can provide more effective services to remain competitive, managers should adopt new approaches and attitudes for resolving conflicts in

organizations, and should creatively resolve problems and develop solutions advantageous. This process will improve organizational atmosphere for both employees and managers and contributes to enhancing personnel satisfaction which is the aim of implementing IM in organizations.

Research proposed model

Taking into account the above mentioned literature, figure 2 shows the research proposed model.

In the first step, HRM and HRM functions are illustrated. As can be seen they cover IM and its elements. Some researchers think that the important role of internal marketing is to foster effective human resource management which implies the subordinate position of internal marketing in relation to HRM. As can be seen, the primary aim of IM and HRM is to meet employees' needs which lead to employees' job satisfaction, organizational commitment, organizational citizenship behavior and etc., which contribute to individual superior performance. This superior performance affects firms' service quality positively which leads to clients satisfaction. And having loyal base of satisfied customers within such a competitive environment, increases revenues, decreases costs, builds market share and have many more positive influences on organization

Discussion and Conclusion

This main purpose of the current paper is to clarify the linkage between IM and HRM in today's organizations. In today's competitive environment, organizations must meet the needs of their external customer to reach their goals which are efficiency, effectiveness, productivity, and market share. It is important to note that, the managers who are concerned with monitoring and improving external customer satisfaction need to meet employee's need as their internal customers. The key for reaching employee's satisfaction is Internal Marketing (IM).

The notion underlying the internal marketing is that managers have to concentrate on the internal market (employees) as much as on the external market (clients), if they want their strategies to be successfully and effectively carried out within their organization. Therefore, it is

important to provide the appropriate internal environment to reinforce customer- consciousness. In doing so, Marketing and Human Resource management departments should be aligned and integrated with each other. In other words, it is necessary, to have a market-oriented HR managers in order to make an impact on the success of a company. HR managers should apply the same strategies that marketing managers use to promote products and services outside the organization. Therefore, the tools that are widely used in the external environment (e.g., market research, segmentation and targeting) could be employed internally to motivate the employees.

To sum up, the proposed model developed in this paper clearly shows the link between IM and HRM which helps organizations achieve competitive advantages. Although providing a foundation, future research is needed to build, augment, and refine this model. But, more researches are needed to identify the link between IM and HRM literature both theoretically and empirically. The model proposed here is an initial attempt to lay the groundwork for this needed alignment from a theoretical perspective.

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