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Contents

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FROM THE DESK OF THE EDITOR ✍

The present issue carries thirteen articles. The first article examines to determine the mediating role of perceived organizational support (POS) on the relationship between job crafting and job satisfaction.

Second article explores the relationship between service quality with banking financial & non-financial operational performance aspects.

Third article focuses on evaluating the impact of personal factors viz., tacit knowledge, business awareness, HRM competence, conceptual skills and demographic variables on SHRM orientation of managers. Three conceptual models have been framed and checked through SEM for their appropriacy.

Fourth paper aims to study the effect of M&A on the operating as well financial performance of Pharmaceutical firms in India. The paper analyzed the performance of 5 pharmaceutical companies listed in NSE Nifty 50 Index whose mergers or acquisitions took place during 2010-2013.

Fifth article tries to know the role of social media marketing in building brand equity and also an attempt to develop a conceptual framework, wherein the relationship between the variables of social media marketing and components of brand equity are established.

Sixth article aims to identify the different factors which persuade a tourist to consume niche tourism product over a mass tourism product and develop hierarchical relationship among those factors and some measures to increase consumption of niche tourism products.

Seventh article tried to analyze the performance of the SSA, benefits, importance and it also mainly focuses on identifying the beneficiaries and its achievement in Coimbatore District since 2011.

Eighth study laid down special emphasis on analyzing the composition of foreign trade of top 10 agricultural commodities and direction of agricultural trade with top 10 countries.

Ninth article utilizes the relevance of index options on open interest in conveying information about the future price movements in the underlying index prices.

Tenth article is to explore and analyse the significant predictors of OSCM model of conflict management as well as their impact upon the work productivity of the employees of public and private sector commercial banks in a very comparative mode.

Eleventh article attempts to demonstrate the significance of SME's in job creation, role of HR strategies in SME and how HR strategies help to build strong SME's startups.

Twelveth article tried to examine the trend and growth rate of Indian capital market.

Thirteenth is the case study which undertook to study the position of cottage and small scale industries in the Bishnupur subdivision of Bankura district with special reference to the problems faced by them and the prospects they hold for the future.

We hope, it will be useful for the readers to better understand the modern dynamic India & volatile business world. Moreover, I am thankful to all the authors for contributing their research work & express my heartiest gratitude for their valuable support with expectation of your patronage in future.

–Dr Vibhuti

EXPERT'S-COMMENTS
for
"SAARANSH" RKG Journal of Management

CONTENTS

Job Crafting and its Relationship with Job Satisfaction: The Mediating Role of Perceived Organizational Support

Ms. Poonam Kaushal*

ABSTRACT

Job crafting is employees' proactive work behaviour associated with modifying different aspects of jobs like working methods, relations at work and job cognition within a defined limits. The present study was undertaken to investigate the relationship between job crafting and job satisfaction among IT employees (India). The study further sought to determine the mediating role of perceived organizational support (POS) on the relationship between job crafting and job satisfaction.The study was limited to Pune city based IT companies and the data was collected from a sample of 121 working professionals. SPSS 21 (Statistical Package for Social Sciences) was used to analyze the data and statistical tools used werePearson correlation coefficient and PROCESS macro (produced and offered by Hayes, 2013).The findings showed a significant relationship between job crafting and job satisfaction. The findings further showed that perceived organizational support acted as a mediating factor in the relationship between job crafting and job satisfaction,although the mediation effect of perceived organizational support on job satisfaction occurred only partially. Demographic variables viz. age and gender also showed relations with job crafting.

Keywords: Job crafting, job satisfaction, perceived organizational support, IT professionals

1. INTRODUCTION

Today's modern organizations are functioning in a shifting environment. Liberalization, globalization, privatization and other economic and technological advancementsin developing countries (e.g. India) have thrown up new challenges that compel organizations to continuously modify according to development in the businessenvironment. Cummings and Worley (2009) also stated that change is mandatory to survive in an uncertain and ever evolving business environment. The uncertainty in organizations and recent developments hasimplicationsfor redesign of employees' job. Recent changes inbusiness environment made a felt need to restructure employees'jobor jobcharacteristics. Grant and Parker (2009) in their study argued that administratorsin top position can no longer design fixed and static jobs, but instead need a flexible approach where employees should participate more proactively in their job design. A specific form of this flexible approach is job crafting, where employees make changes in their work and work relationsaccording to their own abilities, skills and needs, within the context of defined jobs (Tims, Bakker &Derks, 2013).Thus, job crafting can be definedin terms of changing the working conditions, boundaries of a job, andandits relationships to something or to someone and of the meaning of job (Wrzesniewski& Dutton, 2001). The main component of job crafting is that employees adapt job characteristics on their own initiative (Peeters et al., 2013). In this way, employees can change how work is conceptualized and completed (i.e. changing work limits), how regularly and with whom they link up at work (i.e., changing relationship limits) and how they intellectualyassign meaning and significance to their work (i.e. changing meaning). As indicated by Berg et al., (2013), job crafting assumes an important role in long term outcomes of the organizationin terms ofdeveloping job satisfaction and work engagement that encounters increasing dissatisfaction with work. Thus, job crafting is viewed as a very promising concept in modernorganizations, despite the fact that it has not received much attention from researchers.

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* Address: Ms. Poonam Kaushal, Himachal Pradesh University Business School, HPU, Shimla, Summer Hill, Pin Code- 171005 (H.P), Email- poonamkaushal47@gmail.com, Phone- +919418815301/ +918219051299

1.1 Perceived Organizational Support (POS) as a Mediator Role

In the present dynamic business era, assessing the perception of support that employees receive from their organization can be a crucial component for the employee and for the organization in terms ofkeepinga balance between the lively relationship within the organization and positive outcomes. Rhoades and Eisenberger(2002) also found perceived organizational support (POS) as one of the most influential predictors of positive behavior of employees. POS is considered as a positive treatment which defines the quality of the relationship between the employees and employers, this relation derives by measuring the employees'conviction that the organization concerns about their well beingandappreciates their contributions (Eisenberger et al., 1986). On the basis of organizational support theory, encouraging positive treatments that the organization provides to employees contribute to an employee's feeling of competence and value as an organization member. This feeling stimulates a sense of obligation to reciprocate the exchange by showing positive work attitudes and behaviors that benefit the organization.So, keeping in view these studies, it can be concluded that most POS studies have merely analyzed the direct effect of POS on various outcomes, the present study made an endeavourtoinvestigate the hypothetical model (as also discussed in Ingusci et al., 2016) which expects that job crafting could be a significant indicator of IT professionals' job satisfaction and thisrelationship can be mediated by perceived organizational support (POS).
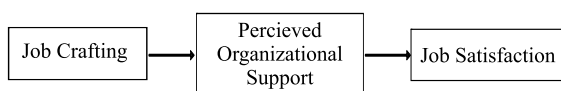
Figure 1: Hypothetical modelshowing the relationship between job crafting, job satisfaction and perceived organizational support

2. LITERATURE REVIEW

The term 'job crafting' originates in 2001, when Wrzesniewski and Dutton (2001) marked the self-initiated changes employees make to their jobs as "job crafting". They defines job crafting as "the changes (physical and cognitive) that individuals make in the task or boundaries of theirwork and the action individuals take to re-shape, modify and redefine their jobs". Thus, according to them, an individual can craft his/her job through three ways viz. through changes in work tasks, changes in relationships and through changes in the meaning of job. Petrou et al. (2012) defined job crafting behaviors (using JD-R model proposed by Demerouti et al., 2001) into three groups on the basis of employees: who seek resources, who seek challenges and who reduce demands. Those who seek resources would be hoping to acquire more resources to accomplish their job. This may includes "asking advice from colleagues, advice on ones job performance or looking for more learning opportunities" (Petrou et al., 2012). Those who seek challenges includes adding tasks or challenges to keep one busy and motivated during the workday. Reducing demands include taking away tasks that might be challenging or doesn't fit ones personality. These individuals seek to avoid or ignore certain tasks.

The core characteristic of job crafting is that employees makechanges in jobs on their own initiative (Peeters et al., 2013). Further, Ingusci et al. (2016) found that perceived organizational support (POS) completely mediated the relationship between job crafting and job satisfaction. Cheng et al. (2016) examined the relatonship between job crafting and job outcomes. Their findings found that both individual and collaborative crafting had a positive effect on employees' satisfaction with their jobs, commitment to the organization, and job performance. Further, perceived organizational support moderates the relationship between job crafting and job outcomes.De Beer, Maria and Arnold (2016) in their study on mining and manufacturing industries reported that job crafting was positively related to work engagement and job satisfaction. Further, increasing job resources and challenging job demands were foundpositively related to work engagement and job satisfaction, at the same time, decreasing hindering job demands was foundeither unrelated or found negatively related to work engagement and job satisfaction.A longitudinal job crafting study made by Tims et al., (2016) among 288 respondents reported positive relations between employees' job crafting behavior and their work engagement and subsequently their performance. These investigationssuggest that employees who step up themselves to optimize their job demands and job resources in the workplace, facilitate and augment their own work engagement and enhancestheir performance.

VanWingerden and Poell(2017) showed that people who encounter a high level of chances/opportunities to craft reported higher levels of job crafting behavior. Consecutively, perceived opportunities to craft and job crafting behaviour are found with higher levels of work commitment and succeeding performance. Researchers like Bakker et al., 2012 and Leana et al., (2009) discovered that job crafting behavior is decidedly related to employee' well-being and work performance. Bakker, Hakanen, Demerouti and Xanthopoulou (2007) examined the relationship between job resources, job demands and work engagement. Theyreported that job resources have an inherent inspirational role by encouraging learning and personal advancement, and have an extrinsic inspirational role by providing instrumental help for the accomplishment of work goals. This leads to greaterdedication and engagement to a job.

3. RESEARCH GAP

IT industry is an important sector and acts as a backbone of economic growth. It provides essential services to the masses belonging to the various sectors of the economy. At present, IT firms are operating in a highly competitive scenario; it is important to note that they need to differentiate themselves from each other. These firms need to have employees who are passionate about their work and strive to take their organization to greater heights. In this competitive scenario, the problems of employee engagement andjob satisfactionare crucial components as it helps firms to reap benefits of high productivity, sustainability and enhanced efficacy. With the increased demand for skilled manpower, coupled with problems of job dissatisfaction, IT firms in India are now focusing on effective management of their human resources. To identify the antecedents associated with the increasing job satisfaction and employee engagement, job crafting in the IT industry or it can be claimed that in serviceindustries has not been examined. Studies focusing on the relationship between job crafting and job satisfaction in Indian IT industryare limited. As this industry is experiencing enormous growth and difficulty retaining highly skilled employees, it may be an excellent context to study job crafting and its relationships with satisfaction, paving the way for improvements in organizational efficiency. The study also examined the relationships between job crafting and demographic factors viz. gender and age that may pave new ways of thinking. The findings of previous literature revealed that perceived organization support (POS) is used as a direct predictor of job satisfaction of employees or as a mediator for organizations and individual outcomes (Hochwarter et al., 2003). It was found that there is a lack of literature about the mediating role of POS. Thus, through the present study, an attempt has been made to explore the hypothetical phenomenon (see figure 1) that job crafting could be a significant predictor of IT professionals' job satisfaction and this relationship can be mediated by POS.

4. OBJECTIVES

1. To study the relationship between job crafting and demographic factors (age and gender)
2. To study the relationship between job crafting and job satisfaction
3. To study the relationship between job crafting and perceived organizational support
4. To study whether perceived organizational support mediate the effect of job crafting on job satisfaction

5. HYPOTHESIS

H1: There will be a significant relationship between job crafting and age of respondents.

H2: There will be a significant relationship between job crafting and gender of respondents.

H3: There will bea significant relationship between job crafting and job satisfaction.

H4:There will be a significant relationship between job crafting and perceived organizational support.

H5: Perceived organizational support mediate the effect of job crafting on job satisfaction.

6. RESEARCH METHODOLOGY

6.1 Measurement Instruments

Job Crafting Scale: Job crafting is a type of proactive work behaviour that employees adopt in order to modify their job according to their needs, skills and preferences (Tims et al., 2013). In the present study, job crafting was measured

with the 21-items scale developed by Tims et al. (2012). The job crafting scale measures four dimensions viz.increasing structural job resources (consists of five items, e.g., "I try to learn new things at work"),increasing social job resources (consists of five items, e.g., "I ask others for feedback on my job performance"),increasing challenging job demands (consists of five items, e.g.," When there is not much to do at work, I see it as an opportunity to start new projects") and the last dimension, decreasing hindering job demands (consists of six items, e.g., "I try to make sure that my work is psychologically less intense"). All items were measured on a 5-point Likert scale which ranges from 1 (never) to 5 (always). For the internal consistency, reliability coefficient i.e. Croanbach alpha value was analyzed. The reliability coefficient for the Cronbach's alpha of the total job crafting was .77.

***Job Satisfaction Scale*:** Jab satisfaction was measured with the help of Italian short-form version of Minnesota Satisfaction Questionnaire (MSQ) developed by Barbaranelli et al. (2010). The scale consists of 20 items ranging from 1 (very dissatisfied) to 5 (very satisfied). The reliability coefficient for the Cronbach's alpha of the total job satisfaction was .76.

***Perceived Organizational Support Scale*:**

In order to measure the perceived organizational support, 8-items POS scale developed by Rhodes et al., (2001) was used. This scale was adapted from the scale developed by Eisenberger et al. (1986) consisting 36 items.The scale is measured on a seven-point Likert scale from 1 (strongly disagree) to 7 (strongly agree). In the present study, the reliability coefficient for the Cronbach's alpha of the perceived organizational support was .86.

6.2 Participnts and Procedure

The present studywas exploratory, cross-sectional in nature.Information was collectedfrom the professionals of TCS (Tata consultancy services), Infosys and Tripple Point Technology based in Pune City of Maharashtra (India). In order to get the required information a well designed questionnaire was prepared and distributed among respondents. The respondents were selected on the basis of convenience and judgement sampling. Questionnaires were distributed among 200 working professionals, out of which 121 questionnaires were returned, yielding a response rate 60.5%. SPSS 21 (Statistical Package for Social Sciences) was used to analyze the data and statistical tools used were Pearson correlation coefficient and PROCESS macro (produced and offered by Hayes, 2013).

7. RESULTS

In the demographic profile of respondents, 73.9% respondents were male and 26.4% respondents were female. 67.8% of respondents were married and 32.2 respondents were single. Minimum age of respondents was 25 and maximum age was 58 with mean 37.87 and standard deviation 8.04.

To analyse the relationship of job crafting with age, gender, job satisfaction and perceived organizational support, Pearson correlation coefficient was employed (see Table 1). Job crafting was found to be positively correlated with age (r=.189*; p <.05), gender (r=-.190*; p <.05), job satisfaction (r=.504**; p<.01) and perceived organizational support (r=.613**; p<.01). Hence the *hypotheses H1, H2, H3 and H4* are accepted.

Table1: Relationship of job crafting with age, gender, job satisfaction and perceived organizational support

	Job crafting
Age	.189*
Gender	-.190*
Job Satisfaction	.504**
Perceived Organizational Support	.613**

*significant at .05 level (2 tailed)
** significant at .01 level (2 tailed)

Mediating Effect of Perceived Organizational Support

Regression analysis was run to study the proposed hypothesis that perceived organizational support mediates the effect of job crafting on job satisfaction. Bootstrapping approach with recommended sample 5000 was applied (as proposed by Preacher & Hayes, 2004). Path c' (the effect of X on Y, when mediating variable is controlled) was calculated using PROCESS macrowith recommended model 4as proposed by Hayes (2013). As per mediation model (see fig. 2), the relation between variables indicates that it will be beneficial to conduct mediation analysis further.

In regression analysis, job crafting was found to be positively and significantly related with perceived organizational support {B=.465, t(119) = 8.471, p = .001}. Further, mediator i.e., perceived organizational support was found to be positively and significantly related with job satisfaction {B=.229, t(118)=2.0984, p=.03}. Because, both the a-path and b-path were significant, mediation analysis was tested using a bootstrapping method with bias-corrected confidence estimates. The outcome of the mediation analysis verified the mediating role of perceived organizational support in the relation between job crafting and job satisfaction (B= .316, CI= .1520 to .4799). The result also revealed that the previously significant relationship between job crafting and job satisfaction remained significant (B= .423, CI= .2912 to .5538). Therefore, Sobel test was employed which suggested partial mediation in the model (z= 2.039, p=.041). Hence the *hypothesis H5* is accepted.
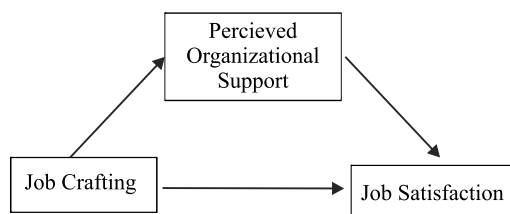
Path a= .465**(S.E=.055)Pathb=.229**(SE=.109)

Path c=.423**(SE=.066); LL=.2912 to UL=.5538)

Path c'=.316**(SE=.083);LL=.1520 to UL=.4799

Figure 2: Effect of mediator variable (POS) on the relationship between job crafting and job satisfaction

Path a= Independent variable to mediating variable

Path b= Mediating variable to dependent variable

Path c= Independent variable to dependent variable (Total effect, i.e., direct effect+ indirect effect)

Path c'= Independent variable to dependent variable, controlling for the mediating variable (direct effect)

Indirect effect of mediating variable= c- c'or product of a and b (i.e., ab)

8. CONCLUSION AND IMPLICATIONS

The present study was undertaken to enhance understanding about a predictor of employee well-being at work, such as job satisfaction which is believed as one of the positive results of job crafting.The relationship of job crafting with job satisfaction and perceived organizational support. The study found significant and positive relationship between job crafting and job satisfaction. The result of the present study was corroborated by the findings made by Ingusci et al. (2016) who found a significant relationship between job crafting and job satisfaction.Ryan and Deci (2000) stated that job crafting instigates changes in employees' personality and perceived meaning of work which, in turn, resultshigh job satisfaction and improved performance. Wingerden and Poell (2017) in their study indicated that individuals who experience a high level of opportunities to craft their job lead to higher levels of work engagement and subsequently high job satisfaction.

The study further examined whether perceived organizational support mediate the effect of job crafting on job satisfaction. The outcome disclosed that the Perceived organizational support partially mediate the effect of job crafting on job satisfaction. On the basis of this result, it can be concluded that there may be other variables along with perceived organizational support that motivates employees' job crafting. Kim et al. (2018) also reported that perceived organizational support instigates job crafting among employees which ultimately leads to job satisfaction.

The present also made an attempt to determine the relationship of job crafting with age and gender of respondents.Till date, job crafting theories given by different researchers like Demerouti, 2014; Tims & Bakker, 2010 and Wang et al., 2017(as cited in Rudolph et al., 2017) had not madeany particularanticipations regarding demographic characteristics, it is however worth to be aware of such relationships, not justto compareoutcomes with studiesmade on other proactive behaviours like self starting, change oriented or future focused (Parker, Bindl & Strauss, 2010), but also for the continued expansion of improved theories of job crafting. For this purpose, it would be useful to know whether job crafting is more or less familiar among younger or older employees and among male or female employees. The results of present study found job crafting positively related with age and negatively related with gender. On the basis of this analysis, itcan be stated that older employees, may have greater job experience and knowledge about job and thus are in a betterposition to craft their jobs relative to younger employees who are less experienced. This result

contradict the findings made by Zacher, Hacker and Frese (2016), who claimed that older and more experienced employees aremore likely to have developed routine schedules in their work that are detrimental to behavioural changes like job crafting. Similarly past studies on gender differences in job crafting reported somewhat ambiguous results. Researchers like Petrou, Demerouti and Xanthopoulou (2016) found that male are more likely to engage in job crafting than female employees, whereas researchers like Van Hoof and Van Hooft (2014) reported that female employees were more likely than male employees to craft job demands. In the present study, female respondents (M=59.37) were found more involved in job crafting than male respondents (M=64.57). On the basis of this result, it can be concluded that after breaking the glass ceiling effect and positive impact of women empowerment, women in India are now passing men in their abilities to get a degree, garner success at work and in handling family responsibilities. Women are now better educated, more ambitious and arguably are in better position to craft jobs according to their need and preferences.

In a nutshall, it can be concluded that employees' job crafting has positive consequences for an organization as it enhances employees' fit with the organization, subsequently increases well being and job satisfaction. Thus, organizations need to prove how much the they cares about employees' values, so that they can initiate job crafting with the help organizational support. Organizations should pay more attention to develop personal characteristics of employees by activities like training, team work, group dicussion and so on to increase job crafting activities. It is significant not merely for employees but also for organizations because a satisfied employee is an engaged and motivated employee in his/her own job which leads to many positive outcomes that are reflected in the organizational effectiveness. Although the results of the present study are as expected, the mediation effect of perceived organizational support on job satisfaction occurred only partially. Hence, it is possible that there may be some other mediators apart from the one examined (e.g. working culture, job demands, decision authority, co-worker and supervisor support, career advancements, self-efficacy etc.) which contribute to the effect on the dependent variable. Hence, in future more experiential research can be conducted in this area by integrating additional variables in multiple mediation analysis.

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Relationship Between Service Quality and Operational Performance in Banking Sector

Mr. Vinod Chandru Mirchandani*
Dr. Jyoti Sharma**

ABSTRACT

Modern organisations are customer centric organisations where efficient strategies are made to provide excellent services to their customers in order to flourish in progressively morecompetitive domestic and worldwide business segments. Thus, the present studyinspects the relationship service quality and banking financial &non-financialoperational performance aspects .Questionnaire technique has been used to collect the data from Banking Sector (N: 156) in J&K, India. Exploratory Factor analysis (EFA) has been used to identify the factors which are confirmed through Confirmatory Factor Analyses (CFA). For hypothesis testing SEM has been applied. The research signifies that service quality extentnamely; functional and technicalaresignificantlyaffect banking sector performance based on monetary and non-monetary. Further, banking operational performances are mostly affected by functional quality followed by technical quality measurement.In addition implications&limitations have also been discussed.

Keywords: Operational Performance, Service Quality, Technical Quality, Functional Quality,

INTRODUCTION

In last decades,measure of undertaking on the circle of administration excellence as a huge driver of commerce execution. It's turned into a vital issue on benefit administration's motivation (Lai and Cheng 2005). As administration firms still acquire particular wellsprings of property upper hand, benefit quality has been specified adroitly as a conceivable distinctive to old abilities and assets (Bharadwaj et al 1993), likewise as by experimentation tried as a conceivable pursuer of up execution (Rapert and Wren 1998; Newman 2001; Kang. In 1990's Service enterprises are trying in a circumstance described by rising shopper awareness and any desire for quality, and confused conveyance frameworks following from mechanical advancement. Business response includes augmented skill, more decided item and market techniques, and featuring on benefit quality. Administration quality is progressively perceived as being of key an incentive by associations in both the assembling and administration segments. Administration quality alludes to client impression of conveyance event as assess through their desires. Gronroos (1982) portrays that that apparent nature of administration is dependent upon the appraisal of ordinary administration with obvious administration and, in this manner, the result of a relative assessment process. Lewis and Booms (1983) state, the quality of Service is decided the administration level conveyed comparable to client desires". Administration businesses are developing over the world Hill, (2017). Numerous nations are amidst moving their conventional assembling bases to one where the market and offers of item are driven by client interest for 'packaging' them with administrations Hugos, (2018).This is a major aspect of what is called the postindustrial society (Fitzsimmons & Fitzsimmons, 1994) or service economy Gronroos (1990) Impetus escalation in the level of service provided to customers has come from the in desire of firms to increase profitability levels in a marketplace, in which consumers are demanding more in the way of true value, and where gaining a competitive advantage through product and price is both less feasible and less desirable. This analysis search for considerate the association between service quality extent (technical and functional) and banking presentation functioning in J&K. Next, the part of methodology is illustrated and to boot the hypotheses were through experiential surveillance tested. Finally, findings, conclusions and implications, and contributions were else self-addressed. This paper has contributed in the service quality context by fulfilling some theoretical gaps emerged in its literature (research problem)

* Ph.D Research Scholar in Veer Bhadur Singh Purvanchal University Email id: vinodchandru234@gmail.com
** University of Jammu, Email id: jyotisharmanm@gmail.com

that counseled examining the affiliation between service quality and performance.

MAJOR OBJECTIVES

1. To explore the determinants of service quality in Banking sector.
2. To identify the impact of service quality on operational performance of Banking sector.
3. To suggest various strategies towards service quality which contributing in banking sector.

HYPOTHESES FRAMEWORK

Service Quality and Its Determinants

Service quality is reflected to be supported numerous magnitude (Grönroos, 1982, 1990; Parasuraman et al., 1985), Service quality imitate the level that brings the service matches and client expectations (Lewis and Booms, 1983). Parasuraman et al. (1985) are prompt tangibles; reliableness, responsiveness, communication, quality, security, competence, courtesy, understanding and access were the subsequent dimensions accustomed judge quality of service. Thus there's no consequences concerning service quality however this study contemplate taken technical and practical quality from the banking perspective supported on top of discussion the subsequent hypothesis has been framed.

H1: Service quality is reflected through functional and technicaldeterminants.

Service Quality and Operational Performance

Service quality is an attitudinal connection and correspondence with the satisfaction which results from the contrast of expectations with performance. Dancer & Elliot (2002) opined that operational performances of business organisations can be increased by escalating the excellence of services. Lewis (1993) indicated that productiveness of quality of service integrates a task on organisation sales, market share, profits and industry performance, and productive service quality had crystal rectifier to shrunken prices and multiplied production. Rust et al (1995) indicated that higher quality of service assist to come up with larger income and capitulate larger profitableness. Besides, effective service quality vigorously and optimistically affects client's

reliability to the business organisation (Zeithaml et al., 1996). Additionally, it'd be property within the future. Service trade that offer service quality a high strategic priority, they need a plus of securing medium and future advantages that ensure continuous enhancements, premium costs, higher client price, and client orientation resulting in higher profits. Kang and James (2004) found that these dimensions have an effect on the perceived quality of service and client satisfaction. Malhotra et al (2005) examined the service quality dimensions in international market contexts. They found that the service quality dimensions were dependability, client understanding, responsiveness, competence, courtesy, communication, believability, security, and tangibleness. These dimensions were completely different in international markets thanks to socio-cultural and economic factors. Jaboun and Khalifa (2005) changed the SERVQUAL dimensions and that were values and image. They examined their new model in standard and Moslembanks in operation in United Arab Emirates. They found that the SERVQUAL dimensions were found that were personal skills, dependability, values, and image. Aboriginal Shaikha (2005) examined the client's perceptions of the service quality in Jordan telecommunication Company. The service quality dimensions employed inthe study were tangibles, responsiveness, dependability, employees' interactions with purchasers, and employees' skills and data. The study found that there was a negative perception from the clients' viewpoint regarding speed of responses and also the value of the services provided. Akroush (2008b) found that an experiential study within Jordan's banking sector and located that there existed an optimistic and importantrelationship among the useful qualitydimensions (responsiveness, tangibles reliability, assurance and empathy and banks financial and nonfinancial performance based on above discussion the following hypothesis has been framed.

H2: Service quality dimensions significantly affect banking operational performances.

RESEARCH DESIGN AND METHODOLOGY

Identification of Scale Items

All thescale itemswere calculatedon five-point

Likert scale, varying from 1 (strongly disagree) to 5 (strongly agree) for generating of uniformity among the construct. Services quality constructencompass two dimensions, namely, functional (19 items from Akroush and Khatib, 2009) Technical (4 items from Akroush and Khatib, 2009). Operational performances consists of 10 items (Chahal etal., 2016).

Data Collection

In India, Banking sector is one of the leading networks within the globe and also the quickest mountingsegment in India. It appears united drivers of India's monetary process. The banking sector has become one in all the tremendously competitive division in India and needs a lot of versatile and knowledgeable staff.Data has been collected from the employees working in four banking sector i.e. J&K, PNB, ICICI, AXIS. All workforces have been approached to produce relevant information. Out of 220 questionnaires distributed only 198 questionnaires has been returned back. The response rate came to be 90% and thereafter normality of the required data was checked through box plots, where twenty outliers were expelled from the sample to retain the normal data.

DATA INTERPRETATION

Reliability test for the structured questionnaire was conducted using SPSS version 16. Data collection with sample of 198 respondents took place at Jammu city (J&K state) in North India in which it was found that 110 % are males while as 82% are females.

Exploratory factor analysis (EFA) has been applied to identification the varied factor of factors service quality constructs in banking sector. SQ Scale comprised of 23 items which were condensed to 19 items and congregatein twofactors, namely, functional aspects with 15items and technical aspects with only 4 items. Further operational performance was also emerged with totality of 7items, of which 3 were associated with financial performance and 4 with non financial. The total varianceexplained is 69 percent and the KMO value is above 0.70.

Table 1: Exploratory Factor Analysis

Factor	Mean	SD	FL	CV	KMO	Cronbach's Alpha
Functional Quality					.930	.958
FQ1	3.84	.95	.94	.95		
FQ2	4.46	.74	.83	.83		
FQ4	4.30	.72	.62	.67		
FQ5	4.23	1.12	.79	.73		
FQ6	4.30	.82	.60	.68		
FQ7	4.46	.74	.83	.71		
FQ8	4.46	.63	.90	.93		
FQ9	4.32	.71	. 59	.71		
FQ10	4.45	.763	.78	.93		
FQ11	4.13	.885	.67	.95		
FQ12	4.25	.598	.83	.96		
FQ13	4.33	.890	.94	.78		
FQ16	4.67	.823	.77	.87		
FQ17	4.12	.601	.87	.76		
FQ18	4.01	.532	.98	.79		
FQ19	3.99	.432	.88	.76		
Technical Quality					.768	.937
FP1	4.23	.541	.81	.97		
FP2	4.32	.682	.89	.92		
FP3	4.67	.781	.87	.67		
FP4	4.34	.701	.78	.88		
TFinacial Performance					.729	.897
EP1	4.67	.892	.76	.76		
EP2	4.56	.762	.75	.67		
EP3	4.27	.502	.79	.85		
TNon-financial Performance					.738	.737
EP4	3.37	.892	.77	.49		
EP7	2.96	.762	.78	.62		
EP8	4.37	.702	.79	.81		
EP9	3.47	. 692	.72	.72		

MEASUREMENT VALIDATION

Service quality reflected through functional and technical:

Confirmatory Factor Analysis (CFA) has been employed to confirm the factors arrived from EFA. In addition, reliability and validity of the latent constructs has also been checked. For verifying the determinants of service quality, first order CFA models were used which reveal the model fit criteria i.e. $\chi 2/df = 3.121$, RMR = 0.028, GFI = 0.975, AGFI = 0.938, NFI = 0.930, CFI = 0.922 and RMSEA = 0.065. Further, second order CFA model has been createto validate theextentof

OVERALL SEM MODEL
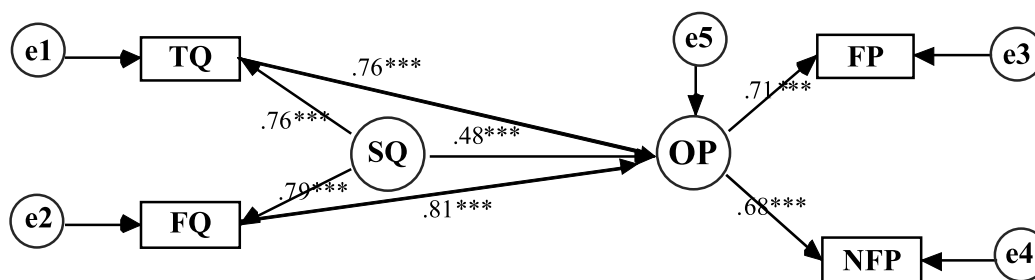
Keywords: SQ- Service Quality, TQ- Total quality, FQ- Functional quality, OP- operational performance, FP- Financial performance and NFP- Non financial performance

construct that they are loaded significantly or not. The second order factor model results reveal that the model fit statistics as $\chi 2/df = 3.121$, RMR = 0.028, GFI = 0.975, AGFI = 0.938, NFI = 0.930, CFI = 0.922 and RMSEA = 0.065.

H2: *Service quality dimensions significantly affect banking operational performances.*

SEM has been operated to ensure diverse relationships. It is a technique to clarify the affiliation between the variables. The direct relationship between services quality and operational performance found to be significant with SRW (0.48) and p value (< 0.05). In addition, dimension-wise relationship between technical & operational performance and functional & operational performance and observe that technical quality and functional quality both affects operational performance (0.76, p < 0.05). Further, operational performance is highly reflected by functional quality (SRW= .81, p<0.01) followed technical quality (0.76,p < 0.05).

DISCUSSION AND CONCLUSION

This article investigates the affiliation between banks performance and service quality magnitude namely functional and technical operating in J&K. Our results exposed that Service Quality affects the Performance Further; the study also revealed that Service quality reflected through functional and technical quality. This study authenticates the existing service quality literature by revealing the synergistic effect of SQ determinants on banking operational performance. This finding holds crucial implications for banks managers through revealing the central role of SQ determinants namely, functional & technical on achieving banks operational performance in long run.The crucial implication here is that banks managers should

focus on the interaction process between customerand service provider during the service delivery process where customer satisfaction happens that may lead to achieve the intended performance objectives. Banks managers need to recognize the fact that the availability of branches network and marketing experience may have an important position effect on performance since they affect the quality of banking services especially on the long term. Finally, this current study contributed to the SQ literature significantly. It fulfill theoretical outletof the construct and enlarge our perceptive level of the multi faceted connection between operational performance and service quality indicators. Another potential contribution is that our research findings have come from an empirical research that has been conducted from managers' perspectives that have corroborated the service quality literature review that has been conducted from both customers and management perspectives.

LIMITATION AND FUTURE RESEARCH

One of the noticeable limitations of the current study is that it is carried out only in the limited banking sector in J&K (North India). Further, this study enhance the understanding of service quality dimensions among several service sectors and assist service organizations to develop and implement better service quality strategies.

Comparative studies should be conducted the service sector/s of India and other developing countries to examine service quality level and these dimensions that would enable service businesses to shed deeper insights related to the service quality field.

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Assessing the Personal Factors Affecting SHRM Orientation of Indian Bank Managers

*Dr. Jeevan Jyoti
**Dr. Roomi Rani
***Ms. Tinka Gupta

ABSTRACT

SHRM orientation matches the characteristics of managers to the strategic plan of the organisation and identifies the managerial characteristics necessary to run the organisation in the long term. The present paper focuses on evaluating the impact of personal factors viz., tacit knowledge, business awareness, HRM competence, conceptual skills and demographic variables on SHRM orientation of managers. Three conceptual models have been framed and checked through SEM for their appropriacy. Model 1 depicts the direct impact of personal factors and demographic variables on SHRM orientation. Model 2 depicts direct impact of HRM competence and tacit knowledge on SHRM orientation and indirect impact of business awareness, conceptual skills and demographic variables on SHRM orientation. Model 3 is a combination of Model 1 and model 2. Results reveal that 2nd model is better than the rest two models, which has been checked through chi-square difference test. Further, theoretical, managerial implications and future research also stand discussed.

Keywords: SHRM orientation, tacit knowledge, business awareness, conceptual skills, HRM competence.

INTRODUCTION

The changing environment has increased the competition worldwide and to compete in marketplace, HR manager shave to concentrate on their human resourceand make them more efficient and effective (Jyoti and Rani, 2014). In this context, Globalisation has challenged the traditional trends and practices of HRM and opened the doors for new style of managing diverse workforce through Strategic Human Resource Management (SHRM), which helps to implement effectively HR policies according to the requirements of employees, in order to accomplish the organisational goals (Alharthey, 2018; Zehir et al., 2016). Despite the importance of Strategic Human Resource Management, there is shortage of research on related topics in Indian context (Zehir et al., 2016; Azmi, 2011; Singh,2003; Bhatnagar and Sharma, 2005). Majority of research has focused on outcomes of SHRM e.g. firm performance (Zhong-Xing Su et al., 2018; Cania, 2014). But, there is dearth of literature that has focused on antecedents of SHRM. In Indian context, no empirical work has been conducted to find out the antecedents viz., tacit knowledge, conceptual skills, business awareness, and HRM competence of SHRM orientation of the managers. This study has proposed to fill this gap by studying broader prospect of SHRM Orientation by exploring its all the possible dimensions as well as the antecedents, which help to strategically orient the managers. Further, studies in Indian banking sector has focused more on traditional HRM/HRD practices (e.g. Singh, 2013; Kumar et al., 2012; Mangaleswaran and Srinivasan, 2011) but there is no empirical study about the factors, which help managers to become strategically orientated towards HRM functions. Therefore, our study tries to fill gap by studying the impact of personal factors viz., tacit knowledge, business awareness, conceptual skills, and HRM competence on strategic HRM orientation of bank managers. Further, several models depicting direct and indirect influence of these factors on SHRM orientation have been proposed and will be checked through structural modeling.

*   Assistant Professor, Commerce department, University of Jammu, Jammu (J&K), e-mail id: jjyotigupta64@gmail.com, phone number- 09469170900
** Assistant Professor, Commerce department, SPMR College of Jammu, Jammu (J&K), email id: roomirani@gmail.com, phone number-09858514770
*** Research Scholar, Commerce department, University of Jammu, Jammu (J&K), e-mail id:tinkagupta5@gmail.com, phone No.: 09796806363

LITERATURE REVIEW

Literature on SHRM can be traced to early 1980s when the experts, such as Ouchi (1981) and Dyer (1992) attached the prefix "strategic" to the term HRM. Finally, SHRM got impetus in the 1990s with emphasis on proactive, integrative and value-driven approaches to human resource management (Schuler, 1992). Strategic HRM comprise planned decisions and actions, which are concerned with the management of human resource at all levels in the business to obtain sustainable competitive advantage (Zehir et al., 2016; Varma and Chavan, 2015) by creating unique HRM systems that cannot be duplicated by others organisations. It has vertical as well as horizontal connections. Vertically stating HR practices are linked to organisational strategy and horizontally these practices themselves must be strategically inter-linked to ensure promotion of same goals (Alharthey, 2018; Beer et al., 2015). It simple terms, SHRM is adjustment/fit between various HRM practices and organisational strategic goals according to their compatibility with firm strategy (Belhaj and Tkiouat, 2017; Wei, 2006). Wright et al. (2001) highlighted two major characteristics of strategic HRM: (1) the linkage between HR practices and business strategies and (2) HRM's positive relationship with firm performance.

By nature, SHRM orientation of managers is matching of characteristics of managers to the strategic plan of the organisation and to identify the gap in-between the managerial characteristics necessary to run the organisation in the long term. Managerial orientation ensures that human resources are employed in a manner favourable to the attainment of organisational goals and mission (Oladipo and Abdulkadir, 2011). It is concerned with the behaviour of individuals to check how they form, perform, change and develop in the organisation as well as the factors, which influence the performance of people within an organisation. Additionally, it is the ability to think conceptually, which offers people management framework to promote improved performance, innovation and competitiveness. Singh (2003, p. 532) concluded that strategic HR orientation as 'the alignment of HR planning, selection, evaluating, compensating, developing, and staffing practices with the business strategies of the firms'.

Becker and Huselid (2006) focused on the key challenges faced by SHRM gave a clearer articulation of the "black box" between HR and firm performance, emphasising the integration of strategy implementation as the central mediating variable in this relationship. Schuler (1992) developed a '5-P model' of SHRM that connected five HR activities (such as philosophies, policies, programs, practices and processes) with strategic business needs, which are helpful for survival, growth, adaptability and profitability.

Most of the recent studies on SHRM has focused on its impact on organisational performance (see Caliskan, 2010; Oladipo and Abdulkadir, 2011; Akhtar et al., 2008; Anderson et al., 2007; Bhatnagar and Sharma, 2005; Azmi, 2011; Rodwell and Teo, 2008; Buller and McEvoy, 2012; Waiganjo et al., 2012; Khatoon et al., 2013; Cania, 2014; Zhong-Xing Su et al., 2018; Alaraqi, 2017; Kalyani and Chong, 2018). Only two studies in Sri Lankan context (Sajeewanie and Opatha, 2007; Dharmasiri, 2009) have concentrated on those factors, which make HR managers orientated towards SHRM within organisation.

OBJECTIVES OF THE STUDY

1) To explore the dimensions of SHRM orientation of the bank managers

2) To evaluate the impact of personal factors like tacit knowledge, conceptual skills, business awareness and HRM competence on SHRM Orientation of bank managers.

3) To recommend key strategies for organisations as well as for the managers to improve the strategic orientation of managers.

THEORETICAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

Tacit knowledge and SHRM orientation

Tacit Knowledge is the knowledge that people have in their minds. It is often acquired by the experience and exposure while participating in strategic decision making process (Nonaka and Takeuchi, 1995). This type of knowledge is personal in nature and cannot be transferred easily. A true leader combines his tacit knowledge related to HR policies and practices with knowledge of the business for formulating long term plans, which turns them strategically HR orientated leaders

(Dharmasiri, 2009; Nonaka and Takeuchi, 1995). Selection of right HR managers is very important in the term of strategic management of the HR function because if the HR professionals (managers) do not have the right knowledge and skills, they won't be able to think strategically and HR function would be transferred to a supportive/ secondary role in the organisation strategy (Khatri, 1999), which highlights the significance of tacit knowledge as predictors of SHRM orientation.

HYP1: Greater the presence of tacit knowledge higher will be the SHRM orientation of the managers.

Conceptual skills and SHRM orientation

Conceptual skills are one of the three basic management skills (i.e., technical, conceptual and human skills). These are visualized as logical skills that help in strategic decision making in complex as well as normal situations (Katz, 1974). Managers with high conceptual skills as compared to human and technical skills are able to develop long term plans/vision for the organisation (Katz, 1974), which helps to analyze a situation and differentiate its cause and effect. Ownership of conceptual skills and their usage for long term decision making result in higher strategic HR orientation of managers (Dharmasiri, 2009). Lack of this skill, prevents managers from aligning HR functions with organisational strategies. Even if HR strategies are designed they don't fit with business strategies well in absence of conceptual skills (Uhlenbruck et al.,2003).

HYP2: Greater the conceptual skills higher will be the SHRM orientation of the managers.

Business awareness and SHRM orientation

Business awareness is basically the understanding of the nature of business one's organisation is engaged in and is must for HR professionals for becoming strategically oriented (Ulrich and Brockbank, 2005). Dharmasiri (2009) found that greater the level of business awareness of the HR Manager, lower will be the competence deficit, resulting in a higher level of strategic orientation of the HR manager. Professional's competence in HR techniques, their contribution and credibility will depend mainly on their business awareness, skills and their ability to play a full part as members of the top team (Armstrong, 2008).

Its fact that HR professionals need to know their organisation's business thoroughly-not only in terms of people, but also in terms of the economic, financial, environmental, and technological forces affecting it. Rather than playing a staff role, they should become internal consultants known for their expertise and ability to help solve the HR problems faced by line managers (Mejia et al., 2003).

HYP3: Greater the business awareness better will be the SHRM orientation of the managers.

HRM Competence and SHRM orientation

For effective performance, HR professionals have to be master in the necessary competencies, which are enabled through knowledge of concepts, language, logic, research, and practices of HR (Brockbank et al., 1999; Klink and Boon, 2002). In simple terms, competence of an individual is defined by cluster of knowledge, skills, motives abilities, self-image or personality characteristics that directly influence one's performance in the job (Becker et al., 2001). In terms of HR manager, it refers to level of knowledge and skills in HRM, ability to add value to the business and to manage change in an organisation environment (Venegas et al., 2017; Sajeewanie and Opatha, 2007). Besides market orientation and HR importance, the competencelevel of the HR managers also has significant influence on the adoption of SHRM in an organisation. Further, HRM competence helps to develop and implement HRM system that is internally consistent and strategically compatible in order to achieve the firm's strategic goals. By the alignment of HR competence with strategic decision making process,the impact of human resource strategy would not be limited and short term. Further, Khatri (1999) added that competence level of HR managers is one of the four most important factors which are necessary for managing HRM strategically in an organisation. Hence if managers are more HRM competent better will be their strategic HR orientation (Wei and Lau, 2005; Sajeewanie and Opatha, 2007).The complexity of HR managers' roles, and expectations of their competencies, increases with an increasing level of internationalization of companies with the key competence to be strategic thinking (Kohont & Brewster 2014).

HYP: 4 Higher the HRM competence level better is the SHRM Orientation of the managers.

PROPOSED MODEL

The proposed model is consistent with literature review as well as previous findings, which revealed that HRM competence, conceptual skills, business awareness, and tacit knowledge have direct and significant effect on SHRM orientation of the managers (Sajeewanie and Opatha, 2007; Dharmasiri, 2009; Khatri, 1999; Ulrich and Brockbank, 2005; Wei and Lau, 2005).
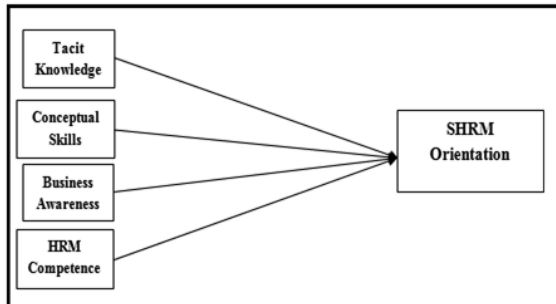
Model 1: Proposed Model

ALTERNATE MODEL

Model 2 is an alternative model of proposed model (Model 1). This model is designed from the existing literature on tacit knowledge, which revealed that awareness, and conceptual skills help to enhances tacit knowledge of an individual (Grotenhuis and Weggeman, 2002). HRM competence is based on knowledge of the concepts, language, logic, research, and practices of HR (Brockbank et al., 1999). Hence, business knowledge/awareness, and conceptual skills have significant affect on HRM competence as well as on tacit knowledge. Therefore, this model (Model 2) will examine the impact of business awareness, and conceptual skills on HRM competence and tacit knowledge, which in turn affect SHRM orientation. Further, in this model we shall be exploring the indirect effect of awareness, and conceptual skills on SHRM orientation through HRM competence and tacit knowledge.
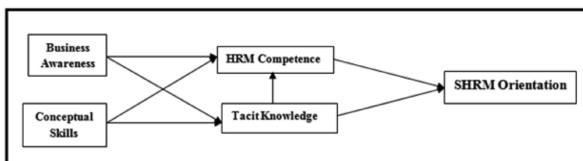
Model 2: Alternate Model

NESTED MODEL

Model 3 is a combination of above two models (Model 1 and Model 2), which shows that personal factors have direct as well as indirect impact on SHRM orientation.
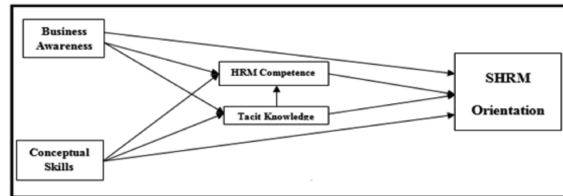
Model 3: Nested Model

RESEARCH METHODOLOGY

Measures

SHRM orientation: 29 items scale ofSHRM orientation was designed on basis of after reviewing the previous research papers viz.,Dharmasiri (2009); Singh (2003). High Cronbach alpha value (0.878) indicated the internal consistency there by revealing the reliability of the scale.

Tacit Knowledge: Tacit knowledgeof managers was measured with the help of nine-item scale developed by Dharmasiri (2009); Wager and Sternberg (1985). The alpha value of this scale was 0.832.

Conceptual Skills: The nine items for*Conceptual Skills*were taken from Dharmasiri (2009). The high alpha value of scale (0.819) indicated the reliability of the scale.

Business Awareness: It was measured with the help ofsix-item scale developed from Dharmasiri (2009); Nonaka and Takeuchi (1995). The Cronbach alpha of this scale was 0.888.

HRM Competence: HRM competence scalewas measured with the help of ten item scale adopted by Wei and Lau (2005). The alpha value of this scale was .860.

Control Variables: Designation of the manager, qualification, bank experience, corporate experience and age were taken as control variables for the study

Data collection and sample

This study is evaluative in nature, where the impact of personal variables on SHRM orientation has

been evaluated. A questionnaire method was adopted to collect the data. Data were gathered from both HR managers and branch managers working in Indian banks. The sample was collected two timesfor this study. First sample of 150 was used for scale purification and the second sample (N=259) was used for scale validation as well as for testing various models. This research used a web-base survey for data collection.The reframed (final) questionnaire was sent to the respective HR and branch managers by e-mail (N=259) and the time limit of two weeks was given to them. Periodically we gave them reminders through e-mail. After the completion of time limit, we received 201 valid and complete questionnaires out of which 176 were branch managers and 25 were HR managers.

The majority of the respondents were between 40-45 years old (39.3%), 79% were male.Further, most of respondents had Bachelor's Degrees (45%). Findings showed that maximum respondents had corporate experienceup to five years (48.2%).

Scale Purification- Exploratory Factor Analysis

Factor analysis onabove mentioned five scales was done in order to verify and simplify the factor structure with Principal Component Analysis along with orthogonal rotation procedure of Varimax. It was found that all items were loaded on respective factors with high factor loading (>.7). The 29 items of SHRM orientation scale were reduced to 21 after EFA, under four factors namely- compatibility with the organisational goals (F1), formulation of HR strategies (F2), implementation of HR strategies (F3) and evaluation of HR strategies and corrective actions (F4). Purification of rest of the four scalesgenerated one factor solution for each and all the values (viz., factor loading. KMO, Eigen value, and Variance explained) are in acceptable limits.

Common Method Variance: Since, this study collected the data for both independent and dependent variables from a single source, which can create the problem of common method bias (Podsakoff et al., 2003). In this context, we used Harman's single factor test. The result indicated that no one construct is responsible for majority of variance explained. So, no substantial threat of common method bias exists in the data.

RESULTS

Measurement Validation

Anderson and Gerbing (1988) suggested two phases procedure for testing the theoretical model1) the measurement model and 2) the structural model.

CFA was conducted to assess the composite reliability, convergent validity and discriminant validity of the scales, The fit results revealed that goodness of fit of the five factor model was better than the one factor model (χ^2/df= 2.713, RMSEA=0.857, NFI=.897 and CFI= 0.930), thereby establishing the discriminant validity (Arnold et al., 2007). Further, the average variance explained of all the scales is higher than the squared correlation amongst them (Table 1), which cemented earlier results of the discriminant validity of the scales.

Further, all the factor loadings of indicators on their latent constructs are significant (p<0.01) ranging from 0.51 to 0.85. Beside this, Average Variance Extracted (AVE) and Bentler-Bonnet Delta Coefficient were also more than their threshold limit (>0.50), which gave strong support for convergent validity of the scales.

The reliability of each construct was checked through internal consistency by the application of Cronbach's alpha (Cronbach, 1951) as well as by the composite reliability with the help of variance extracted. Result indicated that all the scales have alpha values greater than 0.70. The composite reliability of each construct is more than 0.90 for all the scales used in the study (Table 1), proving reliability of the scales used in the study.

Table 1: Reliabilityand Validity Analysis

Scales	α Value	CR	Bentler-bonnet-Δ Coefficient	AVE
SHRM Orientation	0.87	0.966	0.959	0.865
HRM Competence	0.86	0.974	0.981	0.843
Tacit Knowledge	0.83	0.987	0.979	0.832
Conceptual skills	0.81	0.995	0.995	0.830
Business awareness	0.88	0.992	0.997	0.789

Note: CR_ composite reliability; AVE_ average variance extracted

Assessing the Factors Affecting SHRM Orientation: A Structural Analysis

Second phase of structural model as recommended by Anderson and Gerbing (1988) i.e., Structural equation modeling (SEM) was used

to assess the goodness of fit of different models. Control variables were also included in the model and only age and corporate experience were significantly related to SHRM orientation. Further their addition or deletion did not change any relationship in the model, so these were not considered for the final models (Arnold et al. 2007).

The first model (Proposed model) tested direct impact of personal on SHRM orientation of the managers (chi square=5.289, GFI= 0.660, AGFI=0.509, NFI=0.350, CFI=0.380 and RMSEA=0.233). In this model, four paths were traced towards SHRM orientation based on the hypotheses designed by authors. The results revealed that tacit knowledge (β= 0.39, p<0.01) and HRM competence (β=0.58, p<0.001) have significant impact on strategic orientation of HR. Thus, Hypotheses 1 and 4 stands accepted.
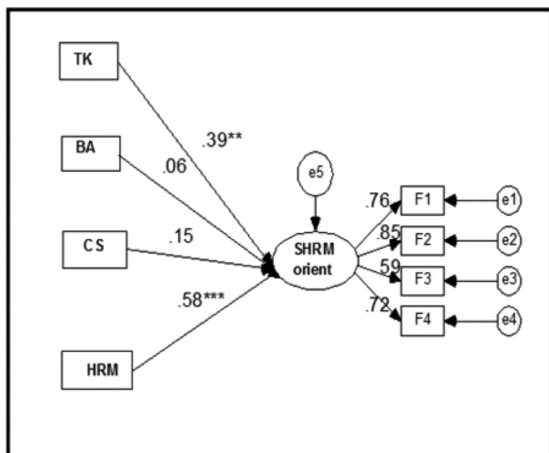
Model 1: Proposed Model

In Model 2, six paths were traced and fit indices signify that Model 2 hasbetter fit indices as compared to firstmodel (chi square/df =1.974, GFI= 0.907, AGFI=0.870, NFI=0.809, CFI=0.903, and RMSEA=0.080). The path analysis indicated that manager's business awareness significantly enhances their tacit knowledge (β=0.73, p<0.001) as well as their competence (β=0.22, p<0.05). Further, conceptual skills of managers also have significant impact on tacit knowledge (β=0.56, p<0.001) and HRM competence (β=0.84, p<0.001) of the managers. Further, tacit knowledge (β=0.55, p<0.001) and HRM competence (β=0.89, p<0.001) are significantly influencing SHRM orientation of the managers. Tacit knowledge and HRM competence directing affect SHRM orientation. Further, Sobal Statistics

Test revealed significant indirect effect of business awareness on SHRM orientation through HRM competence (Sobal Test= 2.099, p<0.05) as well asthrough tacit knowledge (Sobal Test= 4.22, p<0.001). Further, conceptual skills are also indirectly affecting SHRM orientation through HRM competence (Sobal Test= 6.11, p<0.001) as well as through tacit knowledge (Sobal Test= 5.47, p<0.001).
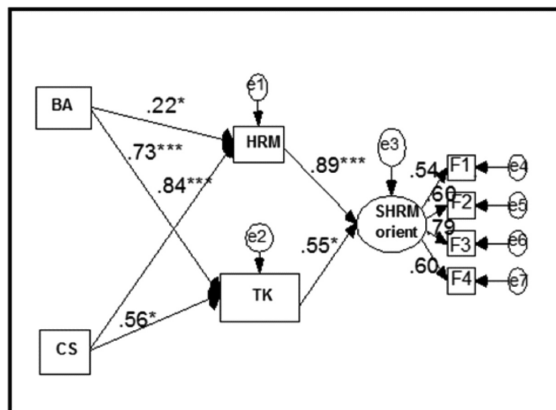
Model 2: Alternate Model

Model 3 traced the impact of all variables directly on SHRM orientation as well as indirectly through tacit knowledge and HRM competence. It includes all the relationships of Model 1 and 2. Eight paths were traced and the fit indices were average (chi square/df= 2.148, GFI= 0.874, AGFI=0.741, NFI=0.814, CFI=0.883, and RMSEA=0.121). This model gave the support two direct effects i.e. Tacit knowledge->SHRM orientation and HRM competence->SHRM orientation and four indirect effects viz., Business awareness->HRM competence->SHRM orientation, Business awareness->Tacit knowledge->SHRM orientation, Conceptual skills->HRM competence->SHRM orientation, and conceptual skills->Tacit knowledge->SHRM orientation. Nested model revealed insignificant direct impact of business awareness, and conceptual skillson SHRM orientation. The direct impact of tacit knowledge and HRM competence was significant. Further, the model fit was also poor as compared to 2nd model. As, model fitness of 2nd model as compare to other two models indicted their acceptance. Beside this,

Differences between the models were also assessed through both the chi-square difference test and the change in the CFI values (Arnold et al., 2007).The Δ Chi-Square test suggest the

superiority of 2nd model as compared to 1st model ($\Delta\chi^2$= 56.69, p<0.001, ΔCFI=0.2) and 3rd model ($\Delta\chi^2$= 5.25, p<0.05, ΔCFI= 0.1).
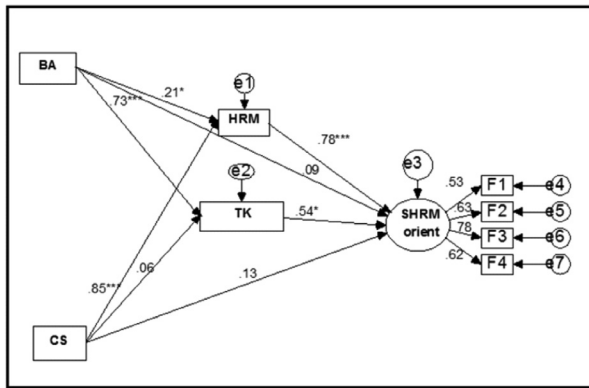
Model 3: Nested Model

*Key: SHRM orient_ Strategic Human resource management Orientation; F1, F2, F3 and F4_ manifest variables of SHRM orientation; HRM_ human resource management competency; TK_ tacit knowledge; CS_ conceptual skills; BA_ business awareness, and e1—e7 are the error terms, *p<0.05, *p<0.01, ***p<0.001*

DISCUSSION

In present business scenario, the human resources are becoming strategic partner by helping a company achieve its goals. Therefore, the managers need to be more strategic orientated towards HR functions in general in the banking sector particular as all services are provided by front line employees to bank customers. The present study concludes that bank managers are strategically oriented mainly towards human resources, who recommended that integration of HR and strategy, will be greater when managers sighted employees as strategic resources. Further, employees will be highly valuable towards the HR function when their HR executives/managers are highly involved in strategic decision making (Wright et al., 1998, p. 24). Further, Indian bank managers are highly compatible with their organisational goals. They actively involve themselves in the development of the long term organisation goals, so they are able to connect HR strategies with business strategies. They are highly oriented towards the formulation of HR strategies and long term challenges that can be faced by the organisation. Motivated managers contribute strategically as a member of HR team and formulate HR strategies to avail opportunities in the market (Dharmasri, 2009). Organisational goals are properly communicated to branch managers as well as to employees for achieving the organisation goals. Good communication system facilitates transfer of information to all regularly, so that corrective actions can be taken on the basis of feedback. In this study, high orientation was seen towards implementation of HR strategies. Cordial environment in an organisation facilitates the successful implementation of HR strategies. Managers viewed evaluation of HR strategies as an important aspect of SHRM Orientation, which is done by comparing actual and expected performance of employees and appreciating the best performers or talented employees (Jyoti and Rani, 2014). Managers perform HR functions competently (Weiand Lau,2005) because they view employees as valuable/intellectual assets of an organisation, which gives sustainable competitive advantage in the business market (Jyoti and Rani, 2014).

Previous studies revealed that strategic management is a planned pattern of human resource arrangement and the activities that enable an organisation to achieve its goals/ objectives and findings of the study also reveal that managers use their inbuilt knowledge (tacit knowledge) or practical ideas for managing their employees. Manager's tacit knowledge can help to generate ideas for solving different issues pertaining to rising cost of employees' identification, training and retention, which is in line with earlier research (Dharmasri,2009). Managers use tacit knowledge for decision making regarding themselves, objectives/tasks, people and business strategies, which in turn increase their SHRM orientation (Lane and Lubatkin, 1998) as compared to articulate or explicit knowledge.

HRM competence also significantly influences SHRM orientation, which is in line with Wei and Lau (2005). It is world-wide accepted fact in business sector that best employees are assets of an organisation, which give sustainable competitive advantage, so managers sharpen their HRM ability/competence to strategically align HR goals with organisation goals, which provides a strategic base for personnel or human resource planning. Dynamic nature of business world has made 'HRM competence' vital for professionals especially for HR professionals, which transform them into strategically HRM orientated professionals/managers. Further, the results reveal that both business awareness and conceptual skills have direct and significant impact

on tacit knowledge of the managers. As in support, authors revealed that an individual's willingness to use tacit knowledge is mostly based on managers accurate and validate knowledge or understanding regarding business circumstances (Szulanski, 1996). It means that by enhancing understanding regarding business environment and updating themselves, managers are able to add more knowledge into their existing knowledge, which is personal in nature. Nonaka and Takeuchi (1995) also added that every knowledge (tacit or explicit) base is developed through an equally reminding process between established and newly created concepts. Managers' share their conceptual skills for improving the performance of the employees who deal directly with customers.

Beside tacit knowledge, results also revealed that business awareness and conceptual skills have significant impact on HRM competence of the managers because business knowledge, skills, mindsets and ways of thinking then enhances their competence according to structures and needs of the organisations. Conceptual skills are the mental ability by which managers are able to see the organisation as a whole, co-ordinate, integrate all the interest and activities thereof (Kroon, 1991, p. 17), which boost their HRM competence level.

This study contributes to existing literature that business awareness, and conceptual skills have indirect but significant affect on SHRM orientation through HRM competence and tacit knowledge. The reason is that all managers have mix of technical, human relations, and conceptual skills, which enhances their level of competences and knowledge (tacit or explicit) within organisation, which in turns helps to manage corporate culture, socialization coupled with business strategies, which enhances SHRM orientation of the managers.

PRACTICAL IMPLICATIONS

In this research, we added to the already existing literature on SHRM by conducting EFA and CFA. Further, we empirically tested the relationship among strategic human resource management orientation, HRM Competence, tacit knowledge, business awareness, and conceptual skills in the banking sector, which can further be used.Three models were framed to check the hypothesised relationships. The model comparison revealed that tacit knowledge and HRM competence directly affect SHRM orientation and business awareness,

and conceptual skills indirectly affect SHRM orientation thereby challenging earlier research about the direct influence of business awareness, and conceptual skills on SHRM orientation.

MANAGERIAL IMPLICATIONS

This study drives noteworthy implications for bank managers, which can help to formulate them in strategic orientated mindset towards their human resources.Firstly, both HR managers as well as branch managers of banking sector have to bepart of the strategic planning team at the time of strategic decision making process beside other senior managers, give opportunities to align HR goals, strategies, values and practices with organisational objectives for creating new/modern organisation's future. Further, to increase managers' participation in strategic decision-making process, there should be routine execution and administration of HR practices that are delegated to line or front managers because they have direct and frequent contact with employees as discussed in findings. Senior HR managers have to provide training, resources, incentive and proper communication channel to their front line managers and also become strategic partner with them to ensure that HR practices are carried out according to HRM policy.

The findings of this study also suggest that HR managers also need to provide more information to other managers, enhance their workforce flexibility and drive innovation culture in order to become more strategic. Though banking sector provides many facilities for the top managers but it is the branch managers who have to handle employees directly, so they should also be sent to attend HR workshops to increase their knowledge about HR concepts and human behaviour. Internally management should also conduct seminars or workshops on regular basis to familiarize managers with the basic objectives of SHRM. HRM competence level also helps to enhance the strategic thinking of managers so the top management have to involve them not only in decision making process but also in strategy formulation process so, that they will be able to design proper staffing plans and can take relevant decisions related to HR functions. Competencies can be further developed through workshops and MDP'S (Managers Development Programmes) so, that they can easily assess the financial needs of the organisation and understand their

competitor's policies. Additionally, Talent management is a new dimension of SHRM (Jyoti and Rani, 2014), whichis result of having talented mindset at all levels. If bank managers have talent mindset maketalent management a top priority for themselves and for their leadership teams, it will help to strengthen their strategic HR orientation.

LIMITATIONS OF THE STUDY AND FUTURE RESEARCH DIRECTION

This study contributes to the existing literature on SHRM orientation. Further, it has been conducted with all possible precautionsto maintain objectivity, reliability and validity, yet this study has some number of limitations. First,this study have single source of respondents i.e. managers of banking sector, which might have been guided by their likes and dislikes. Secondly, this study excluded organisational factors viz., leader's recognition of HR, performance orientation andorganisational environment. Thirdly, this study is cross-sectional in nature, which can affect the extent of causality of relationship, so to verify the causality of relationship longitudinal study should be conducted

Structural equation modeling indicated that corporate experience and age of respondents had significant impact on SHRM orientation of bank managers. Hence, in future researcher should tested demographic variables as mediating or moderating variable in between the personal variables and SHRM orientation. Further, future research can be focused on integrated model comprising antecedents' viz., personal, demographic as well as organisational factors and consequences e.g. organisational performance, employees' attitudes etc., of strategic human resource management (SHRM) orientation.

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Corporate Performance After M&A: A Case of Indian Pharmaceutical Listed Companies

Dr. Anjala Kalsie*
Dr. Shikha Mittal Shrivastav**
Dr. Anil Kumar Goyal***

ABSTRACT

Mergers and Acquisitions form a significant part of business strategy for Indian Corporate. In this paper, we examined the effect of M& A on the operating as well financial performance of Pharmaceutical firms in India. The paper analyzed the performance of 5 pharmaceutical companies listed in NSE Nifty 50 Index whose mergers or acquisitions took place during 2010-2013. The data from 2007-2016 has been used in the study to ensure a minimum period of 3 years before and after any Merger or Acquisition. It was found that the Mergers put a very high pressure on the Asset Turnover and Profit Margin; however, inventory turnover, payables turnover and receivables turnover have improved post merger. The results of Pooled and Panel Fixed Effect Regression Analysis proved that mergers do not result into purely positive performance of the firms.

Key words: Mergers & Acquisitions, Synergy, Corporate Performance, Panel Data, Pharmaceuticals.

1. INTRODUCTION

M&A stands for Mergers and Acquisitions which is a broad category term referring to the consolidation of companies. There are various types of arrangements which come under this umbrella like Merger, Reverse Merger, Acquisition, Consolidation, Tender Offer, Acquisition of Assets, Management Acquisition to name a few.

Two companies combine so as to form an entity which is greater than the simple sum of the two. The extra value that is created by their combination is known as synergy. Synergy is created because of the new opportunities that are available to the new entity and weren't available to the independent firms.

Synergies can be broadly categorised into two groups namely Operating Synergies and Financial Synergies. Operating synergies affect operations of the combined entity and include higher growth potential, economies of scale among others. These generally show up as an increase in expected cash flows. Financial Synergies are more focussed and include higher debt capacity and tax benefits among others. These show up as in increase in expected cash flow or even as a lower discount rate.

Financial synergies are further divided into four types –

i. **Combination of a firm with cash slack and a firm with high return projects** – The increase in value is due to the projects which can be undertaken with the excess cash available with the acquiring firm that otherwise would not have been possible.

ii. **Increased Debt capacity** – A consolidation can lead to an increase in debt capacity as the combined earnings and cash flows from the two companies may become more stable and predictable, hence, allowing them to borrow more than they could have done as individual firms, thereby creating a tax benefit for the combined entity.

iii. **Tax Benefits**– Tax benefits can crop up when the target firm is making losses which can be used by the acquiring firm to shield its profits from taxes. Thus, a profitable firm can acquire a loss making firm to reduce its tax burden. A firm can also write up the target company's assets and reduce their tax liability via depreciation.

iv. **Diversification** – It is a viable source of

* Principal Author, Assistant Professor, Faculty of Management Studies, University of Delhi, Delhi 110007, Email Id: kalsieanjala@gmail.com
** Corresponding Author, Assistant Professor, IILM Graduate School of Management, Greater Noida 201306, Email Id: shikhamit20@gmail.com
*** Joint Author, Professor, Rukmini Devi Institute of Advanced Studies, Rohini, Delhi-110085

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financial synergy in private businesses but not in public businesses as investors can diversify at a far lower cost by themselves.

2. MERGERS & ACQUISITIONS IN THE INDIAN PHARMACEUTICAL INDUSTRY

The Indian Pharmaceutical sector is characterized as one of the most productive and organized sector operating in India. The pharmaceutical market is basically defined by the following parameters:

- Market Structure - Oligopolistic
- Patent regulations
- R & D expenditure

The sector mainly witnesses competition between the top tier firms. The main result because of this is the high prices of medicines in the market. The top tier firms acquire the smaller firms in order to gain in terms of greater assets and better R & D capabilities. Sometimes when a smaller firm is able to produce an intellectual property of high value for medical sciences, the bigger firms usually resort to acquiring the smaller firm to gain advantage by commanding its right over the new discovery. R & D has pivotal role in the industry and also remains one of the major reasons for strategic decisions regarding mergers, acquisitions and alliances in this industry.

The pharmaceutical industry in the Indian market has seen a phenomenal growth over the past 10 years. The pharmaceutical industry has had a CAGR of greater than 23 percent over the previous decade which has touted the industry to reach a market size of up to $ 55 billion by the year 2020. This growth rate however has embedded in it the effect of foreign companies operating in India and bagging high revenues too.

The domestic pharmaceutical sector in India witnessed a growth of about 13% in the year 2016 compared to 11% in the year 2015 and 9% in the year 2014. The market size stood at greater than INR 90,000 crore (US$ 15 billion) ending FY15. According to major estimations, about 27-30% of India's pharmaceutical market is served by large multinationals operating in India. Around half a million people are estimated to be working in this industry.

During 2014, an aggregated value of greater than $400 billion was recorded in the merger & acquisition activities of about 650 Indian firms. Domestic deal activities formed more than 55% of the total deals in 2013-14. Foreign involvement formed about 75% of the share and contributed to $17.8 billion making a lead in terms of value compared to the domestic market. There is expectation of the growth rate to increase as we will see multiple mergers and acquisitions happening in the market with many Indian firms as potential targets in the deals.

In the Indian market majority of the Mergers & Acquisitions deals are due to the acquisition deals such as the deal where in Sun Pharma acquired Ranbaxy. The Government of India has also taken a lot of initiatives which has prompted an increase in the investment activities related to the pharmaceutical sector. This trend has been particularly evident in the country after the move of liberalization of the economy by the Indian Government in 1991 and the subsequent policy changes. These events and initiatives have resulted in multiple mergers and acquisitions for pharmaceutical and biotech firms which led them to turn into larger organisations becoming efficient in their production processes, R&D capabilities and helping them to introduce new drugs in the market.

Evidently, it is safe to state that M&A plays an important role in the boosting of the economy by improving export behaviour, technology growth and efficiency. Hence in this study we have tried to understand the effects of mergers and acquisitions on certain financial and operating parameters as well as tried to map how the returns of a firm are dependent on certain parameters pre and post-merger.

3. LITERATURE REVIEW

Kumar and Bansal (2008) analyzed the financial data of 74 cases of M & A deals in the year 2003 for the period of 6 years, 3 years pre-merger and 3 years post-merger in order to find out the impact of M & A on the financial performance of acquiring firms in India. The financial performance was checked on five parameters i.e. Liquidity position; return to equity shareholders; operating efficiency; financing composition and overall efficiency. It was found that the financial performance has increased in more than 60% cases but the study suggested that the management cannot take it for granted

that there will be increase in profits and synergy will be generated merely by going for M & A deals, the success of M & A deals depends on other things also like estimation of the future, accurate valuation of target firm etc.

Azhagaigh and Sathishkumar (2014) examined a sample of 39 acquiring manufacturing firms in India during 2006-2007 with the objective of analyzing the shift in the operating performance after the merger and acquisition activity. The analysis was performed using Factor analysis, correlation analysis, multiple regression, and chow test to measure ROE, measure of operating performance, in the pre-merger period of 5 years from 2002-2006 and post merger period of 5 years from 2008-2012. The results revealed that the operating performance of these firms has increased significantly over the study period.

Hitt et al. (2009) in their study explored the reasons of failures in acquisitions and suggested the ways through which the probability of success of acquisition will increase. They suggested that the firms must make careful selection of the target firms and try not to pay a high premium. Mergers and Acquisitions can be effective only if the strategy behind M & A deal is carefully designed and implemented.

Narayan and Thenmozhi (2014) examined 151 transactions between 1999-2007, involving cross border acquisitions where either the acquirer or the target firms belongs to developing or emerging countries to investigate whether the cross border acquisitions create value and impact performance. It was found that the developed market firms which acquired the developing market firms showed a fifty percent chance of value creation; on the other hand, statistical significant erosion in value was found when the emerging market firm acquired the developed market firm.

Ahmed and Ahmed (2014) based their study on analyzing the objective behind M & A. They analyzed the financial performance of the acquiring firms for a sample of 12 manufacturing companies involved in the merger process during 200-2009 in Pakistan. The results of the Paired Sample T Test applied on the accounting ratios of the firms revealed that the Liduidity, Profitability and Capital position insignificantly improved post merger. On the other hand, the efficiency of the firms deteriorated in the post merger period.

In a similar line, Gupta and Banerjee (2017) analyzed the impact of M & A on the corporate financial performance of selected acquirer firms in India. Financial performance of the firms was measured for a period of six years covering three years pre and three years post merger. The sample for the study consisted of the seven different merger deals in different industries in 2000-2012 period. In order to assess the Profitability and Liquidity positions of the firms, various financial ratios had been used. The results found that the post merger financial performance of the acquired firms measured in terms of profitability and liquidity deteriorated against improvement.

Kamra and Gupta (2016) examined the pre and post acquisition financial performance of the two significant acquisitions in the pharmaceutical sector considering the acquisition of Ranbaxy Laboratories Limited by Daiichi Sankyo Company, Limited and Piramal Healthcare Limited by Abbott Laboratories on the acquiring firms. The results drawn for the analysis of the performance ratios (Operating profit, Gross Profit, Net Profit, Debt to Equity, EPS, Dividend Payout and ROE) concluded that the effect on operating performance of both the acquiring firms, post acquisition was not significant from statistical point of view.

Mishra and Chandra (2010) analyzed the impact of M & A on financial performance of Pharmaceuticals Companies in India. They found that the profitability of a firm is directly dependent on its size, selling efforts and exports and imports intensities but inversely on their market share and demand for the products. The results also concluded that M & A do not have any significant impact on profitability of the firms in the long run possibly due to the resultant X-inefficiency and entry of new firms into the market.

Srinivasa et al. (2013) in their paper analyzed the pre and post merger performance of the four deals that happened in India during 2000-2005 based on the fact that the acquiring firm must have traded before and after the acquisition in their stock exchange. The study applied the earnings management approach to compute average abnormal returns (AAR) around the merger announcement. Further, accounting ratios were considered in the study to assess the long-run financial performance. It was found that the select

Indian M&A cases show superior performance during the post-merger period for both manufacturing and services sectors, and observe a balance sheet improvement in the long-run.

Duggal (2015) in her study analyzed that the post merger performance of acquiring pharmaceutical firms in India form the period 2000-2006. The results of the paired T-sample test for 14 M & A cases concluded that the positive impact of merger on the operating and financial performance of the firms remains only in short run. The post merger performance did not sustain in the long run.

Mantravadi and Reddy (2008) found that the impact of M & A varied significantly in different studies, based on their study of 118 merger cases during 1999-2003. They found that altogether post merger there is minor variation in the operating performance of the firms but significant positive impact of the merger was found in Banking, Pharmaceutical, Textile and Electric Equipment industries. The performance of Chemical and Agri-Products industries declined in the post merger period.

4. OBJECTIVE AND METHODOLOGY

The study is done to understand the effects of mergers and acquisitions on certain financial and operating parameters as well as tried to map how the returns of a firm are dependent on certain parameters pre and post-merger in the Indian pharmaceutical sector.

4.1 Methodology

First of the all the operating performance changes pre and post merger has been analyzed in the study. The operating characteristics chosen for this exercise are: Asset Turnover, Net Profit Margin, Inventory Turnover, EPS, Payables Turnover and Receivables Turnover

Table 1: Operating Parameters	
Variables	**Definition**
Asset Turnover	Sales divided by the market value of assets at the beginning of the year
Net Profit Margin	Net Profit divided by the sales
Inventory Turnover	COGS divided by the inventory
EPS	Earnings Per Share
Payables Turnover	COGS divided by the Accounts Payable
Receivables Turnover	Sales divided by the Accounts Receivable

The comparison tool used here is Median. This ensures that we are able to eliminate the effects of outlier data and also gives a fair measure of the central tendency of the data set. The comparison of the pre-merger and post-merger medians for the variables will give us an idea about the existence of performance enhancement of the company in terms of these variables.

Variables

● Operating cash-flow returns is taken as the pre-tax operating cash flow returns on assets. We scale the cash flows (Sales/Revenue, minus cost of goods sold (COGS) and non-operating expenses, plus depreciation, amortization and goodwill) by the assets employed to create a measure for return that can be compared across time and across firms. This metric is unaffected by the method of accounting and that of financing of the merger

● EV/Net Operating Revenue is taken as this gives us an idea of the increase in the enterprise value of the firm (capital gains to shareholders) relative to the net operating revenue of the firm

● Net profit margin is taken as it is a pure profitability metric and helps identify the result of an M&A deal on the profitability of a company

● COGS basically gives us an idea about the size of operations of the firm as it works as a proxy for the raw materials consumed by the firm which basically gives us an idea about the market share of the firm

● EPS or earnings per share gives us an idea about the short term gains for the shareholders

● Payables turnover and Receivables Turnover serves as the proxy for the cash cycle efficiency of the firm and also hints at the position of the firm in the market.

With all the above variables as independent variables except cash flow returns which are dependent on the independent variables, panel data analysis is carried out using the following regression equation.

Sample and Data

The Sample consisted of the list of five companies from the Nifty 50 Index in the pharmaceutical sector. An attempt has been made towards

establishing an empirical relationship between the accounting variables of the firm and cash flow returns of the company. This takes into account the financial parameters affecting the firm's financial efficiencies. The sample M&A(s) took place in the years between 2010 and 2013 was taken. The data used in the paper is from 2007 to 2016 and also ensure a minimum period of 3 years before and after any merger or acquisition.Thus the sample includes a total of 50 observations for 5 companies each company providing 10 data points.

Table 2: Company Names & Acquisition Year

Company Name	Target company	Acquisition year
Biocon	IDL Speciality Chemicals	2010
Piramal Healthcare	BioSyntechInc	2012
Torrent Pharmaceuticals	Elder Pharma	2012
Cipla	Quality Chemical Industries	2013
Sun Pharmaceuticals Industries	DUSA	2013

The financial information is obtained using **Bloomberg data** portal from online resources.

Econometric Modelling

The study employed a total of 50 observations for 5 companies each company providing 10 data points. All companies are listed on the National Stock Exchange (NSE) of India. Correlation Analysis to measure the linear dependence between the variables has been employed. Also, the correlation coefficient among the individual variables is calculated to see if any further removal of collinearity is required. This collinearity among variables is called multicollinearity and necessarily needed to be removed for fair results. The correlation coefficient value less than 0.8 signifies that there is no multicollinearity among the variables.

Panel data is especially conducive to raise the sample size with a large degree of freedom. This panel essentially uses a balanced data to analyze the firm's behaviour over a period of time.

The performance has been analysed using the following approach: Analysis of the financial parameters and establishment of a relation between the parameters and the operating cash flow returns of the firm over time. The second approach includes the market sentiments of the firm post acquisition and analysing the firm's performance based on the variation in the stock price of the firm. A panel data analysis is carried out on the five companies to determine the impact of the financial parameters. The panel data includes a total of 50 rows consisting of five companies each having a period of 10 years. The panel includes a total of 9 independent variables with the operating cash flow returns of the firm as the only dependent variable.

The analysis of Data is performed using Pooled OLS and Panel Data Regression. Panel Data Regression can be performed using two different models viz: Fixed Effect Model and Random Effect Model. In order to find the goodness of fit between the two models of panel data regression, Hausman test is performed.

The regression equation is:

$$OCF_{it} = \alpha + \lambda_1\ EVNOP_{it} + \lambda_2\ NPM_{it} + \lambda_3\ COGS_{it} + \lambda_4\ EPS_{it} + \lambda_5 PTn_{it} + \lambda_6 RTn_{it} + \lambda_7 Gr_{it} + \lambda_8 AvgI_{it} + \lambda_9\ Merger_{it} + \varepsilon_{it}$$

Where

OCF is the operating cash flow return on assets obtained by each firm.

EVNOP is the variable which categorizes the enterprise value relative to the net operating profit of the firm.

NPM is the net profit margin of the firm over the period of time

COGS accounts for the cost of goods sold

EPS is the earnings per share for the firm

AvgI is the average inventory

PTn is the payables turnover for the firm

RTn is the receivables turnover for the firm

Merger is the dummy variable that takes the value of 0 for the time period before the acquisition and value of 1 after the acquisition.

Gr is the growth of firm categorized as the growth of assets.

5. ANALYSIS AND INTERPRETATION

5.1 Operating Performance Changes

The firm medians of the different variables pre and post-merger and their percentage change is shown in Table-3.The median data were found using the data from 3 years prior and 3 years after

the merger.

On a short term basis mergers put a very high pressure on the Asset Turnover and Profit Margin which is evident from the lowering of the metrics in post-merger years.

However operating performance improvement is clearly visible from the fact that inventory turnover, payables turnover and receivables turnover have improved.

Table 3: Pre-merger & Post-merger Performance Changes

Firm Medians				
Variable	Pre-merger	Post-merger	Percentage Change	Number of obser-vations
Asset Turnover	68.21	54.74	-19.75	30
Net Profit Margin	16.25	16.13	-0.74	30
Inventory Turnover	1.10	1.43	30.03	30
EPS	23.00	29.33	27.54	30
Payables Turnover	2.70	1.89	-29.79	30
Receivables Turnover	4.41	4.88	10.62	30

5.2 Panel data Analysis

We first performed a pooled OLS (Ordinary Least Squares) regression for all the observations together. This method ignores the distinction between the firms and time period and runs the regression wholly as a one dimensional data. The regression is carried out on STATA analysis software.

Table 4: Pooled OLS Regression data

OCF	Coef.	Std. Err	T	P>|t|	[95%	Conf. Interval]
Merger	-0.011	0.181	-0.060	0.953	-0.377	0.356
Gr	-0.190	0.241	-0.790	0.435	-0.676	0.297
EVNOP	0.307	0.052	5.880	0.000	0.201	0.412
NPM	-0.005	0.003	-1.930	0.060	-0.010	0.000
COGS	-0.001	0.000	-2.700	0.010	-0.001	0.000
Avgl	0.001	0.000	2.180	0.035	0.000	0.001
EPS	0.005	0.003	1.530	0.135	-0.002	0.012
PTn	0.129	0.088	1.460	0.152	-0.050	0.307
RTn	0.281	0.065	4.330	0.000	0.150	0.412
_cons	-1.445	0.471	-3.070	0.004	-2.397	-0.494
R-squared 0.9947						

Since the panel data contains various firms along with time-varying data, we need to carry out a fixed effect or random effect regression. To determine which one of the two tests needed to be performed, we need to carry out a Hausman test which is mentioned below.

Hausman test is used to choose between the

Fixed Effect Panel Data Model and Random effect Panel Data Model. The null hypothesis of the Hausman Test is that theDifference in Coefficients is not systematic. From the results of the Hausman Test presented in Table 5, it was found that the null hypothesis is true i.e. the difference in coefficients is observed to be non-systematic. So, the Hausman test suggests that Fixed Effects model should be taken for the regression.Hence, we will proceed further with fixed effects regression.

Table 5: Hausman Test Results

Dependent Variable	Chi Square	p-value
OCF	75.15	0

Fixed effect Regression

The results of the Fixed Effect Regression analysis are depicted in Table-6.

F-test for validity of fixed effect regression:F-statistic: 11.72 and Probability > F = 0.0. This proves the validity of the regression. The regression using the model is statistically correct.

Table 6: Fixed Effect Regression data

OCF	Coef.	Std. Err	T	P>|t|	[95%	Conf. Interval]
Merger	0.116	0.165	0.700	0.486	-0.219	0.451
Gr	-0.167	0.180	-0.930	0.359	-0.531	0.198
EVNOP	0.000	0.062	0.000	0.998	-0.127	0.127
NPM	-0.006	0.002	-3.020	0.005	-0.010	-0.002
COGS	0.000	0.000	-0.560	0.580	-0.001	0.001
Avgl	0.000	0.000	-0.220	0.828	-0.001	0.001
EPS	0.006	0.003	2.460	0.019	0.001	0.011
PTn	-0.046	0.074	-2.400	0.090	-0.196	0.104
RTn	0.182	0.068	2.670	0.011	0.044	0.321
_cons	0.550	0.521	1.050	0.298	-0.507	1.606

R-Squared Value	
Within	0.9998
between	0.9999
overall	**0.9999**

The regression results on the model show a dependence of performance on the firm's net profit margin, earnings per share, payables turnover and receivables turnover as the coefficient is statistically significant with greater than 99% confidence interval. The profitability also depends on the payables turnover of the firm with 91% confidence interval.

There is negative dependence on the net profit margin with operating cash flow return on assets

with a negative coefficient in the regression model. This clearly highlights the pressure of mergers' cash outflow on the firms' profitability in the short run. There is a positive dependence on earnings per share with operating cash flow return on assets with a positive coefficient in the regression model. This highlights the short term gains for shareholders due to the merger activity.

There is a negative dependence on payables turnover with operating cash flow return on assets with a negative coefficient in the regression model. This might be because of the increasing efficiency in payables turnover due to increasing accounts payable as the firm improves its position in the market. There is a positive dependence on receivables turnover with operating cash flow return on assets with a positive coefficient in the regression model. The same logic applies in this parameter as the previous one. The merger dummy variable shows a positive correlation with the operating cash flow returns on assets.

6. CONCLUSION

The study is carried out to understand the effects of Mergers and Acquisitions on certain Financial and Operating parameters as well as tried to map how the returns of a firm are dependent on certain parameters pre and post-merger in the Indian pharmaceutical sector. In order to analyse the effect of M & A, the present study focussed on M&A(s) cases of 5 pharmaceutical companies listed in Nifty 50 Index in the years between 2010 and 2013. The data from 2007-2016 has been used in the study to ensure a minimum period of 3 years before and after any Merger or Acquisition.

In the operating performance analysis it was observed that mergers put a high pressure on the Asset Turnover and Profit Margin where the performance of a firm tends to drop in short term. However, there is an improvement in the operating performance improvement like inventory turnover, payables turnover and receivables turnover. The results of the Pooled and Panel-Fixed Effect Regression Analysis showed that there is negative dependence on the net profit margin with operating cash flow return on assets which highlighted the pressure of mergers' cash outflow on the firms' profitability in the short run. EPS is found to have a positive relationship with Operating Cash Flow return on assets. Average Inventory and Receivables turnover are found to have positive and significant relationship with Operating Cash Flow return on assets. The merger dummy variable shows a positive correlation with the operating cash flow returns on assets, which clearly indicates a positive impact on the firm's performance post acquisition as compared to the period before acquisition and highlights the importance of operating parameters on the returns of the firm. Thus, it can be observed from the results of the panel data regression analysis that mergers do not result into purely positive performance of the firms.

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Building Brand Equity Through Social Media Marketing: A Literature Review

Govind Narayan*
Dr. Krishna Kumar Sharma**
Aloukik Upadhyay***

ABSTRACT

The introduction of social media has opened up a new opportunity to customers worldwide by providing a powerful platform to connect and exchange information in virtual communities. As the usage of social media is escalating at faster pace, the brand managers across the world started to use social media to communicate with larger audience. Social media marketing has made the pervasive changes in marketing by facilitating business firms to reach their cost in highly cost effective way compared to the traditional marketing. Social media marketing is highly affecting the customers to develop their brand preferences, brand loyalty and brand equity. These days' companies have significant budget to enhance the brand equity of their brand but it is also important to remember that brand equity is no longer valued by the money invested by the firm. It is customer who determines the value of brand equity by sharing the valuable information on social media platforms with customers. Therefore, it is a great need to understand the role of social media marketing in building brand equity. This study aims to know the role of social media marketing in building brand equity. This paper is also an attempt to develop a conceptual framework, wherein the relationship between the variables of social media marketing and components of brand equity are established.

Keywords: Brand equity, customer, Social media, social media marketing.

INTRODUCTION

With the rise of highly interactive web 2.0 platform, it has been observed that there has been a significant increase in social media platform to interact with people across the world. Social media is a group of internet based and web based application to create, share and consume information without knowing any geographical, social, political or demographical boundaries through public interaction in a participatory and collaborative way. According to Kaplan and Haenlein (2010) social media is a group of internet-based applications that build on the ideological and technological foundations of web 2.0, and allow the creation and exchange of user-generated content. Social media consists of a wide range of online and word-of-mouth activities like blogs, company-sponsored discussion boards and chat rooms, consumer-to-consumer e-mail, consumer product or service ratings websites and forums, internet discussion boards and forums, moblogs (sites containing digital audio, images, movies, or photographs), and social networking websites, to name a few (Mangold and Faulgd, 2009). Social media employs mobile and web-based technologies to create highly interactive platforms via which individuals and communities share, co-create, discuss, and modify user-generated content (Ahuja, Vandana, 2015). Social media enables users to become active creators of the content, to communicate with each other actively. It is considerd as one of the key elements of organic research. Today, social media is the fastest growing category of internet marketing in terms of attracting new users. The Global social media users as of January 2019 are 3.484 billion, which is roughly 45% of the world's population (Chaffey, February, 2019). Many companies across the globe have started to take advantage of this growth. The emergence of social media

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* Corresponding author, Assistant Professor, Faculty of Business Administration, R.B.S. Management Technical Campus, Khandari Farm, Khandari, Agra (UP) PIN-282002 Mobile No. - 9058088437, E-mail- narayangovind007@gmail.com

** Associate Professor, Faculty of Business Administration, R.B.S. Management Technical Campus, Khandari Farm, Khandari, Agra (UP) PIN- 282002, Mobile No. - 9412588351 E-mail- kksharmarbs@gmail.com

*** Assistant Professor, Faculty of Business Administration, R.B.S. Management Technical Campus, Khandari Farm, Khandari, Agra (UP) PIN- 282002 Mobile No. - 9412260555, E-mail- aloukikupadhyaya@gmail.com

platform has fundamentally changed the marketing landscape. Therefore, marketers need to understand the importance of social media and have to learn to coexist and communicate with customers through social media to build and sustain long term relationship. Since the social media users are increasing with each passing day and it has become a powerful platform for connecting people from every corner of the world, marketers started to consider it a part of their marketing strategy. Social media provides ample marketing opportunities to marketers to reach out to the right customer at the right time and at the right cost. A company can build valuable relationship with the customers and enhance brand loyalty among them by integrating social media in company marketing strategies. Further, consumers identify social media as a more trustworthy source of information compared to the traditional marketing communication tools which allow organizations to integrate social media marketing into their marketing mix not only to communicate with customer but to get their feedback too (Karamian *et al*., 2015).

Social media marketing makes use of social media tools as an extension to complement the traditional marketing. Social media marketing is defined as "Any form of direct or indirect marketing that is used to build awareness, recognition, recall, and action for a brand, business, product, person, or other entity and is carried out using the tools of the social web, such as blogging, micro-blogging, social networking, social bookmarking, and content sharing" (Gunelius, 2010). Social media marketing is the new paradigm in marketing that has transformed the marketing by providing ample space to marketers to maintain a successful, long-lasting and value-added relationship with their customers. It allows an organisation to connect with both existing and potential customers, engage with them and reinforce a sense of community around the business organization's products and services (Mangold and Faulgd, 2009). The marketers capture the traffic and the attention of various customers to expose their business and cut a considerable amount of cost.

The applications of social media in marketing are many more but the role it performs in communication and advertisement stands alone. In particular, it plays a significant role in developing a brand and enhancing the brand equity, which are considered very important as far as modern

marketing is concerned. Aaker (1991) defines brand equity as a "set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers". Brand equity is also defined as the difference in consumer choice between the focal branded product and an unbranded product given the same level of product features (Yoo and Donthu, 2001). Building brand equity is considered as an important part of brand building (Keller, 1998). According to keller (1998), "brand equity is the power of a brand lies in what resides in the minds and hearts of customers". Farquhar (1989) defined brand equity as "the value endowed by the brand to the product". Brand equity is also an incremental cash flow resulting from the product with brand name versus that which would result without brand name. In general, brand equity may be defined in terms of the marketing effects uniquely attributable to the brand and the added value endowed on products and services. Therefore, keeping in mind the significance of brand equity and the role of social media tools in developing brand equity, the current paper is an attempt to review the two concepts and establish the relationship between the two by identifying the various variables of social media marketing and brand equity. The study also develops a conceptual framework showing the impact of social media marketing on building brand equity.

SOCIAL MEDIA MARKETING: VARIABLES

User-Generated Content

User-Generated Content (UGC) is online information that is created, initiated, circulated and used by consumer intent on educating each other about products. Since it is created, shared, and consumed by users, therefore, it is perceived as trustworthy and credible and it has the ability to influence consumers' attitudes and purchase intention. Consumers trust heavily on the information created by other consumers more than the information created by marketers or advertisements (Cheong and Morrison, 2008). As UGC allows users to freely express their opinion about products, services, issues and events, it can be an effective means for online expression. UGC has become new storytelling opportunity for marketers to tell the brand story and has

transformed one- to-many traditional marketing into many-to-many marketing.

Customer Engagement

Customer engagement through social media has become a marked feature in modern marketing. Consumers are now using more and more online platforms to create, modify, share and discuss content, which have significant role in firm's image and reputation. It is defined as the level of a customer's physical, cognitive and emotional presence in their relationship with a service organization. Mollen and Wilson (2010) defined consumers' engagement as "the cognitive and affective commitment to an active relationship with the brand as personified by the website or other computer-mediated entities designed to communicate brand value". Consumer engagement is valued as a strategic factor helping to form and maintain a competitive advantage, allowing foreseeing future directions of business development (Zailskaite-Jakste and Kuvykaite, 2012).

Firm-Generated Content

Firm-Generated Content (FGC) refers to the content in the form of text, audio, video or pictures that a firm generates of its own and then shares it with the world through social media communities/ networks. FGC is simply the messages posted by firms on their official social media pages to develop one to one relation with their customer (Kumar et.al. 2016). It works synergistically with other traditional marketing media, e.g., TV, e-mail. FGC is particularly aimed at managing brands and nurturing customer relationships (Gensler *et al*., 2013).

E-WOM

E-WOM (Word-of-Mouth) is defined as exchange of information, ideas, perceptions, etc. through different online media. Today, consumers feel that the products' information shared by users on social media is more credible than the advertisements and has greater reported impact on brand choice than advertising or personal search. Global statistics reveal that online social networks and social media platforms are fuelling the spread of E-WOM due to the combination of unprecedented scale, the possibilities to control and monitor E-WOM operation, and unique properties of online interaction (Dellarocas, 2003). Kumar *et al*. (2013)

reported that with over 80% of global consumers across geodemographic barriers actively influencing preferences and purchase decisions through online social networks and eWOM, social media such as blogs, forums, and user networks have taken a more primary role in the minds of the marketers. The social media marketing through eWOM is more effective than traditional marketing. Trusov *et at*., (2009) , identified that a message on social media has 20 times higher reach than marketing events and 30 times that of media appearances.

Online brand Communities

An online community is a group of people with some shared interest who connect and interact with each other overtime (Ahuja, V., 2015). Online communities help companies in improving marketing intelligence through interaction with the customers. Muniz Jr. and O'Guinn (2001) define an online brand community as a specialized, non-geographically bound community, based on a structured set of social relations among admirers of a brand. With the advancement of technology, the previously geographically-bound concept of brand communities is now transcending geography. Online brand community uses computer systems as a central tool for mediating interaction amongst the members of online communities, which allows businesses to engage with customers through a combination of community interactions and expert content.

Dimensions of Brand Equity

There are two main frameworks of brand equity, which explain the brand equity in appropriate manner and these are developed by Aaker (1991) and Keller (1993). Aaker (1991) stated that Brand equity is a multidimensional concept with first four core dimensions as brand awareness, perceived quality, brand associations and brand loyalty. Keller's (1993) brand equity concept is based on brand knowledge and its two components, namely, brand awareness and brand image. Atilgan *et al*.,(2009) and Yoo & Donthu, (2001) found Perceived quality, brand loyalty, brand associations, brand awareness, and brand trust are the five basic consumer-related dimensions central to brand equity

Brand Awareness

Brand awareness is related to the strength of the

brand in the memory of consumers. It is defined as the ability of the consumers to identify the various elements of brand in different situations. Brand awareness describes the likelihood that a brand name will come to mind in different situations and the ease with which it does so" (Keller, 1993). It is based on both brand recognition and recall (Aaker, 1991; and Keller, 1993).

Brand Loyalty

Brand loyalty is one of the major components of brand equity and at the heart of the brand equity (Aaker, 1991). Wood (2000) states that brand loyalty is one of the most important components of brand equity which explains that the brand value for a company is determined by the degree of brand loyalty, as this implies a guarantee of future cash flows. Aaker (1996) defines brand loyalty as encompassing the comparison of the brand with other brands offering similar benefits and defines loyalty as one of the core dimension of brand equity consisting of price premium and customer satisfaction.

Brand Trust

Brand trust is one of the important components of brand equity (Chaudhuri and Holbrook, 2001). It is important because it shows that the relationship between a consumer and a brand could go beyond satisfaction. Brand trust is conceptualized as the confident expectations of the brand's reliability and intentions in situations entailing risk to the consumer. Trust is a cornerstone in terms of building a long-term business relationship and partnership. Brand trust is simply consumers' trust for a specific brand. Chaudhuri and Holbrook (2001) described brand trust as "the willingness of the average consumer to rely on the ability of the brand to perform its stated function."

Brand Image

Brand image is also an important element of brand equity, because it influence consumers' decision making by forming beliefs about brand attributes and benefits in different ways (Keller, 1993). Brand image can be defined as the consumer's perception about brand's tangible and intangible associations. A unique, strong, and favorable brand image permits the brand to be strategically differentiated and positioned in the consumer's mind, contributing to the potential for enhanced

brand equity (Pitta and Prevel, 1995).

Perceived Quality

Perceived quality is considered as the primary facet in the brand equity framework (Farquhar, 1989; Keller 1993; and Aaker, 1996) because, it has a strategic effect on brand equity by reducing the perceived risk (Aaker, 1991; Keller, 1993;) and making the customers' perception about the overall quality or superiority of a product or service positive. It also creates a basis for brand differentiation and extension (Aaker, 1991) and offers a price premium advantage for firms (Keller, 1993). Thus perceived quality is one of the important constructs among the fundamental constructs of brand equity. Perceived quality is linked to a consumer's judgment of a product or brand's overall superiority or excellence. High perceived quality allows the brand to differentiate itself from competition and charge a premium price and then extend the brand (Aaker, 1991).

Brand Association

Brand association is the key source of brand equity. It is defined as "anything linked in memory to a brand" (Aaker, 1991). Keller (1993) discussed this construct under brand image and classified these associations into three major categories: attributes, benefits, and attitudes. According to Keller (1993), "customer-based brand equity occurs when the consumer is aware of the brand and holds some favorable, strong, and unique brand associations in memory". Any contact or experience a consumer has with a brand can create, change, or reinforce certain favorable or unfavorable associations, in order for associations to have a positive effect on brand equity, they must be unique, strong, and favorable (Keller, 1993). Brand association is helpful in creating value for the organization and its customers by processing information, differentiating the brand, creating positive attitude, providing a reason to buy and providing a basis for extension (Aaker, 1991).

LITERATURE REVIEW

Social media marketing is an emerging concept of marketing and these days marketers across the globe are using it for branding purpose extensively. Although research on the impact of social media marketing on brand equity is in introduction stage, there are many studies have been conducted on this field of research and showing the relationship

between social media marketing and brand equity.

Social media marketing has positive and significant impact on brand awareness, brand loyalty, perceived quality and brand association (Tresna and Wijya, 2015). Social media can provide many advantages to brands: it allows securing the reputation of a brand, increasing sales, involving consumers in brand creation process, expanding brand awareness, providing more positive associations and increasing consumer loyalty to a brand (Zailskaite-Jakste and Kuvykaite, 2013). Bruhn *et al.* (2012) found that social media communications strongly influence brand image. Further they said that firm-created social media communication has an important impact on functional brand image, while user-generated social media communication exerts a major influence on hedonic brand image. While being in social media can generate brand awareness, different social media platforms establish different brand associations, creating different effects on customer-based brand equity (Pham and Gammoh, 2015).

 Studies reveal found that relevant and attractive content created by users at different social media platforms are the most significant drivers of brand loyalty (Erdogmus and Cicek ,2012), brand attitude and brand equity (Schivinski and Dabrowski, 2014). The impact of user-generated social media communication on purchase intention is fully influenced by brand equity. UGC can greatly enhance the satisfaction level and loyalty, and/or delight of customers, especially when they need change over time (Sashi, 2012).

The social media platforms influence customers to get engaged with brands and friends. It offers venues for customers to engage in sincere and friendly communications with the brand and other users and also positively affect the relationship equity and the brand equity as well (Kim and Ko, 2012). Consumer engagement in social media can enhance the elements of brand equity (awareness, association, and loyalty) at every stage of consumer engagement like watching, sharing, commenting, producing, and curating (Zailskaite-Jakste and Kuvykaite, 2013). In a study, Brodie *et al.* (2013) found that consumer engagement enhances loyalty and satisfaction, empowerment, connection, emotional bonding, trust and commitment. This is also supported by Shen and Bissell (2013). They proved that companies can

improve brand awareness and brand image through enhancing customer engagement on social networking sites, resulting in brand loyalty reinforcement.

Bruhn *et al*; (2012) argued that Firm-generated content on social media has positive and important impact on functional brand image Firm-generated content has a positive impact on brand attitude and brand attitude positively influences brand equity and purchase intention (Schivinski and Dabrowski, 2014).

eWOM positively influences brand awareness, brand association, brand loyalty and perceived quality (Seven *et al*., 2014; and Alam and Khan, 2015). Srinivasan *et al*. (2002) established a positive relationship between brand loyalty and eWOM. Brand image and perception could be influenced on a massive scale by consumers with the help of eWOM through the social media networks (Alam and Khan, 2015).

Online brand communities have been found to strengthen the relationship with the brand, enhance brand commitment, and online community members have been found to build stronger associations with the brand than nonparticipating consumers (Kim *et al.,* 2008). Dessart *et al*., (2015) suggested that engagement with the online brand community and the brand can increase customers' loyalty with the brand, which may be beyond sustaining loyalty of happy customers. Engaging consumers on social media platforms also have the ability to keep unsatisfied customers loyal, and preventing them from defecting the company. Brand communities are a platform that enables brands to strengthen consumer loyalty and to incite consumer-driven brand meaning (Dubois and Westerhausen, 2011). Armstrong and Hagel (1998) stated that "those businesses that capitalize on organizing online virtual communities will be richly rewarded with both peerless customer loyalty and impressive economic returns.

 Based on the intense literature review, a conceptual framework is developed (Figure 1), which reveals that there is strong relationship between all the dimensions of brand equity and all the variables of social media marketing. Furthermore, it reveals that there is significant impact of all the variables of social media marketing on the brand equity.
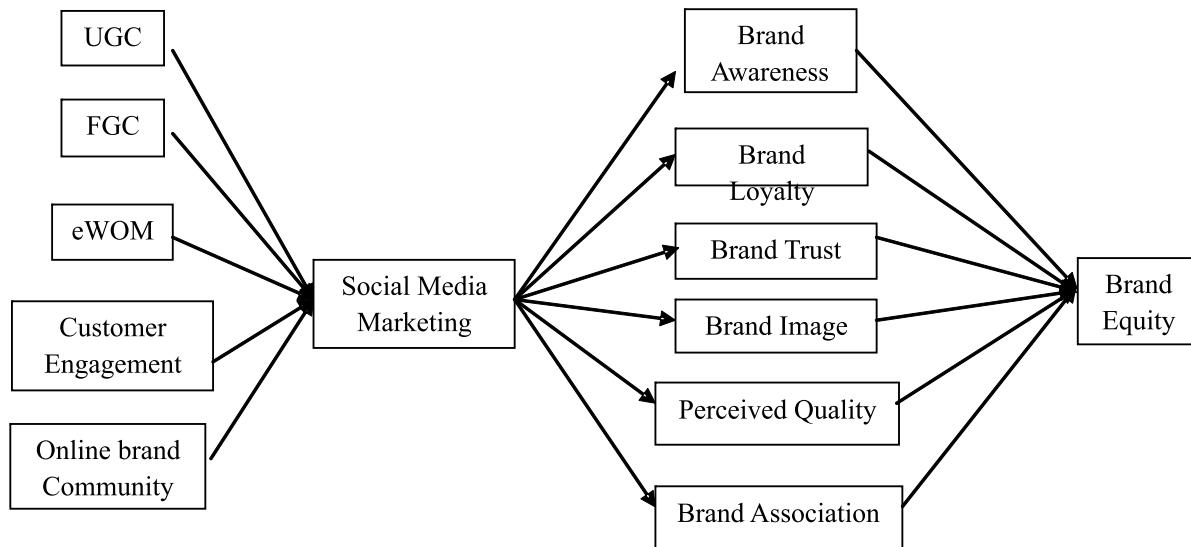
Figure 1: Conceptual framework showing relationship between Social media marketing and brand equity.

MANAGERIAL IMPLICATIONS

The result of the present study reveals that there is strong relationship between social media marketing and brand equity. In order to promote sales, retain the existing customers and gain new customer attention, manager should blend the social media marketing with traditional marketing. Brand managers should enhance the customer engagement at social media platform which will not only boost the sales and revenue but also enhance the product adoption and contribute to the brand loyalty. Brand manager can create a short term social curation hub to curate the conversation amongst consumers. Marketers must not forget the importance and power of content at social media specially created by consumers. The UGC has the power to change the attitude of customers towards product and generates the insights on preference for purchase. Further, managers should work hard on the dissemination of information. Although, they cannot control the quality and dissemination of information but they can add social media marketing strategies in the promotion mix strategy to communicate with target market effectively. This strategy will enhance the brand awareness, brand trust and perceived quality amongst target market and ultimately enhance the brand equity. Therefore companies need to focus more on social media marketing and increase its share in marketing mix activities that will in return help companies to generate huge revenues from enhanced brand equity (Abu-Rumman and Aihadid, 2014).

CONCLUSION

The last decade has seen a paradigm shift in global marketing environment which are particularly facilitated by the revolution in Information and Communication Technologies (ICT). This change has pressurized the marketers to rethink the marketing strategies. Social media marketing helps marketer to remain engaged with customers efficiently as compared to traditional marketing tools. That's why these days' marketers are increasingly using social media to manage customer relation and create customer value for business for long run. Keeping this in view, this paper has made an attempt to study the impact of social media marketing on brand equity and develop a conceptual framework for its descriptive understanding. The framework presents various components of social media marketing and brand equity and linking of social media marketing and brand equity for conceptual understanding. The model establishes the relationships based on literature survey and conceptual understanding and proposes a positive relationship between the use of social media marketing and brand equity.

LIMITATIONS AND FUTURE SCOPE OF THE STUDY

The study as compared to the other studies is not without limitations. First the study is based on in-depth analysis of secondary data, but it lacks

primary data support. Therefore, future studies should be based on primary data to make the study more comprehensive in nature. Second, the study covers a limited area of social media and its application on brand equity. Future research can be conducted to know the influence of social media marketing on consumer behavior. Lastly, the present study is qualitative in nature which has its own virtues and strengths, and future studies could employ quantitative techniques to achieve deeper insights into the role of social media in brand equity.

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Understanding Dynamics of Niche Tourism Consumption Through Interpretive Structure Modeling

Dr Suneel Kumar[1], Shekhar[2], Navneet Guleria[3]

ABSTRACT

The aim of the study is to identify the different factors which persuade a tourist to consume niche tourism product over a mass tourism product and develop hierarchical relationship among those factors. The study also suggests some measures to increase consumption of niche tourism products.

The study is based on primary as well as secondary data sources. Qualitative analysis has been done for the purpose of study. Factors impacting tourist decision has been identified using exploratory and descriptive research approach wherein information was collected from secondary sources and the factors identified were cross verified with panel of experts in tourism with the help of a structured questionnaire. The data was collected from 150 experts from the field of tourism consisting of researchers, academicians and executives of organizations working as stakeholders in tourism industry. MICMAC (cross-impact matrix multiplication applied to classification) analysis will be used to identify the driving and dependent factors to develop strategies around them. Interpretive Structure Modelling (ISM) will be used to develop hierarchical relationship among the factors.

MICMAC analysis found out that Sustainability concerns, Economic incentive provided, Attraction of the product and Accessibility of destination are the driving factors in the system. Budget of tourist and Interest of tourist are dependent factors in the system which depends on the linkage and driving factors. USP of the product, Marketing of the product and recommendation by the others act as linkage factors which connect driving and dependent factors.

The study holds implications for the policymakers. The policies and strategies formulated for the Niche tourism product development must be around the driving and linkage forces discussed because they drive the system. The agencies should focus on developing a suitable marketing programme which creates an USP and also attracts the attention and channelize the interest of the tourists.

Keywords: Niche Tourism; ISM; MICMAC; driving factors; linkage factors. JEL Classification: L83

1. INTRODUCTION OF THE STUDY

Niche tourism has been a subject of study over a long period of time. Various studies have focused on its contribution to the foreign exchange earnings of the nation. Niche tourism being a product created and moulded to satisfy the unique needs itself acts as an engine to nation's growth. Niche tourism creates distinct offering to the consumer, new to their senses and unique experiences attached with the stories and tales that the destination has to offer along with the product. It makes distinct space in the consumer's mind map and creates long lasting memories to cherish. The scope of niche tourism has been widened combined with the new digital space and facilities that provides greater information and options for the tourist to explore and experience. Hereditary rich in its vibrant culture, cuisine, tradition, language, history India has much to offer to the world. Tourists have shown tremendous interest in exploring the traditions, rituals, and flavors of India. Vibrant possibilities have been emerged via exploring the new tendencies and unique attributes specific to a region. Niche tourism is not only limited to the avenues in which the nation already has its advantage or distinctiveness to offer but as destinations matures, creating/ finding new avenues that nobody has offered or modifying it and offering it.

1   Assistant Professor, Department of Commerce, Shaheed Bhagat Singh College, University of Delhi, drsuneel.sbsc@gmail.com, +919990842167 (Corresponding Author)
2. Visiting Faculty, Non-Collegiate Women Education Board, University of Delhi.
3. Research Scholar, Economics Department, Indira Gandhi National Tribal University, Amarkantak, MP.

Customer engagement is the success key for any business especially in case of tourism which deals with creating memorable experience for the tourist. Niche products positioning plays a major role in tourist engagement. Niche tourism has been largely borrowed from niche marketing which focuses on the niche segment with homogeneous characteristics and tailor product as per their specific needs. It is like going a level deep within a segment to identify a distinct large group having distinctive needs. A diverse country like India not only has scope for extensive development of mass tourism, but it also has similar advantage in development of niche tourism products. Cruise tourism, Medical tourism, wellness tourism, golf tourism, wedding tourism and reality tourism are examples of niche tourism which are not only developed but are running smoothly in India (Kumar, Attri, & Shekhar, 2018). Many states across the country have started taking niche tourism seriously and have started incorporating niche tourism in its mission and vision statements. Several committees and boards have been set up to know about the importance of niche tourism and start developing policies to tap the vast potential which niche tourism offers.Niche tourism offers abundant opportunities. This segment has also opened a new dimension for entrepreneurship and has attracted lot of investment from private sector as well. Also, the ability to beat the competition by creating a blue ocean through niche tourism has helped lot of states in rejuvenating their falling tourism industry. Further, the socio-economic contribution of niche tourism is undeniable (Suneel, Shekhar, & Kamlesh, 2018). The recent initiatives by the government of India such as "SwadeshDarshan Scheme, Himachal Pradesh's government initiatives of "Ajphirpuranirahon se" have been centered on tourists with demands different from mass tourists. Thus, it is observed that niche tourism product development is in full wing and everybody wants to board the ship before it sets on sail. All this has garnered the attention of researchers and niche tourism development has been a hot topic among the researchers for long.

2. REVIEW OF LITERATURE

(Ali-Knight, 2011) focused on developing key positioning of niche tourism product for the tourist by understanding the perception and motivations of the tourist, creating awareness through portraying niche tourism as distinct market segment and its importance in developing destination image branding. (Edward & George, 2010)emphasized on the entrepreneurial challenges that is encountered by the niche tourism operator in kerala. It generally occurs in the growth stage to come out with consistently innovating the product and its quality delivery, coordinating with supplier and budget constraints. (Nwafor, 2012) explored the niche sectors in the western cape province of south Africa and the potential contribution and role of medical tourism in the tourism industry. Adequate information relating to the market size, cognizant of the motivational factors, up to date market information, complementary tourism offering, improved awareness, training and inspection can help in better strategizing and offering of niche product. (N. Prabakaran & N. Panchanatham, 2013) explored the various niche tourism products in India and their positioning as a distinct product to the consumers. It identifies that niche tourism plays a key role in reinventing and positioning thus posing a whole new window of opportunity. While promotion of niche markets can help in building India's strength. (V. Jaykumar & Fukey, 2014) identified the contribution of wine tourism as a niche product in south Indian cities. There is great optimism among the owners and government in promoting the niche market. But the high tax regime and stringent while complicated norms and uneven benefits are major issues faced by the industry in offering the niche product.(Ursache, 2015) envisaged that with changing consumption pattern, niche tourism can actually substantiate and contribute significantly to the economic development of European Union eastern periphery. Through reinventing and innovation it provides their peripheral areas to take advantage of the unique offering and offer it as distinct product. It also suggests measures to ensure its sustainability. (Gupta, 2016) identified the scope and trends of a niche tourism segment called as Reality Tourism in India. The study discussed the potential benefits and negative consequences of promoting reality tourism in India. The author considered various parameters which impact the satisfaction level of reality tourist and by developing a suitable scale calculated the satisfaction level of such tourist. The research concluded that reality tourism had positive consequences for slum dwellers and leads to their socio-economic development. (Kunz & Ratliff,

2017) developed a model to identify the niche segment in the tourism industry and to identify the appropriate segment of tourist which enables the entrepreneurs in developing the product via identifying the most viable economic opportunity. (Kumar, Attri, & Shekhar, 2018) studied the emerging trends and status of niche tourism in India and highlighted the various types of niche tourism which are gaining popularity in the recent times. The study also highlighted the process by which niche tourism destinations could create an image for themselvs through destination band imaging process.

3. RESEARCH GAP

After the literature review was done, a gap was observed. The literature talks about the importance of niche tourism products, different types of emerging and evolved niche tourism products, but remain silent on as to why a tourist consumes a niche tourism product over mass tourism product. The motives or the factors which persuade a tourist to choose unconventional tourism products are not yet discussed in depth. Also, how these factors or motives are interrelated to each other is unanswered. Without knowing the What and How of a system, strategies formulated for the same would be ineffective.

4. RESEARCH OBJECTIVES

Therefore, this paper seeks to draw the attention of researchers as well as policymakers towards the factors persuading tourist for consuming niche tourism. This study aims at identification of the various motivational factors that determines the customer decision to explore niche tourism and the interplay between these forces. The study will enable the niche tourism suppliers in better understanding of the customer and thereby help in offering superior products. For this, a hierarchical relationship among the factors determining the consumption of niche tourism product is developed. The study tries to open dimensions for development of a flexible strategic crystal, which further boost development of niche tourism industry.

5. RESEARCH METHODOLOGY

The study is based on primary as well as secondary data sources. Qualitative analysis has been done for the purpose of study. Factors impacting tourist decision has been identified using exploratory and descriptive research approach wherein information was collected from secondary sources and the factors identified were cross verified with panel of experts in tourism with the help of a structured questionnaire. The data was collected from 150 experts from the field of tourism consisting of researchers, academicians and executives of organizations working as stakeholders in tourism industry. Interpretive Structure Modeling (ISM) will be used to develop hierarchical relationship among the factors. ISM, developed by John Warfield in 1970's helps in providing deep insight into a topic. Instead of providing an overview, this technique helps in understanding the concept by throwing light to the pieces that make up the whole system.After identification of the factors which impact the subject, a hierarchical relationship is developed using ISM to answer the questions of What and How related to the subject. MICMAC analysis will be used to identify the driving and dependent factors to develop strategies around them.

6. UNDERSTANDING THE INTERRELATIONSHIP BETWEEN FACTORS IMPACTING NICHE TOURISM CONSUMPTION USING INTERPRETIVE STRUCTURE MODELING

Every tourist experiences various psychological, social and economic factors which guide its decision to undertake a following trip or not. Some of these factors originate from within the tourism system and some of the factors are beyond the tourism system and are result of interaction of tourist with other industry and sub systems. Therefore, it is very important to understand these factors and their association with each other to formulate policies for developing niche tourism. In the following section an attempt has been made for in-depth analysis of relationship among factors impacting decision to consume niche tourism product with the help of Interpretive Structure Modeling technique. A hierarchical relationship has been established between those factors and these factors are then classified into Driving, Dependence, Linkage and autonomous factors. This classification is important because the policies and strategies are developed keeping in mind the driving and linkage factors. This structure

modeling helps in better understanding of the concept. The following section deals with developing the hierarchical framework development of ISM di-graph in chronological steps.

6.1. Developing hierarchical relationship through ISM

Since niche tourism is specific to the customer needs there can be various factors influencing the customer's choice. Following factors were identified through the discussion with the experts.

Table 1: Factors affecting tourist decision to undertake Niche Tourism

FACTORS	CODE
USP of Destination	01
Interest of Tourist in Product	02
Recommendation by Others	03
Budget of Tourist	04
Marketing of Destination	05
Time Availability	06
Sustainability Concerns	07
Economic Incentive	08
Attractiveness of Niche Product	09
Accessibility of Destination	10

Source: Author's calculation

The interrelationship between the identified variables was assessed by circulating structured questionnaire among the experts. After the responses were received, they were coded to form a self – structuring interaction matrix. In this matrix, a relationship is denoted as V if it is found that a factor drives or leads another factor. Relationship of A denotes that a factor is dependent on other factor. A relationship of X means that there exists mutual interdependence among the factors involved and a relationship of O means that factors are not interrelated.

Table 2: Self-Structuring Interaction Matrix

	01	02	03	04	05	06	07	08	09	10
01	-	V	X	O	X	O	O	A	A	O
02	A	-	O	V	A	O	O	A	A	A
03	X	O	-	O	X	O	O	O	A	A
04	O	A	O	-	O	A	O	A	O	O
05	X	V	X	O	-	O	A	A	A	O
06	O	O	O	V	O	-	O	O	O	O
07	O	O	O	O	V	O	-	O	V	V
08	V	V	O	V	V	O	O	-	O	O
09	V	V	V	O	V	O	A	O	-	A
10	O	V	V	O	O	O	A	O	V	-

Once the relationship has been coded in the form of V-A-X-O, the next step is to convert the matrix in the form of 0 and 1. So, all V and X values are converted into 1 and all A and O values are converted into 0. The resultant matrix is the initial reachability matrix.

Table 3 Initial Reachability Matrix (Pre Iteration)

	01	02	03	04	05	06	07	08	09	10
01	1	1	1	0	1	0	0	0	0	0
02	0	1	0	1	0	0	0	0	0	0
03	1	0	1	0	1	0	0	0	0	0
04	0	0	0	1	0	0	0	0	0	0
05	1	1	1	0	1	0	0	0	0	0
06	0	0	0	1	0	1	0	0	0	0
07	0	0	0	0	1	0	1	0	1	1
08	1	1	0	1	1	0	0	1	0	0
09	1	1	1	0	1	0	0	0	1	0
10	0	1	1	0	0	0	0	0	1	1

The next step involves incorporating transitive links in the initial reachability matrix. Transitivity means that if 1 leads 2; 2 leads 3, then 1 leads 3 by rule of transitivity. After transitive links are set up, final reachability matrix is obtained and Driving and Dependence power of factors is calculated.

Table 4 Final Reachability Matrix (Post transitivity)

	01	02	03	04	05	06	07	08	09	10	Driving Power
01	1	1	1	1*	1	0	0	0	0	0	5
02	0	1	0	1	0	0	0	0	0	0	2
03	1	1*	1	1*	1	0	0	0	0	0	5
04	0	0	0	1	0	0	0	0	0	0	1
05	1	1	1	1*	1	0	0	0	0	0	5
06	0	0	0	1	0	1	0	0	0	0	2
07	1*	1*	1*	0	1	0	1	0	1	1	7
08	1	1	1*	1	1	0	0	1	0	0	6
09	1	1	1	1*	1	0	0	0	1	0	6
10	1*	1	1	1*	1*	0	0	0	1	1	7
Dependence	7	8	7	9	7	1	1	1	3	2	

A chart is developed depicting the driving power and dependence level. It helps in classifying the factors.

Figure 1: Driving and Dependence Matrix
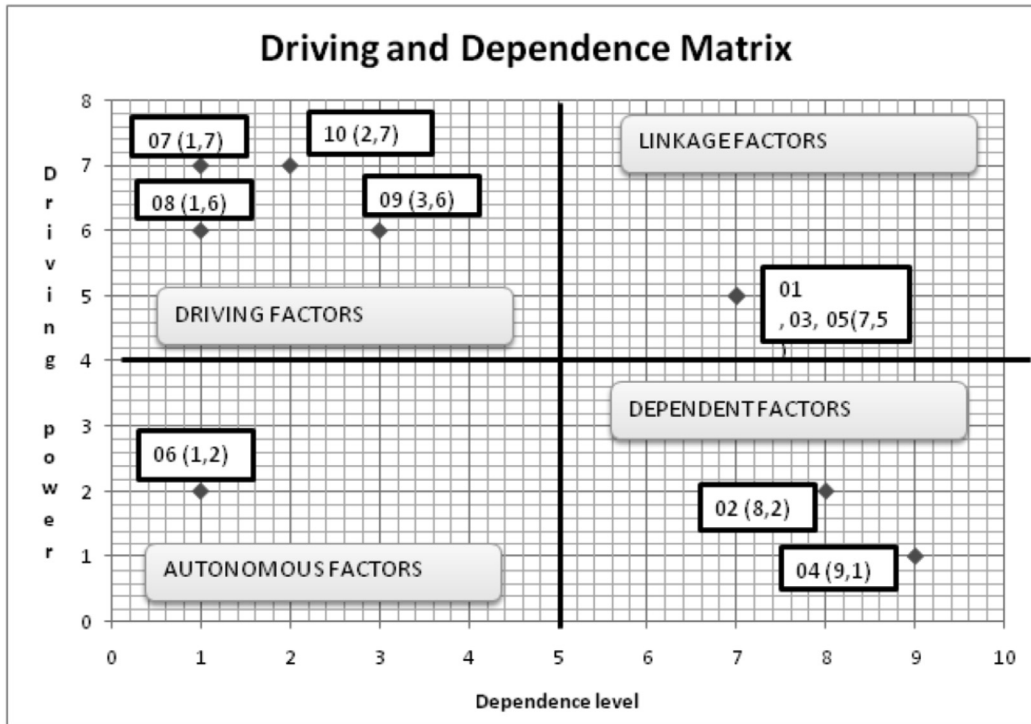
Conclusion from Driving and Dependency Matrix-

- Autonomous Factors- factors having low dependence level as well as low driving power. In our model, time available with the tourist is found to be an autonomous factor. Although these factors neither impact other factors much nor get impacted, they should not be altogether ignored by the policymakers. These are beyond the control of the policy makers and originate from external environment.

- Linkage Factors- factors having high dependence level as well as driving power. They play a significant role in channelizing the system. They impact various other factors and are also impacted by the resultant changes in the other factors. In our model, USP of destination, Marketing programme and Recommendation by others are found to be linkage factors.

- Dependent Factors- factors having high dependence level but low driving power. These factors do not cause changes in many other factors but reflect changes caused due to change in other factors. In our model, Interest of tourist and budget of tourist are found to be

dependent factors.

- Driving Factors- These are those factors which have low dependence level, but high driving power. These factors are responsible for bringing change into the system. They cause changes in other factors but do not reflect changes from many other factors. In our model, sustainability concerns, attractiveness of product, economic incentives given and accessibility of destination are found to be driving factors.

From the iteration tables drawn, final partition level of each factor is determined. This partition level determines the position of each factor in ISM digraph.

Table 5: Partition Level of factors

Factor Code	Factor Name	Partition Level
01	USP of destination	Third
02	Personal Interest of tourist	Second
03	Recommendation from others	Third
04	Budget of tourist	First
05	Marketing programme	Third
06	Time available with the tourist	Second
07	Sustainability Concerns	Sixth
08	Economic Incentive	Fourth
09	Attraction of typology	Fourth
10	Accessibility of destination	Fifth

Understanding Dynamics of Niche Tourism Consumption Through Interpretive Structure Modeling
● Dr Suneel Kumar
● Shekhar
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Once the partition level has been determined, the last step is to prepare the ISM di-graph.

Figure 2: Hierarchical relationship among factors impacting tourist decision to consume niche tourism products
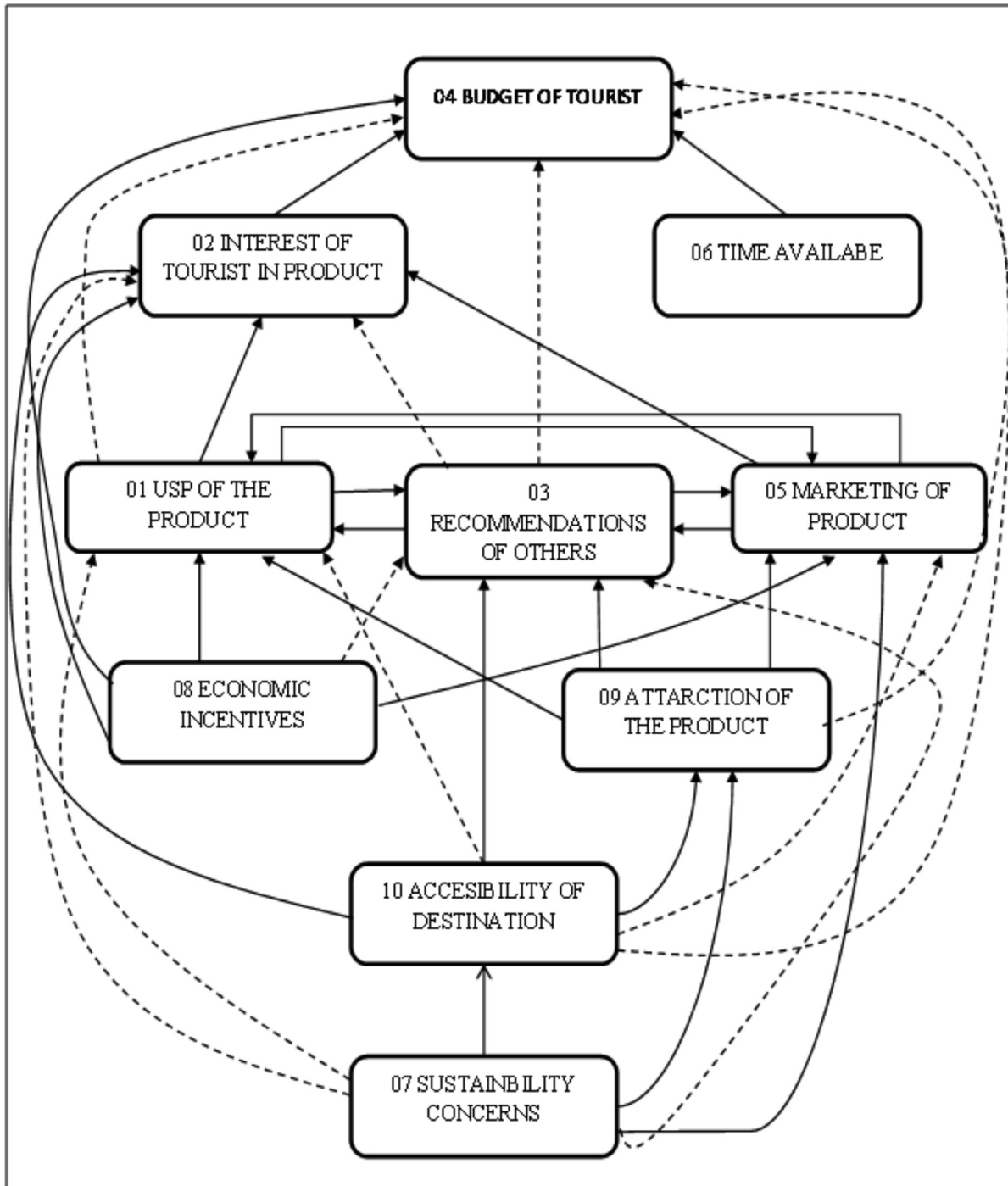
→ Shows Transitivity

7. RESEARCH IMPLICATIONS FROM PRESENT STUDY

A study would be termed as fruitless if its results do not benefit to the sections of society on whom it is carried out. Similarly, it would be termed as seedless, if it does not carry promote future researches in the field. The results of this study would contribute significantly in development of niche tourism industry through effective policy making and by opening dimensions for further research in the area. The study holds following implications for researchers and policymakers.

7.1 Implications for Researchers

By exploring the unexplored, answering what has never ben answered, researchers assist policymakers in their role. They offer policymakers an insight to "what is", "what could be" and "how it should be". Since, not much effort has been made to know about the motives of niche tourism consumption, this study offers researchers for an extensive study on the topic. Some of the questions which must be answered are as follows-

- The study suggests that accessibility of a destination is a driving factor for niche tourism consumption. So, a study must be carried out to find out destinations which are not easily accessible but have tourism potential.

- Economic incentives and Attraction of typology are also among drivers in the system. So, researchers must study different ways to make product attractive and the impact of economic incentives alone on consumption of niche tourism must be studied.

- Researchers must identify a way to build an effective marketing programme for promoting niche tourism. It would involve creating a Unique Selling Proposition through Destination brand imaging process.

- Needs and wants of tourists are evolving. A tourist is not satisfied with the services through which it was satisfied 10 years ago. Therefore, studies are needed to identify the new dimensions which should be added in tourism products to catch the attention of tourists.

7.2. Implications for policy makers

Policy makers are the drivers in the tourism industry. There role is to ensure that an efficient and smooth functioning is maintained in the tourism industry. They formulate policies which determine the future course of action for the industry. The role of policy makers must not be limited to framing guidelines. They must promote research in the area of tourism and must utilize the findings of studies to create better strategies and policies. Some of the implications which the present study holds for policy makers are as follows-

- As accessibility was found to be a driving factor, but, it is dependent on sustainability concerns. So, policy makers must ensure that destinations become accessible at affordable terms, without causing much harm to the environment.

- Advertisement campaigns are found to be effective in attracting tourists such as in case of Gujarat tourism and Madhya pradesh tourism. So, for promoting niche tourism, similar advertisement campaigns should be framed highlighting typology of niche tourism available at a destination.

- Publicity could be utilized in promotion of niche tourism as a recommendation by others was found to be a factor with driving power. Public forums should be developed where satisfied tourist can put their reviews to motivate prospective tourists.

- Certain Niche tourism products are in their introduction stages of life cycle. Therefore, policies surrounding them must be built as per their life cycle stages. Tourists should be lured by giving economic incentives. So, a separate pocket should be kept for expenditure on development of niche tourism industry.

- The policy makers should continue to nurture niche tourism industry patiently as gains from it would be fruitful in log run.

8. CONCLUSION AND SUGGESTIONS

The study concludes that although niche tourism products have mushroomed up in the country, there is no systematic approach to develop these products. The work has been more of a trial and approach method where products are developed as per wishes of the policy makers. This lack of systematic approach has resulted in loss of

economic contribution from the industry. The resources have not been utilized effectively because of this. Therefore, the researchers and policy makers must address the knowledge gap identified in the study and develop niche tourism products accordingly. The study has following suggestions to ensure the development of niche tourism products-

● **Destination Discontinuity-** Niche tourism products should be developed only on those destinations which are under explored or unexplored. Because many existing destinations which are either exhausting or have exhausted completely would not be able to bear the burden of flow of new tourists and this would be detrimental to the local population living in the state.

● **Develop new Tourism products-** Tourism is one industry where the principle of "Supply creates its own demand" can be applied. So, policy makers must try to innovate in their products offerings and check whether a particular typology has potential to be developed as a proper tourism product or not.

● **Incorporate Niche Tourism in Vision-** Success could be ensured only if efforts pertaining to the subject are coordinated. To ensure such coordination, it is necessary that Niche Tourism occupies a prominent position in the vision of policy makers at national as well as state levels. Every effort for development of niche tourism should be in line with the vision statement.

● **Monitor trends and status of Niche Tourism Products-** A lot of information gap exists pertaining to trends and status of niche tourism products in the country. Because of this lack of information, it is difficult to frame policies and even have proper research. Therefore, the role does not end just by developing the product and the progress should be monitored and hindrances must be removed.

● **Maintain affordability of product**- As Budget of tourist was one of the factors impacting niche tourism consumption, therefore, niche tourism products should be priced carefully. If prices are too high, then this would discourage the tourist from undertaking niche tourism. Too low prices would make it difficult for stakeholders to sustain in the long run incurring losses. Thus, a balance must be maintained through effective pricing policy.

● **Identify Tourist having longer duration of stay**- Niche Tourism would never become a complete alternative to the popular mass tourism product. Rather, a tourist would adjust its stay at poplar destination and spend a portion of its duration on niche tourism. Therefore, tourists with longer duration of stay are more likely to undertake niche tourism. So, focus must be on such tourists and customized travel packages could be offered to such tourists.

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APPENDIX

Iteration Table 1

Factor	Driving Power	Dependence Level	Set	
01	1,2,3,4,5	1,3,5,7,8,9,10	1,3,5	LEVEL 1
02	2,4	1,2,3,5,7,8,9,10	2	
03	1,2,3,4,5	1,3,5,7,8,9,10	1,3,5	
04	4	1,2,3,4,5,6,8,9,10	4	
05	1,2,3,4,5	1,3,5,7,8,9,10	1,3,5	
06	4,6	6	6	
07	1,2,3,5,7,9,10	7	7	
08	1,2,3,4,5,8	8	8	
09	1,2,3,4,5,9	5,9,10	5,9	
10	1,2,3,4,5,9,10	7,10	10	

Iteration Table 2

Factor	Driving Power	Dependence Level	Set	
01	1,2,3,5	1,3,5,7,8,9,10	1,3,5	LEVEL 2
02	2	1,2,3,5,7,8,9,10	2	
03	1,2,3,5	1,3,5,7,8,9,10	1,3,5	
05	1,2,3,5	1,3,5,7,8,9,10	,1,3,5	
06	6	6	6	
07	1,2,3,5,7,9,10	7	7	
08	1,2,3,5,8	8	8	
09	1,2,3,5,9	5,9,10	5,9	
10	1,2,3,5,9,10	7,10	10	

Iteration Table 3

Factor	Driving Power	Dependence Level	Set	
01	1,3,5	1,3,5,7,8,9,10	1,3,5	LEVEL 3
03	1,3,5	1,3,5,7,8,9,10	1,3,5	
05	1,3,5	1,3,5,7,8,9,10	1,3,5	
07	1,3,5,7,9,10	7	7	
08	1,3,5,8	8	8	
09	1,3,5,9	5,9,10	5,9	
10	1,3,5,9,10	7,10	10	

Iteration Table 4

Factor	Driving Power	Dependence Level	Set	
07	7,9,10	7	7	LEVEL 4
08	8	8	8	
09	9	9,10	9	
10	9,10	7,10	10	

Iteration Table 5

Factor	Driving Power	Dependence Level	Set	
07	7,10	7	7	LEVEL 5
10	10	7,10	10	

Iteration Table 6

Factor	Driving Power	Dependence Level	Set	
07	7	7	7	LEVEL 6

Sarva Shiksha Abhiyan (SSA) Programme— Inclusive Education for Girl Children and Its Performance in Coimbatore District: An Explorative Outlook

*Dr. (Smt.) V. Vimala

ABSTRACT

The Government of India has taken several measures to achieve the universalisation of the elementary Education since 2000. The central government has initiated the Sarva Shiksha Abhiyan (SSA) to enhance the quality education in India. In order to strengthen the education of the children's those who fall between theage-groups of 6 – 14, the special programme SSA aims to provide inclusive educations specially to girl child, visual impairment, hearing impairment, speech impairment, learning disabilities, muscular dystrophy, cerebral palsy, Down's syndrome and autism.

In this circumstance, the presentexplorative research tried to analyze the performance of the SSA, benefits, importance and it also mainly focuses on identifying the beneficiaries and its achievement in Coimbatore District since 2011. Where most of the children's in Coimbatore region are dropouts for many reasons such as financial burden, poverty, lack of awareness on education and family background in Tamilnadu. In this condition, an effort is made to identify the impact, performance and its benefits to the primary schools children's in both Public and Private Schools of Coimbatore District. The investigation is carried out with the help of a well thought-out questionnaire administered to the staff members and the schools teachers and persons in charge of the SSA scheme in the District or the schools under the SSA programme. With the help of their responses, few statistics and reports available from the government web portal, the analysis is made thereafter, which is followed by findings of the study with few suggestions.

Key Terms: Sarva Shiksha Abhiyan (SSA), Padhe Bharat-Badhe Bharat (PBBB), Universalization of Elementary Education (UEE), Shiksha Karmi Project (SKP)and Education System

1. INTRODUCTION

Sarva Shiksha Abhiyan (SSA) is a special program implemented by Government of India in affiliation with State Governments;the core concept of this scheme is to makethe programme for Universalising Elementary Education (UEE). The overall target is to achieve the children's education towidespread access and maintenance, bridging of gender and societalset gaps in education and development of learning height ofchildren. SSA was launched in the year 2001 to perform effectively and it took efforts to achieve substantial success in UEE. At present, it is evidenced that about 19.67 crore children enrolled in 14.5 lakh elementary schools in the nation with 66.27 lakh teachers at elementary level.

(a) Missions of SSA

Sarva Shiksha Abhiyan aspired to reach universal enrolment of all children in the age group 6–14 years in elementary education, ensuring all children to learn at grade appropriate level.

(b) SSA Achievement in Coimbatore District

In the year 2016–2017, about 270 children of Construction/Chamber workers are being benefitted in the Coimbatore District. The SSA report of Coimbatore also revealed that the number of migrant children retained through residential special training centres at their native places in 2016–17, which account to 90 boys, 62 girls and total of children are 152, and the parents of these children working in tea estate work at Valparai, industries (SS Kulam) and textiles work (Tirupur, Palladam and Avinashi). In addition to this, it is identified and coverage of childrens from Narikurava communities (Nomadsa from Kinathukadavu) are 21 students and 63 childrens are identified and coverage of Tribal (Irular,

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*   Assistant Professor (SS), Department of Commerce, Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore, 641 043. Email ID: vim2achar@gmail.com, vim_2achar@yahoo.co.in.

Thodas) who go benefited from the scheme of SSA in the selected region of the study.

2. OBJECTIVES OF THE STUDY

* To understand the SSA's awareness, performance and its impact on education system; and

* To know the implications, beneficiaries and effectives of SSA on education and learning in the primary education system.

3. HYPOTHESIS OF THE STUDY

* H_{01}:Sarva Shiksha Abhiyan (SSA)scheme strongly influence girl children's education and learning style on the development of primary education standards in schools.

4. SAMPLE DESIGN

The exploratory study used the multi stage sampling techniques in the selected area. The first phase of respondents is selected based on the gender of primary school children's, where specifically girl children's are taken for the current study. In the second phase, area wise selection is done, where in Tamil Nadu, Coimbatore district is chosen and in the third phase, the investigation concentrated only on selected government primary schools and private primary schools such as staffs (both including teaching and non-teaching members), children's and others who are actively involved in the SSA project of Coimbatore. The school children's for the current investigative study is chosen based on the age group of 6 to 14 and poor economic background. The sample size taken for the study is randomly taken is 129, which includes to 35 teachers(Government and Private Primary Schools) of the Coimbatore district and 87 primary school children's of Coimbatore district.

5. STATISTICAL TOOLS AND TECHNIQUES

The currentresearch work applied the percentages methods and simple statistical computational

workouts. In addition to this, the Structural Equation Model (SEM) and Amos (Analysis of Moment Structures) (IBM version 20.0) are used to identify quickly the specify confirmative factors which affect the outcome of the study and to modify the model graphically if necessary by using simple drawing tools to bring out the result perfectly support the target statement of the study to prove.

6. PERIOD OF THE STUDY

The pilot research covered a period from September, 2017 to March 2019 and the secondary collected since 2011 to till date for the analysis of the research to find the exact beneficiaries to identify the performance and efficiency of theSarva Shiksha Abhiyan (SSA) scheme in addition the first hand information by the selected respondent in the study.

7. SOURCES OF DATA COLLECTION

Primary data for the study are collected from the selected group of staffs (both including teaching and non-teaching members), children's and others who are actively involved in the Sarva Shiksha Abhiyan (SSA) project of Coimbatore.

Secondary data are collected from books, journals, research papers, newspapers, on-line sources, Reports of Economic Indicators, University web portal, India studies, and University Library resources (Both offline and Online sources) etc.,

8. ANALYSIS AND INTERPRETATION

The currentresearch focused mainly on the SSA scheme benefits for the primary school children's and its impact on the education system in Coimbatore District. With the help structure questionnaire, the collected data is presented here.

Sarva Shiksha Abhiyan (SSA) Programme—Inclusive Education for Girl Children
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Table 1: Demographic Profile of the Respondents

Group	Gender		No. of	In Percentage
	Male	**Female**	**Respondents (N)**	**(%)**
Category of Children's				
Boys	54	—	54	62.1
Girls	—	33	33	37.9
Total	**54**	**33**	**87**	**100.0**
Age				
6 - 8	08	07	20	23.0
9 - 11	13	10	26	29.9
12 - 14	16	12	41	47.1
Total	**48**	**39**	**87**	**100.0**
Students				
Government Primary School	28	19	47	54.0
Private Primary Schools	26	14	40	46.0
Total	**54**	**33**	**87**	**100.0**
Community-wise students details				
Schedule Caste (SC)	12	10	22	25.3
Schedule Tribe (ST)	08	03	11	12.6
MBS/BC	13	12	25	28.7
Muslim Minority	10	05	15	17.4
Others	11	03	14	16.1
Total	**54**	**33**	**87**	**100.0**
Faculty members				
Government Primary School	14	9	23	65.7
Private Primary Schools	07	05	12	34.3
Total	**21**	**14**	**35**	**100.0**
SSA Projects/R & D				
Project Assistant/Fellowship	03	04	07	100.0
Total	**03**	**04**	**07**	**100.0**

Source: Survey Data, 2019, N = No. of Sample (35+87+7 = 129*)
*[Teacher (T) = 35, School Children's (SC) = 87 and Project Assistant (PT) = 7]

Table 2: Benefits and importance of Sarva Shiksha Abhiyan (SSA) scheme for primary schools in Coimbatore

Importance and Benefits	Rating Scale*				
	EI – 1	**MI – 2**	**N – 3**	**SI – 2**	**NI – 1**
Early reading and writing with comprehension (ERWC)	43 (33.3%)	34 (26.4%)	24 (18.9%)	18 (13.9%)	10 (7.8%)
Educational planning and management	24 (18.6%)	22 (17.1%)	28 (21.7%)	29 (24.8%)	26 (20.2%)
Free and compulsory education to the children of 6-14 years age group [Free and Compulsory Education (RTE) Act, 2009 every child]	52 (40.3%)	38 (29.5%)	18 (13.9%)	11 (8.5%)	10 (7.8%)
Infrastructure facilities to uphold the high quality in education in all the both public and private schools.	39 (30.2%)	32 (24.8%)	30 (23.3%)	19 (14.7%)	9 (6.9%)
Opportunity for promoting social justice through basic education	15 (11.6%)	13 (10.1%)	47 (36.4%)	32 (24.8%)	22 (17.1%)

Progress of the children, developing the innovative the modules and training programmes focusing specifically on the pedagogy, methodologies, contents, child psychology, games, awareness, health and hygiene in the current situation	52 (40.2%)	42 (32.6%)	18 (13.9%)	10 (7.8%)	7 (5.4%)
Project based learning in the school level education system	24 (18.6%)	31 (24.0%)	32 (24.8%)	15 (11.6%)	27 (20.9%)
Special attention on the girl's education and children with special needs	36 (27.9%)	29 (22.5%)	19 (14.7%)	26 (20.2%)	19 (14.7%)
Support for improving learning achievement and intellectual levels / outcome among the primary school children's [Specific Learning Disabilities (SLD)]	32 (24.8%)	30 (23.3%)	19 (14.7%)	9 (6.9%)	39 (30.2%)
Universalization of elementary schooling and 100% retention rate in students in the elementary schools	13 (10.1%)	47 (36.4%)	32 (24.8%)	22 (17.1%)	15 (11.6%)
ICT enable teaching- learning with standard class rooms	24 (18.9%)	18 (13.9%)	10 (7.8%)	43 (33.3%)	34 (26.4%)

Source: Survey Data, 2019, N = No. of Sample (35+87+7 = 129*)
*[Extremely Important (EI) – 5, Moderately Important (MI) – 4, Neutral (N) – 3, slightly important (SI) – 2, Not at all important (NI) – 1]

Table 3: Impact of different sub-schemes under the programme Sarva Shiksha Abhiyan (SSA) for the school students

Related Schemes of SSA	Rating Scale*				
	SI – 1	MI – 2	N – 3	SI – 2	NI – 1
Design for Change: Project works in *You Tube*	32 (24.8%)	30 (23.3%)	19 (14.7%)	9 (6.9%)	39 (30.2%)
English enhancement progrmmes	24 (18.6%)	31 (24.0%)	32 (24.8%)	15 (11.6%)	27 (20.9%)
Inclusive Education for Disabled at Secondary Stage (IEDSS) under the *Rashtriya Madhyamik Shikha Abhiyan (RMSA)*	39 (30.2%)	32 (24.8%)	30 (23.3%)	19 (14.7%)	9 (6.9%)
Individual Educational Plan (IEP) for children with special needs (CWSN) or *[IEP – Rashtriya Bal Swasthya Karyakram (RBSK)]*	52 (40.3%)	38 (29.5%)	18 (13.9%)	11 (8.5%)	10 (7.8%)
Mobile Counseling Van - Guidance and Counseling	13 (10.1%)	47 (36.4%)	32 (24.8%)	22 (17.1%)	15 (11.6%)
National Means – cum – Merit Scholarship (NMMS) Scheme	36 (27.9%)	29 (22.5%)	19 (14.7%)	26 (20.2%)	19 (14.7%)
Rashtriya Avishkar Abhiyan (RAA) – field trip to scientifically important Places	15 (11.6%)	13 (10.1%)	47 (36.4%)	32 (24.8%)	22 (17.1%)
SHAALA SHIDDHI (National Programme on School Standards and Evaluation – NPSSE) Training	52 (40.2%)	42 (32.6%)	18 (13.9%)	10 (7.8%)	7 (5.4%)
State Level Assessment Survey (SLAS)	42 (32.6%)	18 (13.9%)	10 (7.8%)	7 (5.4%)	52 (40.2%)

Source: Survey Data, 2019, N = No. of Sample (35+87+7 = 129*)
*[Extremely Influence (EI) – 5, Moderately Influence (MI) – 4, Neutral (N) – 3, slightly Influence (SI) – 2, Not at all Influence (NI) – 1]

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Table – 4: Different methods influences the develop of primary education standards in schools

Related Schemes of SSA	Rating Scale*				
	SI – 1	MI – 2	N – 3	SI – 2	NI – 1
Awareness Campaign on CWSN and Transport and Escort Facilities for CWSN (CWSN)	24 (18.6%)	31 (24.0%)	32 (24.8%)	15 (11.6%)	27 (20.9%)
Braille Book usage by visually impaired student (BBVI)	39 (30.2%)	32 (24.8%)	30 (23.3%)	19 (14.7%)	9 (6.9%)
Child-friendly Trimester (CFT)	52 (40.3%)	38 (29.5%)	18 (13.9%)	11 (8.5%)	10 (7.8%)
Continuous and Comprehensive Evaluation (CCE) and Trimester Pattern (TP)	36 (27.9%)	29 (22.5%)	19 (14.7%)	26 (20.2%)	19 (14.7%)
Curricular Adaptations for Children with Special Needs Education for all (CACSNE)	13 (10.1%)	47 (36.4%)	32 (24.8%)	22 (17.1%)	15 (11.6%)
Equitable Classroom in Inclusive Setup-Quality Initiatives (ECISQI)	15 (11.6%)	13 (10.1%)	47 (36.4%)	32 (24.8%)	22 (17.1%)
Home base Education (HBE)	52 (40.2%)	42 (32.6%)	18 (13.9%)	10 (7.8%)	7 (5.4%)
Kinet X Box – Activities (Play way Method) (PM)	42 (32.6%)	18 (13.9%)	10 (7.8%)	7 (5.4%)	52 (40.2%)
Mid-day meals for children [healthy food for a wealthy mood(HFWM)]	32 (24.8%)	30 (23.3%)	19 (14.7%)	9 (6.9%)	39 (30.2%)
Quality Education System (QES)	39 (30.2%)	32 (24.8%)	30 (23.3%)	19 (14.7%)	9 (6.9%)
Quality Monitoring Tools (QMT)	15 (11.6%)	13 (10.1%)	47 (36.4%)	32 (24.8%)	22 (17.1%)
Tamilnadu School Standard and Evaluation (TNSSE) - Shaala Siddhi	52 (40.2%)	42 (32.6%)	18 (13.9%)	10 (7.8%)	7 (5.4%)
Trimester, Continuous and Comprehensive Evaluation (CCE)	24 (18.6%)	31 (24.0%)	32 (24.8%)	15 (11.6%)	27 (20.9%)
School Readiness Programmes (SRP)	13 (10.1%)	47 (36.4%)	32 (24.8%)	15 (11.6%)	22 (17.1%)

Source: Survey Data, 2019, N = No. of Sample (35+87+7 = 129*)

*[Extremely Influence (EI) – 5, Moderately Influence (MI) – 4, Neutral (N) – 3, slightly Influence (SI) – 2, Not at all Influence (NI) – 1]

9. TESTING OF HYPOTHESIS

The purpose explorative study made an effort to formulate the research statement for empirical testing which describes the relationship between two or more variables. The hypotheses of the study is -

* H_{01}: Sarva Shiksha Abhiyan (SSA) scheme strongly influence girl children's education and learning style on the development of primary education standards in schools.

Model – 1: Impact of Sarva Shiksha Abhiyan (SSA) on the development of primary education standards in schools
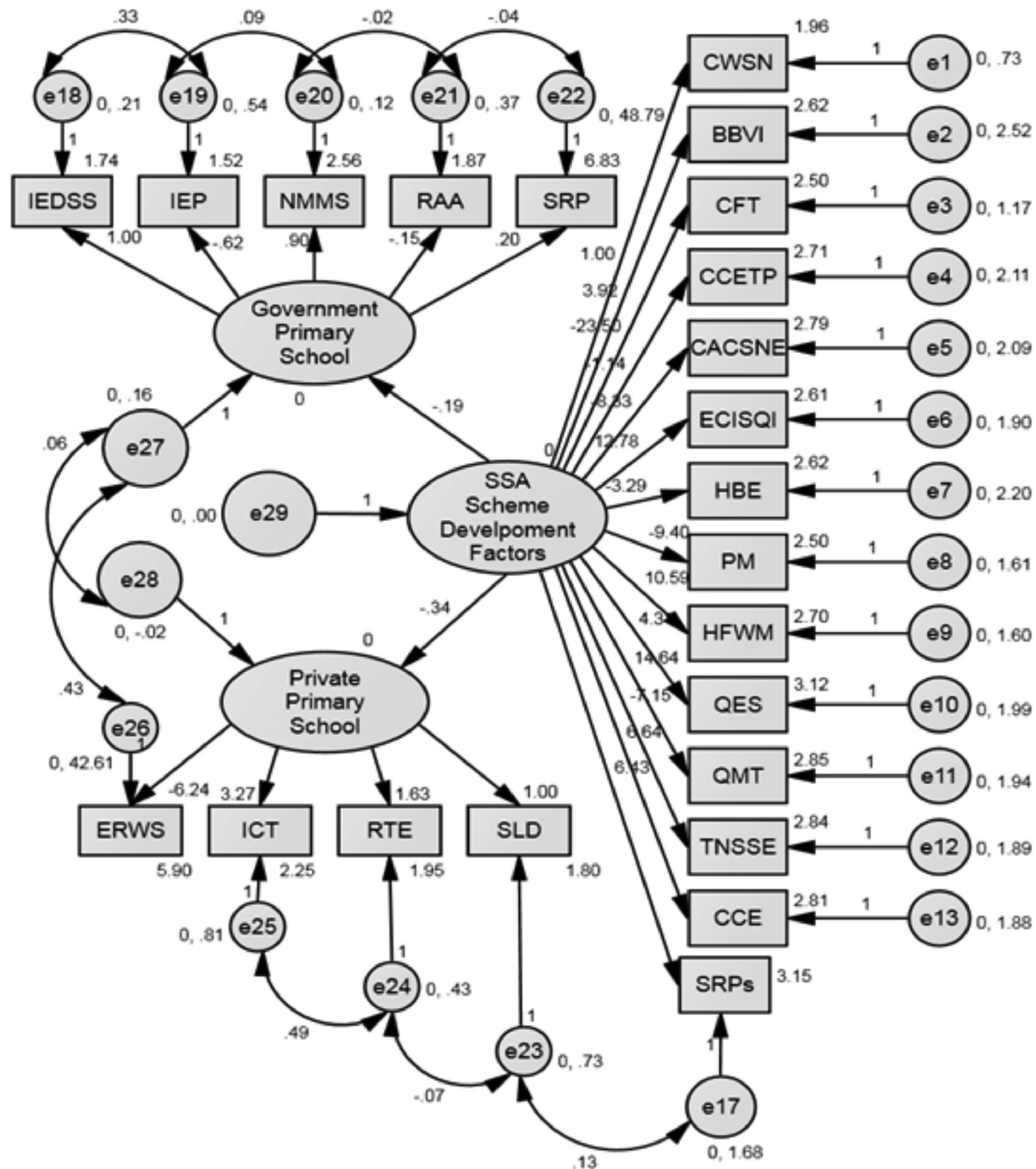
10. RESULTS AND DISCUSSION

Table 5: Summary Results of Measurement Model

Model	X²	df	P - Value	RMSEA	PGFI/PCFI	NNFI	CFI	RFI	CMIN/DF
H₀	322.847	219	0.000	0.028	0.754	0.496	0.899	0.196	1.565

Source: Survey data, 2019

The Chi-Square (X^2) value of 322.847 with the 219 degree of freedom is at the 0.05 (5%) significant level: its p – value is 0.000. This finding suggests that model fits the data acceptably from selected school children, staff members and SSA project assistant in Coimbatore. The authenticate evidence is provided by the RMSEA fit statistics 0.028 the obtained value of 0.008 is less than the

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cutoff 0.08. Similarly, the Tucker Lewis Index (TLI)/ CMIN - DF result of 1.565 is considerably above the 0.95 threshold denoting satisfactory model fit.

In the above Model – 1, SSA's schemes developmental factors influences the standard and quality of education system in both Government Primary Schools and Private Primary schools children's, especially on the girls children in the selected region. The confirmative influential factors of SSA cause the scores and are observed on the measures variables regarding the benefits, importance and its performance effectively to improve the quality of the education system. The impact of the SSA schemes on primary school children's are represented by single-headed arrows in the path diagram. Since the chi –square test of absolute model fit is reported, along with its degrees of freedom and probability value.

11. CONCLUSION

To summarize, the SSA programmehelped to built the strong basis to improve the education system for primary school children and it facilitated in building of school infrastructure, periodic teacher training and scholarly resource support for academicians, providinglearning resources for school children's such as textbooks, computers, libraries; equity being the focus specially for girl. The study put effort in the identification of children with special needs and providing them need based support including aids and appliances, monitoring and care for making schools effective and building local level accountability. In the study, the performance of SSA is noticed that highly effective in developing the standard and quality of education system for the primary children.

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India's Foreign Trade of Agricultural Products: A Study of Composition and Direction of Trade

Afsha Afreen*

ABSTRACT

Indian economy is an agrarian economy. Agriculture contributes 16% towards the GDP of the country and provides employment to 49% population of country. India's trade with foreign countries is not of recent origin. This practice was followed even before the colonial rule. During the pre-colonial and the colonial period, India was a prominent exporter of agriculture products like spices, raw cotton, jute, food grain, tea etc. However due to change in the agricultural policies during the colonial rule, there was stagnation in the agricultural export. There has been a considerable change in the present scenario of agricultural trade of India. Present study aims at analyzing the composition of foreign trade of top 10 agricultural commodities and direction of agricultural trade with top 10 countries. The study finds that there has been a shift in the composition and direction of trade in past five years. The CAGR of commodities like Basmati rice, Cotton, and Buffalo meat has shown negative results and there is a need to take actions in this regard.

Key Words: Agricultural Products, Foreign Trade, Composition, Direction.

INTRODUCTION

Foreign trade has played a significant role in economic development of our county. It not only helps us in earning foreign exchange but also provides us with an opportunity of using diversified products produced in every corner of the world. The practice of conducting trade with foreign countries has been followed since ancient times. The history of India traces trade with countries like Greece, Germany, China, Japan, Java and Arabian countries since 1100 B.C. India's rich resources and comparative advantage in various products have attracted a lot of traders across the border.

India is popularly known for its diversity in crop cultivation, climate and plantation condition since ancient times. Agriculture commodities like raw cotton, spices, medicinal plants, black pepper, animals etc. were exported to foreign countries. Today, India plays a prominent role in world agricultural trade. The objective of the Indian Government is to occupy top 10 position in agricultural export.

The share of agriculture in total export of India is considerably low. During the post-independence period, the share of primary sector was maximum in India's total trade. The advancement in the manufacturing and service sector has led to a decline in the share of agricultural sector towards total trade. India's agricultural sector has huge potential for earning favorable foreign exchange and improving the current scenario of our economy. Recently, the government has proposed a separate policy for agricultural export which will help in this regard.

OBJECTIVE OF THE STUDY

The following are the objective of this research paper:-

a) To study the share of agricultural export and import in India's total trade.

b) To study the composition of export and import of top 10 agricultural products.

c) To study the direction of export and import with top 10 countries.

d) Suggestive measures to improve the scenario of agricultural foreign trade.

LITERATURE REVIEW

Various studies have been conducted to analyze the performance of foreign trade of India:-

Thomas & Sheikh (2012): In this paper, the author has studied the growth performance of agricultural export in the reform era. There has been considerable increase in agricultural export due to globalization and liberalization. A slow rise in

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*   Assistant Professor, Khandra College, Khandra, West Bengal Mailing Address- Usha Apartment, 1/45 M.N. Saha Road, Asansol (W.B.) PH No: 9835128945 E-mail Id- afreenafsha23@gmail.com

agricultural export as compared to national export has been witnessed. Growth performance of each commodity has improved except tea and coffee with negative growth rate.

Vishwakarma & Nath (2018): The researcher has compared the performance of agricultural sector and manufacturing sector in the post reform period. The CAGR of agricultural sector is lowest (3.02%) as compared to that of manufacturing sector (7.32%) in the post reform period calling for need to formulate appropriate policies for agricultural sector.

Sharma & Bugalya (2014): In this paper, the researcher has done a comparative analysis of cotton sector between USA and India. India has comparative advantage in production of cotton whereas USA has comparative advantage in export of cotton. This is because USA provides huge support to cotton through various programmes whereas such support is negative in India.

Gupta & Kumar (2016): A study of trade between India and Iran reveals a decline in import and export of India from Iran. The study also reveals negative trade balance of India calling for need to substitute Iranian oil.

METHODOLOGY

The study is based on data collected from secondary sources. Data has been collected from the database of APEDA, Ministry of Commerce and published reports of Government of India. To study the share of India's agricultural trade in total trade, time series data from year 2009-11 to 2017-18 has been used. To study the composition and direction, time series data from year 2013-14 to 2017-18 has been used. The statistical tool used here are CAGR, percentage and indices.

INDIA'S TOTAL TRADE

Table 1 shows information about the value of India's total export and import, agricultural export and import and share of agricultural export and import in total export and import. The share of agricultural export ranges between 9.77%-13.72%, being maximum in year 2012-13 and minimum in year 2010-11. On the other hand, share of agricultural import ranges between 2.97%-6.34%, being maximum in year 2016-17 and minimum in year 2011-12.

Table 1: Share of agricultural sector in India's total trade

US $ million

Year	Total Export	Agricultural Export	Percentage of agricultural export	Total Import	Agricultural Import	Percentage of agricultural import
2009-10	178,751.43	17,906.24	10.02%	288,372.88	11,114.60	3.85%
2010-11	249,851.55	24,398.38	9.77%	369,769.13	11,061.93	2.99%
2011-12	305,963.92	37,098.79	12.13%	489,319.49	14,510.27	2.97%
2012-13	300,400.58	41,209.97	13.72%	490,736.65	17,464.75	3.56%
2013-14	314,405.30	42,837.22	13.62%	450,199.79	14,071.09	3.13%
2014-15	310,338.48	38,659.87	12.46%	448,033.41	18,779.28	4.19%
2015-16	262,290.13	32,089.43	12.23%	381,006.63	21,291.43	5.59%
2016-17	275,851.71	33,374.01	12.10%	384,355.56	24,380.25	6.34%
2017-18	303,376.22	38,214.00	12.60%	465,578.29	23,469.26	5.04%

Source: Ministry of Commerce(Total Export & Import), APEDA(Agriculture Export and Import)

Figure 1: Total Export & Agricultural Export
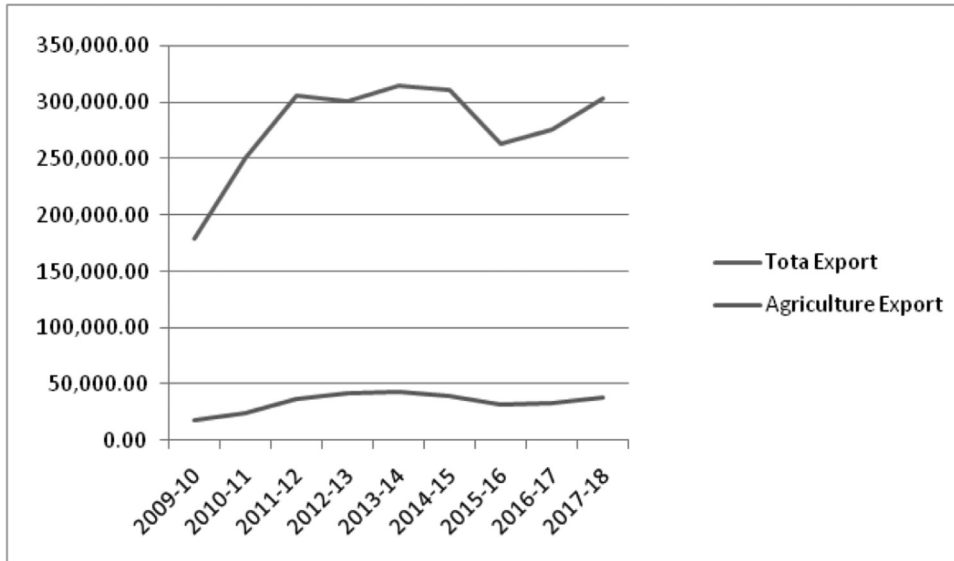
Source: Table 1.

Figure 2: Total Import & Agricultural Import
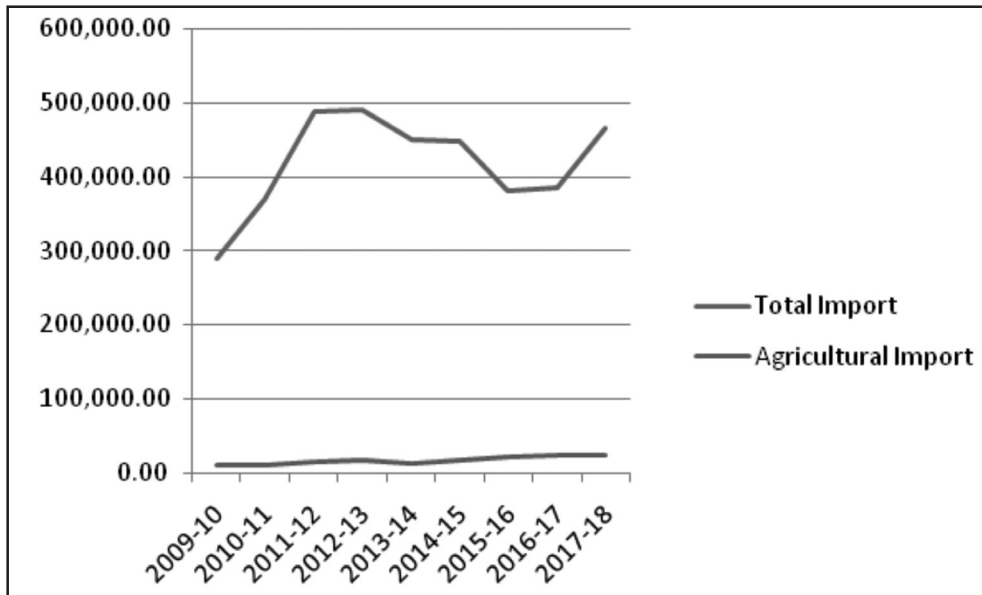
Source: Table 1

The above two figure clearly shows that the share of both agricultural export as well as import is very negligible in India's total export and import. The total export and import shows fluctuating trend whereas agricultural export and import has shown a steady trend.

COMPOSITION OF EXPORT OF TOP 10 COMMODITIES

To study the composition of agricultural export of top 10 commodities, data for five years from year 2013-14 to 2017-18 has been taken.

Table 2: Composition of Export of top 10 agricultural products

US $ million

SL. No.	COMMODITY	2013-14	2014-15	2015-16	2016-17	2017-18	CAGR
1	Marine Products	5016.37	5510.01	4761.96	5917.78	7387.39	8.05%
2	Basmati Rice	4864.89	4518.25	3477.35	3222.35	4165	-3.06%
3	Buffalo Meat	4350.38	4781.18	4068.66	3924.63	4029.88	-1.52%
4	Non-Basmati Rice	2925.13	3319.81	2307.72	2553.79	3558.11	4.00%
5	Spices	2497.23	2429.43	2502.48	2890.41	3104.35	4.45%
6	Raw Cotton	3637.72	1900.19	1937.87	1627.07	1887.44	-12.30%
7	Oil Meals	2796.44	1324.08	535.58	799.44	1081.72	-17.30%
8	Castor Oil	725.7	770.45	705.2	676.43	1043.99	7.54%
9	Coffee	797.19	811.93	780.31	843.57	968.6	3.97%
10	Cashew	842.32	909.25	768.07	790.62	922.42	1.83%

Source: APEDA

Table 2 gives information about the value of export of top 10 agricultural products. Marine Products occupies number one position with a positive growth rate of 8.05% followed by Basmati Rice(-3.06%), Buffalo Meat(-1.52%), Non-Basmati Rice(4%), Spices(4.45%), Cotton(-12.30%), Oil Meals(-17.30%), Castor Oil(7.54%), Coffee(3.97%) and Cashew(1.83%). Basmati Rice, Buffalo Meat, Cotton and Oil meals shows negative growth rate, rest having a positive CAGR.

Table 3: Indices of export of top 10 agricultural products

SL. No.	COMMODITY	2013-14 (Base Year)	2014-15	2015-16	2016-17	2017-18
1	Marine Products	100%	109.84%	94.93%	117.97%	147.27%
2	Basmati Rice	100%	92.87%	71.48%	66.24%	85.61%
3	Buffalo Meat	100%	109.90%	93.52%	90.21%	92.63%
4	Non-Basmati Rice	100%	113.49%	78.89%	87.31%	121.64%
5	Spices	100%	97.28%	100.21%	115.74%	124.31%
6	Cotton Raw Incld. Waste	100%	52.24%	53.27%	44.73%	51.89%
7	Oil Meals	100%	47.35%	19.15%	28.59%	38.68%
8	Castor Oil	100%	106.17%	97.18%	93.21%	143.86%
9	Coffee	100%	101.85%	97.88%	105.82%	121.50%
10	Cashew	100%	107.95%	91.19%	93.86%	109.51%

Source: Author's calculation

Table 3 shows indices of export of top 10 products. The base year is 2013-14. Marine Products has shown an increasing trend except in year 2015-16. Basmati Rice has shown a declining trend with a little rise in index from 2016-17 to 2017-18. The performance of Buffalo Meat, as compared to base year, has also declined from year 2015-16. Raw Cotton has also witnessed a decline in its performance. There has been an adverse decline in the export of oil meal, especially in year 2015-16. Coffee, Cashew, Castor Oil and Non-Basmati rice has shown a fluctuating trend. On the other hand, Spices has shown a steady growth in its performance since 2015-16.

Figure 3: Export of top 10 agricultural products
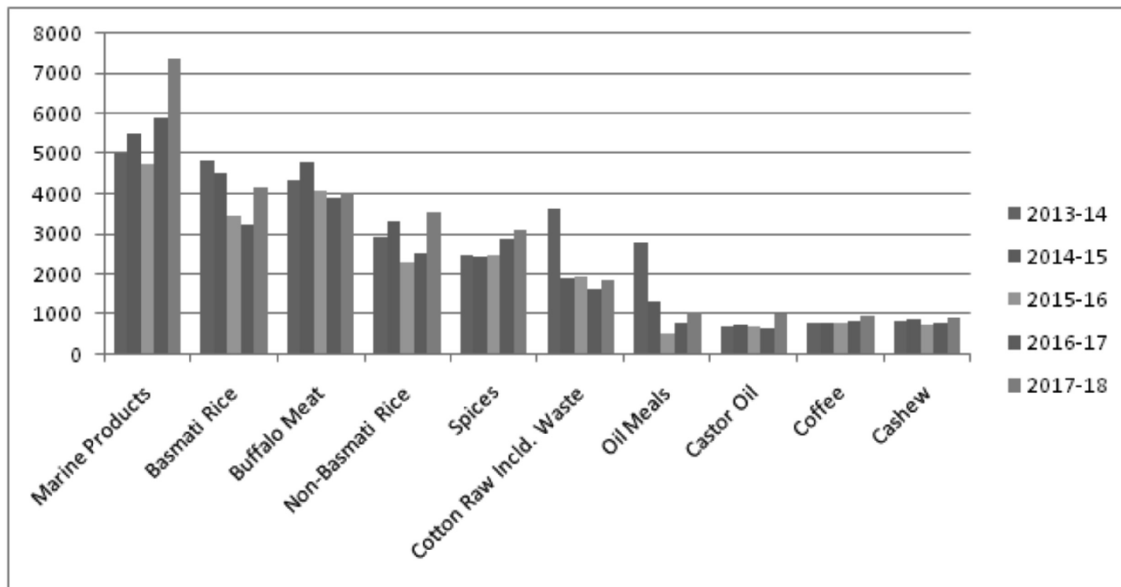
Source: Table 2

Figure 3 is a diagrammatical representation of table 2. It can be seen that there is huge difference in the value of export of commodities at 1st position and commodities at 8th, 9th and 10th position. Almost all commodities have witnessed changes in their value in the past five years.

COMPOSITION OF IMPORT OF TOP 10 COMMODITIES

To study the agricultural import of top 10 commodities data for five years, from 2013-14 to 2017-18 has been taken.

Table 4: Composition of import of top 10 agricultural products

US $ million

SL. NO.	COMMODITY	2013-14	2014-15	2015-16	2016-17	2017-18	CAGR
1	Vegetable Oils	7250.06	9670.51	10492.08	10894.05	11637.48	9.93%
2	Pulses	1828.21	2786.11	3902.22	4244.24	2908.26	9.73%
3	Fresh Fruits	1273.48	1561.52	1694.84	1675.44	1942.92	8.82%
4	Cashew	773.81	1087.16	1339.34	1346.58	1418.63	12.89%
5	Spices	571.39	717.55	823.79	858.58	989.5	11.61%
6	Cotton Raw	394.48	508.66	394.1	946.88	979.22	19.94%
7	Sugar	392.19	601.17	612.24	1021.81	936.52	19.02%
8	Alcoholic Beverages	341.27	407.63	447.38	534.17	601.15	11.99%
9	Wheat	4.42	9.95	135.45	1268.64	364.5	141.69%
10	Misc Processed Items	244.48	286.06	277.2	315.67	347.11	7.26%

Source: APEDA

Table 4 gives information about the value of top 10 agricultural imports. The share of vegetable oil is maximum in total agricultural import with a growth rate of 9.93% followed by Pulses(9.73%), Fresh Fruits(8.82%), Cashew(12.89%), Spices(11.61%), Raw Cotton(19.94%), Sugar(19.02%), Alcoholic Beverages(11.99%), and Wheat(141.69%) and Processed items(7.26%). All the products have shown a positive growth rate, CAGR of wheat being maximum. The value of import of wheat is drastically increasing since 2015-16. The reason for this is adverse plantation condition and high price in domestic market as compared to international market. This also adversely affected the export(Commodity Profile of Wheat for March 2017).

Table 5: Indices of import of top 10 agricultural imports

SL. NO.	COMMODITY	2013-14 (Base Year)	2014-15	2015-16	2016-17	2017-18
1	Vegetable Oils	100%	133.39%	144.72%	150.26%	160.52%
2	Pulses	100%	152.40%	213.44%	232.15%	159.08%
3	Fresh Fruits	100%	122.62%	133.09%	131.56%	152.57%
4	Cashew	100%	140.49%	173.08%	174.02%	183.33%
5	Spices	100%	125.58%	144.17%	150.26%	173.17%
6	Cotton Raw	100%	128.94%	99.90%	240.03%	248.23%
7	Sugar	100%	153.29%	156.11%	260.54%	238.79%
8	Alcoholic Beverages	100%	119.45%	131.09%	156.52%	176.15%
9	Wheat	100%	225.11%	3064.48%	28702.26%	8246.61%
10	Misc Processed Items	100%	117.01%	113.38%	129.12%	141.98%

Source: Author's Calculation

Table 5 shows indices of top 10 agricultural imports. The base year is 2013-14. It has been seen the value of all the products has increased as compared to the base year. Products like Vegetable oil, Cashew, Spices and alcoholic beverages have shown a continuous growth each year. The value of import of wheat was increasing till 2016-17. In year 2017-18, its value declined to a great extent. There was a decline in import of cotton in year 2015-16 but again it increased in year 2016-17.

Figure 3: import of top 10 agricultural products
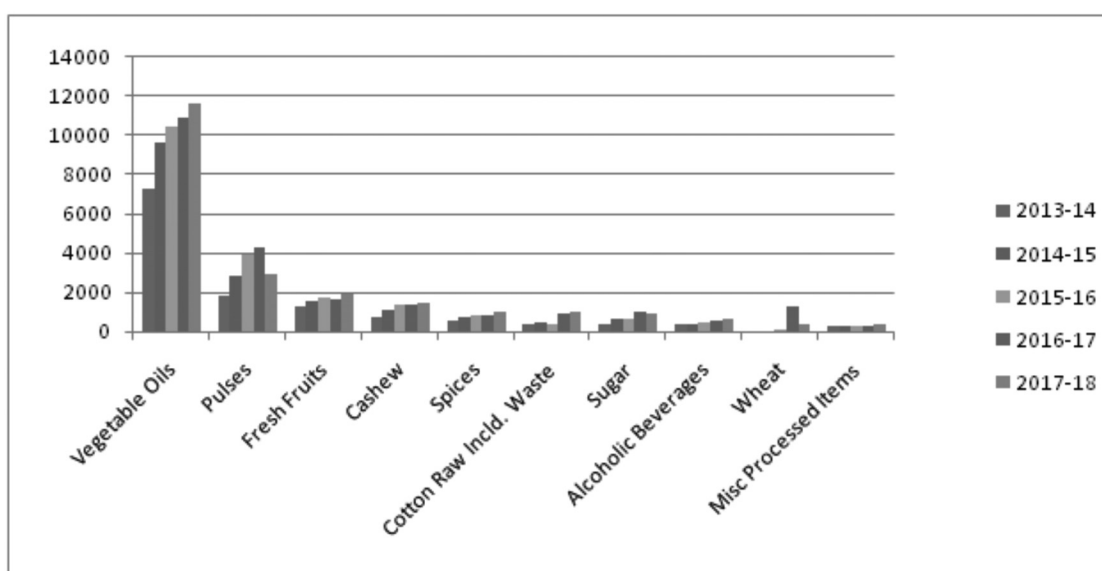
Source: Table 4

Figure 3 is diagrammatical representation of table 4. It can be seen that there is huge difference in the value of import of rank 1 commodity and other commodities. Almost all the products have shown and increasing trend. Import of pulses, sugar and wheat declined in year 2017-18.

DIRECTION OF EXPORT WITH TOP 10 COUNTRIES

Table 6: Export of agricultural products with top 10 countries

US $ million

Sl. No.	COUNTRY	2013-14	2014-15	2015-16	2016-17	2017-18	CAGR
1	Vietnam Soc Rep	3720.79	4302.12	3507.76	4352.25	5277.74	7.24%
2	U S A	4293.6	4279.39	3265.19	3666.76	4646.6	1.59%
3	U A E	1912.5	2003.45	2003.25	2158.19	2182.98	2.68%
4	Bangladesh	2354.68	2019.07	1279.26	1348.05	2067.7	-2.57%
5	Saudi Arabia	2102.41	2147.57	1752.45	1461.63	1579.53	-5.56%
6	Iran	3172.78	1686.65	904.66	880.91	1316.26	-16.14%
7	China	3052.74	1633.25	945.37	1050.03	1174.48	-17.39%
8	Netherland	737.54	710.2	691.32	696.31	911.74	4.33%
9	Malaysia	1138.44	1099.4	974.28	869.75	909.23	-4.40%
10	Nepal	499.06	668.73	588.45	817.36	857.87	11.44%

Source: APEDA

Table 6 shows information about the direction of agricultural export with top 10 countries. India's export with Vietnam is maximum with a growth rate of 7.24% followed by USA(1.59%), UAE(2.68%), Bangladesh(-2.57%), Saudi Arabia(-5.56%), Iran(16.14%), China(17.39%), Netherland(4.33%), Malaysia(-4.40%) and Nepal(11.44%) . Products like Buffalo Meat, Marine Products, Spices, Cotton and Oil Meal have maximum share in the export to Vietnam. Bangladesh, Saudi Arabia, Iran, China and Malaysia have a negative CAGR.

Table 7: Indices of agricultural export with top 10 countries

SL. No.	COUNTRY	2013-14 (Base Year)	2014-15	2015-16	2016-17	2017-18
1	Vietnam Soc Rep	100%	115.62%	94.27%	116.97%	141.84%
2	U S A	100%	99.67%	76.05%	85.40%	108.22%
3	UAE	100%	104.76%	104.75%	112.85%	114.14%
4	Bangladesh	100%	85.75%	54.33%	57.25%	87.81%
5	Saudi Arabia	100%	102.15%	83.35%	69.52%	75.13%
6	Iran	100%	53.16%	28.51%	27.76%	41.49%
7	China	100%	53.50%	30.97%	34.40%	38.47%
8	Netherland	100%	96.29%	93.73%	94.41%	123.62%
9	Malaysia	100%	96.57%	85.58%	76.40%	79.87%
10	Nepal	100%	134.00%	117.91%	163.78%	171.90%

Source: Author's Calculation

Table 7 shows information about the indices of export. The base year is 2013-14. Export with China and Iran showed a continuous declined till 2016-17 and improved a little in year 2017-18 but still the export is very low as compared to base year. Export with Vietnam declined in year 2015-16. Export with Saudi Arabia started declining since 2015-16.

Figure 5: Export with top 10 countries
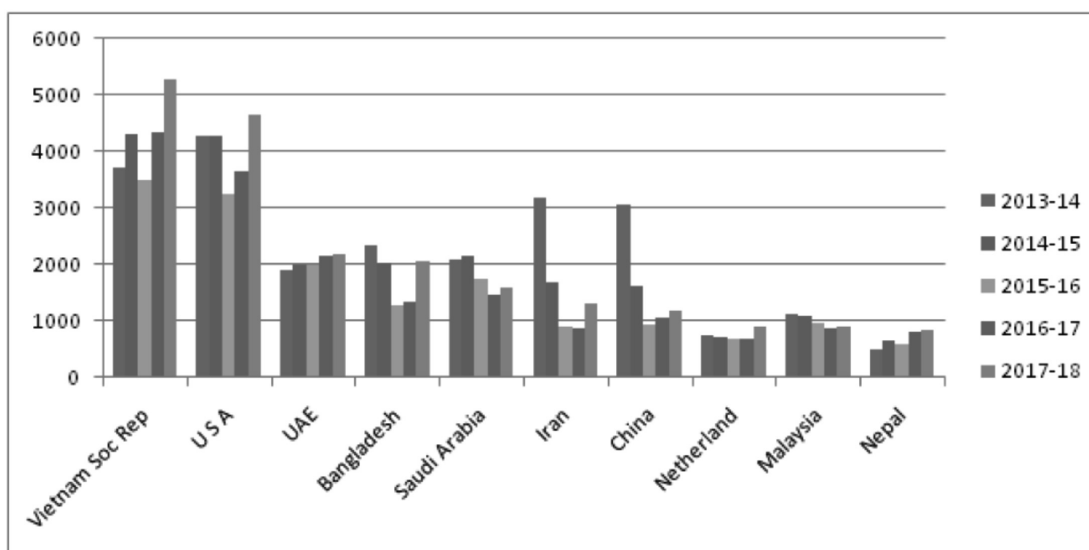
Source: Table 6

Figure 5 is a diagrammatical representation of table 6. It can be seen that export from Vietnam has shown fluctuating trend. Export with all the countries increased in year 2017-18 as compared to 2016-17.

DIRECTION OF IMPORT WITH TOP 10 COUNTRIES

Table 8: Agricultural import with Top 10 countries

US $ Million

SL. No.	COUNTRY	2013-14	2014-15	2015-16	2016-17	2017-18	CAGR
1	Indonesia	3169.15	3352.31	3903.84	4464.39	5266.3	10.69%
2	Argentina	1129.6	1594.97	2291.58	2353.63	2120.33	13.42%
3	Ukraine	1144.56	1606.99	1350.09	2170.27	2073.38	12.62%
4	U S A	858.63	981.49	1195.94	1455.56	1833.83	16.39%
5	Malaysia	1461.78	2416.1	2330.01	1968.67	1633.19	2.24%
6	Brazil	644.83	1020.35	1242.9	1454.44	1382.58	16.48%
7	Australia	351.4	385.05	965.95	1845.7	1352.16	30.93%
8	Canada	765.11	1089.19	1421.35	1188.76	712.34	-1.42%
9	Myanmar	475.76	827.62	852.03	841.67	447.36	-1.22%
10	Afghanistan	203.44	255.99	301.38	285.78	424.67	15.86%

Source: APEDA

Table shows information about the value of agricultural import with top 10 countries. Indonesia ranks number one in import with a positive CAGR of 10.69%. Some products having maximum share in import from Indonesia are Vegetable oil, coffee, Coco Powder and Spices. Australia has maximum CAGR of 30.93%. Products imported from Australia are Pulses, Cotton, and Fresh Fruits Wheat etc. Import with Canada and Myanmar has shown a negative growth rate.

Table 9: Indices of agricultural import with top 10 countries

SL. No.	COUNTRY	2013-14 (Base Year)	2014-15	2015-16	2016-17	2017-18
1	Indonesia	100%	105.78%	123.18%	140.87%	166.17%
2	Argentina	100%	141.20%	202.87%	208.36%	187.71%
3	Ukraine	100%	140.40%	117.96%	189.62%	181.15%
4	U S A	100%	114.31%	139.28%	169.52%	213.58%
5	Malaysia	100%	165.28%	159.40%	134.68%	111.73%
6	Brazil	100%	158.24%	192.75%	225.55%	214.41%
7	Australia	100%	109.58%	274.89%	525.24%	384.79%
8	Canada	100%	142.36%	185.77%	155.37%	93.10%
9	Myanmar	100%	173.96%	179.09%	176.91%	94.03%
10	Afghanistan	100%	125.83%	148.14%	140.47%	208.74%

Source: Author's Calculation

Table 9 gives idea about the indices of agricultural import taking base year 2013-14. Year 2014-15 has shown and increase in import of all the products. Import from Australia has shown a drastic increase in year 2015-16 and 2016-17 with reduction up to some extent in year 2017-18.

Figure 6: Agricultural import with top 10 countries
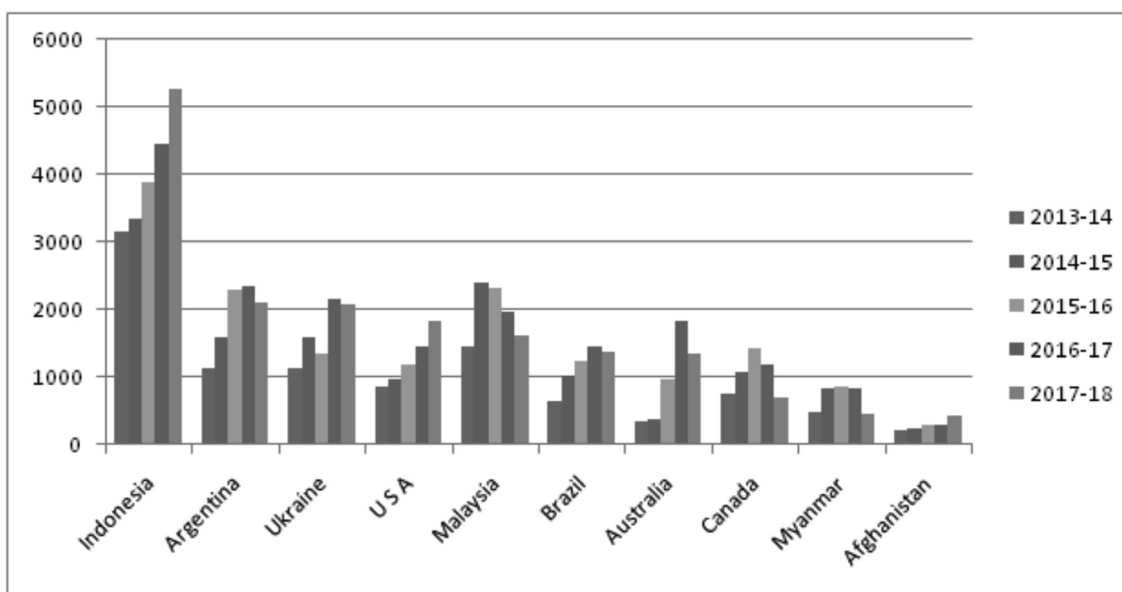
Source: Table 8

Figure 6 is a diagrammatical representation of Table 8. It can be seen that import form Indonesia, USA and Afghanistan has shown an increasing trend. Other countries have shown decline in import from year 2016-17 to 2017-18.

SUGGESTIVE MEASURES

It has been found from the above study that the share of agricultural sector is considerably low in India's total export. There is a need to take correct action in this regard. India is blessed by diversified plantation condition favorable for increasing production; thereby increasing export.Steps should be taken by the government to enhance export of agricultural products.

- Stress should be laid on improving the

infrastructure of agriculture.

● Investment should be made for improving the information technology so that producers get correct and timely information about the demand, domestic prices and international prices.

● More and more Agro-based industries should be set up.

● Credit facilities should be provided to support investment in Agro-based units.

● Export procedure should be made simpler to enhance export.

CONCLUSION

Export Promotion and Import Substitution has been the mantra for getting a positive trade balance. The study reveals negative impact on the export. The export of Basmati Rice, Buffalo Meat, Cotton, and Oil Meal has shown a negative CAGR of -3.06%, -1.52%, -12.30% and -17.30% respectively. Effort should be made to improve export of these products. Also, export from Bangladesh, Saudi Arabia, Iran, Malaysia and China has shown negative CAGR of -2.57%, -5.59%, -16.14%, -17.39% and -4.40% respectively. There is an immediate need to look after the reason for decrease in export from these countries. Import of all commodities has shown a positive CAGR. There is a need to reduce import of agricultural commodity in order to get favorable balance of payment.On the other hand, each year, the agriculture export is more than the agriculture import resulting into a favorable balance of payment from agricultural sector. Agricultural sector has a great potential for the upliftment of Indian economy. There was an immediate need to formulate separate agricultural export policy to enhance export. Agricultural Export Policy (Drafted) announced by the Government of India in March, 2018 will definitely help in improving the current scenario of agricultural trade.

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Is Options' Open Interest Information Useful in Trading: Evidence from Indian Equity Market

Monika Arora*

ABSTRACT

In this paper, we study the relevance of index options open interest in conveying information about the future price movements in the underlying index prices. This investigation has been carried out by using daily closing data of Nifty 50 index in the National Stock Exchange (NSE) derivatives segment for the period January 2011 to December 2016. In accordance with Aggarwal (2010) and Bhuyan*et al* (2010), using daily closing prices and closing open interests, the distribution of open interest, over different strike prices, is used to construct an open interest based price predictor (OIBPP) and positions taken accordingly. The result proves that index options open interest does contain valuable information about future price movements in the underlying index. The active portfolio strategy largely outperforms the passive buy-and-hold during the sample period of 2011-2016. This return advantage is also accompanied by lower standard deviation and coefficient of variation. This boosts confidence of an investor that the return advantage of the active (static) strategy will not be nullified by a significantly higher risk.

Keywords: Option open interest, information, trading strategy.

INTRODUCTION

Option trading is now the world's biggest business, with an estimated daily turnover of over 2.5 trillion US dollars and an annual growth rate of around 14%. Option contracts, because of the way they are structured and traded, have many inherent advantages over trading stocks. Trading incentives like lesser capital requirements, least trading restrictions, impounded higher leverage and embedded downside protection make the options a preferred way of trading for informed traders.This in other sense suggests that agents with information about future contingencies should be able to trade more effectively on their information in options market.Increasing trading activity and existence of organized stock options markets are a testimony to the economic benefits that these option contracts provide. Black (1975), Chakravarty *et al* (2004) and Manasterand Rendleman (1982) have argued that investors who have access to private information have to choose between the stock market and options market to trade on that information. Options market provides higher leveragefor per rupee invested relative to spot market. This additional leverageis not possible in stock or bond markets (seeBiais and Hillion, 1994) and possibly more discreetness for trading on private signals (see

Chesney *et al* 2015). Therefore traders with information may prefer to trade in options market than spot market.In this way prices and trading activity in options market provide information about future movements in underlying spot market.Cushioning the preceding arguments, Cao and Wei (2007) find evidence that agents with information find the options market a more efficient venue for trading because information asymmetry is greater for options than for underlying stocks. This finding is further supported by Easley *et al* (1998) and Chakarvarty*et al* (2004) who find that option order flows contain information about the future direction of the underlying stock price and average contribution of the options market to price discovery is about 17%. Admati and Pfleiderer (1988) report that informational efficiency in more actively traded options is greater. All these notions together imply that options may also allow informed agents to obtain leverage more readily in presence of frictions.

Many studies provide evidence for option market non-redundancy and claim that informed traders take action in options market first. As a result, options market has the ability to predict future stock returns. Some authors use option prices as input variable in forecasting underlying future prices and others use option market non-price

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* School of Business Studies, Punjab Agricultural University, Ludhiana- 141004 (Punjab) Author's email: monikaarora.45@gmail.com Mobile: 09463743513

information content such as trading volume and open interest as a regressor in predicting cash market returns.Bhuyan and Chaudhary (2001) argue that distribution of open interest on different strike prices represent overall belief of traders about equilibrium price of the assets at maturityand find that open interest based trading strategies produce significantly higher returns than simple buy and hold strategy. Cao and wei (2010), Easley *et al* (1998), Cao *et al* (2005) and Pan and Poteshman (2006)also present the results consistent with the hypothesis of informed trading in options market that options are favored by informed traders to realize the value of information they might possess. Supporting the previous findings Ni *et al* (2005) show that option trading changes the prices of underlying stock. They provide evidence that the option strike prices cluster around closing prices of stocks with listed options. Cao and Ou-Yang (2005) show that open interest in options affect the trades of the underlying stock. They show that around the dates of public announcements, the open interest and trading volumes in options are higher. Adding to it, Ni*et al* (2007) find evidence that option market activity has a pervasive impact on the price paths of underlying stocks. As a result, the options market in advance of an informational event does appear to be a possibly "preferred" venue for trading.

Throughout the literature, the importance of both option volume and open interest as lead indicators of equity prices is discussed, but the impact of open interest is a more recent. Launoisand Van (2003) in their study of takeover announcements exhibit the importance of using open interest as representative of market activity. Earlier studies to specifically relate option open interest to equity returns have focused on the dynamics surrounding certain events. Schachter (1988) shows a significant drop in option open interest prior to earnings announcements. The study has found that option open interest might forecast equity returns. Fodor (2010) also contribute to the literature by examining the relationship between option open-interest changes and future underlying equity returns. The study evidence that changes in open interest that are coming from changes in demand in option market have power to predict future equity returns. As against the option volume as a predictor of spot market prices considered by Easley *et al* (1998), this paper is in

agreement with the basic premise drawn by Bhuyan and Chaudhury (2005), Bhuyan and Yan (2002) and Bhuyan (2010) that net open interest of call options and put options together should provide a better indication of the future stock price movement.Their results have been the major motivating force for the present research paper to study in Indian context the role of option market's open interest in forecasting the underlying share prices.

REVIEW OF LITERATURE

If information reaches and gets reflected in the options market first, then the traders should be in a position to use this reflection profitably. This propositionattracted researchers' attention towards the information content of options trading with focus on variables such as option prices and non-price variables such as volume of trade, open interest, implied volatility etc. (for example, see Cao and Ou-Yang 2005, Roll *et al* 2007) and using that information to gain profitably. Research exploring informativeness of derivatives originated from the theoretical proposition of Black (1975), who argued that there are compelling reasons like lesser transaction cost, lesser upfront money requirement, lesser trading restrictions and limited downside risk, for growing popularity of options trading and thereby attracting informed traders. Therefore, the prices and trading activity of options market should be informative about future price movements of the underlying assets. An impressive range of researchers tested Black's theoretical proposition empirically, using different set of variables and have reported conflicting results. First conclusive evidence on impact of option market activity's non-price variables came from Easley *et al* (1998). The study using causality tests suggested by Granger (1969), and Granger and Newbold (1977) reported that volume of directional option trade leads stock price change though total option volume has no such predictive power.Anthony (1988) investigated the relation between common stock volume and call option trading volumes for 25 American firms using pair-wise Granger causality test. The results suggested that trading in call options leads trading in the underlying shares, with a one-day lag. Cao and Wei (2010)suggested that options are preferred by informed traders to realize their information value and are also the investors' choice to trade in response to general market movements. Option

volume may indeed reveal the informational role of options. Pan and Poteshman (2006) strengthened the previous findings andshown that future stock prices can be predicted with volumes in option trading. To be more precise, arrival of new information is indicated through an increase in trading volume of options (Easley and O'Hara 1992) and the spread to protect against potential losses would be widened up by market-makers. Ni *et al* (2005)showed that option trading causes change in the prices of underlying stock. They provided evidence that the strike prices of option cluster at closing prices of optioned stocks. Cao and Ou-Yang (2005) argued that open interest in options affect the trades of the underlying stock. They showed that around the dates of public announcements, the open interest and trading volumes in options are higher.

Bhuyan and Yan (2002) developed several price predictors from the option market open interest and volumes of individual stocks and concluded that these predictors contain significant explanatory and predictive power for the future stock prices. Srivastava (2003) and Mukherjee and Mishra (2004) examined the relevance of non-price variables, namely open interest and trading volume of stock option market in predicting the price of underlying shares in cash market. The empirical findings from the study clearly indicated that in Indian context open interest based predictors are statistically more significant than volume based predictors. Bhuyan and Chaudhury (2005) and Bhuyan (2010)suggested that net open interest of call options and put options together provide a better indication of the future stock price movement.

In these studies various trigger points have been tested using option open interest information. It has been evidenced that the trading strategies that are based on open interest generates better results as compared to the buy-and-hold and passive covered call strategies. The arguments presented above are independent of market, economy or market conditions. India, a strong emerging market, offers a unique opportunity to check whether information reflects options market first or not and whether it is possible to profitably gain from reflections of this information.

RESEARCH METHODOLOGY

Financial markets are not complete and information related imperfections remain. At any time, agents with positive information about the underlying asset will prefer to establish long positions on out-of-the money (OTM) calls (and not ITM calls) or short positions on in-the-money (ITM) put options (and not OTM puts). More favourable the information, the distribution of their positions will shift to higher strike prices (deep OTM calls or ITM puts). Exactly opposite behavior is expected from those with negative information about the underlying asset. This results in a distribution of open interest over various strike prices of call and put options and keeps changing with time as more information absorbs into the system. Therefore, in accordance with Aggarwal (2010) and Bhuyan*et al* (2010), using daily closing prices and closing open interests, this distribution of open interests, over different strike prices, is used to construct an open interest based price predictor (OIBPP). This study is based upon OIBPP based, trading strategy, namely static as in (Aggarwal 2010, Bhuyan and Chaudhary 2001),Where trading positions once established are not changed till option expiry has been executed. Risk and return characteristics of this strategy are analyzed with respect to a passive buy and hold strategy. The study is carried out using statistics for Nifty 50 index on which options are available in the derivatives segment of NSE. Daily closing data for call and put options (options' closing price and open interest by strike price) is collected from the official website of NSE (www.nseindia.com) for a period spanning 72 option months from January 2011 to December 2016.This study derives its genesis largely from the work of Bhuyan and Chaudhary (2001), and Aggarwal (2010); the terms and methodology used are also similar to a large extent and explained below.

For call and put options available against a index, define the following as:

t : time

T: Time to maturity

T_0: Current time

S_t : Stock price at time t

X^C_i: Strike price for call option (i = 1, 2, …,k)

X^p_j : Strike price for put option (j = 1, 2, …,k)

O^C_{it}: Open interest of a call option with strike price X_i at time t

O^P_{jt}: Open interest of a put option with strike price X_j at time t

At any time, *t*, an equity option open interest based stock price predictor, OIBPP, for maturity of the call and put options (time=*T*), is defined as follows:

$$\text{OIBPP} = [\Sigma O_{it}^c X_i^c + \Sigma O_{jt}^p X_j^p] / \Sigma\ O_{it}^c + \Sigma O_{jt}^p]$$

$$t \in [T_0, T]$$

Development of Static Strategy

Broadly, an uninformed investor/trader could follow two types of strategies namely, passive and active strategies. As the name suggests, under a passive strategy the investor does not get into active information collection to design or modify a portfolio and once a portfolio is formulated, he waits till the end of holding period. Thus, his trading costs are also low. An active strategy, on the other hand, is just opposite, wherein the trader indulges into regular information collection to modify and re-modify the portfolio. Therefore, his trading costs are also higher. The very subject matter of this study is to see whether an investor/trader can benefit from the information conveyed by options open interest (i.e., active strategies using options' open interest-based price predictor). The passive strategy (buy and hold) provide a solid benchmark for performance comparison, keeping in mind the extra efforts on information collection and decision making, not to forget the additional financial costs. During an option month, though trade could be initiated on any working day, four important days in terms of behavior of stock markets are chosen for trade initiation: second Monday (2M), second Friday (2F), Friday before the expiration day (LF), and Monday of the expiration week (EXM). Positions are established using closing prices of the trade initiation day (*t*) and are liquidated using closing prices of the options expiry day. Thus, the corresponding holding periods in terms of calendar days are about 20 days (2M), 14 days (2F), 7 days (LF) and 4 days (EXM). Since index trading is not allowed on exchanges, exchange traded fund (ETF) namely Nifty BeEs has been used for the purpose of analysis. The trading lot size for Nifty 50 index has not been same over the sample period, therefore quantity of purchase for ETF as well as options contracts has been standardised as 100. All the positions are held till options expiry day.Under each strategy first, the absolute return is calculated from the closing ETF price and option prices on the trade initiation day and the option maturity day. Appropriate transaction costs are added to reach net figures. Based on returns and investments, holding period Percentage Return on Investment (PROI) for both strategies has been calculated. In the following text, details of each of these strategies have been provided.

Passive Stock Only PSO Strategy (Buy and Hold)

This strategy, which is followed by a passive, inactive investor, involves buying ETF at closing price of the trade initiation day and selling it at the closing price of expiration day. The PROI is given by:

$$\text{PROI}_{pso} = [\{(S_T -) - \} /]\ 100$$

where,

S_t = Closing ETF price on trade initiation day

S_T = Closing ETF price on expiration day

N_S = Number of ETF traded i.e. 100

I_{pso} = Net outlay on trade initiation day ()

T_C = Transaction costs

PROI = Percentage return on investment

Open Interest-Based Active Stock Plus Option (ASPO) Strategy

The naked position taken on the basis of Passive Buy and hold (PSO) strategy can be quite risky, termed as speculation, as prices may move in opposite direction than anticipated. Therefore, it is advisable to take some protection using options.

Here the options' open interest-based price predictor OIBPPhas been used on each trade initiation day t, by comparing the actual closing index price and open interest based price predictor But the focus is not just on the direction, but magnitude of predicted price.

If *X* is the next available strike price in the direction of predicted price (above or below), a major price movement is considered if OIBPP goes past *X* or is closer to *X* than the current index price . Otherwise, it is seen as a minor price movement. By and large, the cases identified as major (minor) price movements represents a predicted change of more (less) than 5% (2%) from the current index price.

According to the direction and degree of price movement (major or minor), four stock plus option strategies have been employed as summarized in Table 1. For each strategy percentage return on investment (PROI) is calculated based on

return and investment.

ASPO1: The price predictor signals a minor upward movement in the index.

ASPO2: The price predictor signals a major upward movement in the index.

ASPO3: The price predictor signals a minor downward movement in the index.

ASPO4: The price predictor signals a major downward movement in the index.

Table 1: OIBPP Based Active Stock Plus Option Strategies

Upward Price Movement		Downward Price Movement	
Major	Minor	Major	Minor
Buy ETF at closing price S_t on trade initiation day and sell deep out-of-money call option with a strike close to OIBPP	Buy ETF at closing price S_t on trade initiation day and sell a call option with strike immediately above OIBPP	Buy ETF at closing price S_t on trade initiation day and sell a call option with a strike close to OIBPP and buy a put option with a strike at or above S_t	Buy ETF at closing price S_t on trade initiation day and sell a near-to-the-money call option
$PROI_{ASPO} = [\{(S_T - S_t) \times N_S + (C_{it} \times N_C) - \max(0, (S_T - X_i) \times N_C) - T_C\}/I_{ASPO}] \times 100$	$PROI_{ASPO} = [\{(S_T - S_t) \times N_S (C_{it} \times N_C) - \max(0, (S_T - X_i) \times N_C) - T_C\}/I_{ASPO}] \times 100$	$PROI_{ASPO} = [\{(S_T - S_t) \times N_S + (C_{it} \times N_C) - (P_{it} \times N_p) - \max(0, (S_T - X_i) \times N_C) - \max(0, (Z_i - S_T) - T_C\}/I_{ASPO}] \times 100$	$PROI_{ASPO} = [\{(S_T - S_t) \times N_S + (C_{it} \times N_C) - \max(0, (S_T - X_i) \times N_C) - T_C\}/I_{ASPO}] \times 100$
$I_{ASPO} = I_S \times S_T$	$I_{ASPO} = N_S \times S_t$	$I_{ASPO} = N_S \times S_t$	$I_{ASPO} = N_S \times S_t$

where,

S_T = Closing ETF price on trade initiation day

S_t = Closing ETF price on expiration day

N_S = Number of ETF units traded

N_C = Number of written calls

N_P = Number of puts purchased

C_{it} = Closing price of call with strike price Xi on trade initiation day

P_{it} = Closing price of put with strike price Zion trade initiation day

I_{ASPO} = Net outlay on trade initiation day

T_c = Transaction costs

$PROI_{ASPO}$ = Percentage returns on investment

FINDINGS

This part of study presents the comparative performance of the passive buy & hold strategy and OIBPP based active strategy in the six option years taking into consideration the four alternative trade initiation days (2F, 2M, LF, EXM) within each option month. Comparison has been carried out to check how well the strategies are performed vis-à-vis the four trade initiation days taken up in the study. Mann-whitney test has been carried out to check for any significant difference in performance of both the strategies.

Table 2: Comparative Performance of the Passive and Active strategy for Nifty 50 Index executed on different days of the month (2M, 2F, LF and EXM)

Strategy	Mean PROI	Max.	Min.	Range	Std.Dev.	CV	Skew.	Kurt.	Mann-whitney U-Stats.
Trade initiation day: Second Monday (2M)									
OIBPP based static	15.29	93.39	5.20	88.19	3.19	0.21	3.78	2.13	4.31
Passive Buy & hold	2.30	32.10	-1.92	34.02	4.05	1.76	0.57	0.09	(p < 0.002)
Trade initiation day: Second Friday (2F)									
OIBPP based static	30.92	123.46	4.20	119.26	3.87	0.13	2.34	0.19	5.37
Passive Buy & hold	9.02	56.69	-1.48	58.17	5.76	0.64	-1.29	0.92	(p < 0.001)
Trade initiation day: Last Friday (LF)									
OIBPP based static	12.02	84.20	-4.68	88.88	5.39	0.44	2.04	-1.46	10.34
Passive Buy & hold	6.30	31.04	-6.35	37.39	12.04	1.91	-3.17	0.23	(p = 0.002)
Trade initiation day: Monday of Expiry Week (EXM)									
OIBPP based static	4.78	49.06	-1.28	50.34	3.12	0.65	4.54	2.79	5.77
Passive Buy & hold	-3.47	20.64	-10.73	31.37	9.07	2.61	0.42	1.57	(p = 0.006)

Table 2 'presents the comparative performance of OIBPP based Static strategy and Passive Buy and Hold strategy for nifty 50 index executed on different days of an option month. It shows the collective results for option expiry 1 month, 2 months and 3 months taken together. OIBPP based static strategy executed on second Monday gives a mean percentage return on investment (PROI) of 15.29% whereas mean PROI of passive buy and hold has been observed to be 2.30%. Maximum and minimum value of PROI of OIBPP based static strategy has been found to be 93.39% and 5.20% respectively. Passive buy and hold strategy has provided maximum PROI of 32.10% and minimum PROI of -1.92%. Standard deviation (SD) and coefficient of variation (CV) of OIBPP based active strategy stand at 3.19 and 0.20 respectively. Whereas same results of passive buy and hold strategy stand at 4.05 and 1.76 respectively. This gives an indication that OIBPP based static strategy gives better returns with lesser risk than passive buy and hold strategy. Result of Mann-whitney test also show that returns from both the strategies are significantly different from each other ($U = 4.31$, $p < 0.0002$).

Performance of both the strategies executed on second Friday of every month shows that OIBPP based static strategy does best both in terms of mean PROI (30.92%) as well as coefficient of variation (0.13). While passive buy and hold strategy is less attractive with mean PROI = 9.02% and CV =0.64.Results clearly imply that returns generated from OIBPP based static strategy are far better than those of simple buy and hold strategy returns. Value of Mann-whitney U-stats has been found to be 5.37 ($p < 0.01$) which signifies that average PROI from both the strategies are significantly different from each other.

Descriptive statistics regarding the performance of both the strategies executed on last Friday of every month show that OIBPP based static strategy turns out to be the best, both in terms of mean PROI (12.02%) as well as coefficient of variation. On the other hand simple buy and hold strategy proves to be less profitable (mean PROI = 6.30%) and more risky too (CV = 1.91). Results of Mann-whitney U-stats show significant difference between the performance of both active and passive strategy.

Similar behavior is observed for trades executed on Monday of the Expiration week (EXM). OIBPP based static strategy has highest mean PROI (4.78%) and less coefficient of variation (0.65). Here, simple buy and hold strategy scores less mean (-3.47%) and higher CV (2.61).Results from Mann-whitney test in this case too shows that average PROI from both the strategies are significantly different from each other.

CONCLUSION

In this paper an attempt has been made to study the relevance of Nifty 50 index options open interest in conveying information about the future price movements in the underlying index prices. The point is – can an uninformed trader use this open interest information to predict the prices of underlying assets at the expiry and accordingly use different trading strategies to gain from this reflection. From the results presented above it can be observed that mean returns for open interest based static strategy for Nifty 50 index on different initiation days that is 2M, 2F, LF and EXM are significantly higher than returns from passive buy and hold strategy. Using this OIBPP based static strategy; an investor can earn greater returns than those offered by passive buy and hold strategy, even after incurring additional costs on options transactions. This leads to an important conclusion that options open interest in Nifty 50 indexforetell information about the future price movements in the underlying index prices.

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Rummage Around the Comparative Prognostic Control of Organisational Conflict Management Model towards the Work Productivity of Public and Private Sector Commercial Banks of Punjab

Dr. Shivani Nischal*

ABSTRACT

Conflict exists throughout environments of all kinds. Although conflict management is complex and sometimes hard to achieve, a greater understanding of the behavioural skills associated with it can have a bottom line impact on work performance as well as organisational productivity. The current research framework actually attempts to explore and analyse the significant predictors of OSCM model of conflict management as well as their impact upon the work productivity of the employees of public and private sector commercial banks in a very comparative mode. For the purpose under study, the sample includes 365 bank managers from twenty commercial banks situated in Amritsar, Jalandhar and Ludhiana cities of Punjab. Ten banks each from public sector and private sector has been selected on the basis of highest number of employees (Prowess Software and annual reports of these banks March, 2018). The pre-tested structured questionnaire based upon Udai Pareek's model i.e. OSCM (Opinion Survey on Conflict Management) and 9-item work performance instrument based upon MSS Scale has been utilized under the study. Various statistical techniques has been employed such as reliability and validity analysis, descriptive statistics, weighted average scores, Bi-variate correlation analysis, simple regression and multiple regression analysis. Overall the findings revealed the significant influence of two main modes of OSCM model of conflict management upon the work performance of the employees in both public sector and private sector banks and it shakes the employees' performance at significance level.

Keywords: Conflict Management Strategies: Resignation, Withdrawal, Negotiation, Confrontation, Compromise, Arbitration, Appeasement and Defusion; Work Performance and Public& Private Sector Commercial Banks.

1. INTRODUCTION

"Although conflict management is complex and sometimes hard to achieve, a greater understanding of the behavioural skills associated with it can have a bottom line impact on organisational productivity."

–Vincent L. Ferraro and Sheila A. Adams

Conflict is defined as disagreement between individuals. It can vary from mild disagreements to a win-or-lose, emotion-packed, confrontation **(Kirchoff and Adams, 1982).** Conflict can be a serious problem in an organisation. It can create chaotic conditions that make it nearly impossible for employees to work together. Thomas and Scmidt have reported that managers spend 20% of their time in dealing with conflict situations. Hence it is very much important that managers should understand the serious consequences of conflict in organisation so that they can find out techniques to deal with the relative dysfunctional impacts of conflicts. Conflict resolving approaches have been suggested by various academicians and experts such as Blake & Mouton's Managerial Grid (1964), Thomas & Killman's MODE (1976), Rahim's Conflict Resolving Mechanism (1982), Pareek (1982), Knudson, Sommers & Golding, (1980); Billingham & Sack, (1987), Sillars, (1980); Putnam & Wilson, (1982), four Smyth, (1977); Phillips & Cheston, (1979), (Sternberg & Soriano, (1984); Morrill & Thomas, (1992), Nicotera, (1993); Pareek, (1982) and Kindler, (1996) to handle or manage conflict.

Pareek (1982) also proposed a contingency model of managing conflict in the organisations. This model consists of avoidance-approach mode to handle or manage conflict. **Rahim's (1983)**

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* Professor, Post Graduate Department of Commerce & Business Management, Khalsa College, Amritsar (143001), Punjab, India.Ct: +91-84270-09718; +91-9417452767 shivaninishchal@gmail.com

model ROCI-II had been developed for the measurement of five styles of inter-personal conflicts such as Accommodating, Collaborating, Compromising, Avoiding & Competing and further research should be needed in the diagnosis of styles of handling interpersonal conflict between the employees of organisation. Further, **Rahim et al. (2001)** explored the relationship between conflict handling styles and job performance of employees. The findings revealed the positive significant influence of conflict handling modes upon job performance of employees. **Rahim (2010)** in his research article "Functional and Dysfunctional strategies for managing conflict" revealed that employees who used functional conflict management strategy attained high level of job performance than employees who used dysfunctional style of conflict management. The study stressed upon the usage of only functional strategy of conflict management because of its significant association with better job performance and organisational citizenship behaviour. **Obasan (2011)** reviewed consequential effects of conflict and its management upon corporate productivity with the motive of suggesting a valid conclusion to banking industry. Results revealed the significant positive relationships of work performance and conflict resolving mechanism adopted in selected banks under study.

Further, **Rashid et al. (2015)** developed regression model of conflict handling approaches and investigated the impact of conflict management upon team performance. The study analysed that how team members adjust with conflict through appropriate conflict management approach and how the particular conflict handling mode impact the effectiveness of team. Data has been gathered from 240 employees of public and private sector higher organisations. The results amazed that the conflict handling methods had a significant positive influence upon the team performance. This research paper has been divided into several sections. Firstly; the analysis section deals with studying the overall impact of conflict management strategies upon the work performance of the employees; thereby further sections deal with analysing significantly the impact of avoidance and approach modes of handling conflict upon the work performance of private sector and public sector bank employees. Concluding observations has been discussed in the final section. Approach mode of conflict management model includes confrontation, negotiation, arbitration and compromise strategies whereas Avoidance mode includes resignation, withdrawal, appeasement and defusion strategies to handle conflict in the organisation.

Fig. 1 Approach-Avoidance Styles of Conflict Management
(Pareek's OSCM Model, 1982)
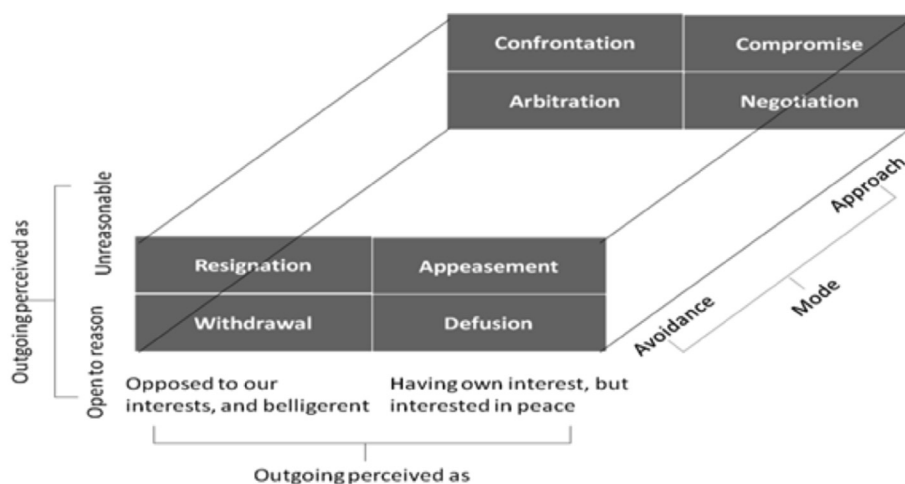
(Source: Training Instruments in HRD & OD by Pareek, U. 2018 Ed.)

2. OBJECTIVES AND RESEARCH METHODOLOGY

The main objectives of research paper are to explore the significant predictors of OSCM model of conflict management upon work performance or productivity in comparative form among the public and private sector banks selected under the scope of the study. Further, the sample of the study includes 365 bank managers from twenty commercial banks selected each from Amritsar, Jalandhar and Ludhiana economical well off cities of Punjab. Ten banks each from public sector and private sector has been selected on the basis of highest number of employees (Prowess Software and annual reports of these banks March, 2018). **Strategic Random sampling technique** had been chosen for the purpose of study. The pre-tested structured questionnaire based upon Udai Pareek's model i.e. OSCM (Opinion Survey on Conflict Management) has been utilized under the study and work performance of employees has been measured with the help of 9-item Minnesota satisfactoriness scale (MSS Scale) (Dewis, Gibson, Lofquist & Weiss 1970). The findings revealed the significant influence of two main modes i.e. approach and avoidance mode of OSCM model of conflict management upon the work performance of the employees in both public sector and private sector banks selected under study.

3. CONFLICT RESOLUTION MECHANISM ADOPTED IN SELECTED PUBLIC AND PRIVATE SECTOR BANKS

For the purpose under study, the measurement OSCM scale was first put to reliability test and cronbach's alpha was calculated. It came out to be 0.71, which was considered satisfactory and fit for the purpose under study (Nunnally & Bernstein, 1994). As shown in table no.1, the mean scores of all the constructs of the statements concerning conflict management strategies has been specified and construct validity has been computed with the help of cronbach's alpha for each construct or conflict management strategy; that comes out to be greater than 0.60 for each construct. This satisfies the construct validity of the OSCM scale undertaken for the research purpose. Table no.1 depicted the descriptive statistics of various conflict management strategies across public sector banks and private sector banks in comparative form.

Table 1: Weighted Average Scores and Rank Orderings based on WAS of Opinion Survey on Conflict Management I (OSCM Model) in Public & Private Sector Banks

Coding	Variables	Public Sector (N=181)		Private Sector (N=184)		Combine Results (N=365)	
		WAS	Rank	WAS	Rank	WAS	Rank
RR_1	Resignation Strategy (α = 0.649)	2.84	8	3.62	4	3.22	5
WW_2	Withdrawal Strategy (α = 0.706)	2.93	7	2.40	8	2.66	8
NN_3	Negotiation Strategy (α = 0.61)	4.00	1	4.09	1	4.04	1
CC_4	Confrontation Strategy (α = 0.675)	3.71	3	3.76	3	3.73	4
MM_5	Compromise (α = 0.696)	3.97	2	3.61	5	3.79	2
TT_6	Arbitration Strategy (α = 0.703)	3.69	4	3.84	2	3.76	3
AA_7	Appeasement Strategy (α = 0.65)	3.23	6	2.77	6	3.00	6
DD_8	Defusion Strategy (α = 0.692)	3.31	5	2.43	7	2.87	7

Overall Cronbach's alpha (á) =0.71; [*Public Sector Banks under sample: State Bank of India, Punjab National Bank, Canara Bank, Bank of Baroda, Bank of India, Central Bank of India, Union Bank of India, Syndicate Bank and Indian Overseas Bank; Private Sector Banks under sample: ICICI Bank, HDFC Bank, AXIS Bank, Kotak Mahindra Bank, Jammu & Kashmir Bank, ING Vysya Bank, Indusind Bank, Karnataka Bank, South Indian Bank and Karur Vysya Bank]*

The results (table no.1) indicated that public sector bank managers used to follow Negotiation style or strategy mostly to handle conflict with (WAS=4.00); which is further followed by Compromise style (WAS=3.97); Confrontation style (WAS=3.71); Arbitration style (WAS=3.69); Defusion style (WAS=3.31); Appeasement style (WAS=3.23); Withdrawal style (WAS=2.93) and Resignation style (WAS=2.84) of handling conflict with their respective weightage average scores.

Where in private sector, bank managers mostly follow Negotiation strategy to handle conflict with WAS=4.09; followed by Arbitration style (WAS=3.84); Confrontation style (WAS=3.76); Resignation style (WAS=3.62); Compromise style (WAS=3.61); Appeasement style (WAS=2.77); Defusion style (WAS=2.43) and Withdrawal style (WAS=2.40) of handling conflict with their respective weightage average scores. Ranks based on weighted average scores have been specifically made a clear cut demarcation of the various strategies or styles preferred by the managers of selected public, private sector banks and overall banks.

4. WORK PERFORMANCE INSTRUMENT (MSS SCALE) ADOPTED IN PUBLIC AND PRIVATE SECTOR BANKS

The mean score and standard deviation for all statements of work performance scale has been

Table 2: Descriptive Statistics of Statements of Work Performance Scale (MSS Scale)

Varia-bles	Combined Results		Private sector		Public Sector	
	Mean	S.D.	Mean	S.D.	Mean	S.D.
WP1	3.54	1.434	4.17	.974	2.91	1.545
WP2	3.51	1.457	4.10	1.097	2.91	1.536
WP3	3.29	1.472	3.72	1.296	2.86	1.517
WP4	3.27	1.444	3.47	1.414	3.08	1.451
WP5	3.15	1.520	3.69	1.386	2.61	1.459
WP6	3.55	1.420	3.73	1.323	3.38	1.495
WP7	2.15	1.235	2.21	1.184	2.08	1.284
WP8	2.29	1.300	2.85	1.444	1.73	.816
WP9	4.05	1.022	4.13	.924	3.97	1.110
WAS	3.20		3.56		2.83	
Valid N (Listwise)	365		184		181	

Overall Cronbach's alpha (α) = 0.628, n=365

depicted in table no.2 showing the results of public sector, private sector and combined areas in comparative form. The measurement scale was put to reliability test and cronbach's alpha value came out to be 0.628, which was considered satisfactory scale. The results indicated that the private sector employees are good performers (WAS=3.56) but the public sector bank employees are average or intermediate performers (WAS=3). The overall combined results depicted the average performance (overall WAS=3.20) of the employees working in these selected banks under study.

5. RELATIONSHIP BETWEEN OSCM MODEL OF CONFLICT MANAGEMENT AND WORK PERFORMANCE INSTRUMENT

Further moving towards main objective of the study i.e., to analyse the significant impact of conflict management upon work performance of employees in the selected public and private sector banks. First of all, Bi-variate correlation analysis has been applied to check the strength of association between conflict management and work performance variables; then regression analysis has been applied to predict the significance of the predictor variable i.e. conflict management towards dependent variable i.e. work performance. Correlations analysis demonstrated the significant results in private sector banks and public sector banks. From the table no.3, the sign of coefficient of correlation shows the direction of relationship i.e. positive relationship which denotes that there is positive correlation exists between conflict management strategies and work performance of the employees working in these public and private sector banks.

Table 3: Correlation Matrix between Conflict Management and Work Performance Scale

Sector Wise Detail			Work	Conflict Management
Private Sector Banks	Work Performance	Pearson Correlation	1	.627**
		Sig. (2-tailed)		.000
		N	184	184
	Conflict Management	Pearson Correlation	.627**	1
		Sig. (2-tailed)	.000	
		N	184	184
Public Sector Banks	Work Performance	Pearson Correlation	1	.599**
		Sig. (2-tailed)		.000
		N	181	181
	Conflict Management	Pearson Correlation	.599**	1
		Sig. (2-tailed)	.000	
		N	181	181

5.1 Simple Regression Analysis

With the help of correlation analysis one can only comment upon the association of relationship between the variables but the degree of dependence can only be calculated with the help of regression analysis i.e. change in dependent variable (work performance) with the help of change in independent variable (conflict management). Table no.4 displays the results of simple regression model for work performance with single predictor variable i.e., conflict Management.

Model Development

Dependent Variable	Work Performance
Independent Variable	Conflict Management

The Regression equation for the study would be:

$$Y = \alpha + \beta X + e$$

Where, Y=Dependent Variable (Work Performance Score);

X= Independent Variable (Conflict Management Score);

α=Intercept/Constant; β= Slope & e=error term.

Table 4: Summary of Simple Regression Model for Work Performance with Single Predictor Variable (Conflict Management)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	df	F value	Sig.
1	.654[a]	.428	.426	.41080	1	271.652**	.000[a]

**significant @0.01 level; a. Predictors: (Constant), Conflict Management; b. Dependent Variable: Work Performance

In table no.4, R square statistic is measure of extent to which the total variation of the dependent variable (work performance) is explained by the independent variable (conflict management). The value of adjusted R^2 came out to be 0.426 which indicates that 42.60 percent of the total variation in the dependent variable (work performance) has been explained by independent variable (conflict management). Hence the model is a good fit. F-statistics is mean square (regression) divided by the mean square (residual). ANOVA, i.e. Analysis of variance has been performed to test the overall significance of model. Hence the hypothesis has been tested: H_0: β=0. The table no.4 depicted the value of f-statistic=271.652** (p<0.01) i.e. highly significant. Higher the value of F statistic signifies that it is a good regression model predicting outcomes. The higher value of f-statistic

(f=271.652**) denotes its significance and rejection of null hypothesis stated above.

Table 5: Regression Coefficients for Regression Equation of Work Performance with Single Predictor Variable (Conflict Management)

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t-value	Sig.
1 (Constant)	.878	.156	——	5.610	.000**
Conflict Management	.753	.046	.654	16.482	.000**

Further, table no.5 displays the regression coefficients for regression equation of work performance with single predictor variable i.e. conflict management. The value of intercept came out to be 0.878 and the Column B depicted the value of regression coefficient for predicting the dependent variable that is 0.753. The value of regression coefficient indicates that work performance variable change by 0.753 units for every unit change in conflict management variable. So, the conflict management is very much important to be focused upon in order to increase the work performance of the employees working in these selected banks under study and the sign of regression coefficient is positive that means conflict management and work performance variables are positively related. The regression equation would be framed as:

$$Y= 0.878+0.753X+e$$

Where, Y=Dependent Variable (Work Performance Score) and; X= Independent Variable (Conflict Management Score)

Simple regression analysis displayed the significance of overall regression model (f=271.652**). Overall the regression model is good fit. At last, Null Hypothesis ($H_0$1) that there is insignificant impact of conflict management upon the work performance of the overall bank employees has been rejected and alternate hypothesis has been accepted which clearly demonstrated the positive significant impact of conflict management upon the work performance of the overall bank employees.

5.2 Impact of Approach Mode and Avoidance Mode of Handling Conflict upon Work Performance

Before formulating the model of regression, Pearson Correlations have been computed to

study the association of relationship between the various modes of handling conflict i.e. approach mode (includes negotiation, compromise, confrontation and arbitration); avoidance mode (includes resignation, withdrawal, defusion and appeasement) and work performance variable. Bi-variate correlation has been applied and variables have been found statistically significant at 0.01 level of significance. From the table no.6, the sign of coefficient of correlation shows the direction of relationship i.e. positive relationship which denotes that there is positive correlation between approach mode (includes negotiation, compromise, confrontation and arbitration); avoidance mode (includes resignation, withdrawal, defusion and appeasement) strategies of handling conflict in the banks and work performance of the employees working in these public and private sector banks.

Table 6: Correlation Matrix between OSCM Model and Work Performance Scale

Sector Wise Detail			Avoidance Mode of Conflict Management	Approach Mode of Conflict Management	Work
Private Sector Banks	Avoidance Mode of Conflict Management	Pearson Correlation	1	.283**	.637**
		Sig. (2-tailed)		.000	.000
		N	184	184	184
	Approach Mode of Conflict Management	Pearson Correlation	.283**	1	.381**
		Sig. (2-tailed)	.000		.000
		N	184	184	184
	Work Performance	Pearson Correlation	.637**	.381**	1
		Sig. (2-tailed)	.000	.000	
		N	184	184	184
Public Sector Banks	Avoidance Mode of Conflict Management	Pearson Correlation	1	.212**	.602**
		Sig. (2-tailed)		.004	.000
		N	181	181	181
	Approach Mode of Conflict Management	Pearson Correlation	.212**	1	.345**
		Sig. (2-tailed)	.004		.000
		N	181	181	181
	Work Performance	Pearson Correlation	.602**	.345**	1
		Sig. (2-tailed)	.000	.000	
		N	181	181	181

**significant @0.01 level

5.2.1 Multiple Regression Analysis- Private Sector Scenario

Multiple regression has been applied to predict the significance of the several predictor variables towards dependent variable. Multiple regression has been applied in order to ascertain the significant predictors of OSCM model of conflict management towards work performance. So in this section, multiple regression analysis has been performed in order to study the impact of avoidance and approach mode of handling conflict upon work performance of private sector bank employees.

Model Development

Dependent Variable	Work Performance Score
Independent Variables	Avoidance Mode of Conflict Management,
	Approach Mode of Conflict Management

The Regression equation for the study would be:

$$Y = \alpha + \beta_1 X_1 + a_2 X_2 + e$$

Y=Dependent Variable (Work Performance Score)

X_1= Avoidance Mode of Conflict Management;

X_2= Approach Mode of Conflict Management

α=Intercept/Constant; β_1 & β_2 = Slope Coefficients & e=error term

The summary of multiple regression model has been depicted in table no.7. The value of R i.e. correlation between approach mode, avoidance mode and work performance come out to be 0.671. The value of adjusted R^2 came out to be 0.444 which indicates that 44.40 percent of the total variation in the dependent variable (work performance) has been explained by independent variables i.e. avoidance mode of handling conflict and approach mode of handling conflict. The difference between the values of R^2 and adjusted R^2 (0.450-0.444=0.006) is very less that means the model will give very less variations in the outcome if it is to be taken from universe rather than from sample. Hence the model is a good fit. Before the application of regression analysis, the problem of multicollinearity has to be checked otherwise results of regression analysis will be damaged. Multicollinearity is a serious problem in regression analysis and occurs when two or more independent variables are highly correlated.

Table 7: Summary of Multiple Regression Model for Work Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	df	F value	Sig.
1	.671[a]	.450	.444	.39390	2	73.946**	.000[a]

**significant @0.01 level

a. Predictors: (Constant), Avoidance Mode of Conflict Management, Approach Mode of Conflict Management; b. Dependent Variable: Work Performance Score

Table 8: Regression Coefficients for Regression Equation of Work Performance with Multiple Conflict Management Strategies

Model		Unstandardized Coefficients			t-value	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.060	.210	-----	5.048	.000**	-----	-----
	Avoidance Mode of Conflict Management	.564	.056	.576	10.012	.000**	.920	1.087
	Approach Mode of Conflict Management	.192	.051	.218	3.786	.000**	.920	1.087

* Significant@0.05 level; **Significant@0.01 level

The table no.7 depicted the value of f-statistic=73.946** (p<0.01) i.e. highly significant. Higher the value of F statistic signifies that it is a good regression model predicting outcomes. The higher value of f-statistic (f=73.946**) denotes its significance and rejection of null hypothesis stated above and concludes that one or more partial regression coefficients have a value '"0. The value of á=1.060 and the Column B depicted the regression coefficients for predicting the dependent variable that are 0.564 in case of avoidance mode of conflict management and 0.192 in case of approach mode of conflict management. The partial regression coefficients 'B' depicted that work performance variable changed by 0.564 unit and 0.192 unit for every unit change in avoidance mode variable and approach mode variable respectively. This indicates that avoidance mode and approach modes of handling conflict are very important to be focused upon in order to increase the work performance of the employees working in these selected private sector banks under study and the sign of regression coefficient is positive that means these avoidance and approach modes are positively related with work performance as dependent variable. Further moving towards the framing of regression equation, i.e.:

$$Y = 1.060 + 0.564X_1 + 0.192X_2 + e$$

Where, Y=Dependent Variable (Work Performance Score)

X_1= Independent Variable 1 (Avoidance Mode of handling Conflict)

X_2= Independent Variable 2 (Approach Mode of handling Conflict)

Multiple regression analysis displayed the significance of overall regression model (f=73.946**) and adjusted R^2 is 0.444 that indicated 44.40% variation in the work performance of the employees has been

explained by the independent variables i.e. i.e. avoidance mode of handling conflict and approach mode of handling conflict. Overall the regression model is good fit. At last, both null hypothesis [$H_0 2$ & $H_0 3$] that there is insignificant impact of avoidance mode of handling conflict and approach mode of handling conflict upon the work performance of the private sector bank employees has been rejected and alternate hypothesis has been accepted.

5.2.2. Multiple Regression Analysis- Public Sector Scenario

In this section, multiple regression analysis has been performed in order to study the impact of avoidance and approach mode of handling conflict upon work performance of public sector bank employees.

Model Development:

Dependent Variable	Work Performance Score
Independent Variable s	Avoidance Mode of Conflict Management,
	Approach Mode of Conflict Management

The Regression equation for the study would be:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Y=Dependent Variable (Work Performance Score)

X_1= Avoidance Mode of Conflict Management

X_2= Approach Mode of Conflict Management

α=Intercept/Constant; β_1 & β_2 = Slope Coefficients AND e=error term

Table 9: Summary of Multiple Regression Model for Work Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	df	F value	Sig.
1	.641[a]	.411	.405	.39205	2	62.194**	.000[a]

* Significant@0.05 level; **Significant@0.01 level

a. Predictors: (Constant), Avoidance Mode of Conflict Management, Approach Mode of Conflict Management; b. Dependent Variable: Work Performance Score

The summary of multiple regression model has been given in table no.9. The value of adjusted R^2 came out to be 0.405 indicates that 40.50 percent of the total variation in the in the dependent variable (work performance) explained by independent variables. The higher value of f-statistic (f=62.194**) denotes its significance and rejection of null hypothesis stated above and concludes that one or more partial regression coefficients have a value '•0.

Table no.10 Regression Coefficients for Regression Equation of Work Performance with Multiple Conflict Management Strategies

Model		Unstandardized Coefficients		Standardized Coefficients	t-value	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.031	.248	-----	4.164	.000*	-----	-----
	Avoidance Mode of Conflict Management	.544	.058	.553	9.402	.000**	.955	1.047
	Approach Mode of Conflict Management	.203	.052	.228	3.867	.000**	.955	1.047

Further, table no.10 displays the regression coefficients for regression equation of work performance with two predictor variables i.e. approach mode and avoidance mode of handling conflict. The value of á=1.031 and the Column B depicted the regression coefficients for predicting the dependent variable that are 0.544 in case of avoidance mode of conflict management and 0.203 in case of approach mode of conflict management. The partial regression coefficients 'B' depicted that work performance variable changed by 0.544 unit and 0.203 unit for every unit change in avoidance mode variable and approach mode variable respectively. This indicated that avoidance mode and approach modes of handling conflict are very important to be focused upon in order to increase the work performance of the employees working in these selected public sector banks under study and the sign of regression coefficient is positive that means these avoidance and approach modes are positively related with work performance as

dependent variable. Further moving towards the framing of regression equation, i.e.:

$$Y = 1.031 + 0.544X_1 + 0.203X_2 + e$$

Where, Y=Dependent Variable (Work Performance Score)

X_1= Independent Variable 1(Avoidance Mode of handling Conflict);

X_2= Independent Variable 2(Approach Mode of handling Conflict)

Hence, the overall regression model is good. Multiple regression analysis displayed the significance of overall regression model (f=62.194**) and adjusted R^2 is 0.405 that indicated 40.50% of the total variation in the work performance of the employees has been explained by the independent variables i.e. i.e. avoidance mode of handling conflict and approach mode of handling conflict. Overall the regression model is good fit. At last, both null hypothesis [H_04 & H_05] that there is insignificant impact of avoidance mode of handling conflict and approach mode of handling conflict upon the work performance of the public sector bank employees has been rejected and alternate hypothesis has been accepted which clearly demonstrated the positive significant impact of avoidance mode and approach mode of handling conflict upon the work performance of the public sector bank employees.

So, concluding observations states the significant positive relationships of conflict management in public and private sector banks towards work performance. If workplace conflict has been managed properly, it will automatically improve the work performance of the employees as well as enhance organisational productivity.

6. CONCLUDING OBSERVATIONS

This research paper mainly deals with comparative data analysis related to exploration of the significant impact of OSCM Model of conflict management upon work performance in selected public and private sector banks under study. Hypothesis (H_01 to H_05) has been tested empirically through various statistical techniques such as descriptive statistics, weighted average scores, Bi-variate correlation analysis, simple regression and multiple regression analysis. Overall results indicated significant impact of conflict management strategies upon the work performance of the employees in these selected public and private sector banks under study. Avoidance and Approach; both modes of handling conflict are found significant and valid predictors of work performance of in selected public and private sector banks. Further, summary has been given below concentrating towards major description of accepted hypothesis and results obtained (table no.11).

Table no.11 Summary of Accepted Hypothesis, Application of Relative Techniques and their Description (Concluding Observations)

Hypothesis	Description	Technique Adopted	Overall Results
H_a1 (Alternate Hypothesis)	There is significant impact of conflict management upon the work performance of the overall bank employees.	Bi-variate Correlation analysis, ANOVA and Simple Regression Analysis	Accepted and Significant
H_a2 (Alternate Hypothesis)	There is significant impact of avoidance mode of handling conflict upon the work performance of the private sector bank employees.	Bi-variate Correlation analysis, ANOVA and Multiple Regression Analysis	Accepted and Significant
H_a3 (Alternate Hypothesis)	There is significant impact of approach mode of handling conflict upon the work performance of the private sector bank employees.	Bi-variate Correlation analysis, ANOVA and Multiple Regression Analysis	Accepted and Significant
H_a4 (Alternate Hypothesis)	There is significant impact of avoidance mode of handling conflict upon the work performance of the public sector bank employees.	Bi-variate Correlation analysis, ANOVA and Multiple Regression Analysis	Accepted and Significant
H_a5 (Alternate Hypothesis)	There is significant impact of approach mode of handling conflict upon the work performance of the public sector bank employees.	Bi-variate Correlation analysis, ANOVA and Multiple Regression Analysis	Accepted and Significant

7. LIMITATIONS, SUGGESTIONS AND MANAGERIAL IMPLICATIONS

The present research work is incapable to plug all the possible sources of errors and contaminations just because of shortage of time and resources, also very likely to produce the genuine results. In the light of above findings, Effective conflict management is necessary both in public as well as in private sector banking organisations. Healthy approaches should be followed up by identifying particularly the nature, types, level and extent of conflict in these banks along with its sources and dysfunctional impacts. Management should have open communication policy so that human resources can come closer, collaborate and make compromises where possible with the authorities concerned. Organisational functionaries should make efforts to conduct seminars and workshops on organisational conflict from time to time for the bank employees. It will help employees' learning about conflict and its management which in turns helpful in enhancing individual and organisational productivity.

If the workplace conflict is managed properly then it helps the management to achieve its strategic objectives with the better work performance of banking staff; positive working environment that will automatically leads towards high organisational productivity.

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Role of Human Resource Strategies in Strengthening Small and Medium Enterprise Startups

Dr. Brijesh Kumar*

ABSTRACT

In this globalized era where there is intense competition it is very difficult for organizations to survive and maintain sustainability. Hence to stay in the competitive era and make a significant position emphasis should be given on SME startups in India.The SME startups help to boost entrepreneurship, job creation and provide additional dynamics and competitiveness to any economic system.Though some thinkers feel that SME start-ups do not exactly require human resource development techniques, neither during their inception stage nor at their growth stage. They feel that HR strategies are only meant for mature and big organizations. But conversely, the business mortality is more in the case of start-ups than in the case of mature and stable organizations.Therefore, this paper demonstrates the significance of SME's in job creation, role of HR strategies in SME and how HR strategies help to build strong SME's startups.

Keywords: HR Strategies, Small and Medium Enterprises, Job Creation, Startups

INTRODUCTION

In this globalized era where there is intense competition even a single flaw in the economy can push the country back or even out of the competition. India though being one of the largest economies of the world faces the problem of excessive population and chronic unemployment. Hence two remove these dangerous problems,to stay in the competitive era and make a significant position emphasis should be given on SME startups in India. The culture of startups has started in India in the recent past. It has already started bearing fruits and is all geared up to benefit the Indian economy in the long run. The SME startups help to boost entrepreneurship, job creation and provide additional dynamics and competitiveness to any economic system. Though some thinkers feel that SME start-ups do not exactly require human resource development techniques, neither during their inception stage nor at their growth stage. They feel that HR strategies are only meant for mature and big organizations. But conversely, the business mortality is more in the case of start-ups than in the case of mature and stable organizations. Most often it is the exodus of key human resources results in the mortality of the start-ups. Therefore, this paper demonstrates the significance of SME's in job creation, role of HR strategies in SME and how HR strategies help to build strong SME's startups.

LITERATURE REVIEW

Industrial Policy Resolution 1956 states: "the small-scale and cottage industries provide immediate large-scale employment: they offer a method of ensuring a more equitable distribution of the National Income and they facilitate an effective mobilization of resources of capital and skill which might otherwise remain unutilized. Some of the problems that unplanned urbanization tends to create will be avoided by these establishments of small centers of industrial production all over the country."

Arvind Kumar, (2012) in an analysis on SMEs and development, the Small and Medium Enterprises' (SMEs) sector in India is ideally suited to build on the strengths of the traditional skills and knowledge, by infusion of technologies, capital and innovative marketing practices. He stressed that the outlook is positive, indeed promising, given some safeguards. This expectation is based on an essential feature of the Indian industry and the demand structures.

Chandler & McEvoy (2000) revealed in their study that the presence and functioning of the competent human resource department and practices would

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* Associate Professor, Department of Commerce, *CMP College University of Allahabad*

lead to increase employee motivation, skills and productivity even in the smaller start-ups.

Schuler et al. (1986) emphasized that job design, role, assessment, reward and engagement of employee should be carried out in the context of the key business objectives of the start-ups.

Raj (2009) identified the proximate determinants of growth of output reveals a high degree of association between growth of value- addition and growth of employment. This has been strengthened during the reforms period, implying growth of employment plays a crucial role in the output growth. Needless to say, an improvement in productivity growth in the unorganized sector through development of skills, better management and improvement in access to institutional credit need to be emphasized so as to foster high rate of growth in the sector. Growth of employment is an important factor for the growth of the organisation and it is important to have right talents to growth in the right direction.

Ulrich et al.(2009) highlights "flow of people'' which is one of the major domain of HR practice and needed to accomplish its strategy and growth. A multitude of programs and investments are made to attract, retain and upgrade talent and hence is an important aspect which cannot be ignored. This aspect holds good for SMEs also since people are the assets for them and the in-flow of people is critical for the growth.

Singh et al. (2010) indicate that the major challenges of the SMEs in India was building product quality, reducing costs, and upgrading technology. They conclude that human resource development and quality improvement are highly correlated to competitiveness.

Okorafor et al., (2010) when conducted correlation analysis between HRM practices in SMEs and productivity factors and it was indicated that there was high positive relationship among them.Hence, it was found that there is relevance of HRM practices in the sustenance of the growth of SMEs.

Agarwal (2011) advocated that MSMEs today in order to increase the organizational efficiencies has a need to collaborate closely with their own employees and emphasized that the HR management in SMEs needs to be looked as a comprehensive model than an isolated model.

SIGNIFICANCE OF SME'S IN JOB CREATION

Small and medium enterprises are the backbone of industrial development and play an important role in the economic development of a country. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. In terms of employment generated, this sector is next only to agriculture.The total number of enterprises in MSME sector was 46 million with total employment of 106 million. The Sector through more than 6,000 products contributes about 8% to GDP besides 45% to the total manufacturing output and 40% to the exports from the country. The MSME sector has the potential to spread industrial growth across the country and can be a major partner in the process of inclusive growth.

A new initiative was taken up under the ATI scheme in making available skilled persons for the MSMEs in the country. As part of MSME Talent/ Job fairare conducted at different places across the country to bring employers and the skilled persons to a common platform. These fairhelp in directly providing employment to the trained youth and indirectly encouraging the youth to participate in ESDPs, while alsoenhancing the successrateof theprogrammes.
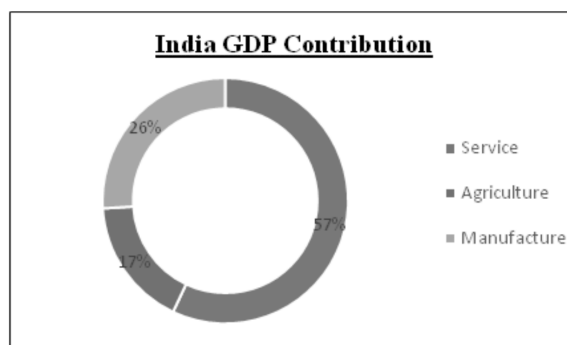

Figure 1: Percentage figures indicate contribution of sectors to the overall GDP

Source: Department of Commerce, Annual Report 2012-13

The MSME sector is one of the key drivers for India's transition from an agrarian to an industrialized economy and the current MSME employment is at 28 per cent of the overall

employment. Table 1 shows the MSME – Growth rate of employment and enterprise by sector

Table 1: MSME – Growth Rate of Employment and Enterprise by Sector

	Growth rate of Employment	Growth rate of Enterprise
Manufacturing	18%	23%
Services	34%	31%

Source: Ministry of MSME, Annual Report 2013-14

SME's are primary source of job creation. Thus, Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector which helps in job creation and act as a catalyst to bring about this socio-economic transformation.

ROLE OF HR STRATEGIES IN SME'S

Human Resources is a vital department within organizations, but too often they are misunderstood and underutilized. Some people think that investment in HR and its strategies are expensive and especially in startups when there is very little funds for their implementation. So people often feel that HR strategies are only meant for mature and big organizations. But conversely, the business mortality is more in the case of start-ups than in the case of mature and stable organizations. The main aim of human resource management is increasing the number of feasible strategic options available to the enterprises. It is human resource strategies which help to make sure in the improvement and cooperation between the human resource management department and line managers.

If the HR strategies in small and medium enterprises are applied properly they can help in the accomplishment of goal and the survival of the enterprises. The basic role of human resource strategies in SME's is to provide proper support and successfully implementation of business strategies in the enterprises. It is only by supporting human resource strategies that would help to create and maintain competitive advantage for the SME's, The HR strategies in SME's will helps in improving the responsiveness and innovation potential of the enterprises. Therefore, HR strategies can either build up strong organization or break them.

HR STRATEGIES TO BUILD STONG SME'S STARTUPS

Globalization has changed the business landscape. Many firms have expanded operations overseas, and even strictly domestic businesses are facing competition from abroad. To meet this tough competition there is a need to manage the assets of business as effectively as possible—especially their human assets. SMEs are in general labor intensive production units. But surprisingly, HR strategy of small scale manufacturing units is one of the least researched areas (Mankelow, 2008). Small and Medium Enterprises also need HR managers. Performance and effective human resource management enables the entrepreneurs to improve the quality of their production. Hence, the strong business strategies become inevitable for SME sector. Therefore, following are some of the HR Strategies by which SME'srequire for success and sustainability of SME startups.

- *Recruitment:* Attracting, developing and retaining high-quality people is essential HR strategy for success and sustainability of any business. SMEs are also struggling to fill talent gap, find skilled workers especially at workmen level and middle level positions. There is need to identifying right candidate for a right job with right skill is essential. One more important challenge is to, retain key talent.

- *Talent management:* Another important HR strategy that can be used for survival and sustainability is managing talent. There is need for the SME's to recruit talented and constantly motivated people to meet present and future needs are available.

- *Quality of Work Life:* This refers to the favorableness and unfavourableness of the work environment for people. Working environment –core values, leadership, work–life balance, managing diversity, secure employment all refers to a good quality of work life. SME's need to makes the organization 'a great place to work'.

- *Job and work design:* SME's should provide employees stimulating and interesting work which gives them the autonomy and flexibility to perform their jobs well. This would further enhances job satisfaction and flexibility, ultimately encourages high performance and productivity.

- *Learning and development:* Another very important HR strategy that should be used for survival and substance of SME's is learning and development of employees. Through this the skill base of employees is enlarged and develops the levels of competence required by them. This also encourages discretionary learning, which happens when individuals actively seek to acquire the knowledge and skills that promote the organization's objectives. It helps to develop a climate of learning – a growth medium in which self-managed learning as well as coaching, mentoring and training flourish.

- *Knowledge Management and Intellectual Capital:* With rapid competition, Knowledge Management is fast becoming an integral business activity. It focuses on both organizational and individual learning and on providing learning opportunities and opportunities to share knowledge in a systematic way. It also ensures that vital stocks of knowledge are retained and deals with improving the flow of knowledge, information and learning within the SME's.

Thus SMEs should put extra pressure on HR professionals to prove the merit of its programs and activities for their success. SMEs must understand the difference between the traditional and the conventional approach of Talent Attraction to execute the much required change for effective hiring. Thereby, realizing the importance of human resource as most vital asset and HR strategy as essential for the survival, success and sustainability of SME's.

CONCLUSION

There is a great need to identify and formulate strategy for SMEs. The recruitment, training and retaining of key employees in the knowledge based industries are always complex activities, and they have a huge stake in the survival, sustenance and success of the SME's start-ups. Thus there is a need to emphasis the HR strategy for SME's startups as they can prove boon for them.

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Trend Analysis of Indian Capital Market

R.P. Tulsian[1]
Prof. (Dr) R.L.Tamboli[2]

ABSTRACT

The Indian capital market has registered a tremendous growth after the liberalization of the markets and reduction in capital control norms. The Indian market has been the top destination for global investors, especially, in the recent last two decades. Even during the period of global financial crisis during 2007-2008 after a shorter period of decline the Indian capital market bounced back with greater stability and sustainability. There is huge potential for the capital markets growth as at present just 2% of the population, account for retail investors and the lowest strata of the pyramid still remains untapped. The present paper tries to examine the trend and growth rate of Indian capital market. It has been further observed that the capital market, which is considered as the backbone of the economy, has performed very well in terms of growth rate and achieved a very significant and positive growth rate during the period of study. Further, the graphical analysis has also pointed out that the market segments are showing a positivetrend over the period of time which is a good sign for an economy like India where the growth is much needed element not only to achieve growth in markets but for the economy too.

Keywords: Indian Capital Market, Stock Market, Investors, Growth, NSE-BSE

1. INTRODUCTION

The Indian capital market has registered a tremendous growth after the liberalization of the markets and reduction in capital control norms. The Indian market has been the top destination for global investors, especially, in the recent last two decades. Even during the period of global financial crisis during 2007-2008 after a shorter period of decline the Indian capital market bounced back with greater stability and sustainability. Raising capital is now a strategic priority across the country and role of capital markets has assumed a far greater urgency and importance. The Debt market still needs to be developed to invite capital inflows needed for massive infrastructure development. The frontiers of global markets are not only increasing but also moving towards process of convergence. There is huge potential for the capital markets growth as at present just 2% of the population, account for retail investors and the lowest strata of the pyramid still remains untapped. The real inclusive growth also needs penetration of capital market to the last mile. The flow of FIIs into Indian equity markets have even touched US $17 billion and the steep rise in number of retail investors has brought into focus the curiosity to know that what is the trend and growth of the Indian capital market has been during the period of last decade.

The Equity and Debt markets of India together form the Capital Market of India. The Indian Equity Market depends mainly on the performance of the corporates who have registered their shares on the stock exchange and the growth of economy as well. The global funds also flows in this market when it is doing better otherwise this market may see a decline and outflow of foreign capital during the period of recession or poor performance of economy or during the financial crisis too. The capital market of India is basically dominated by the two major exchanges namely National Stock Exchange of India Ltd. (NSE) and The Bombay Stock Exchange (BSE). The benchmark indices of the two exchanges - Nifty of NSE and Sensex of BSE are closely followed. The two exchanges also have an F&O (Futures and options) segment for trading in equity derivatives including the indices. The major players in the Indian Equity Market are Financial Institutions, Mutual Funds and FIIs representing mainly Venture Capital Funds and Private Equity Funds. In the wake of all the success which the Indian capital market has achieved during the post liberalization period, the present paper tries to examine the growth rate of the different segments of Indian capital market and further to analyses the trend of the market too.

1   Research Scholar, Mewar University, Gangrar, Chittorgarh, Rajasthan, India. Email: rptulsian@gmail.com
2   Supervisor and Professor, Department of Management, Mewar University, Gangrar, Chittorgarh, Rajasthan, India.

2. REVIEW OF LITERATURE

Mayya (1977), Barua and Raghunathan (1982) and Prabhakar (1989) examined empirically the hedgeprovided by stocks and bullion against inflation. The study conducted by them found that while gold provided complete hedge against inflation, the stocks and silvers were only partial hedges against inflation. Gupta (1992) analysed that the stock market of India is highly speculative but the service provided by the brokers is somewhat lacking. Moreover, the margins given by the exchanges are inadequate.Gokarn (1996) observed a general positive assessment of the reforms happened in the Indian capital market but lack of a fixed term appointment for the regulators, persistence of non-competitive conditions in the market and the excessive entry of new scripts into the market had been the big problems which have been taken care of now. Avadhani (2002) examined impact of liberalization on the emergence of Indian capital markets and explored that financial sector reforms led the development of Indian capital market.

Pandey (2003) measured the efficiency of the Indian capital market that whether the stock market of India is weak form efficient or semi strong or strong. It was found that the Indian stock market is weak form efficient but the popular stock indices have shown that they are rather efficient.Desai (2005) tried to figure out the developments of Indian capital market. It was found that the liberalization of the stock market operations is necessary for the further development of the markets. Further, it has been opined that the Indian capital market has developed to a large extent but is still in a process of evaluation. Various measures have been taken to develop a healthy and mature capital market. These measures include liberalization of stock market operations, opening up of the stock exchange membership to financial institutions, encouraging banks and financial institutions to go in for mutual funds. However one more area which requires serious attention is the scope for a multitier market. Mishra et al. (2010) analysed the key market parameters such as market size, market liquidity, market turnover ratio, market volatility, and market efficiency of Indian capital market over a period from 2002 to 2009 so as to assess its performance. The application of time series econometrics provides the evidence of greater volatility and weak form inefficiency of the market. However, the market shows strong potential for greater market size, more liquidity and reasonable market turnover ratio. It was concluded the growth of Indian capital market happens to contribute to the sustainable development of Indian economy.Ahuja (2012) reviewed the Indian Capital Market and its structure. It was explored that in last decade or so, it has been observed that there has been a paradigm shift in Indian capital market. The application of many reforms & developments inIndian capital market has made the Indian capital market comparable with the international capital markets. Now, the market features a developed regulatory mechanism and a modern market infrastructure with growing market capitalization, market liquidity, and mobilization of resources. The emergence of Private Corporate Debt market is also a good innovation replacing the banking mode of corporate finance. However, the market has witnessed its worst time with the recent global financial crisis that originated from the US sub-prime mortgage market and spread over to the entire world as a contagion. The capital market of India delivered a sluggish performance.Pasha (2013) examined various kinds of changes that have taken place in Indian Capital Market before and after globalisation, liberalization and privatization (GLP) era and evaluated critically the capital market system as well as the role of SEBI in India. It was found that on almost all the operational and systematic risk management parameters, settlement system, disclosures, accounting standards, the capital market of India is at par with the global standards with little bit loopholes. While concluding it has been briefly noticed that a perception is steadily growing about the Indian Capital Market, as a dynamic market.Rubani (2017) aimed to analyse structure and functions of Capital Market in India. It was found that during the past decade the country has witnessed a huge growth rate in the Indian capital market and not only this, the market has absorbed a lot of regulatory framework in order to make the capital market or rather the stock market more efficient in the long run.

3. OBJECTIVES

- To gain insight into the Indian capital market.
- To analyse the growth rate of Indian capital market.

4. RESEARCH METHODOLOGY

In order to examine the growth rate of the different segments of Indian capital market and further to analyses the trend of the market as well, the explorative research technique has been applied. The study period from 2001 to 2018 has been opted for the purpose of the current study. The sample taken in the study is the sub market of the capital market and different segments of the capital market has been taken which helps the fund deficit units to have the funds from the capital market. The data which has been used for the purpose of achieving the objective of the study are amount raised and the number of issues of the following segments: debt private placement, right issue offerings and further public issue. The study first of all analysed the growth rate of amount raised from the different segments as well as the growth in numbers too. Further the graphical analysis has been done to get the clear picture of the trend and scenario of capital market.

5. DATA ANALYSIS AND INTERPRETATION

This sections provides the trend analysis of the capital market in the context of the debt, equity, right issue, private placements, overseas capital market and buy-back offering growth rate. The empirical analysis has been done keeping in mind the estimation of growth rate of these sub markets in the capital market of India.

5.1 Debt Private Placement offerings

Debt private placement is one of the financial instruments where firms issue securities or bonds to institutional investor to raise capital. Generally it is used to meet business need and weakness in the equity market. The funds also used for expansion of business, to repay debt and to support working capital requirements. According to recent market survey, companies raised fresh capital from such route to take advantage of the interest rate differential between bank loans and corporate bond. Also firms flocked towards debt route instead of raising capital through equity due to high volatility.

5.1.1 Growth Rate Analysis

The result of growth rate analysis of Debt private placement in terms of both i.e. value and number of issue, clearly indicate that over a span of 18 years both are increasing at exceptionally good rate.

Table 5.1: Growth Rate Analysis of Debt Private Placement offerings

Variable	Growth rate	P-value
DPP(value)	18.17%	0.00%
DPP(n)	13.21%	0.00%

On the one side Debt private placement in terms of rupees is growing at a rate of 18.17% and it is significant even at 1%. Other side in terms number, debt private placement is growing at little slower rate i.e. 13.21%. Although, it is also significant at 1%. In overall, the result of preliminary analysis indicates towards importance of debt private placement in raising capital from the market.

5.1.2 Graphical Analysis

5.1.2.1 Debt Private Placement (amount)
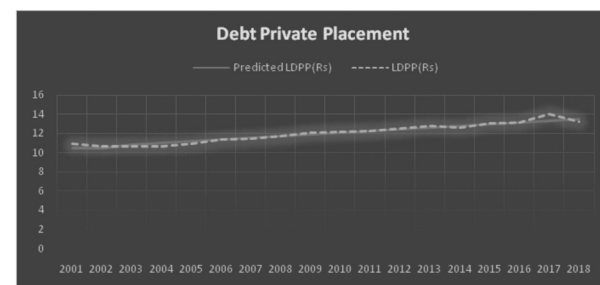
Figure 5.1: Graphical Analysis of Debt Private Placement offerings

Figure 5.1 depicts that the growth rate of debt private placement offerings has been rising over the period of time during the period from 2001 to 2018. It can be further observed that this rising trend in this (in value) is a good sign as growth in this segment will lead to growth in capital market.

5.1.2.2 Debt Private Placement (No. of Issue)

The result of graphical analysis (Figure 5.2) indicates that overall there is upward movement in debt private placement over a period of 18 years. It also shows firm has a preference for debt private placement in compare to other source of financing. Private placement has merged as a major alternative source of funds for firms to bank credit and loans.

Figure 5.2: Graphical Analysis of No. of Issue of Debt Private Placement

In terms of value, private placement is second to bank financing. The number of issues and gross amount mobilized by corporates through debt private placement has recorded a secular increase. GDP growth rate is one of the prominent factors which contributed to growth of private placement.

5.2 Right Issue Offering

A right issue is a way by which a listed company can raise additional capital. However, instead of going to public, the company gives its existing shareholder the right to subscribe to newly issued shares in proportion to their existing holding.

The basic idea of right issue is to raise fresh capital. A right issue is not a common practice that a corporate resorts to. Ideally such an issue occurs when a company needs funds for corporate expansion or a large takeover. At the same time, however companies also use right issue to prevent themselves from being conked out.

Since a right issue result in higher equity base for the organization, it also provides it with better leveraging opportunities. The company becomes more comfortable when it comes to raising debt in the future as its debt to equity ratio reduces.

Table 5.2: Growth Rate Analysis of Right Issue Offering

Variable	Growth rate	P-value
RGT (Value)	4.18%	0.00%
RGT (n)	-3.06%	0.08%

The results of growth analysis for right issue are presented in the above table. RGT (value) is presenting a growth of right issue offering in terms

of value, whereas RGT (n) is showing growth of right issue offering in terms number of issue. Offerings of market in form of right issue are growing at fairly reasonable rate i.e. 4.18% and it is significant at 1%. However contrary to the value, the number of right issue offered to subscribe is declining at a rate 3.06% per annum. One possible reason of decline could be estimated from the fact that generally right issues are offered by the promoter in the subsequent year where company faced huge losses; however there is need to determine the concrete reason of the same.
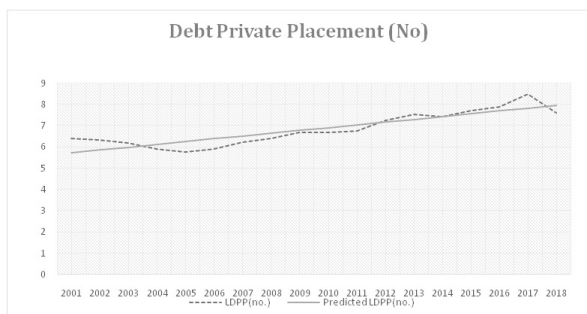
5.2.1 Graphical Analysis

5.2.1.1 Right Issue Offering (value)

Figure 5.3 depicts that the growth rate of right issue offerings has been rising over the period of time during the period from 2001 to 2018. It can be further observed that this rising trend in this (in value) is a good sign as growth in this segment will lead to growth in capital market.
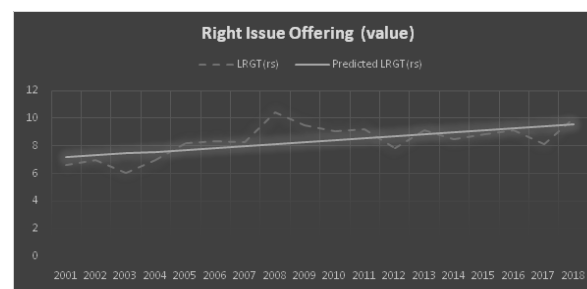
Figure 5.3: Graphical Analysis of Right Issue Offerings

5.2.2.2 Right Issue Offering (No. of Issue)

The result of graphical analysis is depicted above and supporting the result given by the growth rate analysis. The first graph indicating that in overall bases right issues offering is increasing over a period of 18 year. However as we can see there is lot of deviation in the actual and predicted value of right issue. It clearly shows that market have fluctuating attitude towards subscription of right issue. Similarly the numbers of right issue offers are also declining over a period of time. Also there is lot of deviation. Especially after company act 2013, there is downward deviation in no. of right issue from the predicted one. So From that we can make out that right issue is not that effective instrument in raising capital from the market.

Figure 5.4: Graphical Analysis of No. of Right Issue

5.3 Further Public Issue (FPO)

FPO (Follow on Public Offer) is a process by which a company, which is already listed on an exchange, issues new shares to the investors or the existing shareholders, usually the promoters. FPO is used by companies to diversify their equity base. A company uses FPO after it has gone through the process of an IPO and decides to make more of its shares available to the public or to raise capital to expand or pay off debt.

A follow-on public offer (FPO) is also called further public offer. When a listed company comes out with a fresh issue of shares or makes an offer for sale to the public to raise funds it is known as FPO. As the name suggests initial public offering (IPO) is the first offer for purchase to public. This is a process when an unlisted company raises funds by offering its shares to the public and consequently gets listed on a stock exchange. A company can either issue fresh securities or offer its existing securities to public. However, if the same company comes out with another issue to the public, the second issue would be FPO.

5.3.1 Growth rate Analysis

The result of graphical analysis indicate that there is significant growth in case of overall growth of follow on public offer, however same can't be conclude about number of follow on offer. The result indicate that there is no growth in number of FPO issues as it not significant even at 10% significance level. Interestingly the value of FPO is growing at reasonably fair rate i.e. 17.18% and indicates that market is using FPO as one of the effective tool to raise the capital from prospective investors.

Table 5.3: Growth Rate Analysis of Further Public Issue

Variable	Growth rate	P-value
FPO (Value)	17.18%	0.00%
FPO(n)	5.47%	16.18%

5.3.2 Graphical Analysis

5.3.2.1 Further Public Offer (Amount)

Figure 5.5 depicts that the growth rate of overseas capital market offerings has been rising over the period of time during the period from 2001 to 2018. It can be further observed that this rising trend in this (in value) is a good sign as growth in this segment will lead to growth in capital market.
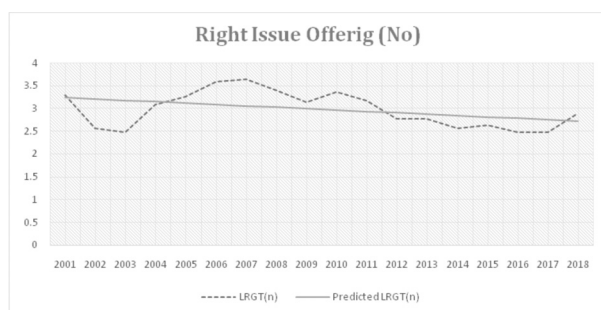

Figure 5.5: Graphical Analysis of Further Public Offer Amount

5.3.2.2 Further Public Offer (No.)
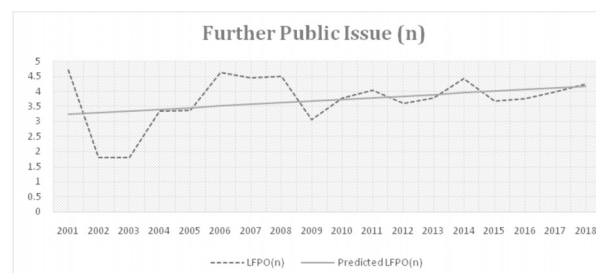
Figure 5.6: Graphical Analysis of No. of Further Public Offer Offering

The above two graph represent a result of graphical analysis, where the former graph present a movement of FPO in a span of 18 years, the latter graph also showing movement in FPO but in terms of number of issue over a period of 18 years. Again both the graph are showing upward movement in overall bases. No doubt that there is some deviation in actual and predicted value but As you see in the graph that the magnitude of deviation in former year are larger

but in later year especially after the implementation of new companies act, the magnitude of deviation is reducing drastically. It clearly point out towards efficiency of a market that are able to channelize the funds from surplus spender unit to deficit spender unit.

6. CONCLUSION

It has been observed that the Indian market has been the top destination for global investors, especially, in the recent last two decades. Even during the period of global financial crisis during 2007-2008 after a shorter period of decline the Indian capital market bounced back with greater stability and sustainability. The frontiers of global markets are not only increasing but also moving towards process of convergence. There is huge potential for the capital markets growth as at present just 2% of the population, account for retail investors and the lowest strata of the pyramid still remains untapped. It has been found during the course of the study that the trend analysis of the capital market has indicated that the different segments of the capital market have shown a positive growth rate during the period from 2000 to 2018. It has been further observed that the capital market, which is considered as the backbone of the economy, has performed very well in terms of growth rate and achieved a very significant and positive growth rate during the period of study. Further, the graphical analysis has also pointed out that the market segments are showing a positivetrend over the period of time which is a good sign for an economy like India where the growth is much needed element not only to achieve growth in markets but for the economy too.

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Traditional Industries of Bishnupur Sub-division of Bankura District in West Bengal– A Survey

Dr. Tanay Kumar Pal*
Dr. Uday Krishna Mittra**

ABSTRACT

The present paper is concerned about important traditional industries of BishnupurSub-division Bankura District, West Bengal. It is based on the data and information collected from both primary and secondary sources. The authors have identified some problems faced by traditional industries and have also suggested some measures to be taken towards the development of the traditional industries of this area, especially for the socio economic growth related to the rural development too.

1. INTRODUCTION

Bishnupur subdivision of Bankura District is mostly agricultural in nature. About 90% of the people of this sub-division are dependent on agriculture either directly or indirectly. But agriculture is dependent on the vagaries of nature. Irrigation facilities are not well developed. Productivity is **also**very low in the agricultural sector. The farmers have to depend upon alternative sources of income during their spare time when they do not have **work**in the farm sector. Cottage and small scale industries provide an ideal alternative source of income and employment for those who are dependent on agriculture. Cottage and small scale industries can use local resources and surplus manpower available. They also require relatively lower amount of capital funds.

The area has also a history of certain traditional cottage and small scale industries operating successfully with reputation. Notable among them are the units manufacturing Balucharisarees and silk sarees. These sarees are now being sold all over India and even outside India with reputation. Further there are units producing conch shell products, bell metal products and handicrafts producingterracota objects ,docra products and painting Das Avatar Tas. All these cottage and small scale industries have a glorious past and they are associated with this area for a very long period of time. Apart from these traditional cottage and small scale industries there are also modern small scale industries such as cold storages, rice mills, flour mills, engineering firms producing gates grills, ice cream manufacturing units etc. All these small scale industries play an important role in this subdivision. They can be a powerful alternative engine of growth generating income and employment. However, it is found that these cottage and small scale units are facing some problems and they cannot contribute to their fullest extent in the process of economic development of the subdivision. Hence it is proposed that a study be undertaken to consider the position of cottage and small scale industries in the Bishnupur subdivision ofBankura district with special reference to the problems faced by them and the prospects they hold for the future.

2. OBJECTIVES OF THE STUDY:

(i) To assess the importance of traditional industries in the economy of Bishnupur sub-division in terms of generation of income and employment.

(ii) To identify the problems faced by such units and to suggest solutions of those problems.

(iii) To suggest measures for improving the efficiency of such traditional industrial units.

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*   Associate Professor & Head, Department of Commerce, Dr. Gour Mohan Roy College, Monteswar, Purba Bardhaman, West Bengal, Pin-713145, India. drtkpalcom@gmail.com Mob:9475057554
** Associate Professor, Department of Commerce, Khalisani Mahavidyalaya, Khalisani, Chandannagar, Hooghly, W.B, India. uday.mittra@gmail.com Mob:9477107684

3. SAMPLING DESIGN, SELECTION OF REFERENCE YEAR AND COLLECTION OF DATA:

There are 1948 registered cottage and small scale units in the Bishnupur sub-division. Besides, there are a number of non-registered cottage and small scale units. Primary data for the present study have been collected from 150 cottage and small-scale industrial units including 15 non-registered cottage and small scale units covering each block and taking all types of industries. Out of 1948 registered cottage and small scale units only 135 registered cottage and small scale units have been considered which is about 6.93% of the total registered cottage and small scale units lying in this sub-division. The survey has been conducted during the year 2012-2013. Purposive sampling method has been adopted for the selection of cottage and small scale units. Emphasis has been placed on tabular method for the analysis of primary data. Of the total 150 units primary data of 34 units from the block of Joypur , 21 units from Kotulpur, 39 units from Bishnupur , 16 units from Sonamukhi, 21 units from Patrasayer and 19 units from Indus have been collected. For the purpose of discussion, all the homogeneous industrial units lying in this sub-division have been divided under five categories:

1) *Agrobased Industries* : Oil mills, wheat & spice grinders, Rice mills, cold storage, flattened rice (Chira) mills and units making ThalaPata (Plates made of sal leaves).

2) *Traditional arts and crafts* :Balucharisarees, Terracota, Handicrafts, weaver, potter, Bell metal, conch shell, painting Das Avatar Tas (cards depicting ten incarnations of LordVishnu)

3) *Manufacturing Industries* : Making gates & grills, coke briquetting, printing, making candles, confectionary, Lantern, Readymade garments, spurt pipe, Tiles, R.C.C. ring pipe.

4) *Service Industries* : Xerox & Type copying, photography-studio, saw mills.

5) *Seasonal Industry* : Ice candy.

For the collection of primary data in this regard 47 Agrobased units, 39 Traditional arts & crafts units, 42 Manufacturing industrial units, 8 Service Industrial units and 14 Seasonal industrial units have been selected. In this paper we have discussed on traditional arts and crafts only.

4. TRADITIONAL INDUSTRIES OF BISHNUPUR

Bishnupur sub-division is an essentially agricultural area. A study of the livelihood pattern of the population, as it was in 1961, reveals that about **77** per cent of the working population depended on agriculture, about 8.7 per cent depended on industry and the remaining 14.3 per cent depended on commerce, transport or other callings. Formerly, the principal industries were silk and cotton weaving with the main manufacturing centres located at Bishnupur and Sonamukhi. Other callings followed by traditional artisans included pottery making, brass and bell-metal work, cutlery manufacture, fabrication of conch-shell articles, leather work, preparation of scented tobacco and production of terracota plaques for temple decoration. Under the liberal patronage of the Malla kings of Bishnupur, the old time artisans attained a high degree of excellence in their craftsmanship. With the decline of the Malla Raj and the withdrawal of their patronage, the decay of old time industries started. The introduction of cheaper English piece goods towards the middle of the last century hit the weaving industry hard. The terracota and tobacco industries suffered an eclipse for want of patrons. Other handicrafts received a setback with the gradual increase in the cost of raw materials. The change in tastes also turned the buyers away from traditional products whose appeal had much to do with old-world associations. The introduction of mechanical and electric power in recent times led to the rise of such new industries as rice and oil milling and other industrial enterprises requiring cheap power. As there is no immediate scope for setting up of large scale industries in Bishnupur owing to the dearth of raw materials, absence of convenient markets nearby and lack of cheap transport etc. the only hope w**ould**seem to lie in resuscitating the traditional ones which could yet be viable under the present circumstances.

Large-scale industries like jute or textile industries, sugar factories etc. **do**not exist in Bishnupur. Small-scale industries have been in existence in this sub-division since the heyday of the Malla power. Some of them have been taken up for detailed enquiry.

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Silk weaving is the most important among the old-time industries of the sub-division. In the 18th and the early part of the 19th century, Bishnupur played an important role in the commerce of the East India Company owing to the high appreciation of Bishnupur silks in foreign markets. Silk factories were located at Bishnupur, Joypur, Gopinathpur, Sonamukhi, Patrasayer, the chief centres being Bishnupur and Sonamukhi. Bishnupur enjoys a special reputation for the manufacture of prettily embroidered silk scarves, plain and flowered saris and a marooned coloured cloth called *dhupchhaya.* Sonamukhi specializes in shirtings and suitings of various pleasing designs while Bishnupur specializes in jacquard or plain bordered saris and mixed fabrics. **In**recent times Sonamukhi has been producing stout weaves of excellent quality capable of holding their own even in foreign markets. At present the main items of production are silk saris of ornamental design, dhotis, chaddars, tassar shirtings, matka and various other fabrics. The Bankura Resham Silpa Samabaya Sangha, a co-operative society of the silk artisans organized by the Directorate of Industries, West Bengal, plays an important role in the development of silk industry in the sub-division as well as in the district.

When in the past, the silk industry of Bishnupur was on the way of decline, many of the silk weavers of Bishnupur turned to rayon weaving as they found that rayon goods could be produced more cheaply and quickly. With an increasing demand for rayon products in the country, the artisans **found**the new calling remunerative although they had to import the yarns mainly from Japan or Italy. In 1965, a large number of families were employed in rayon weaving in Bishnupur producing, mainly, dhotis, saris, chaddars and shirtings which had a good market in West Bengal, Bihar and Orissa. Some of the producers have, in recent years, opened their own shops at Bishnupur from which middlemen collect the finished goods and despatch them to the selling centres.

In a report entitled "The State of the Tusser Silk Industry in Bengal and the Central Provinces" published in 1905, N. G. Mukherjee had stated, "Tusser weaving industry of Bishnupur seems to be more famous than that of any other place I have visited so far. The saris and dhotis of Sonamukhi and Bishnupur are very famous; even in Dacca and Mymensingh they are prized." He

also stated that there were at that time 1000 families of tassar weavers at Sonamukhi, 500 to 700 families at Bishnupur, 400 families at Gopinathpur representing "at least 5,000 individuals working or capable of working in tusser. When they cannot get enough cocoons, they take to cotton weaving but they prefer turning out tusser. The tusser weaving industry of Bishnupur seems to be very extensive. The tusser weavers there weave either silk or tusser, more silk now than tusser. Silk weaving is improving while tusser weaving is going down. The weavers say it costs them now almost as much turning out a tusser sari as a silk sari and people prefer a silk sari."

Cotton weaving has always been an important industry in Bishnupur. During the second half of the 19th century, however, this cottage craft suffered a setback due to large imports of cheaper machine made cloth from abroad. The Second World War created a very good demand for handloom products owing to contemporary scarcity of mill-made cloths in the Indian market. This was reflected in the progress made by the industry in subsequent years. Towards the end of 1951, following a sharp fall in the demand for handloom products, the All India Handloom Board took active steps to reorganize the industries on proper lines. The official estimate, valid for March 1964, states that the co-operative societies had with them 5,266 registered looms while private weavers operated 6,839 looms in the district. Working on the figures accepted by the All India Handloom Board that each textile handloom employs on an average 2.5 persons, it is estimated that these 12,105 looms in the district provided employment to a little more than 30,000 weavers. With a view to placing the industry on the road to progress, the All India Handloom Board laid great stress on the formation of handloom weavers' co-operative societies. The main centres of cotton weaving in Bishnupur sub-division are located at Bishnupur, Sonamukhi, Patrasayer, Joypur and Madanmohanpur. The products are usually dhotis, saris, bed-sheets, napkins etc.

The principal centres of the conch-shell industry are located at Bishnupur town. At present there are relatively smaller artisans' communities at Bishnupur and Patrasayer engaged in the manufacture of conch shell ornaments like bangles, rings, bead-necklace etc. Occasionally, expert craftsmen turn out whole conch shell pieces exquisitely embellished with embossed

decorations but such products do not find a market now and are, therefore, rarely produced. Rings, buttons and small floral designs are turned**out**of the parts that are left after the bangles have been sliced out. The polishing of the bangles and similar other minor works are done by the women and children in the artisan's family. The ornamentation is always done by the expert craftsmen with simple tools. Production and prices at *most*of the centres, of late, declined considerably. To the factory owners or independent workers, the margin of profit has become very small, while the incomes of the wage earning workers have been reduced with the result that the industry is becoming less and less remunerative. With a hired hand, a family of two working members can turn out 16 bangles a day, earnings from which can hardly sustain all of them. Shell bangles, once so popular in Bengal, particularly among married women, for their finish and design, now face serious competition from cheaper and more durable plastic wares, and in spite of their sentimental value to orthodox Hindus, shell bangles are being gradually pushed out. According to expert opinion, resuscitation of this exquisite cottage industry could be brought about through the provision of better capital, arrangements for regular supply of quality shells at reasonable prices as also in the improvement and change in the designs.

Brass and bell-metal utensils and various other articles are manufactured on a large scale at Bishnupur, Sonamukhi, Patrasayer, Ayodhya and Madanmohanpur. A special alloy, called *bharan,* is used only by the artisans of Bishnupur. Bishnupur specializes in producing plates, bowls, tumblers etc. The plates are of various kinds, namely *chhak katki, nath katki* (which show intricate floral decorations on the raised edges as also at the Centres), *monohara, kanseswari* etc.

The measuring bowls of Bishnupur also have various names according to their cubic contents. These may be *sholo-charti, aat-charti*or *Panch-charti*according to their respective capacities for measuring 16, 8 or 5 units. The *mota-poa* and *khas-poa* bowls can measure up quarter to a seer. The *dari-bati* (having a tapering end and an expanded bottom), the *chikan* and the *talajuri* are other kinds of bowls. There are at least **two**types of bowls manufactured at Bishnupur which are associated with place names, namely *Lakskmisagar-bati* and *Kaliganjer-bati.* Another type of **bowl,** bearing the name *Padma-bati,* finds

a ready market in Orissa. The articles usually turned out at Patrasayer are cups and *lotas,* mostly of brass. **They**are cast in moulds and the methods of turning and finishing are similar **to**those employed at Bishnupur. Brass or pital is a mixture of copper and **line;**bell-metal or kansa is obtained by fusing copper with tin and bharan is prepared by mixing copper, zinc and tin. The art of mixing the ingredients **has**come down to the artisans as a hereditary skill which they try to keep as a trade secret. Of these three alloys, *Kansa* is the most popular, *pital* and *bharan* following it in that order. A quantity of German-silver goods is also produced at Bishnupur.

At present there are 15 brass and bell-metal establishments in Bishnupur, all owned by the members of 4 families who use the titles 'Das', 'Kaiti', 'Kuchlyan' and 'Chakravarti' as their surnames. The Das, Kuchlyan **and**Kaiti families come from the Karmakar caste, a section of the *Nabasakha* group, from whose hands a Brahmin may take water. The Chakravartis are Brahmins but they took to this profession long ago. The owners of these workshops usually employ paid artisans, mainly from the Karmakar caste.

The principal centres of pottery industry are located at Sonamukhi and Bishnupur. It was found that inexpensive ingredients like common earth and sand were the principal raw materials used in this industry. These raw materials were either gathered free or collected from rented lands or procured from other sources at varying prices. Transport and labour charges were the two principal factors determining the cost of supply of these items. Nearly all the sand was obtained by the artisans free of cost. The products consist mainly of various types of pots and pitchers, tumblers, plates and the like, which are turned out on the potter's wheel and then sun-dried and burnt **in**kilns. Slips are used on the finished products some of which are also decorated with simple designs. The brittleness of the manufactured articles does not permit their export to distant places and these are mostly sold in the vicinity of the potters' village.

The future of this industry does not appear, on the whole, to be bright. Competition from utensils made of cheap materials like aluminium etc. is difficult to overcome as these durable substitutes have now penetrated into the remotest rural areas. Insufficiency of capital, non-availability of fuels at reasonable prices and lack of marketing facilities

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are also formidable obstacles.

Lantern industry is mainly located at Bishnupur. A special variety of cheap lanterns is produced at Bishnupur of which the prototype was fabricated some 80 years ago by one Rai Charan Garai, a member of the Kolu community residing at Bishnupur. Because of their dependability, extreme cheapness and low kerosene consumption these lanterns are very popular among the poorer sections of the people. The industry is mainly in the hands of the members of the Kolu caste who reside in the Aisbazar, Raghunathsayer, Gopalganj, Hazrapara, Bahadurganj, Garhdarja and Station Road localities of Bishnupur' town. Of the 55 workshops now in operation,they own some 50, the rest being run by members of the Sutradhar and Karmakar castes. As is common in all cottage industries, the members of the owners' families help in the process making it largely unnecessary to employ hired labour unless the establishment is big. The largest unit of the Bishnupurlantern factories employ 20 paid workers and produce, on an average, 144 lanterns a day. Raw materials used in the industry are galvanized sheets, plate glass, wire and tin foils. In 1965 the cost of production varied between **0.75**rupee and Re. 1 and the selling prices were from Re. 1 to Rs. 1.50 per piece. The wholesale prices were from Rs. 11 to Rs. 16 per dozen. These lanterns find a wide market all over Bankura, Midnapore, Burdwan, Birbhum and Purulia and are also exported to places as far away as Bilaspur in Madhya Pradesh and Mathura in Uttar Pradesh. The condition of the industry is, on the whole, satisfactory owing to the heavy off take of its product. The industry was virtually a monopoly of Bishnupur but of late workshops have come up at Rampurhat (Birbhum district) and Katwa (Burdwan district) but these do not pose any problem for the industry at Bishnupur.

5. PROBLEMS OF TRADITIONAL INDUSTRIES

Let us consider the specific problems faced by traditional industrial units which are operating in this sub-division.

(i) The scarcity of finance and credit is the main obstacle in the way of development of traditional industrial units in this sub-division.The capital base of the traditional industrial units is usually very weak since they generally are of the nature of partnership single ownership.The artisans or craftsmen running traditional industries either run their businesses with whatever little capital they possess or take credit from mahajans or village money lenders or traders who supply raw materials to them. In many cases such credit is obtained at a very high rate of interest and is thus exploitative in character. However, the profit earned by them is often not enough for investment purposes.

(ii) Another problem faced by traditional industrial units is in respect of the availability of raw materials. The majority of the traditional units depend on local sources for their raw material requirements. The handloom industry depends for its requirement of cotton thread on local traders. These traders often supply cotton on the condition that the weavers would sell clothes to them when they are ready. Thus the weavers are subjecteded to double exploitation in the hands of the traders. The traders sell cotton thread to them at high prices and purchase the ready clothes at low prices.

(iii) Machinery and other equipments in many traditional industrial units have become obsolete. On account of this reason while their costs of production are high, the quality is inferior as compared to the large-scale units. Moreover, the traditional units often do not care about the changing tastes and fashions of the people.

(iv) Another problem faced by traditional units is competition from other units. There are more than 10 to 12 same type of units in a block. So they have to face a stiff competition.

(v) One of the most difficult problems of the traditional entrepreneur today is labour. Labourers today are fully aware of their rights. They demand facilities like Government employees.

(vi) Raw materials in conch shell units have to be collected from Kolkata. Sometimes it is found that raw materials contained in

the bag are defective. As a result, they have to incur heavy loss.

(vii) 'MANJUSA'— West Bengal Handicrafts Development Corporation does not want to procure the finished products ofterracota and handicraft units all the time. Sometimes their payment period is too late.

(viii) Political interference is observed in the case of some units for getting loan and financial assistance.

(ix) The design which is used in the Balucharisaree has to be bought from the market at a high price as this design is prepared by a few persons.

(x) In addition to the problems enumerated above, the cottage and small scale industrial units face a number of other problems like inefficient management, frequent power cut, lack of skilled technicians and burden of local taxes etc.

Problems of traditional industries are multi-dimensional. These can be solved by the co-ordinated efforts of entrepreneurs, the co-ordinated functioning of promotional agencies and governmental assistance without red tape or bureaucratic delays. The entrepreneur has to be educated and he should have proper training in acquiring the necessary skills in running a small enterprise.In fact,the small entrepreneur is the king-pin of the traditional industry.

6. SUGGESTIONS FOR IMPROVEMENT

In the light of the above discussions, some suggestions may be put forward for the future improvement of the traditional units in this sub-division.

(i) The traditional entrepreneurs are required to move from pillar to post to meet different agencies like IDO, DIC, Panchayat and banks etc. for the sanction and early implementation of their projects. This causes a lot of strain and stress to them. To save time and hassle the DIC should maintain a close liaison with all other concerns involved in the process and take the entire responsibility of clearing the project as soon as possible. Perhaps, the DIC should be strengthened with skilled staff to meet the specific needs. Co-operation and co--ordination between the Banks and the DIC should also be improved.

(ii) DIC should assure the supply of scarce inputs on quota basis at subsidised rates so that the small entrepreneurs carrying on traditional industrial units are saved from the exploitation of the middlemen.

(iii) Marketing is an important factor, particularly in case of traditional units producing goods and services. It will be simply disastrous if the products or the services fail to find sustained and steady market which not only spells financial loss but also leads to eventual closures of the units. For the survival of these small units the Government should create marketing facilities through different channels like 'Tantuja', 'Tantushree', 'Manjusa' which purchase the products of traditional units. Also payment made by such channels to the traditional units should be as quickly as possible so that the production process of the traditional units can continue without any interruption. Besides, different Government and Quasi-Government sectors should give due preference to traditional goods and services while placing their orders.

(iv) It is advisable to clear the projects at an early date keeping in mind the continuous price hike of inputs, machinery and other equipments so that it is possible for the entrepreneurs to purchase the same with their limited investible funds.

(v) In order to serve the technical needs and to improve their entrepreneurship qualities a sound training programme is urgently needed for the some units. It would be better if a single training centre under the roof of the DIC is established.

(vi) With the persistence of inflation in the country, the maximum ceiling of subsidy at present Rs. 10,000 provided by Bengal State Aid to Industries to some poor artisans at village level through DICs should be enhanced. Considering the genuine demands, more finance should be

facilitated to large number of poor artisans with relaxation of terms and conditions.

(vii) As there is no insurance cover some entrepreneurs are found incurring losses on account of theft and fire. The entrepreneurs should be encouraged to become insurance-minded so that they realize that with incurring a paltry amount towards insurance premium the possibility of huge losses can be avoided.

(viii) It is advisable that Government should make arrangements through DIC by which spare parts are available all the time in the district.

(ix) For better functioning of traditional units and to overcome their financial position more capital is needed by them. In this regard banks should come forward and more finance should be given to the small entrepreneurs. There should be all-out efforts on the part of Block and Panchayat level officials to help the banks in the matter of recovery of past loans. There must be political will on the part of Panchayats for this purpose.

(x) Government should employ such persons as IDOs at block levels who will be well equipped with training and having technical knowledge by which they would have a good idea about various traditional units.

(xi) For entrepreneurship development and for prospective traditional entrepreneurs, Government should arrange seminars and awareness camps regarding traditional industries with the help of DIC and Block and Panchayat level officials.

(xii) Government should make necessary arrangements in which different Govt, circulars and current information regarding traditional industries should reach the small entrepreneurs as soon as possible.

(xiii) For smooth functioning of traditional units, Government should improve the position regarding the supply of electricity.

(xiv) To meet the changing demands of the local customers as well as on the part of the tourists, some units likeBaluchariunits, terracota, handicrafts and conch shell should change their products accordingly.

(xv) The State Govt. should make arrangements for the exhibition of Baluchari sarees, terracota handicrafts in other provinces so that traditional units will be able to enjoy larger market.

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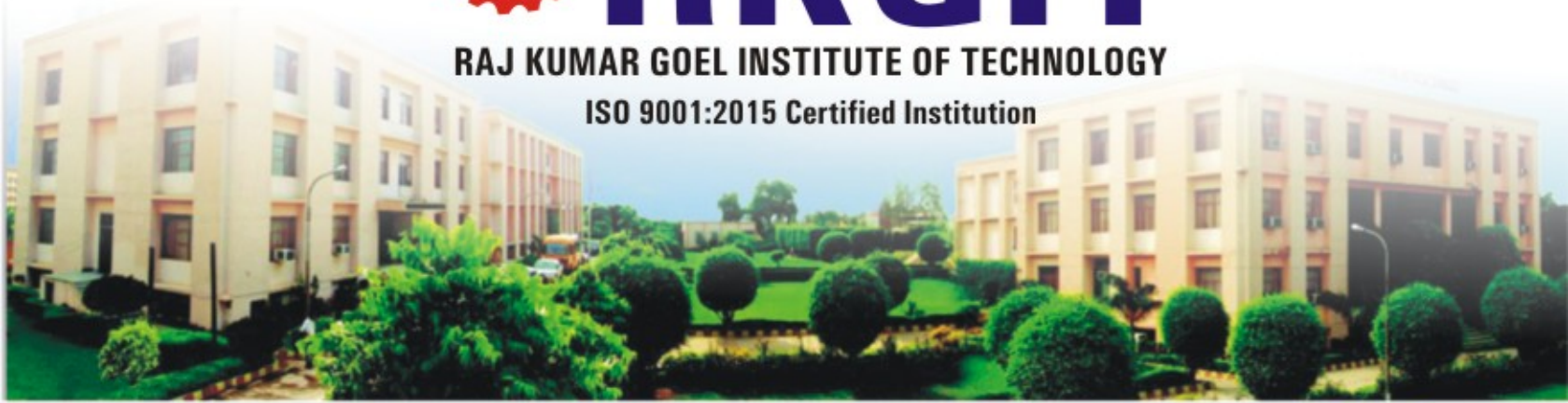5 km Stone, Delhi-Meerut Road, Ghaziabad-201003, INDIA. Phones : 0120-2788273, 2784224 Fax : 0120-2788350/447

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