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◆ Chief Editor's Voice

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Chief Editor's Voice

Open Digital Eco System (ODE)

The COVID 19 pandemic had disrupted not only the life, living & livelihood of the common man but also affected the development of several vital sectors like health care, MSME, education and agriculture. It directly exposed the inefficiency of our system to defend this unexpected pandemic of its genre especially the health care and education. But when we look back, several of the recent economic and social projects initiated by the government had opened up new opportunities even in the midst of COVID 19 pandemic. **Digital India** project is one such initiative. It is in consideration of the potentials of digital technology in agriculture, ayurveda to artificial intelligence. It includes the Open Digital Ecosystem too. It has the potential to improve business activities and enhance employment opportunities through making our country digitally competent.

According to a report of NASSCOM, Open Digital Ecosystem will unlock more than 700 billion USD worth of business opportunities for India by 2030 across sectors such as healthcare, agriculture, MSMEs, education and e-land records. The earlier initiatives of Aadhaar and Unified Payments Interface (UPI) and the pandemic related CoWIN have rendered immense help to the economy during this pandemic. These programmes have the potential to propel Indian economy to our dream of 5 trillion USD. Following the footsteps of Mahatma Gandhi, wiping the tears of the last man in the line has become the policy of the government. In this period of crisis we need to reach the common man by making the government services available to people in a

more efficient and convenient manner. "*As a benefit in disguise*" such platforms can not only bridge the silos we work in, but also help us organize our data with the help of technology creating tremendous value for all stakeholders" says a report presented by Nasscom in the Cloud Summit

Open Digital Ecosystem or ODEs are the public infrastructure that we need in the expanding digital world. It is an open and secure digital platform that enables a community of actors to unlock transformative solution for society, based on a robust governance format. Public digital platforms can play a critical role in achieving this goal by building new solutions for service delivery, at large population scale and lower cost. It is estimated that it has the capacity to create a new value of 500 billion USD - 5.5% of India's GDP and to generate 200 billion USD savings to the country. "Digital platforms help in the systematic creation of value generation" says Nandan Nilekeni. According to him, "the collaborative way of getting Artificial Intelligence, data empowerment and digital lending are some areas where we will be focusing in the near future". Along with demographic advantage we need to establish digital advantage too. As observed by Debjan Ghosh, the president of Naasscom, "India's robust public digital platforms has been the bedrock of the country's digital advantage".

India is geared towards building public digital platforms across sectors following a holistic approach to digitalisation. As Roopa Kudva, MD, Omidyar Network India observes, "there are three layers of an open digital

ecosystem - the technology layer, followed by the community and governance layers. The technology layer has made great strides with innovation around Aadhaar and UPI whereas we are still early on in the governance and community layers. Unless the digital system thinks of all three layers in an integrated manner, we cannot understand & realize the full potential of online digital ecosystem".

India continues to grow even in the face of Covid crisis. The expansion and adoption of Indian platforms globally becomes necessary to drive the next phase of growth. Expansion of BHIM UPI to other countries and making CoWIN an open source and available to other countries are some examples of Indian platforms going global. India has built three of the largest public digital platforms in the world - Aadhaar, the largest Unique Digital Identity platform, Unified Payments Interface (UPI), the largest digital payment ecosystem and CoWIN, the largest vaccination platform. It is observed that growing open digital ecosystems in India are pivotal to the country becoming a 5 trillion USD economy. It has a positive impact on sectors such as healthcare, talent, agriculture, MSME, education, urban governance, law and justice, logistics, state service delivery and e-land records. As we move on from product to platforms, it is commendable to see how these platforms are now taking over the world. It is in this context the wise words of Ajay Sahney become appropriate. "We aim to witness a sea change from making the government services available to people in a more efficient yet convenient manner, where both state and central government come together and harmonize their development as a whole".

We need to enhance the competitive advantage. The digital solutions enhance India's competitive index scores and create a shared tech

infrastructure. It will promote the formation of a multi-stakeholder ecosystem. Digital platforms help in the systematic creation of value generation. We could create a significant impact during the pandemic, which was only made possible with the right infrastructure built on keeping in mind the population scale, inclusivity, openness, being low cost, high scalability and efficiency. The report provides certain examples of public digital platforms emerging in India. Aadhaar registrations stand at 1.3 billion. We have over 30 million users on MyGov Corona Help Desk and more than 500 million vaccine doses administered through CoWIN platform so far. The BHIM UPI clocked a total of 3.2 billion transactions in July 2021.

As the discussions around digital public infrastructure start to gain momentum, orienting towards various platforms and National Open Digital Ecosystems (NODE) can unlock billion dollar economic opportunities in India. Examples of NODE in India include Aadhaar (or India's Stack Project), Unified Payments Interface and Nandan Nilekeni's recently launched Open Credit Enablement Network (OCEN) which provides platforms and opportunities for private firms to build on these ecosystems. NODE in sectors of talent, agriculture, small and medium businesses can help close to 50 to 80 million additional Indians to find better fit jobs, lead to 1.5 x increases in farmer's income, include 20 million more SMEs to the formal economy, and help 15-25 million students to continue education in the country. The New Education Policy ensures uninterrupted education for the students. Even in the face of pandemic, government is determined to provide digital solution for these problems and to take the country to greater heights.

MULTILAYER ANALYSIS IN AYURVEDIC HEALTH TOURISM FACILITIES ON INFLUENCING THE SATISFACTION, LOYALTY AND RETENTION OF TOURISTS

***Dr. Sreeja Devi V M**

Abstract

Creating loyalty among customers can help Ayurvedic Health Tourism industry which increase the purchases of existing tourism products, develop a positive word-of-mouth promotion, thereby attracting and retaining existing and potential customers, which is the main marketing objective of tourism service sector. This study analyses Ayurvedic Health Tourism facilities on influencing the Satisfaction, Loyalty and Retention of Tourists.

Key words:- Ayurveda Health Tourism, Customer Satisfaction, Loyalty, Retention

*A*yurveda is acknowledged as the oldest and most comprehensive system of natural medicine in India and Kerala is a master in administering Ayurvedic treatment for all diseases including mental illness. Among the various methods of healing, Ayurveda has emerged as the most credible form. Most international

tourists have extreme confidence in Kerala's traditional Ayurveda because there is a concrete belief that Ayurvedic medicines and methods of treatment have no side effects.

Significance of the Study

The State of Kerala is often regarded as one of the primary destinations of the

Ayurvedic Health Tourism with its sprawling, backwaters and hill stations. The natural habitat and environment here with suitable climate and monsoon offer a better combination for medicines to work efficiently on human mind and body. Many tourists around the world visit Kerala for the best suited rejuvenative Ayurvedic treatment and it has become an added advantage in tourism industry as well as Department of Tourism, Government of Kerala.

So the study is significant in analysing the Ayurvedic Health Tourism facilities on influencing the Satisfaction, Loyalty and Retention of Tourists.

Review of Literature

Sunanda, V.S. (2008) in a study on “Health Tourism in Kerala with Special Reference to Ayurveda- An Evaluative Study” analysed the perception of tourists on Ayurveda health care programmes available in various centres of Kerala and ascertained the level of their satisfaction after actual experience. The level of satisfaction of tourists was evaluated by comparing their perceptions on the Ayurveda treatments of Kerala with their actual experiences after undergoing Ayurveda care.

Suzana Markovic, Dina Loncaric and Damir Loncaric (2014), an empirical study on service quality and customer satisfaction in the health tourism market was conducted to identify patient’s perception and expectations of service quality in speciality hospital for medical rehabilitation.

Saranya, T. & Dr. H.K.Mariswamy, (2016) jointly conducted a study on the

role of health tourism on tourism development in Kerala State. The chief objective of the study was to analyse the role and importance of Ayurveda in promoting health tourism in Kerala with special reference to Varkala apart from understanding the level of satisfaction of the visitors in Varkala and to suggest measures for better facilities. It has been found that the number of domestic tourists opting for health treatment has increased manifold as compared to foreign tourists.

Objectives of the Study

To examine the influence of Ayurvedic Health tourism facilities on the satisfaction, loyalty and retention aspects of Health tourists in Kerala.

Hypothesis

There is no influence of Ayurvedic Health tourism facilities on the satisfaction, loyalty and retention aspects of Health tourists in Kerala.

Research Methodology

The present study is a descriptive in nature and the data was collected from the 200 tourists who visited for Ayurvedic Health Tourism in Kerala equally divided between domestic and foreign tourists. A structured questionnaire was administered among the tourist under Systematic Sampling Method. The data mainly was collected from two districts each from Southern region, Central region and Northern region. The sample size was determined based on the infinitive population as propounded by Cochran.W.G (1977) and the formula is $(ZS/E)^2$, where Z is the Z value of a

normal distribution =1.96. The study period was between March and June 2019.

From the Southern region Thiruvananthapuram and Alappuzha districts were considered. Eranakulam and Thrisur district were considered from Central region and Malappuram and Wayanad were considered for collecting data from Northern region.

Multilayer analysis was done to examine the influence of Ayurvedic Health tourism facilities on the satisfaction, loyalty and retention aspects of Health tourists in Kerala.

Ananlysis and Discussion

From the case processing summary, it is clear that 149 observations are considered for the training phase (74.5 per

Table 1.1

Case Processing Summary-Influence of Ayurvedic Health Tourism Facilities

		N	Percent
Sample	Training	149	74.5%
	Testing	51	25.5%
Valid		200	100.0%
Excluded		0	
Total		200	

Source:-Primary Data

Table 1.2

Network Information- Influence of Ayurvedic Health Tourism Facilities

Input Layer	Factors	1	Gender	
		2	Tourist	
	Covariates	1	Product	
		2	Price	
	3	Opportunity		
	4	Promotion		
Hidden Layer(s)	Number of Units ^a			8
	Rescaling Method for Covariates		Standardized	
	Number of Hidden Layers			1
	Number of Units in Hidden Layer 1 ^a			2
Output Layer	Activation Function		Hyperbolic tangent	
		1	Loyalty	
	Dependent Variables	2	Retention	
		3	CustomerSatisfaction	
	Number of Units			3
	Rescaling Method for Scale Dependents		Standardized	
	Activation Function		Identity	
	Error Function		Sum of Squares	

Excluding the bias unit

Source:- Primary Data

cent) and 25.5 per cent (51 observation) were included in the testing phase.

From the study based on the input layer there are 2 factors considered. They are gender and tourists. Gender is classified into Female and Male and the tourists are classified into Domestic and Foreign tourists. Also from the table it is noted that there are four covariates were considered. They are Product, Price, Opportunity and Promotion. The number of units is 8 and the rescaling method for covariates is standardised. The

Dependent variables are Loyalty, Retention and Customer Satisfaction.

In the model summary the prediction level of Training and Testing was explained. During training phase the average relative error for the scaled dependent Loyalty is 0.976, for the variable Retention is 0.956 and for the Customer Satisfaction it is 0.993. The overall average relative error is 0.975. Similarly with regard to the testing phase, the relative error for scale dependent Loyalty is 0.965, Retention 0.918 and for

Figure 1.1
Multilayer Graphical Representation- Influence of Ayurvedic Health Tourism Facilities

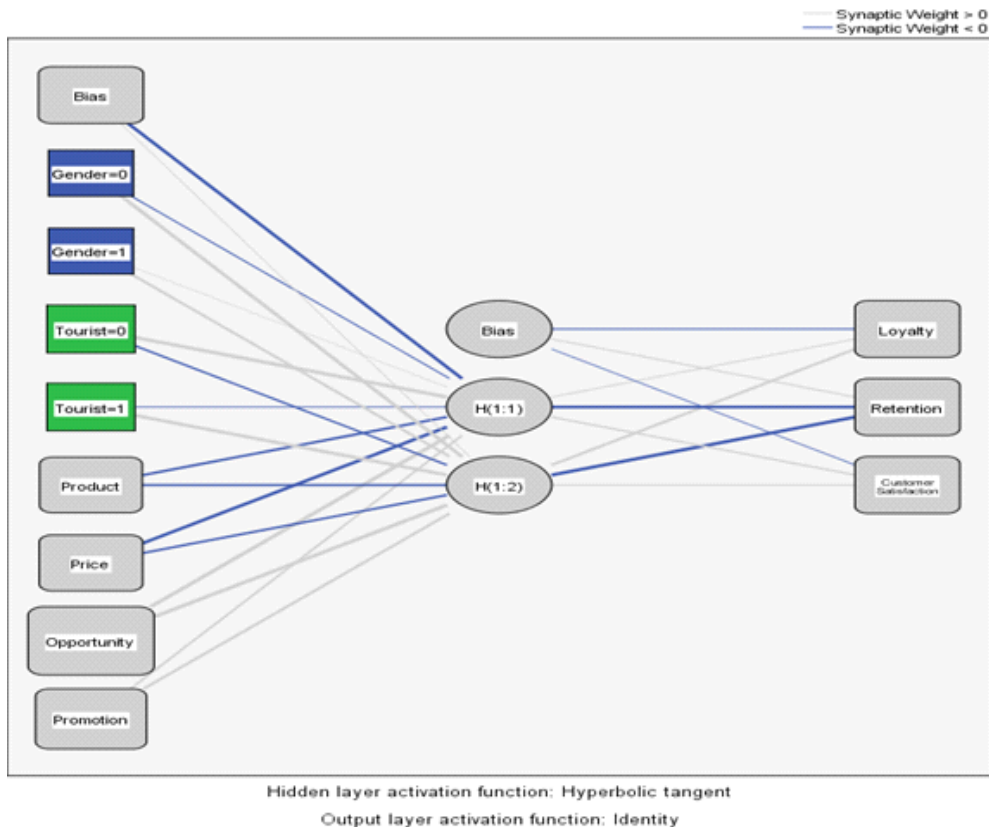


Table 1.3

Model Summary- Influence of Ayurvedic Health Tourism Facilities

	Sum of Squares Error	216.476
	Average Overall Relative Error	.975
Training	Relative Error for Scale	Loyalty .976
	Dependents	Retention .956
		Customer Satisfaction .993
	Stopping Rule Used	1 consecutive step(s) with no decrease in error ^a
	Training Time	0:00:00.05
	Sum of Squares Error	69.690
	Average Overall Relative Error	.959
Testing	Relative Error for Scale	Loyalty .965
	Dependents	Retention .918
		Customer Satisfaction .976

a. Error computations are based on the testing sample.

Source: - Primary Data

the customer satisfaction 0.976. The average overall relative error is 0.95

For the variable gender female, the parameter estimate ranges between -.045 to .281. Similarly, for the gender male the parameter summary ranges from .017 to .198. Likewise the tourist domestic in nature the parameter summary ranges between .527 to -.101. For the foreign tourists the parameter summary is -.040 to .391. The parameter estimate of covariate product is ranges between -.175 to -.168; the parameter estimate of covariate price is ranges between -.0243 to -.160; the parameter estimate of covariate opportunity is ranges between -.391 to .412 and the parameter estimate of covariate promotion is ranges between -.121 to .203

The present table describes the importance of the dependent variables such as Customer Satisfaction, Loyalty and Retention. The influencing level of the gender on the present model is 0.007 (1.8 per cent), the influencing level of the variable tourist is 0.035 (7.5 per cent). Hence the cumulative effect will be 9.3 per cent. The individual influencing ability of the covariate product is 0.166 and its effect is 34.7 per cent. Thus the cumulative effect will be 44.0 per cent. The influencing ability of covariate price is 0.174 and the individual effect is 2.3 per cent. Thus the cumulative effect will be 46.3 per cent. The influencing of promotion is 0.242 and the individual effect is 18 per cent thereby the cumulative effect will be 64.3 per cent. Finally when the covariate opportunity

Table 1.4

Parameter Estimates- Influence of Ayurvedic Health Tourism Facilities

Predictor	Predicted					
	Hidden Layer 1		Output Layer			
	H(1:1)	H(1:2)	Loyalty	Retention	Customer Satisfaction	
Input Layer	(Bias)	-.232	.031			
	[Gender=0]	-.045	.281			
	[Gender=1]	.017	.198			
	[Tourist=0]	.527	-.101			
	[Tourist=1]	-.040	.391			
	Product	-.175	-.168			
	Price	-.243	-.160			
	Opportunit y	.391	.412			
	Promotion	.121	.203			
	(Bias)			-.061	.063	-.035
Hidden Layer 1	H(1:1)		.052	-.239	.110	
	H(1:2)		.225	-.290	.070	

Source: - Primary Data

Table 1.5

Independent Variable Importance- Influence of Ayurvedic Health Tourism Facilities

	Importance	Normalized Importance
Gender	.007	1.8%
Tourist	.035	9.3%
Product	.166	44.0%
Price	.174	46.3%
Opportunity	.376	100.0%
Promotion	.242	64.3%

Source: Primary Data

joins, its effect will be 0.376 and the individual effect become 35.7 per cent thereby the total effect will be 100 per cent.

Findings

The present study analyses how to influence the independent variables

product, price, opportunity and promotion on the dependent variables loyalty, retention and customer satisfaction. The individual influencing ability of the covariate product is 0.166 and its effect is 34.7 per cent. The influencing ability of covariate price is 0.174 and the individual effect is 2.3 per cent. The influencing of promotion is 0.242 and the individual effect is 18 per cent. When the covariate opportunity joins, its effect will be 0.376 and the individual effect become 35.7 per cent thereby the total effect will be 100 per cent. So in order to retain the

customers especially foreign tourists, the service providers should provide best quality ayurvedic product with minimum cost.

Conclusion

Kerala is the only state where Ayurveda is practiced in a traditional way. It offers one of the world's best health care facilities along with rich heritage and tourist destination. Kerala's strong base of ayurveda attracts foreign health tourists and this helps to improve our balance of payment position on a permanent basis.

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In management, we try to make each person a man of knowledge, proper skill and positive attitude. This aspect, KSA (Knowledge, Skill and Attitude) is very important in making each employee an excellent executive.

MUNICIPALITIES IN KERALA - THE INSTITUTIONAL MECHANISM FOR RENDERING SOCIAL AND CIVIC AMENITIES TO THE URBAN PEOPLE

***Dr. Dhanya R**

Abstract

Municipality is a part of Urban Local Government deals with the urban affairs following the guidelines of Kerala Municipalities Act of 1994. Municipal governance is exercised for framing policies and providing public utilities to the urban society. Municipalities in Kerala are providing social and civic amenities to the urban people and undertaking different public utility projects for the socio economic development of the urban community. The civic amenities provided through Municipal governance in Kerala are essential for uplifting the urban poor. This paper demonstrates various civic amenities provided through municipal governance from the point of view of councillors and employees who is responsible for municipal governance in Kerala. In this paper an effort has been made to evaluate the various civic amenities provided through municipal governance in Kerala.

Key words:- Municipalities, Municipal Governance, Civic Amenities.

Municipalities are the urban local governments that deal with public utilities and local improvement functions in the municipal area. In tune with the Kerala Municipalities Act of 1994, Kerala has been following the 74th Constitutional Amendment and as such numerous transformations have happened in the

functions, control, and tasks of the municipalities for the betterment of the states by integrating the municipalities and corporations in the state. As on 2019, the state of Kerala has 87 municipalities and six municipal corporations and the district of Ernakulum has the most number of municipalities in the state with 13 municipalities. Municipalities have been

**Dr. Dhanya R, Assistant Professor of Commerce, Sree Narayana College, Kollam.*

apparent to be enormous contributors to the social and economic development of the government and are closest to the citizens.

Municipalities in Kerala occupy a prominent role in the socio-economic development of the urban society. They are entrusted with the responsibility of providing social and civic amenities and are accountable to the urban dwellers in enforcing a responsive, transparent and citizen-friendly administration. It concentrates on providing social and civic amenities which are important for the overall development of a municipality. But due to rapid increase in the urbanization, the development is not taking place in its real scenes. This will cause administrative problems and degeneration of social and economic equalities. In this context municipal governance has obtained relevance. As the governance practice is concerned with developing policies for the welfare of the urban community, it can be implemented through the councillors and employees of the municipalities concerned.

Objective of the Study

- To examine the civic amenities provided through municipal governance in Kerala.

Literature Review

Thavraj (1984) in his article noticed that the municipal bodies require adequate financial resources to discharge their obligations particularly for providing the civic amenities and welfare services. According to the author the problem of insufficient local finance can be resolved only through the integration of central and

state and through strengthening their powers and responsibilities.

Ramachandra Reddy G. (1994) analyzed civic amenities provided through municipal governance in India. The author pointed out that the municipalities contribute towards the development of infrastructural facilities, slum improvement, poverty eradication, ensuring basic welfare services etc. According to him this programme helps to resolve the major hurdles in providing services in slum localities. He identified lack of flexibility in the traditional service delivery system and concluded that urban basic service programme help in the implementation of development plans.

Thomas (2015) in his article studied the functioning of urban local bodies in Kerala. The author examined the powers of municipal council, chairman or chairperson based on the Kerala Municipal Act of 1994. When the total administration of municipality rests with the municipal council, the chairman or chairperson has the power to suspend employee or any officer from the service of Municipality, if needed. The author concluded that the Kerala Municipalities Act of 1994 specifies the powers and jurisdiction of the municipal administrators.

Research Methodology

Population:

The population of the present study constitutes the Employees and Municipal Councillors of Municipalities in Kerala. Hence the representative sample has been taken to evaluate the extent to which civic

amenities under municipal governance practices are being provided in Kerala.

Sample Size:

A total of 251(50.30 per cent) employees and 248 (49.70 per cent) councillors were selected as sample by using input, thereby arrived a total sample size of 499. To find out the sample size for the total population of 3038 councillors, the inputs used are, for a confidence level of 95 per cent, confidence interval is 6 per cent, level of significance is 5 per cent, Z value (Two tailed test) 1.96; the sample size (n) determined is 248. To find out the sample size for the total population of 4250 employees the inputs used are, for a confidence level of 95 per cent, confidence interval is 6 per cent, level of significance is 5 per cent, Z value (Two tailed test) 1.96; the sample size (n) determined is 251. Also, from the southern region, 192 respondents are considered. The sample size of the central and northern region accounted for 154 and 153 respectively.

Method of Sampling:

Systematic sampling is used for selecting samples as the population is finite homogeneous and the researcher has control over the population. Secondary data is collected from various publications of KILA, articles, published and unpublished thesis and related websites.

Tool for Data Collection:

Both primary data and secondary data were used for the study. Primary data were collected from the elected representatives and employees working in the municipalities concerned. Secondary

data were collected from various publications of KILA, articles, published and unpublished thesis and related websites.

A Five-Point Likert Scale type questionnaire was administered by the researcher to collect data from the sample respondents. To make the critical analysis more clear the mean score assigned by the respondents for the entire variables have been divided into three groups. The effect is low when the mean value is less than 3.445. The effect is moderate if the mean value is between 3.622 and 3.445. The effect is high when the mean value is more than 3.622.

Analysis and Interpretation

The details of the analysis are explained below.

From the southern region, 99(39.40 per cent) employees and 93 (37.50 per cent) councillors are selected. Similarly, the employees are 69 (27.50 per cent) and 83 (33.10 per cent) for the central and northern region. In the central and northern region, 85 (34.30 per cent) and 70 (28.20 per cent) councillors are selected respectively. The association of the category of the respondents based on their region was examined with the help of Pearson Chi-Square. Pearson Chi-Square value is 2.936, P value-0.230 (P value>0.05), showed no significant association. This means the category of the respondents and the region are independent of each other.

The customary character of municipal bodies had been one of providing essential facilities of public life. Services such as water supply, cleanliness, roads and drains, street-lights, collection and

dumping of solid waste, preservation of public places, interment grounds, crematoria, cattle pounds, registration of births and deaths, upholding of markets have long been seen as the task of

municipal bodies. Hence based on the viewpoints, it is asked to rate the following civic amenities provided by the municipalities of respondents based on the priority. Friedman Test was applied.

Table 1.1
Crosstab-Category with Region

Crosstab		Category		Total	Pearson Chi-Square	
		Employees	Councillors			
Region	South	Count	99	93	192	2.936
		%	39.4%	37.5%	38.5%	
	Central	Count	69	85	154	P value
		%	27.5%	34.3%	30.9%	
	North	Count	83	70	153	0.230
		%	33.1%	28.2%	30.7%	
Total	Count	251	248	499	Not Significant	
	%	100.0%	100.0%	100.0%		

Source: Primary Data

Table 1.2
Friedman Test– Ranks on Civic Amenities

Civic Amenities	Mean Rank
Schools/college	5.61
Primary health centers	5.89
Hospitals	5.44
Streets Roads	5.20
Power	5.74
Drinking water supply	5.49
Community malls/shopping malls	5.51
Markets	5.43
Industries/factories	5.25
Playgrounds/stadiums	5.45
Friedman Test (Chi-Square Value)	22.008
P value	0.009
Result	Significant

Source: Primary Data

The mean rankings on Civic Amenities are ascertained. According to the table, the highest level of priority is assigned by the respondents is for Streets Roads (Mean Rank-5.20), followed by Industries/factories (Mean Rank-5.25), Markets (Mean Rank-5.43) and Hospitals (Mean Rank-5.44). Friedman Test (Chi-Square Value) is 22.008, p-value-0.009 ($p < 0.05$), showing there is the difference in the rank score assigned to the preference level on Civic Amenities at Municipalities in Kerala.

Major Findings of the Study

- Table 1.1 evidently shows the association of the category of the respondents (councillors and employees) based on their region. Pearson Chi-Square was applied and the P value-0.230 ($P \text{ value} > 0.05$), showed no significant association. This means the category of the respondents and the region are independent of each other.
- Municipalities in Kerala are providing civic amenities for the wellbeing of the urban people. From the study it is found that among the different civic amenities, the highest level of priority assigned by the respondents is for Streets Roads (Mean Rank-5.20), followed by Industries/factories (Mean Rank-5.25), Markets (Mean Rank-5.43) and Hospitals (Mean Rank-5.44).ie, the respondents are preferring the civic amenities provided by the municipalities namely Streets Roads followed by Industries/factories, Markets and Hospitals.

- Friedman Test was applied to check the priority level assigned by the respondents on the civic amenities at Municipalities in Kerala. The result was significant as the p-value-0.009 ($p < 0.05$), showing there is the difference in the rank score assigned to the preference level on Civic Amenities at Municipalities in Kerala.

Suggestions

- Municipal administration requires serious attention like any other development activity. The state government has to revise the existing laws and regulations to make the municipal administration more effective.
- The effectiveness of municipal administration to a great extent depends on the competence of appointed staffs and elected representatives. Therefore comprehensive education and professional training may be given to the employees and elected representatives to cope up with the changing environment. This will also help to make them to think about their roles and responsibilities.
- Municipal authorities should try to arrange more funds for the successful implementation of civic amenities.
- It is also recommended that district wise strategic planning should be made in collaboration with other municipalities to deal with the changing need of the urban society.

Conclusion

This paper demonstrates various civic amenities provided through municipal governance from the point of view of councillors and employees who is responsible for municipal governance in Kerala. According to the respondents, being a semi-government institution under the guidance and control of state government, municipalities are providing social and civic amenities to the urban people. The role of Municipalities in the contemporary process of socio economic development has obtained a new

perspective. The task of municipalities has extended to the delivery of public utilities in tune with the changing need of urban citizens. Good governance practice of municipalities definitely brings prosperity in urban community through social and civic activities. But in Kerala, the municipalities are troubled with the limited resources both financial and non-financial to meet its increasing expenditure and increasing demand. Thus it is clear that the municipal governance in Kerala has both positive effects as well as serious challenges.

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IMPACT OF LABOUR SHORTAGE ON CULTIVATION OF FOOD GRAINS IN KERALA WITH SPECIAL FOCUS ON PADDY CULTIVATION

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Abstract

The structure of rural employment in Kerala has shifted from agricultural activities to non-agricultural activities. Faced with a situation of increasing labour shortage in agriculture, area under food crops has steadily been declining and the proportion of land put to non-agricultural uses has steadily been rising. Thus, the consequence of labour market changes is felt on the production front of the economy. The current labour shortage problem in agricultural labour market has created a negative impact on agriculture of Kerala. Selective mechanization and harmonizing the use of machine and labour by using machine as a complementary to labour will increase the intensity of cultivation and sustainability of agriculture as a dependable source of employment and income for labour households. This change will definitely attract the new generation to agriculture and it will be the only solution to the problem of food insecurity of Kerala.

Key words:- Labour shortage, Food crop, Cash crop, Middle farmers, Cropping intensity, Labour cost and Family labour.

Many researchers attempted to study the issue of labour shortage in agriculture and its impact on the agriculture sector of Kerala. One major study was done by Sukumaran Nair (1999). Jeemol Unni (1981) analysed the reason for the shift in cropping pattern

away from rice to coconut using secondary data. George and Mukherjee (1986) examined the changes in the growth pattern of rice in Kerala across time. Kannan and Pushpangadhan (1988, 1999) explained the agricultural stagnation that set in Kerala since the mid 70s. Thomas (1996) examined trends in area,

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productivity of paddy in Kerala and economic causes of decline in paddy cultivation and tried to identify current problems in paddy cultivation. Job and George (2002) assessed technical efficiency in rice production of the state of Kerala using primary data collected from Kuttanad.

Job and Nandamohan (2004) attempted to analyse the changes in the growth pattern of rice in Kerala across time and across seasons. On the basis of various national and state level studies, we made an attempt to examine the viability of paddy cultivation in Kerala in the light of the emerging issue of labour shortage in agriculture.

Research Problem

The structural transformation taking place in the economy of Kerala resulted in an occupational pattern in favour of non-agriculture sector. This created a situation of labour shortage in agriculture labour market and increase in the price of labour. The study analysed the labour shortage problem and its impact on cultivation of food grains in Kerala with special focus on paddy.

Objectives of the Study

The objective of the study is to analyse the impact of labour shortage on cultivation of food grains in Kerala particularly, paddy cultivation.

Methodology

The study employed both primary data and secondary data. The secondary data were collected from various publications of the Government such as Census Reports, various issues of Kerala Economic Review etc.

The primary survey was conducted in four panchayaths belonging to four segments of Kuttanad. They were Edathua (Upper Kuttanad), Champakulam (Lower Kuttanad), Kainakary (Kayal lands) and Thakazhy (Kari lands). The panchayaths were randomly selected from a list of panchayaths belonging to the four segments of Kuttanad. The farmers were categorized into three groups on the basis of area under cultivation - medium farmers (5 acres and above), small farmers (1-5 acres) and marginal farmers (0-1 acre). A sample of 100 farmers was selected on the basis of stratified random sampling method by assigning proportionate weightage to three categories of farmers.

To study the impact of labour shortage on cultivation, values of the following determinants were estimated viz. cropping intensity, availability of family labour and hired labour. Yield, revenue, cost, and net profit per acre of medium, small and marginal farmers were estimated. Total labour cost was calculated as the sum total of cost of hired labour and family labour (implicit labour). On the basis of per acre price paid by the farmer (cost of production per acre) and per acre price of output received by the farmer, net profit of the three categories of farmers was estimated. On the basis of labour days available for farmers per acre and labour days required per acre, excess demand for labour was estimated. The gravity of the problem of labour shortage was studied on the basis of excess demand and the share of wage bill in total cost of production.

Results and Discussion

I. Agriculture Economy of Kerala

Two important changes took place in Kerala in the utilization of land resource as a result of economic development and urbanization. They were, a) the structural transformation of the agricultural sector and the consequent conversion of food crops area to cash crops area (commercialization of agriculture); and b) conversion of agricultural lands for non-agricultural purposes. Land put to non-agricultural use increased from 275000 hectares in 1970-71 to 441934 hectares in 2016-17. The percentage change during the period was 86.72. The Net Sown area

declined during the period from 2172000 hectares to 2015482 hectares and the percentage change was -6.07. The total cropped area during the period declined from 2933000 hectares to 2584000 hectares and the percentage change was -9.25.

Since 1970, the area and production of food grains in Kerala registered a faster declining trend. Area under paddy in Kerala was about 8.7 lakh hectares in 1970-71 and it became mere 1.71 lakh hectares in 2016-17. During the period, production of paddy declined from 12.92 lakh tonnes to 4.37 lakh tonnes. However, the productivity of paddy increased from

Table 1

Classification of Area under Land Utilisation: 1970-71 to 2016-17

Classification (Area in hectares)	1970-71	1980-81	1990-91	2000-01	2016-17	% change from 1970-71 to 2016-17
Total Geographical Area	3885497	3885497	3885497	3885497	3885497	-
Forest	1055000	1081509	1081509	1081509	1081509	2.51
Land put to non-agricultural use	275000	269824	297381	381873	441934	86.72
Barren and uncultivable land	72000	85770	58308	29318	11780	-75.62
Permanent pastures and other grazing land	28000	5432	1912	164	0	-99.69
Land under miscellaneous tree crops	132000	63875	34375	15409	2450	-97.45
Cultivable waste	79000	129032	94608	59257	101379	20.81
Fallow other than current fallow	22000	26886	26466	33988	55530	162.13
Current fallow	24000	43579	44164	77853	72008	221.07
Net area sown	2172000	2179590	2246774	2206126	2015482	-6.07
Area sown more than once	761000	705250	773206	815556	568518	-18.31
Total cropped area	2933000	2884840	3019980	3021682	2584000	-9.25

Source: Kerala Economic Reviews

1483 kg/hectare in 1970-71 to 2550 kg/hectare in 2016-17. The improvement in productivity was, however, neutralized by the higher decline in area under paddy. Conversion of paddy fields led to a number of socio-economic and ecological consequences. Reduction in rice production had an adverse effect on the food security of the state. Kerala had

more than 90 per cent deficit in food production in 2019-20.

There had been changes in the share of paddy, coconut and rubber in the net sown area of Kerala during the period 1970-71 to 2016-17. The share of paddy in net sown area declined from 40.28 per cent in 1970-71 to mere 8.50 per cent in 2016-17. The share of coconut increased

Table 2

Area, Production and Productivity of Paddy in Kerala from 1970-71 to 2016-17

Year	Area, 000' ha	Production, 000' MT	Productivity, kg/ha
1970-71	874.930	1292.010	1483
1980-81	801.700	1272.000	1587
1990-91	559.450	1086.580	1942
2000-01	347.000	751.000	2162
2010-11	213.190	522.730	2452
2016-17	171.398	437.112	2550

Source: Kerala Economic Reviews

Table 3

**Share of Paddy, Rubber and Coconut in Net Sown Area of Kerala.
(area in 000' hectares.)**

Year	Net sown area	Paddy area	Share of paddy area	Rubber area	Share of rubber area	Coconut area	Share of coconut area
1970-71	2172.00	874.93	40.28	179.1	8.25	719.1	33.12
1980-81	2180.00	801.70	36.77	237.80	10.91	651.40	29.88
1990-91	2246.77	559.45	24.90	384.00	17.09	870.02	38.72
2000-01	2206.13	347.00	15.73	474.36	21.50	936.29	42.44
2010-11	2071.51	213.19	10.29	534.23	25.79	770.00	37.17
2016-17	2015.48	171.398	8.50	551.05	27.34	781.49	38.77

Source: Kerala Economic Reviews

from 33.12 per cent in 1970-71 to 38.77 per cent in 2016-17. The share of rubber during the period increased from 8.25 per cent to 27.34 per cent in 2016-17. Rubber and coconut were the principal rival crops of paddy.

II. Distribution of Main Workers in Kerala

The number of people engaged in agricultural activities showed a declining trend in the State due to shifting of labour to non-agriculture, particularly, construction, manufacturing and service activities.

According to census reports, the percentage of cultivators in Kerala declined from 17.80 per cent in 1971 to 5.77 per cent in 2011. Similarly the percentage of agricultural labourers in Kerala declined from 30.70 per cent in 1971 to 11.39 per cent in 2011. At the same time the percentage of non-agricultural workers in Kerala remarkably increased from 47.2 per cent in 1971 to 80.5 per cent in 2011. The expansion of trade, transport, banking and a host of other non-agricultural activities in the formal and informal sectors in the state enabled the cultivators and agricultural labourers to move out of agriculture. The census data very well revealed the change in occupational pattern in Kerala from agriculture to non-agriculture.

Profitability of Cultivation in Kerala

Secondary data analysis indicated that cultivation was not profitable for the farmers in Kerala. The inference was on the basis of average index number of prices received and paid by the farmers and the trend in average daily wage rates

of unskilled workers in agriculture sector of Kerala. The parity index measured in terms of prices received by the farmers and the prices paid by the farmers had always been unfavourable to the farmers in Kerala. The main reason for the situation was the consistent rise in wage rate for agricultural labourers.

Male and female wage rate in Kerala are the highest in India. Money wage and the real wage have been steadily increasing in Kerala. The higher increase in real wages of the unskilled workers has narrowed the difference between the wages of skilled and unskilled workers to some extent. "Costs on material inputs and human labour account for more than 80 percent of the total paid-out costs involved in the cultivation of all major crops in the state" (Thomas, 2004: 156).

Degree of unionization and the periodic revision of minimum wages were responsible for the unreasonable hike in rural wages. Since eighties, shortage of labour to cultivate paddy had been a major problem in spite of the increase in wages. The increase in wage failed to attract unemployed labourforce. The severe shortage of labour worked as a disincentive for many farmers to continue cultivation.

Primary Survey Report

To analyse the impact of labour shortage on cultivation, a primary survey was conducted among the farmers in Kuttanad. In the selection of farmer households, weightage was accorded to category of farmers. The agriculture sector of the region was characterized by the preponderance of small farmers. The farmers were categorized into three

Table 4
Percentage Distribution of Main Workers in Kerala

Census Year	Cultivators	Agricultural Labourers	Household industry workers	Other workers
1971	17.80	30.70	4.30	47.20
1981	13.06	28.24	3.69	55.01
1991	12.24	25.55	2.58	59.63
2001	7.04	15.76	3.60	73.60
2011	5.77	11.39	2.35	80.50

Source: Census of India

Table 5
Yearly Average Index Number of Prices Received and Price Paid by Farmers
Base: 1952-53=100

Year	Index of Prices received by Farmers	Index of Price Paid by farmers(□)	Parity Index = prices received by farmers/ price paid by farmers
2007	2746.00	5288.00	52.00
2010	3727.00	7135.00	52.00
2015	7706.08	12240.00	63.00
2019	8816.17	15212.50	58.08

Source: Economics and Statistics Department, GoK.

Table 6
Average Daily Wage Rates of Unskilled Workers in the Agricultural Sector

Agricultural Year	Average Daily Wage Rates of Paddy Field Workers	
	Male	Female
2007-08	195.97	137.42
2010-11	312.82	228.48
2015-16	586.06	422.19
2018-19	692.60	500.58

Source: Economics and Statistics Department, GoK

groups on the basis of area under cultivation: medium farmers (5 acres and above), small farmers (1-5 acres) and marginal farmers (0-1 acre). A sample of 100 farmers was selected on the basis of stratified random sampling method by assigning proportionate weightage to three categories of farmers.

1. Cropping Intensity

In the past, intensity of cultivation was very high in the region and all farmers did cultivation of paddy in two seasons in an year. Paddy cultivation under double cropping had been shrinking in the study area since a few years back. It was in fact a response of the farming community to increasing shortage of labour and cost of production.

Double cropped area in the region had been continuously declining. Primary survey pointed out that the majority of farmers were cultivating their lands only once in a year. The farmers depending largely on hired labour devoted more of their land for single cropping and famers reported that labour shortage was the main reason for the change from double cropping to single cropping.

2. Availability of Labour

Farmer’s demand for labour in the study area was more inelastic to wage rate on account of the difficulty to substitute capital equipment for labour and seasonality. Certain busy tasks in paddy cultivation had to be completed within a stipulated time. The demand for hired

Table 7
Farmer Status – Area Details (Area in Acre)

Farmer status	No. of farmers	Total Area	Mean area	Minimum area	Maximum area	% of area	% of farmers
Medium	24	175.50	7.312	5.00	20.00	56.3	24.0
Small	52	120.50	2.317	1.00	4.50	38.6	52.0
Marginal	24	15.85	0.660	0.40	0.90	5.1	24.0
Total	100	311.85	3.118	0.40	20.00	100.0	100.0

Source: Primary survey

Table 8
Cropping Intensity (% in brackets, Area in Acre)

Item	Single cropping				Double cropping			
	Medium	Small	Marginal	Total	Medium	Small	Marginal	Total
No of famers	14 (14)	36 (36)	16 (16)	66 (66)	10 (10)	16 (16)	8 (8)	34 (34)
Area	93.50 (30)	78.50 (25.2)	10.10 (3.2)	182.10 (58.4)	82.00 (26.3)	42 (13.5)	5.75 (1.8)	129.75 (41.6)

Source: Primary survey

labour was determined by the availability of family labour as well as the mode of harvesting (ie manual or machine).

Farmers in Kuttanad were using same or similar kind of seeds which matured alike over the entire area. Kuttanad being a low-lying water logged area, where cultivation fully depending on climatic conditions, all agricultural works had to be performed within a very short period of time over vast stretches of land. Busy agricultural operations like sowing, transplanting and harvesting had to be carried out in unison which required the service of thousands of labourers at a time for the entire area. Farmers were feeling labour shortage because of the mismatch between labour requirements and labour availability.

The average days of labour available per acre to farmers during one season were 42.11 days and it was highest for marginal farmers (47.32) and lowest for medium farmers (37.86). With respect to the average availability of hired labour days, there were only small differences among categories of farmers (36.84; 35.78 and 34.13 respectively for medium, small and marginal farmers). The availability of average days of hired labour to all farmers per acre were 35.58. Average availability of family labour days was highest for marginal farmers (13.19) and negligible for medium farmers (1.02). It was 5.38 for small farmers.

Because of large scale occupational shifting of male labourers to non-agriculture, the shortage was acute for male labourers. Farmers stated that they had been searching for labourers during

peak periods in agriculture to accomplish works on time. They also reported that they experienced competition for labour from other farmers. Medium farmers faced severe shortage as they depended more or less fully on hired labourers and for small and marginal farmers, the problem of labour shortage was not acute on account of small area of cultivation and easy availability of family labour. Eventhough, labour shortage was felt for all agricultural operations in a season; it was severe during harvesting time. Relative preference for efficient workers, simultaneous demand for labour during peak periods, multiplication of existing agricultural works etc had complicated the problem of labour shortage in the area.

Estimation of Excess Demand for Labour

On the basis of labour days available for farmers per acre and labour days required per acre, excess demand for labour (demand-supply gap) existing in the labour market was estimated. Assuming 8 hours of work per day, 66 labour days were required for paddy cultivation in one acre of land. After giving allowance for mechanization of some operations, it was estimated that about 53 days of labour were required for accomplishing the entire agriculture operations in one acre of land.

Excess demand in the sample area was - 10.89. Among the categories of farmers the highest excess demand was for medium farmers (-15.14) and lowest for marginal farmers (-5.68). It was - 11.84 for small farmers. Thus labour shortage was acute for medium and small

Table 9

Availability of labour Days – Family, Native and Migrant (per acre)

No.	Item	Medium	Small	Marginal	Total
		Per acre	Per acre	Per acre	Per acre
1	Male	10.66	11.94	17.79	13.46
2	Female	27.20	29.22	29.53	28.65
3	Total(1) + (2)	37.86	41.16	47.32	42.11
4	Family labour	1.02	5.38	13.19	6.53
5	Hired labour	36.84	35.78	34.13	35.58
6	Total(4) + (5)	37.86	41.16	47.32	42.11

Source: Primary survey

Table 10

Excess Demand for Labour Days Per Acre Per Season

Category of farmers	Days of labour per acre		
	Available	Required	Excess demand
Medium	37.86	53.00	-15.14
Small	41.16	53.00	-11.84
Marginal	47.32	53.00	-5.68
Total	42.11	53.00	-10.89

Source: Primary survey

farmers. In the past, slavery and attached labour system ensured an adequate supply of labour to take care of their seasonal requirements. Scarcity of labour in recent time was the result of upward mobility of agriculture labour households in the area. Shortage of labour was viewed in the sense that while employers were willing and seeking to hire additional workers at the going wage rate, but found no more labourers available at that rate.

The severe shortage of labour during peak seasons compelled the farmers to use migrant labourers. From the demand side, the labour shortage problem could be solved by reducing the intensity of

work peaks or by diversified farm practices with different varieties of crops which would mature at different intervals. This would result in spreading the requirements for labour over extensive periods and thereby eliminate the peaks. The peak time labour requirement in the area was a simultaneous demand from all the land owners and this increased the gravity of the problem.

3. Employment of Family Labour

Large farmers, being aristocratic, regarded it as infra-dig to employ family labour for agricultural operations. Family members' role was confined to

supervision of overall work. Apart from these sociological considerations, the 'wealth effect' reduced the supply of family labour. When per capita income of the farmer increased, he would try to substitute his own labour service by paid labourers. It was not possible for medium farmers to meet the demand for labour only with family labour. The employment of family labour by medium farmers in the region was very low compared to that of small and marginal farmers. Small and marginal farmers were able to accomplish their off-peak farm works with family labour. Hence, the demand for hired labour for such farmers for such operations was very low. However during peak season, there was competition for hired labour among medium, small and marginal farmers. The small and marginal farmers had the advantage of having relatively higher supply of family labour.

Practice of Cultivation – Lease Farming and Own Farming

In the wake of shortage of farm labourers, rapid increase in the level of wages and cost of production and fall in price of output, original farmers continued to withdraw from cultivation. Cultivation became expensive and risky.

For avoiding the risks, many farmers were informally leasing out their land for cultivation. In Kuttanad, for most of the farmer households, agriculture was not the principal means of family income. The expansion of trade, transport, banking and migration, a host of other non-agricultural activities prompted the cultivators to leave agriculture and a new practice of lease farming emerged in Kuttanad. For the majority of lessors, income from agriculture was only a supplementary one and their principal sources of income were business, professions and white-collar jobs. While, cultivation was risky, leasing out was not risky. Lease farming emerged in Kuttanad as an outcome of labour shortage.

In the sample, 47 per cent farmers were lessee cultivators and 53 per cent were own cultivators. Of the total 47 per cent lessee cultivators, 11 per cent were medium; 22 per cent were small and 14 per cent were marginal farmers. Lessee cultivation was largely done by small farmers. There was strong positive association between lessee cultivation and availability of family labour. Most of the lessee cultivators were coming from traditional agricultural labourers

Table 11
Use of Family Labour (% in bracket)

Items	Farmers not using family labour				Farmers using family labour			
	Medium	Small	Marginal	Total	Medium	Small	Marginal	Total
No. of farmers	20 (20)	30 (30)	9 (9)	59 (59)	4 (4)	22 (22)	15 (15)	41 (41)
Area in acre	141.50 (45.4)	64.5 (20.7)	6.35 (2)	212.35 (68.1)	34 (10.9)	56 (18)	9.5 (3)	99.5 (31.9)

Source: Primary survey

households having adequate availability of family labour.

4. Production, Cost and Net Profit

The average yield per acre in the study area was 1101 kg. The yield per acre was the highest for the marginal farmers. The revenue per acre was estimated on the basis of the procurement price of Rs. 26.30 per kilogram of paddy offered by the government in 2019. The major cost items were labour, fertilizer, pesticide, seeds, transport, machines etc. Labour cost was the principal cost item of the farmers. Implicit cost was the cost of employing family labour. Rent was a cost item for lessee cultivators only. Machine cost for harvesting was applicable only for farmers using combine-harvester. Transport and other costs were additional expenses to farmers. The cost per acre in the sample area was Rs. 25292. Marginal farmers had the lowest cost per acre (Rs. 22800). Medium farmers had high cost of production. The net profit per acre in the sample area was Rs. 3673. Net profit is the difference between money value of production and cost of production.

The production, cost and net profit were determined by labour market

situations as labour was the critical factor of production. The farmers in Kuttanad received very small margin of profit on account of the peculiar labour market situation. Significant difference could be seen in net profit per acre between marginal farmers and medium farmers. In the case of marginal farmers, it was Rs. 6630 per acre and it was only Rs. 1037 per acre for medium farmers. The profit advantage of marginal farmers was on account of timely completion of agricultural operations; proper management of cultivation and personal interest in agriculture. The low profit margin adversely affected the sustainability of cultivation in the region.

Labour cost constituted the single largest component of cost of cultivation. The steep rise in daily wages and mild increase in the farm prices of agriculture output substantially reduced the profitability of farmers. The price situation was not favourable to the farming community. The factors which increased wage rate were reported to be shortage of labour, trade unionism, bargaining power of labourers etc. Seasonality acted as a demand side factor which pushed up wages during peak time

Table 12

Cultivation Practice – Lease Farming and Own Farming (% in bracket)

Items	Leased in				Owned			
	Medium	Small	Marginal	Total	Medium	Small	Marginal	Total
No. of farmers	11 (11)	22 (22)	14 (14)	47 (47)	13 (13)	30 (30)	10 (10)	53 (53)
Area	108.5(34.79)	61 (19.56)	9 (2.88)	178.5 (57.24)	67 (21.48)	59.5 (19.07)	6.85 (2.19)	133.35 (42.76)

Source: Primary survey

Table 13

Production, Cost and Net Profit Per Acre (*Production in Kilogram)

Items	Medium	Small	Marginal	Total
Production	1088	1097	1119	1101
Total revenue	28614	28851	29430	28965
Cost in Rs.	27577	25500	22800	25292
Net profit in Rs	1037	3351	6630	3673
Labour cost as % of total cost	57.3	59.4	62.5	59.73

Source: Primary survey

operations in agriculture. The wages went up due to out-bidding among the employers, especially when the labour intensity of the day's work was very high and output was sensitive to timely application of labour. Wages of agricultural labourers also registered a positive trend in sympathy with the wage increase in the construction sector. The rate of change of wage was independent of changes in prices of product and productivity of labour and abifurcation between productivity and wage occurred in the agriculture sector of Kuttanad. During times of peak operations, most of the farmers had high psychic costs of managing labour.

Labour cost as percentage of total cost was a very important variable. A more relevant indicator of labour shortage was the wage bill as a percentage of total production cost. Using this yardstick, it was found that labour shortage was very high in the sample area as labour cost was estimated to be 60 per cent of the total cost. The percentage labour cost for medium, small and marginal farmers were 57.3, 59.4 and 62.5 per cent respectively. Medium farmers had relatively lower percentage of labour cost

because most of the medium farmers used combine harvester for the harvesting operation.

5. Response of Farmers to Labour Shortage

Paddy cultivation was facing serious crisis in the region owing to the hefty farming expenditure, shortage of workers and growing labour problems. All these forced the original farmers to keep the fields fallow, leading to conversion of paddy fields. Kuttanad farmers were battling with an acute shortage of harvesting hands. Practice of keeping land fallow, changing cropping pattern, and conversion of land for non-agricultural purposes were the outcomes of declining profitability in agriculture. Relatively lower growth rates in the price of paddy, shortage of farm labourers and the rapid increase in daily wages induced many farmers to shift from highly labour intensive paddy crop to less labour intensive commercial crops. With the growing pressure of the secondary and tertiary sectors, agricultural land was being converted for the construction of residential buildings, roads, health, educational institutions etc.

Conclusion

The recent pattern of development based on urbanization and teritiarisation opened wide avenues for non-agriculture employment even in rural areas of Kerala. The structural transformation taking place in Kerala resulted in shifting of labourers and youngsters in labour households from agriculture to non-agriculture. This created a situation of labour market tightening in the agriculture sector of Kerala. This further resulted in high cost of labour and cost of cultivation for farmers. This prompted the original farmers to withdraw from cultivation and resort to some practices like leasing out land, land conversion and keeping land fallow.

The first impact of labour shortage on cultivation in the study area was faster decline of cropping intensity from double cropping to single cropping. The intensity of labour shortage in the study area was estimated through two ways. The first one was the estimation of excess demand in the labour market and the second method was estimation of labour cost as percentage of total cost of cultivation. The result obtained through two methods substantiated the intensity of labour

shortage existing in the agriculture sector. In response to labour shortage, a new form of lease farming emerged in the area. While original farmers were withdrawing, a new class of lessee farmers having family labour came to the scene cultivating a significant portion of the agricultural land.

The price situation existing in the product market and factor market was not in favour of the farming community in the study area. The farmers in Kuttanad received very small margin of profit on account of the peculiar labour market situation. Labour cost alone constituted 60 per cent of the total cost of production. Practice of keeping land fallow, changing cropping pattern, and conversion of land for non-agricultural purposes were the outcomes of declining profitability in agriculture in the study area. Application of machine and labour by using machine as a complementary to labour would increase the intensity of cultivation and sustainability of agriculture as a dependable source of employment and income. This change would definitely attract the new generation to agriculture and it would be a solution to the problem of food in security of Kerala.

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INVESTMENT PATTERNS IN CAPITAL MARKET

***Dr. B Rajendran, **Dr. K S Chandrasekhar**

Abstract

To lead the underdeveloped countries to the path of development, rate of savings must be enhanced. For individuals and households, savings, provide a cushion of security against future contingencies. Whereas for the nation, savings provide the funds needed in the developmental efforts. This study among participants showed that there is an impact of remittances from gulf and other nations into this state which accumulates in the form of savings and further gets converted into investments. These investments are primarily in the area of real estate and fixed deposits. Now the focus is on mutual funds and capital markets. This study shows how there is a change in the perception of investors towards investment in capital markets.

Key words:- Savings, Investment, Patterns, Capital Markets, Mutual Funds.

The Capital Market in India has the potential of contributing to the economic growth of the country. The Capital Market place a very important role in channelizing resource to productive sector. In the Indian economy, the household sector contributes a lion's share of the total savings and hence, to step up

savings in the economy, saving rate of the household sector should be stepped up both in the rural and urban sectors. Savings and investment are important drivers in taking the economic growth process forward. Economic history suggests that countries that were able to accumulate high levels of domestic investment, largely financed by domestic

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savings achieved faster rates of economic growth and development. There is an ongoing debate on the role of savings and investment in promoting economic growth. According to the conventional perception, savings contribute to higher investment and hence higher GDP growth in the short-run (Bacha, 1990). Besides macroeconomic stability, factors like inflation, public investment, exchange rate policy, income and wealth, play a vital role in the determination of savings and investment in Capital Market.

Literature review:

The NCAER (1972) has pointed out that while households in the rural sector saved 6.9 per cent of their income with a marginal propensity of around 34 per cent, urban households saved on an average 10.6 per cent of their income with a marginal propensity of around 39 per cent. The Agro – Economic Research Centre (1973) has reported that the household propensities to invest, as related to gross income of cultivator households and landless agricultural labour households indicate a strong preference to agricultural and traditional assets followed by nominal agricultural assets, financial assets and modern assets.

Alamgir and Rahman (1974) brought out the fact that substantial increase in the standard of living (measured by per capita income) will not be possible unless a considerably high rate of growth of domestic savings is realized and put to productive use. Repetto and Shah (1975) in their attempt to make a modest contribution to the understanding of rural savings in India and their relationship to demographic variables, have established

that large size of family has a depressing effect on long – term household saving rate. Hukku (1977) has commented that the saving-income ratio of rural households is low and their savings are invested in an unproductive manner. Bhalla (1978) has, in his study, stated that income variability (rather than investment opportunities) can account for observed differences in the propensity to save out of different sources (agricultural/non-agricultural). Regarding the effect of investment opportunities on savings, the study shows that capital market conditions have an important effect on this relationship; poor households save more and rich households save less in response to an increase in investment opportunities. Narayana (1979) has worked out the marginal propensity to save of rural households at 41.8 per cent as against 33.1 per cent in the case of urban households. Dharmawat (1979) has stated that about 67 per cent of the rural savings in Rajasthan (India) is invested in physical assets and 33 per cent in financial assets.

Methodology:

This paper has tried to identify the pattern influencing savings behaviour together with the nature of their influence on savings behaviour of investors in capital market. The households decide its allocation among competing financial assets depending on availability of various assets. Their respective rates of return and the rates of return on physical assets. The share of saving in the form of financial investment comes to 45.03 per cent of the total. Of the various financial assets, the highest share is in the form of deposits in financial institutions. This forms about 43.05 per cent of the total financial saving.

However, the per cent of households reporting saving in the form of deposits in financial institutions is quite low at 26 per cent of the total.

Remittances vary considerably among districts. Malappuram district leads with a total of Rs. 6,486 crore as remittances, followed by Thrissur district with remittances amounting to Rs. 5,961 crore and Thiruvananthapuram district with Rs. 4,801 crore. Idukki and Wayanad come last — while Malappuram accounts for 15% of the state's remittances, Idukki accounts for less than 0.5%. The average remittance per household in Malappuram was more than Rs. 1 lakh (Rs. 103,585) which is nearly double the state average (Rs. 57,227). The other districts with high average remittance per household were Thrissur, Pathanamthitta, Kollam, and Kozhikode. The average remittances per household in Idukki district were less than a tenth of the state average for Pathanamthitta, Kollam, and Kozhikode. The average remittances per household in Idukki district was less than a tenth of the state average. The impact of remittances on Kerala is manifested in household consumption, saving and investment, the quality of houses, and the possession of modern consumer durables. Remittances also play a major role in enhancing the quality of life and contribute to a high human development index for Kerala in terms of education and health, along with the reduction of poverty and unemployment. The Gulf, which is home to a large majority of emigrants from Kerala, has figured prominently in this equation.

Education seems to have a definite impact on the determination of the shares

of financial assets and physical assets. In the present sample among the Trivandrum district participants, with higher level of education, the share of financial investment has increased from 25.84 per cent for the illiterates, to 34.21 per cent for the households with heads having primary education and further to 52.16 per cent, where the level of education has increased to secondary level. This share has further increased to 56.96 per cent for the households with heads having higher education of degree and above. The professionally qualified households have more preference for financial assets as the financial investments in their portfolio are 72.93 per cent. Regarding investment through borrowing and sale of assets, it is found that as the level of education increases the share of liabilities and sale of assets come down. The exception is the households, whose heads have educational qualifications degree and above. When this head accounts for 42.13 per cent of total investment compared to 35.13 per cent in the case of household heads with secondary education and no borrowing in the case of professionally qualified household heads. The study finds that the propensity to save in the rural household sector is very high. Level of income, income inequalities, value of assets and level of education of the head of the household positively influence savings whereas number of male children, number of earners and dependency ratio has negative influence. Among the occupational groups, households engaged in non-farm sector have higher propensity to save. The number of female children was, believed to have a positive influence on savings; however, in the present sample this factor shows a negative influence. In

the era of increasing international financial integration, the high saving potential in the rural household sector should be mobilised by proper policy measures to give stability to the economy.

Conclusion:

An efficient Capital Market is essential for long term growth. The development of Capital Market will attract more investment to productive sectors, more employment opportunities and more return on investment to all

stakeholders. The money that migrants send home is important not only to their families but also to their country's balance of payments. In many developing countries, remittances represent a significant proportion of the Gross Domestic Product (GDP) as well as foreign exchange earning. This eventually becomes an important component in terms of savings and investment. The study has shown that there is a change in perception and pattern of investment in capital market.

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IMPACT OF MARKET ORIENTATION ON THE PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES

***Dr. Krishnan M**

Abstract

Small and Medium Enterprises are drivers of growth of any economy by creating more jobs and spreading of wealth among all sections of the society. The small-scale sector leads to employment generation, spreading of wealth and increased purchasing power among the general public. The small-scale sector also is a major contributor of exports of a nation thereby helping the trade deficit of any nation. Market orientation is a business policy which expects the business to implement the marketing concept. The present study looks at whether the market orientation of the firm has an impact on the profitability of the firms.

Key words:- Market Orientation, Small and Medium Enterprises, Profitability

Countries across globe are very concerned about their policies revolving small and medium enterprises. SMEs have great power for creating jobs and spreading wealth among all the sections of the society. However the problem within the MSME sector is the diverse nature of the units. Policies are

easy to be framed when there is homogeneity among the units. Small scale sector with lesser availability of funds primarily focus on manual labour for their operations. This leads to employment generation, spreading of wealth and increased purchasing power among the general public. The small-scale sector also

is a major contributor of exports of a nation thereby helping the trade deficit of any nation.

Market orientation is a business policy which expects the business to implement the marketing concept. We can call an organization as a market-oriented organization when the policies of the organizations are in tune with the marketing concepts.

Felton (1959, p. 55) defines the marketing concept as “a corporate state of mind that insists on the integration and coordination of all the marketing functions which, in turn, are melded with all other corporate functions, for the basic purpose of producing maximum long-range corporate profits. A market-oriented organization is one in which the three pillars of the marketing concept (customer focus, coordinated marketing, profitability) are operationally manifest (Kohli & Jawarski, 1990).

Market orientation concept expects an inter-connected activity of various departments in understanding the current and future needs of the customer needs. The same need has to be communicated to all the departments concerned. Shapiro (1998) had suggested market orientation is not a responsibility of the marketing department alone, rather the collective effort of the various departments to know the customer needs, spreading the message to relevant departments and initiating necessary actions. There is sufficient literature supporting the impact of market orientation of firms on their business performance (Narver & Slater 1990, 1993), (Kohli and Jaworski, 1990, 1993). However, the same is done majorly in the context of large corporations.

The present study looks at whether the market orientation of the firm has an impact on the profitability of the firms. However, the study restricts its scope to that of small and medium enterprises located in the state of Kerala. There is sufficient research done on the market orientation of firms across the globe. The impact of market orientation, customer orientation and competitor orientation on the performance of small and medium enterprises has been widely researched globally (Kirca et al. 2005, Kiessling et al 2015, Zhu et al 2007, Lee et al 2015, Boles et. al. 2001). However, it is hard to find any literature on the same lines in the Kerala context. Therefore, this is being covered in the present study for the impact measurement of the market orientation on the financial performance of the small-scale units thereby assessing the strategic impact on the financial aspects of the MSMEs.

Kirca et al.(2005) conducted a meta analysis of the empirical findings from the literature on market orientation. The study found that market orientation and top management emphasis has got significant, positive reliability-corrected mean correlation. Similar positive correlations were found between market orientation and inter departmental connectedness, market-based reward system and market-oriented training.

Lee et al (2015) points out that there is ample research to substantiate the positive correlation of customer orientation on business performance. The study found that there is strong positive effect of customer orientation on new product development activities and NPD activities have a significant mediating role

between customer orientation and new product performance.

Connor (2007) has tried to clarify a point of view which is contradictory to the Hult, Ketchen and Slater (2005) point of view. The paper raises concerns over the variable used for measuring performance i.e., short term profit margin. The paper suggests that if this point of view is taken the Market orientation culture of Slater and Narver (1998) cannot be accepted. They conduct their inquiry within the resource-based view (RBV) perspective. This, in itself, is not without its problems given the questions about this approach to strategic management, in particular in relation to its apparent tautological nature.

Jaworski and Kohli (1993) in their study titled Market Orientation: Antecedents and Consequences tried to test the various antecedents and consequences mentioned in many literature regarding market orientation. The study clearly found out that market orientation leads to financial performance even when there are market turbulence, technological turbulence and competitive intensity. Interdepartmental connectedness helps market orientation. However organisations have to try conflict between departments as that will negatively lead to market orientation and business performance. A good market based reward system for staff will ensure that they will concentrate on market orientation as a priority. The study found out a negative relationship between centralization and market orientation. Therefore it is advisable to have a decentralized decision making process

which enables employees to think more of market orientation.

Brik et al (2011) studied the market orientation, CSR and business performance of 2200 companies of Dubai. The study found out that Corporate Social responsibility has a moderating effect on customer orientation and business performance. The customer orientation is found to have more impact when done along with the CSR activities. CSR activities need to be publicized among the stakeholders so that the impact of CSR is positively influencing the customer orientation and performance. The study recommends that studies on customer orientation on business performance should not be done on isolation rather the same should be done on a holistic basis considering the moderating effect of other factors as well.

Yong J Wang et al (2017) studied the implementation of market-oriented organizational culture in manufacturing based small and medium enterprises. The traditional understanding is that a market-oriented organizational culture positively influences quality of customer relationship thereby leading to better business performance. This understanding is not completely apt for small and medium enterprises.

Research Gap

The present study is to measure the impact of Market orientation on the performance of small and medium enterprises. Though there are many studies measuring market orientation and its impact on business performance, most of them are done with large scale enterprises as the respondents. The present

study is considering only the small scale units. The researcher found a dearth of studies on these lines especially in the context of the state of Kerala which is not flourishing with regard to small scale enterprises.

Objectives of the Study

1. Explore the factors that drive the market orientation of Kerala based SMEs.
2. Examine the impact of various factors that drive market orientation of SMEs in Kerala and understand its relative impact on market orientation.
3. To analyze the impact of Market orientation of Kerala based SMEs on their business performance.
4. To analyze the conditional influence of strategic flexibility (reactive and proactive flexibility) the Kerala based SMEs to the market orientation and business performance.

Research Methodology

The study adopted tried and tested standard scale for measuring the market orientation of the small and medium enterprises. As part of construct identification, the study reviewed the past literature (e.g., Kotler 1994; Narver and Slate 1990, 1994; Kohli and Jaworski, 1990, Pleshko, 1993, Anderson, 1987; Little, 1988) and adopted the conceptualization of the constructs from the same.

Recommendations from Hair, Black, Babin and Anderson, (2010) for the determination of sample size was found

to be more appropriate for the final infinite population of the present study. They are of the view that sample size determination should be based on a set of factors. Based on the complexity of the model used and the basic characteristics of the measurement model, the following proposition for minimum sample sizes are given by Hair et al. (2010). Models with five or fewer constructs, minimum sample size is to be 100, Models with seven or fewer constructs with modest communalities and no under identified constructs 150 should be the minimum sample size, Models with seven or fewer constructs with lower communalities and multiple under identified constructs 300 should be the sample size and finally Models with large number of constructs some with lower communalities and having fewer than three measured items 500 can be the minimum sample size. Based on these assumptions, the sample size of the study was framed as 300 to 400. After careful scrutiny of the data, few outliers were omitted for better quality of the data and the final sample size after excluding all incomplete and outlier data sets was 397. The study is conducted among the small and medium enterprises in Kerala, registered under the MSME Act, 2006.

Hypotheses

In the current chapter, the study discusses the data analysis results of the following seven hypotheses. These hypotheses are:

H1: Formalization in Kerala based SMEs has a positive impact on their market orientation

H2: Centralization in Kerala based SMEs has a negative impact on their market orientation

H3: Inter-departmental connectedness in Kerala based SMEs has a positive impact on their market orientation

H4: Favourable Reward system in Kerala based SMEs has a positive impact on their market orientation

H5: Market orientation of the Kerala based SMEs has a positive impact on their business performance

H6: Reactive flexibility positively moderates the relationship between Kerala based SME's market orientation and business performance.

H7: Proactive flexibility positively moderates the relationship between Kerala based SME's market orientation and business performance.

Testing of Hypothesis

To test the proposed hypotheses, the study applied Structural Equation Modelling (SEM) technique using maximum likelihood (ML) estimation. Specifically, the study conducted a covariance-based SEM technique. This covariance-based SEM is preferable when the researcher tries to test and confirm the proposed model under consideration. The SEM technique has applied to test the study hypotheses because of several reasons. First, the constructs proposed in this study is measured using multiple questions, and therefore the constructs are latent in nature. In this case, SEM technique is more preferable over other techniques, if the objective is to capture

the inter-relationship between the proposed constructs under consideration. Second, in the hypotheses formulation section, the researcher proposed several relationships, which involved the interrelationship between several variables, in a simultaneous fashion. Finally, it also recommended that SEM is more useful in case of latent variables with multiple items, where the researcher like to capture item-wise error rate.

The SEM modelling involves different phases. In the first phase, the researcher made a diagrammatic representation of the relationship between the study variables. In this, it is conceptualized that the higher order dimension of market orientation reflected in Customer Orientation (CSO), Competitor Orientation (CMO), was modelled as an outcome of the antecedents, such as Formalization (FM), Centralization (CN), Inter-departmental connectedness (IN), Rewards and Systems (RS). Followed by this, the market orientation further modelled as an antecedent to the final outcome, that is Business Performance (BP). In addition to this, the study also modelled the conditional influence of Reactive flexibility (RF), and Proactive flexibility (PF) between market orientation and business performance.

In the second phase, we estimated the goodness of fit coefficients of the conceptual model and examined the goodness of fit of the model with the observed data. In this goodness of fit indices, the researcher examined various fit indices. In case of fit indices there exists confusion among researchers as to which

Table 1

Fit Measures Used in Assessing Goodness of Fit of SEM Model

Category	Fit Indices
Absolute Fit Measure	CMIN, CMIN/df, RMR, SRMR, GFL, PGFI
Relative fit measures	NFI, RFI, IFI, TLI
Parsimony Measures	PRATIO, PNFI, PCFI
Chi-square distribution	NCP, FMIN, RMSEA
Theoretic Fit measures	AIC, BIC, BCC,ECVI
Fit measures on sample size	HOERLTER

Reference: Hair et al. (2010)

fit indexes to report. Jaccard and Wan (1996) recommend the use of at least three fit tests, one from each of the first three categories like absolute fit, relative fit and parsimony measures as reported in Table 1.

Following the suggestion given by Kline (2005), in this study the researcher followed the fit measures, such as χ^2 , the ratio of chi-square to df, IFI, GFI, NFI, SRMR, RMSEA, TLI and CFI. In these fit measures, we expect an insignificant χ^2 . However, in a study with high sample size one cannot expect insignificant χ^2 . In case of other fit indices such as GFI, NFI, TLI and CFI, the fit indices above the suggested cut-off of 0.90 show good model. In case of RMSEA and SRMR, if the fit measures are below the value of 0.08 it indicates a good model.

As shown in Table 2, the study found a satisfactory fit of the structural model [Chi-square: $\chi^2 = 6960.50$ (df = 3631), $p = .001$; the ratio of Chi-square to degrees of freedom: $\chi^2/df = 1.91$;

Comparative Fit Index: CFI = .836; Incremental Fit Index: IFI = .838; Standardized Root Mean Square Residual:

SRMR = .058; Root Mean Square Error of Approximation: RMSEA = .049]. In this assessment of important model fit indices as reported Table 4.8., such as the ratio of Chi-Square to degrees of freedom (CMIN/df) or normed chi-square which minimizes the impact of sample size on the Model Chi Square (Wheaton, Muthen, Alwin, & Summers, 1977), and was deemed an acceptable ratio at 1.91, because it was less than the suggested limit of 2.0 (Tabachnick&Fidell, 2007).

Another important index of assessment is RMSEA, which tests how well the model fits the population's covariance matrix (Byrne, 1998). The measure is considered "one of the most informative fit indices to consult due to its sensitivity to the number of estimated parameters in the model" (Diamantopoulos & Siguaaw, 2000, p. 85). An estimated RMSEA well below .08 supports a good fit (MacCallum, Browne, and Sugaware, 1996; Steiger, 2007), which was the case with this study results. Another, crucial index is SRMR, which

confirms the “square root of the difference between the residuals of the sample covariance matrix and the hypothesized covariance model” (Hooper, Coghlan, & Mullen, 2008, p. 54). An SRMR value .08 or lower deemed to be acceptable (Hu and Bentler, 1999). In support with this suggestion, we found that in the current measurement model we found an SRMR of 0.058. All these fit indices indicated that the collected data fit to the model well, and therefore the current model can be used to test the proposed hypotheses of the study.

Further, the study examined the path coefficients to test the proposed set of study hypotheses. While checking the path coefficients, it was found that all the estimated path coefficients followed the researchers’ expectation with regard to direction and magnitude. Table 3 given below provides the estimated path coefficients derived from the model. In this table, the first and second columns

show the relationship between the exogenous and endogenous constructs. The third column reported the unstandardized path coefficients. In the fourth column, the standardized path coefficients are provided. Next, to standardized path estimates, in the fifth column, standard errors are provided. In the final column, the table reported the status of hypotheses testing results (i.e. accepted or rejected).

While proposing H1, the study made a proposition that formalization has a positive impact on market orientation. This explains that when the company give more emphasis on the specific rules and procedures for performing the activities and the job involved in the organization it direct the company to focus on market orientation. In support with this, the path estimates showed significant results. Hence, the study supported Hypothesis 1. In H2, the study made another presumption that the extent centralization

Table 2

Goodness of Fit-measures of the Structural Model

Fit indices	Estimated values
χ^2	6960.50(df = 3631, $p = .001$)
χ^2/df	1.91
CFI	.836
IFI	.838
GFI	.700
TLI	.827
RMR	.055
SRMR	.058
RMSEA	.049

Note: The model fit indices reported here generated from the SEM model.

Table 3
Test of Hypotheses

Endogenous variable		Exogenous Variables	Un std. Estimate	Std Estimate	S.E.	Hypothesis Status
FM	→	MO	0.155	0.029	0.03	H1 supported
CN	→	MO	-0.167	-0.151	0.031	H2 Supported
IN	→	MO	0.251	0.268	0.062	H3 Supported
RS	→	MO	0.124	0.383	0.058	H4 Supported
MO	→	BP	0.816	0.585	0.107	H5 Supported
MO*RF	→	BP	0.611	0.221	0.117	H6 Supported
MO*PF	→	BP	0.354	0.374	0.032	H7 Supported

Note: Market Orientation (MO), Formalization (FM), Centralization (CN), Inter-departmental connectedness (IN), Rewards and Systems (RS), Business Performance (BP), Reactive flexibility (RF), and Proactive flexibility (PF).

sued by the SME adversely impacts their market orientation. This explains that the extent of responsibility and authority delegated among the people involved with the SME is more centralized, it adversely affect the company’s market orientation. In support with this presumption, the path estimates supported negative coefficients. Hence, the study supported Hypothesis 2.Next important Hypothesis proposed by the

study is in terms of departmentalization. That is, when the number of departments into which organizational activities of the SME are segregated and compartmentalized, then it direct the SME to have better market orientation. In support with this presumption, the path estimates supported positive coefficient. Hence, the study is able to support Hypothesis 3.

In addition, another important hypothesis proposed in the study is in terms of Reward systems used by the SME. In this, the study postulated that when the SME develop a formal system of rewards and systems to evaluate and reward their managers, then it positively impacts their market orientation. In support with this, the estimates supported significant effect. Hence, the study supported Hypothesis 4. Hypothesis 5- The major hypothesis of the study was that Market orientation of the Kerala based SMEs has a positive impact on their business performance. In support of the hypothesis, the estimates showed positive impact on business performance. This means that small scale units who are market oriented is found to have a significant effect on the profitability of the units.

In hypothesis 6, the study proposed the moderating effect of reactive flexibility. It indicated that when the ability of the SME to respond to any drastic changes in the environment when it happens, it increases the efficiency of market orientation and in turn develop better business performance when the reactive flexibility of the SME is high. In support with this, the study results generated positive interaction coefficients. Hence, the study supported the significance of hypothesis 6. Finally, the key hypothesis proposed by the study is moderating effect Proactive Flexibility. It indicated that when the ability of the SME to build ex ante a variety of mechanisms and processes to pre-empt its competitors based on inflicting surprise on its

competitors, seizing the initiative, being agile and versatile, it increase the effect of market orientation and in turn create business performance when the proactive flexibility is high for the firm. In support with this, the study found a positive moderation. Hence, the study supported Hypothesis 7.

Discussion and Analysis

The findings from the first hypothesis showed that market orientation is related significantly to business performance; results on sales, market share growth, and new products sales. The positive relationship between market orientation and return on sales, is similar to previous research on this important determinant of business performance (Kohli and Jaworski, 1990, 1993; Narver and Slater, 1990, 1991, 1992, 1994). This study also supported the positive influence of market orientation in sales growth, return on assets and new product success (Slater and Narver, 1994). Earlier writers have suggested that, market orientation intelligence activities lead organizations to increase market share growth (Porter, 1980). The result of a positive influence of market orientations on new product sales confirmed earlier empirical work (Calantone and Cooper, 1981, Parry and Soug, 1993; Souder, 1987). For a small firm business, perhaps owners/managers of the SMEs are involved with target market penetration and concentrate on sales as a means of improving financial performance. The findings are consistent to Jones's study (1995) and Narver et al.'s study (1993).

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THE IMPACT OF GST ON INDIAN ECONOMY AND THE TAX

***Dr. Lethy L B**

Abstract

Tax revenue plays a great role in maintaining a sound economic system in India. Any procedures, decisions, acts or implementation which directly or indirectly affects the tax system and tax revenue of the nation makes a huge impact on its economic structure. It is certain that the implementation of GST made a change in tax system as well as for its structure. Through this study we can identify the changes and outcomes of the implementation of GST. Hence, a study is to be set out to find out how such a change affected the Indian economy and its tax system. Throughout the study we may get a chance to identify the exact impact of the subject matter avoiding unauthenticated media criticisms and appraisals. The study mainly focuses on unbiased opinions from the general public and concrete proofs and information from the authorised entities.

Key words:- Indian Economy, Tax System, Tax Revenue, Economic Development, Cascading Effect

India, the world's biggest democracy consists of 139.3 crores of population which is ranked second in the world befalling to that of China. To maintain and to mobilize such a huge resource a highly systematic way of approach is needed. Whether in the field of agriculture, industry or at the field of health this very

professional approach is mandatory to make the field more fruitful to its consumers. Since India is a democratic nation and every decision and actions taken by the prevailing government plays a vital role in the continuation of their reign. India is now a trillion-dollar economy showing high standards for growth and many vital constituents providing for its upliftment.

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One of the main contributors to the Indian economy without any doubt is its tax system. The tax payments and collections in form of various procedures help the nation to build up a more suitable environment. So, keeping such a fact in mind a study is to be initiated in regard of the topic 'THE IMPACT OF GST ON INDIAN ECONOMY AND TAX SYSTEM'.

The Goods and Service Tax (GST) was introduced into India at midnight on 1st July 2017. The implementation of GST was one of the main attractions in the propaganda of the NDA government. The initiation of such a tax procedure laid path to a new indirect tax reform in India. The GST replaced VAT, customs duty, service tax etc. The GST was easier to handle and more customer friendly system than that of its predecessors. According to the provisions of the act any entity that has an annual turnover more than ₹ 40,00,000 was mandatorily to be registered under the GST. Any other firm falling under the specified limit was given a choice whether to register or not in accordance with their convenience.

The after impact of implementation of GST was very much of a controversy. Mainly a political bias was seen in the appreciated and depreciated comments and opinions from the common public and from other experts in the field. To find the accurate after effects of such implementation is just like any other a right of the ones who resides in this nation. So, this study mainly focuses on finding out the real and accurate aftereffects of how and in which way GST affected the Indian tax system and the Indian Economy.

Statement of the Problem

The Indian tax system comprises of mainly two categories namely the direct tax and the indirect tax. The implementation of GST affects directly the direct tax and indirect tax rates, procedure, payment, methods etc thus by affecting the income from tax revenue. Such change in the tax revenue surely makes a change in the economy. So, a study is to be set out to find out how such a change affected the Indian economy and its tax system. Throughout the study we may get a chance to identify the exact impact of the subject matter avoiding unauthenticated media criticisms and appraisals. The study mainly focuses on unbiased opinions from the general public and concrete proofs and information from the authorised entities.

Significance of the Study

Tax revenue plays a great role in maintaining a sound economic system in India. Any procedures, decisions, acts or implementation which directly or indirectly affects the tax system and tax revenue of the nation makes a huge impact on its economic structure. It is certain that the implementation of GST made a change in tax system as well as for its structure. Through this study we can identify the changes and outcomes of the implementation of GST. Hence the study is very important.

Scope of the Study

The study has been made to find out the exact aftereffects of implementation of GST on Indian tax system and Indian economy. The study also helps to find out unbiased opinions and information about

the subject matter and arrive to a better conclusion. This study also covers an analysing of the data collected from 500 respondents and their views on implementation of GST.

Objectives of the Study

- To study the impact of GST on Indian economy
- To study the impact GST on our tax system.
- To evaluate the effect of GST on petroleum products.

Methodology

An evaluation on the after effects of implementation of GST on the Indian economy and tax system by collecting opinions and information from the citizens of India and business entities by way of personal interview. This study used analytical and descriptive method to assess socio- demographic profile of respondents. The data for the study are from both primary and secondary sources. 500 Indian citizens were selected from the common public through random sampling. The main tool for data collection was structured questionnaire. The questionnaire was pre-tested before the survey. Other personal opinions were also recorded by way of personal interview.

Goods and Services Tax (GST)

Goods and Services Tax (GST) is an indirect tax or consumption tax used in India on the supply of goods and services. It is a comprehensive, multistage, destination-based tax; comprehensive because it has subsumed almost all the

indirect taxes except a few state taxes. Multi-staged as it is, the GST is imposed at every step in the production process, but is meant to be refunded to all parties in the various stages of production other than the final consumer and as a destination-based tax, it is collected from point of consumption and not point of origin like previous taxes.

Goods and services are divided into five different tax slabs for collection of tax - 0 per cent, 5 per cent, 12 per cent, 18 per cent and 28 per cent. However, petroleum products, alcoholic drinks, and electricity are not taxed under GST and instead are taxed separately by the individual state governments, as per the previous tax system. There is a special rate of 0.25 per cent on rough precious and semi-precious stones and 3 per cent on gold .In addition a cess of 22 per cent or other rates on top of 28 per cent GST applies on few items like aerated drinks, luxury cars and tobacco products. Pre-GST, the statutory tax rate for most goods was about 26.5 per cent, Post-GST; most goods are expected to be in the 18 per cent tax range.

Implementation

The tax came into effect from 1 July 2017 through the implementation of the One Hundred and First Amendment of the Constitution of India by the Indian government. The GST replaced the existing multiple taxes levied by the central and state governments.

The GST was launched at midnight on 1 July 2017 by the President of India, and the Government of India. The launch was marked by a historic midnight (30

June – 1 July) session of both the houses of parliament convened at the Central Hall of the Parliament. Though the session was attended by high-profile guests from the business and the entertainment industry including Ratan Tata, it was boycotted by the opposition due to the predicted problems that it was bound to lead for the middle and lower class Indians.

After its launch, the GST rates have been modified multiple times, the latest being on 22 December 2018, where a panel of federal and state finance ministers decided to revise GST rates on 28 goods and 53 services. The single GST subsumed several taxes and levies, which included central excise duty, services tax, additional customs duty, surcharges, state-level value added tax and Octroi. Other levies which were applicable on inter-state transportation of goods have also been done away with in GST regime. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services.

India adopted a dual GST model, meaning that taxation is administered by both the Union and state governments. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the State governments. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax/destination-based tax, therefore, taxes are paid to the state where the goods or services are consumed not the state in which they were produced. IGST complicates tax collection for State Governments by disabling them from

collecting the tax owed to them directly from the Central Government. Under the previous system, a state would only have to deal with a single government in order to collect tax revenue.

Objectives of the Implementation

Holding the crystal clear slogan “One Nation, One Tax, One Market” it aims-

- To eliminate Indirect Tax issues
- To remove Cascading Tax effects
- To increase the number of tax payers
- To entertain Consumption-based Tax administration instead of Manufacturing
- To bring out a buoyancy in Govt. Revenue
- To diminish Tax evasion and Corruption

Scope and Vision

- Simplification of the tax structure
- Enhanced pan India operations
- Transparency in GST system
- Increased revenues
- Fostering production
- Increase in Exports & SME support.

AFTER EFFECTS AND OUTCOMES

Extermination of Tax Policies and Procedures

The main aftereffect of GST was that it replaced the already existing indirect tax systems like Value Added Tax (VAT), Excise duty and Service tax. Due to this, an integrated taxation scheme on indirect taxes came into existence as a single body and authority.

The new implemented tax system consists of three tier taxation, namely;

1. Central Goods and Services Tax (CGST)

CGST is a tax collected by the Central Government on the transactions of goods and services which are moved within the state i.e., intrastate. The tax collected under CGST is payable to the central government treasury.

2. State Goods and Services Tax (SGST)

SGST tax is collected by the state government and is levied on the transactions of interstate sales of goods and services, i.e., where the sale is made within the state. Under SGST, the tax revenue goes to the State Government Treasury or the eligible union territory.

3. Integrated Goods and Services Tax (IGST)

IGST is a tax collected by the Central Government on inter-State supply of goods and services, i.e., where the sale is made outside the state. It applies both to a supply made outside the state and those made outside the country.

Registration of Firms

It was treated mandatory that any firm whose yearly turnover exceeds ¹ 40,00,000 in way of conducting a business of trade of goods or rendering of services must be registered under the proper jurisdiction of the GST Department. Any firm falling under the turnover limit can also apply for registration and they will also be provided with a GST number.

Tax Rates and Slabs

There are five slabs in GST system, Tax exempt slab, 5 per cent slab, 12 per cent slab, 18 per cent slab, and 28 per cent slab.

a. Tax-Exempt (0 per cent)

As per the country's socio-economic needs, the Government has decided to exempt certain goods from the GST tax. To reduce the average taxpayer burden, everyday items like fruits, vegetables, bread, flour, newspaper, eggs, milk, etc. is exempt from the taxes.

b. 5 per cent Tax Slab

The GST tax actually begins with the 5 per cent tax slab. The items included in this slab are skimmed milk powder, coffee, tea, sugar, fish fillets, coal, fertilizers, Ayurveda medicine, insulin, cashew nuts, etc.

c. 12 per cent GST Slab

The items included in the 12 per cent slab are butter, ghee processes food, mobile, fruit juice, almonds, packed coconut water, umbrella, food served at non- ac restaurant., etc.

d. 18 per cent GST Slab

The items which are included in the 18 per cent slab are, flavoured refined sugar, pasta, cornflakes pastries, cakes, detergents, mirror, glassware, marble & granite, paints, vacuum cleaners, sanitary ware, leather clothing, hotels, which charge tariffs in excess of Rs. 7500, movie tickets costing above Rs.100.

e. 28 per cent GST Slab

The highest GST rate in India is the 28 per cent GST slab. It is reserved for

sin goods and luxury items like pan masala, dishwasher, weighing machine, paint, cement, sunscreen, AC, fridge, washing machine, automobiles, motorcycle. The 28 per cent GST rate also applies to 5-star hotels, where the actual billing amount of the hotel stay is above Rs. 7500 per night, movie tickets, betting in casinos, and racing.

Other Benefits of GST

- Removal of bundled indirect taxes such as VAT, CST, Service tax, CAD, SAD, and Excise.
- Less tax compliance and a simplified tax policy compared to the current tax structure.
- Removal of cascading effect of taxes i.e. removes tax on tax.
- Reduction of manufacturing costs due to the lower burden of taxes on the manufacturing sector. Hence prices of consumer goods will be likely to come down.
- Lower the burden on the common man, i.e. public, will have to shed less money to buy the same costly products earlier.
- Increased demand and consumption of goods.
- Increased demand will lead to increase in supply. Hence, this will ultimately lead to a rise in the production of goods.
- Control of black money circulation as the system normally followed by traders and shopkeepers will be put to a mandatory check.

- Boost to the Indian economy in the long run.

Tax Income

There was an increase in the tax income of the country due to the implementation of GST. The regulations and procedures made it difficult for the tax payers to evade tax and thus by the nation could profit from the amount received fairly.

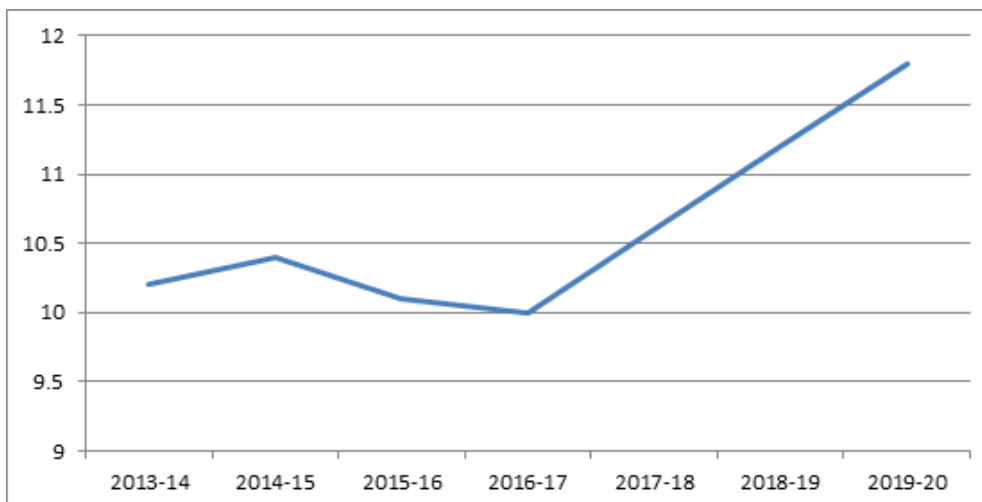
The GST returns are to be filed electronically in the prescribed website of the GST council. The ones who are registered under GST have to perform their duties by revealing their source of material or the seller. This information is stored in the server and the credit is transferred to the other party immediately. So this allows the government to collect tax more effectively.

Since the PAN and bank account details of the entity are submitted to the GST council it becomes easy for the authorities to track GST holder's transactions and it is beneficial to tax collection and can repudiate tax evasion.

Findings of the Study

The implementation of Goods and Service Tax was a proposal by many political parties throughout the Indian political history. While considering the implementation, GST erased some of the ongoing indirect tax practices like VAT, service tax etc. The implementation had no short term effect on the indirect tax system since it was just a substitute for the already practicing tax practices. Some worries and problems faced by the business entities was that a new registration

Figure 1



ID was to be obtained from the GST council.

The tax-to-GDP ratio has increased due to expanding tax base.

The implementation of GST has a long term function than that of short term changes. While considering the secondary data collected from different valuable sources we can find out that after the implementation of GST not only the amount of indirect tax but the amount of direct tax also increased while comparing two subsequent assessment years. The qualified opinions from chartered accountants (CA) and tax practitioners reveals that the accounting system of GST is more simple and has a systematic arrangement of data necessary for the accounting practices and for computation of taxable income.

A rough as well as a systematic computation revealed that enlisting petroleum products under GST will help the common public in a wide range since

it reduces nearly half of the already existing price for such petroleum products. But considering the state and central governments, the indirect tax collected from petroleum products is one of their main sources for financial resources. So such an action may affect the ruling government in a negative way.

Suggestions and Conclusion

After evaluating the collected secondary data from different authenticate sources the implementation of GST helped in increasing the tax amount collected from following assessment years (AY) than the subsequent previous years (PY). For the financial year (FY) 2017-18 around 1, 52,937 crores rupees were increased than that of the PY 2016-17 in direct tax only. So the implementations had its success but the procedure should have been keener. Otherwise there would have not been any demerits to the acts. While conducting the survey and evaluating the secondary data we got to a

conclusion that the implementation of GST did not had a negative impact on the economy nor the nation. But there are some mistakes in its procedures;

- The mandatory limit set up for the firm to be registered under GST is presently a yearly turnover of Rs. 40, 00,000. It should be reduced up to a limit of a yearly turnover of 10-20 lakh rupees.

The implementation of GST had no negative effect on Indian economy or the tax system. It's because the implementation was just a substitution for the already existing indirect tax systems. Some of the difficulties imposed by the implementation were that the entities had to be registered under the GST council and to be obtained a registration ID in order to continue their business. The monetary limit which was set up for compulsory registration was primarily rupees 10 lakh and later it was increased to 20 lakh and afterwards 40 lakh. The present 40 lakh limit is actually a downfall to the nation since most of the entities coming under such yearly turn over can evade tax. So the turn over limit should

be reduced for compulsory registration. Afar from that there is no actual down fall or limitation to the proposed act.

Due to the implementation of GST many changes occurred in the tax system. The amount of indirect tax collected increased from one FY to another. The accounting practices became more smooth and easy. It became easy for the authorities to track down the transactions of the business entities. Some of the already existing indirect taxes were subsumed by GST and thus by a common accounting treatment came into existence.

According to the above mentioned changes, the implementation of GST was a total success for the country. The scope of adding petroleum products into GST is beneficial to the consumers in which the common public forms a major part of it. But adding such products into the GST will reduce the amount of tax to be collected by the state as well as the central governments. It is this thought that making them reluctant to propose or act in accordance with such a proposal.

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CORONA INDUCED TRANSFORMATION OF EDUCATION FROM OFFLINE TO ONLINE

***Rakhi M R, **Dr. Vinod A S**

Abstract

The World Health Organization has declared Covid-19 as a pandemic that has posed a contemporary threat to humanity. This pandemic has successfully forced global shutdown of several activities, including educational activities, and this has resulted in tremendous crisis-response migration of universities with online learning serving as the educational platform. The crisis-response migration methods of universities, faculty and students, challenges and opportunities were discussed and it is evident that online learning is different from emergency remote teaching; online learning will be more sustainable while instructional activities will become more hybrids provided the challenges experienced during this pandemic are well explored and transformed to opportunities.

Key words:- Covid -19, Education, Online Learning, Remote Teaching.

C OVID-19 induced lockdowns have had far reaching impacts on every sector. COVID-19 lockdowns result in losses of jobs and incomes, including income from remittance which is a crucial financial lifeline for households. The spread of

Covid-19 struck everyone without warning and left educational institutions scrambling to respond to its emergencies. It has also created a need to deal with such unforeseen, and catastrophic event creatively which is now predicted as the "new normal". Institutions made a swift

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shift to the online mode of learning amid the lockdown restrictions. Institutions were looking forward to this change but not this early. In comparison to traditional learning, online learning has a lot to offer. It is accessible at lesser costs, great flexibility for both students and teachers and more.

However, e-learning has certain challenges that require attention. Online education in its various modes has been growing steadily worldwide due to the confluence of new technologies, global adoption of the internet and intensifying demand for a workforce trained periodically for the ever-evolving digital economy. Online education is on track to become mainstream by 2025. The Pandemic has changed the education sector; it has pushed optimization in delivery methods. Schools and education institutions have been forced to move online. This study focuses the comparison of online and offline education system.

Objective of the Study

The main objective of the study is to conduct a Strengths, Weaknesses, Opportunities, & Challenges (SWOC) analysis of online learning during the Corona Virus pandemic.

Research Methodology

The study is descriptive and tries to understand the importance of online learning in the period of a crisis and pandemics such as the Covid-19. The problems associated with online learning and possible solutions were also identified based on previous studies. This study is completely based on the secondary data. Secondary sources of data used were

(a) journals, (b) reports, (c) search engines, (d) company websites and scholarly articles, (e) research papers, and other academic publications.

Online Education System – At a Glance

The World Health Organization has declared Covid-19 as a pandemic that has posed a contemporary threat to humanity. This pandemic has successfully forced global shutdown of several activities, including educational activities, and this has resulted in tremendous crisis-response migration of universities with online learning serving as the educational platform

A new normal has been created and it is teaching online. If offline traditional methods of teaching are applied online, it can limit the success of the training programmes. Various issues come in when moving offline to online learning with regard to informal social interactions, student attention, and active participation.

Most schools or other institutions struggle with these since neither their teaching material addresses this nor have they had training on this. 5 or 10 years ago, this shift would have been very painful, mainly because internet bandwidth was required for live, video classes were not available, or was just too expensive. Today's internet bandwidth made this a reality; however, online teaching has its own set of challenges. Online education is a bit of a challenge for children below 5 years mainly due to the ability to follow instructions, attention span, and even handling a device like a computer. Dhawan (2020) The other issue with reduced face to face interaction and the

online environment is attention span, user motivation, class control, adoption to new technology, and technical issues (bandwidth, device issues, etc.).

On technology, zoom and other VC tools are used worldwide, there are issues in multi-student classes with regards to the bandwidth of a particular user being poor and affecting the overall class quality, also users using mobile hotspot suffer from packet loss leading to poor video quality. Initially, institutions and instructors were simply not ready to deliver high-quality lectures remotely. An offline environment is such where a teacher can see students together, in an online multi-student class this has its own set of challenges. A teacher simply can't pay attention to 40 students (for example) at one go. Maintaining the right teacher-student ratio is very important in this environment to maintain class control. Given teaching methods, self-learning and pre-recorded content have low completion rates since they suffer from user motivation loss. Live classes have fairly good completion rates but are also teacher dependant.

Social or peer learning is another aspect that becomes a challenge in online education. Live classes are the closest today in providing a classroom-type experience, at the same time adjustments need to be made on content, pedagogy, and delivery. There has been a fair degree of work taking place in online learning, a lot of it has been focussing on the area of delivery, and a higher amount of work needs to be done on pedagogy and content too. While, the shift from offline to online has been an emergency response, and there has been a digital transformation

all around. Online adoption has been at a break-neck speed, and learners have moved online. Chakraborty et al. (2020) One thing is for sure, online education is growing and it is here to stay. School children have now understood that classes are not going to begin in the familiarity of their school surroundings any time soon. This has led to many of them eagerly waiting for class to begin at their homes to listen to their teacher and also see their classmates online.

There are sets of parents who appreciate online classes, while others have spoken against it. According to a national survey conducted by *Local Circles*, a social media and community platform, which received 8,287 responses from 204 districts of the country. Citizens were asked what should be the way forward as some states in the country have banned online classes. Mukhtar et al. (2020) In response, 31 per cent parents said that the ban on online classes should continue, while 49 per cent said online classes should be started but limited to two hours per day. Around 15 per cent said online classes should be started and run for the duration of regular school hours which could be 4-6 hours while around 3 per cent were unsure.

Even though online learning provides many benefits for students who want flexibility while attending college and also some advantages like

- The ability to take courses on student's schedule
- The opportunity to learn on any connected device, without having to relocate or attend class in person

- The opportunity to get to know students from different backgrounds in an online course setting

Between fall 2017 and fall 2018, the number of students who took at least some courses online grew 1.6 per cent year-over-year. The benefits are clear, but online students may face some unique challenges compared to students who attend college on campus.

Challenges to System

- **Lack of sustained connectivity :** The internet infrastructure is not ready for the paradigm shift to online learning mandated by the situation arising due to COVID-19 , according to a report by Quacquarelli Symonds (QS), which comes out with coveted global ranking for educational institutions. The report titled *COVID-19: A wake up call for internet service providers* is based on a survey conducted by QS IGAUGE, which rates colleges and universities in India with complete operational control held by London-based QS. The report pointed out connectivity and signal issues as the most prevailing problems faced by students while attending online classes. Low bandwidth and weak internet can affect how quickly you can connect and participate in class. It may be easy to find a free Wi-Fi location, but the quality of that internet connection may be spotty.
- **All subjects can't be taught online:** Construction in math, for instance, is difficult to teach online.
- **Digital Literacy:** To attend class online, students as well as teachers need a certain degree of technological proficiency—including the ability to

successfully log in, participate in classes, submit work, and communicate with teachers and classmates. This includes understanding online communication etiquette and knowing student rights and responsibilities in an online learning environment.

- **Lack of standardised content for regional languages:** Children studying regional languages are at a disadvantage as there is not much standardised content available yet online for them.
- **Increase in screen time:** Parents are concerned about too much overall screen time (mobile, television, gaming, laptop) including education now.
- **Parents, children need time to understand medium:** Parents and students have not been exposed to this new system of learning and will take to adapt to the new form of education.
- **Lack of formality:** Some teachers mentioned how they feared being judged by parents while teaching. Many students do not have the new textbooks and the teacher is the only source of learning and reference.
- **Lack of Motivation:** Several E-learning courses consist of never-ending texts or have multiple-choice questions that fail to engage students. With courses like these, students often get bored, and this lack of engagement and motivation is one of the main reasons for e-learning courses failure. Students often stop accessing the platform and do not complete their course; even if they do, they do not follow it whole-heartedly.
- **Gadgets Shortage:** Not every student & teacher has a personal gadget

to use. Many of them share their laptops, mobile devices and computers with their parents or siblings to keep up with their remote work

• **Security Issues:** From the beginning of the COVID-19 outbreak, online platforms have been a fertile ground of cyber-crime. Many institutions, teachers and students have fallen prey to these crimes. For instance, in recent past, it was reported that Zoom, a remote conference services company stores all video conference recordings on storage space without a password; also institutions had been a victim of zoom bombing during a class. This proves we have to be careful while choosing the digital tools for online learning delivery and safeguarding our sensitive data should be one priority

• **No Practical Knowledge:** In online learning, there are some limitations; not every subject can be mastered. For instance, subjects like science (Biology, chemistry and physics) have shown that the best way to learn something is by practising it. The more you practice, the better you learn. It is the experiential

learning through which we can internalize and recall the content and skills we learn. However, several online courses neglect this part and focus solely on theoretical content and external lessons. Students do not get to practice, and the learning process does not give the desired outcome.

• **Course Quality:**In this information-laden world, there are thousands of free online courses and powerful platforms such as Wikipedia, YouTube and Google, the course content sounds interesting and must be excellent and of the highest standard but not all are up to the mark. Many students may get frustrated when they discover that they can learn more independently, without needing their institutions' simple, mediocre courses.

• **Adjustment of online courses for differently-abled students:** With the worldwide closure of schools and a shift to remote teaching, the differently-abled students (deaf and hard of hearing) are transferred from their offline classes with interpreters and put at home with poor ability to adjust the remote learning to

Figure 1

<p style="text-align: center;">STRENGTHS</p> <ol style="list-style-type: none"> 1. Time flexibility 2. Location flexibility 3. Catering to wider audience. 4. Wide availability of course & content. 5. Immediate feedback 	<p style="text-align: center;">WEAKNESSES</p> <ol style="list-style-type: none"> 1. Technical difficulties. 2. Learners' capability & confidence level. 3. Time management. 4. Distractions, frustration, anxiety & confusion. 5. Lack of personal/ physical attention.
<p style="text-align: center;">OPPORTUNITIES</p> <ol style="list-style-type: none"> 1. Scope for innovation & digital development 2. Designing flexible programs 3. Strengthen skills: problem solving, critical thinking & adaptability. 4. Users can be of any age. 5. An innovative pedagogical approach (Radical transformation in all aspects of education) 	<p style="text-align: center;">CHALLENGES</p> <ol style="list-style-type: none"> 1. Unequal distribution of ICT infrastructure. 2. Quality of education. 3. Digital illiteracy. 4. Digital divide. 5. Technology cost & obsolescence.

their needs amplifying these adjustments. The online learning mode has already been a kind of challenge for the students; those differently-abled have to face a double problem and increasing the chances of falling behind.

As per the assessment of the researchers, it is uncertain to get back to normal teaching anytime soon. As social distancing is preminent at this stage, this will have negative effects on learning opportunities. Educational units are struggling to find options to deal with this challenging situation. These circumstances make us realize that scenario planning is an urgent need for academic institutions several arguments are associated with e-learning. Accessibility, affordability, flexibility, learning pedagogy, life-long learning, and policy are some of the arguments related to online pedagogy. It is said that online mode of learning is easily accessible and can even reach to rural and remote areas. It is considered to be a relatively cheaper mode of education in terms of the lower cost of transportation, accommodation, and the overall cost of institution-based learning. Flexibility is another interesting aspect of online learning; a learner can schedule or plan their time for completion of courses available online.

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Conclusion

The deadly and infectious disease Corona Virus also known as Covid-19 has deeply affected the global economy. This tragedy has also shaken up the education sector, and this fear is likely to resonate across the education sector globally. Anon (2020) The Covid-19 pandemic outbreak forced many schools and colleges to remain closed temporarily. Several areas are affected worldwide and there is a fear of losing this whole ongoing semester or even more in the coming future. Various schools, colleges, and universities have discontinued in-person teaching. Combining face-to-face lectures with technology gives rise to blended learning and flipped classrooms; this type of learning environment can increase the learning potential of the students. Students can learn anytime and anywhere, thereby developing new skills in the process leading to life-long learning. The government also recognizes the increasing importance of online learning in this dynamic world. The severe explosion of Corona Virus disease can make us add one more argument in terms of online learning, that is, online learning serves as a panacea in the time of crisis.

EXPONENTIAL APPROACH OF LIFE INSURANCE SECTOR IN INDIA

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Abstract

Health insurance has taken in the significant role in the front role as it comes to investment, protection, and on return based investment. The health insurance role has secured the quality healthcare as investing in health finance. The pandemic has driven a sudden realization around the significance of protective investments, especially when it comes to the aspects of health and life security. Insurance primarily deals with protection. Medical Insurance products do play a large role in the personal finance structures of middle class Indian citizen. While most developing and developed countries, including India, are setting a brilliant example of containing the spread of the pandemic - one thing that the abrupt arrival of this pandemic has taught people the growing need of having an insurance policy as a fixed part of their financial planning. At the same the present situation has demanded the innovations in insurance sector. The Covid 19 catalyst has been unlocking the higher stages of customer satisfaction and personalisation in the insurance products. The uses of digital tools including mobile apps have helped the insurance companies to engage with customers more effectively. Digitalisation in health insurance affords insurer and insured a lot of benefits. The article focuses to bring in knowledge about novel initiation in health insurance sector with product and process.

Key words:- Digitalisation, Financial planning, Health Insurance, Medical Insurance, Private Insurance Companies.

India's health insurance market got the edge with the introduction of workmen's Compensation Act 1923, backed with ESI Act 1948. Since then the health insurance sector is growing to capture the need of corporates and individuals, village to urban, infant to senior citizens and thus to enter in niche markets. Healthcare

industry in India is growing tremendously. Hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment is covered here. The introduction of Insurance Regulatory Authority Bill 1999 opened the beginning of new era in health care industry by attracting international players in the sector.

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The industry attracts both public and private players. The industry is rising at an incredible pace. The growth owes to its strength with coverage and services. Such a great leap obliges to our constitution which ensures right to health to all. As a result of the condition surrounding COVID-19, there is an exceptional prospect for insurers to rethink and innovate as they adjust and respond.

The economic situation highlights the decrease in the disposable income among youths.” Real GDP or Gross Domestic Product (GDP) at Constant (2011-12) Prices in the year 2020-21 is now estimated to attain a level of ₹ 135.13 lakh crore, as against the First Revised Estimate of GDP for the year 2019-20 of ₹ 145.69 lakh crore, released on 29th January 2021. “The growth in GDP during 2020-21 is estimated at -7.3 percent as compared to 4.0 percent in 2019-20”. (Ministry of Statistics & Programme Implementation, 2021). In India majority of the expenses are out of pocket cost as the percentage of budget allotted to health sector is 1.15 per cent and the allocation is given for the research and development activities (Budget 2020). That indicates that individuals have to bear their cost of hospitalisations and other related expenses by themselves. The risk of personnel financial distress in the situation of treatment is crucial for all people especially salaried employees whose income is fixed. To capitalise the situation of such fright many insurance companies including public and private insurance companies are coming up with various medical insurance plans so as to support the personnel financial planning. The increasing

cost of living along with the cost of hospitalization expenses is becoming a night mare for the youth. The personal saving of the people will be definitely including with medical insurance to cover the medical expenses. In this situation insurance form a main ingredient in well framed financial portfolio and most demanding on post Covid developing world. It has been almost three months since one of the biggest economies in the world have undergone a complete lockdown due to the deadly Coronavirus.

The health insurance sectors with the innovative protective shield have entered in the economy. Many positive trends have witnessed the industry. Many players have significantly grown as many of them jump more than others. The digitalisation progress in the industry has also triggered the process of delivering the services in the spectrum. At the outset the change in public mindset has also given a pull in the sector.

Work Paper Definition

Private Insurance companies: Private Insurance Companies are companies not run by federal or state.

Medical Insurance: Medical Insurance is the cost of insured expenses if the policy holder is ill or injured, that covers hospitalisation costs and other allied cost

Financial Planning: The efforts taken by the individuals to reduce the incidental costs as well as to divert the risk in the investments.

Digitalisation: The concept of digitalisation is bringing new electronic applications in health insurance sector.

Past Research Conclusions

The study by Y. Nagaraju (2014) studied the awareness about the total sum assured, coverage to family, inclusion procedures, eligibility conditions and preauthorization formalities is positively and significantly correlated with the Scheme as their correlation coefficients are positive and p values are less than the level of significance of 5 per cent.

Sonal , Premila (2015) in the study “Awareness of health insurance among people special reference to Rajasthan found “People have trust more on public general insurance companies rather than private general insurance companies to avail the health insurance policies”. Respondents in the study are not much aware of health insurance policies terms and conditions .Study also resulted that health insurance companies are not transparent.

Ramaiah Itumalla (2016) in the paper “health insurance in India – Issues and Challenges “exploit the health industry in India and found “The task of the government, private providers and the civil society is to solve the issues and challenges and to see that the health insurance benefits consumer most feebly the poor and the weak in terms of better coverage and health services at lower costs with quality without the negative aspects of cost increase and over use of procedures and delay in provision of health care.”The study also need the new ventures also experience from other places suggest that if health insurance is left only to the private market it will only cover those which have substantial ability to pay which results in leaving out the poor and making them more vulnerable.

Trilochan Sharma (2016) in the article A Study of Health Insurance Business in India observed More than 80 percent population of India is uncovered from health insurance still today.

The study by Timira and Preeti (2018) concluded that the awareness of health plans by individuals is low in our country. The study also indicated the penetration of health insurance sector is poor in semi urban and rural cities and so the insurance companies have to come with various innovative medical insurance schemes.

Satakshi Chatterjee (2018) in the study of health Insurance sector in India observed the main challenge right now is to make healthcare universal to all irrespective of the background and income level of the individuals as health is a basic commodity that every citizen of India has a right to obtain. Thus, companies and the government should pave a path such that this objective could be attained as soon as possible. Study highlighted the future of the health insurance industry looks very promising if the regulatory framework is changing slightly.

The elaborate study by Shanker & Pankaj (2019) concluded with Health insurance in its present form does not seem to provide requisite improvement in access to care or financial risk protection. The study computed catastrophic health expenditure as an indicator of financial risk protection.

The article by KPMG (KPMG, 2021) recommended the need of customer satisfaction and digitalisation as major shifts in insurance sector. The study based on the data collected from 2500 insurance

customers between China, Hong Kong, Singapore, and Australia indicates interest in life and health products has increased during Covid pandemic, Access to virtual healthcare services and priority access to healthcare providers are significant in cash pay-outs, and customers are more likely on scrutiny on the policies and they are much concern with customer service. The article also recommend the insurers and the regulators need to work together to ensure that the opportunity to drive the change in the industry is grabbed in both ends.

The literature reviews portraits the picture of medical insurance sector with respect to awareness of terms and conditions in policy, policy holder awareness regarding policy terms and conditions etc. The general analysis of the literature review shows the influence of public and private insurance companies in the economy. Highlighting the pandemic crisis facing with Covid 19, and the need of finance to protect self and family private insurance companies have designed medical insurance for Covid treatment. The protection of personnel finance for covering contingency needs and for providing the funds for the treatment (for self and family) with risk aversion feature demands new financial products.

Need of the Study

Indian Insurance sector has been growing with milestone decisions from 1956 with the formation of Life Insurance Corporation. The post liberalisation period showed a mickle display with introduction of FDI and allowing private parties in the sector. From 2015 the

industry benefit with the Pradhan Mantri Suraksha Bima Yojna, Pradhan Mantri Jeevan Jyoti Bima Yojana and Atal Pension Yojana and Health insurance. In life insurance segment, private players had a market share of 31.3 per cent in new businesses in FY20. The industry is expecting a growth of 12-15 per cent annually. With much of the novel products the insurance sector expands its market share. The outbreak of Covid pandemic has bought anxiety among the panic people. The decrease in earnings blended with increase in medical expenses encourages youth to opt for insurance as assurance. The threats in the pandemic are to be converted to opportunities in insurance. The innovative products and distributing channels are supporting the robust growth in the sector. Conceptual understanding of the situation will extend an insight to present situation and can apprehend the uncaptured market.

Objectives of Study

The study focus on the exponential change by the life insurance companies in India. The objectives of the paper is

- 1) To know the Covid Kavach policies introduced by Private Insurance Companies in India
- 2) To study the digitalisation technologies adopted in the insurance sector.
- 3) To identify how digitalisation can transform health insurance sector.

The study is to get the conceptual knowledge about the scenario. The study is focused on the private insurance companies in India as The market share of private sector companies in the non-life insurance market rose from 13.12 per

cent in 2003 to 48.01 per cent in 2018. The sudden outbreak of pandemic disturbed the financial budget of middle men. This attracts the medical private insurance companies to be players in the game. Out of 18 private medical insurance companies in India six private insurance companies designed the insurance policies exclusively for the situation. Apart from the new designed ones companies stated

the all basic indemnity health plans will cover Covid-19.

The Insurance Regulatory and Development Authority of India (IRDAI) recently issued final guidelines containing the standard features of the Covid-19 specific health insurance plan 'Corona Kavach' the indemnity based individual COVID Standard health Policy. (IRDAI, 2020)

Table 1

COMPARISON OF COVID POLICY AMONG PRIVATE INSURERS

Insurers offering COVID cases	Cover	Other benefits	Inclusions/ Exclusion	Annual Premium	Should you opt for it?
Bharati AXA – Airtel payment bank (FB)*	Rs 25,000 lump sum	Rs 100-500 for per day cash for a maximum of 10 days: double For ICU	No waiting for lump sum, ICU cash after 24 hrs of hospitalisation, only for APB customers	Rs 499	Only if you have no insurance and you are at high risk
ICICI Lombard – True Balance (FB)	Rs 25,000 lump sum	Health assistance, tele-consultation, ambulance aid	14 day hospitalisation-overseas travel history required; 18-75 years	Rs 159	Only if you are in 2/3 tier, and have low income with no cover
Star health and Allied Insurance (FB)	Rs 21,000 – Rs 42,000 lumpsum	Dependent kids can be covered with parents	16 day hospitalisation-overseas travel history not required; 18-65 years	Rs 459- Rs 918	If you have no personal or group cover. Can Cover ICU charges/ventilator charges
Digital Health Care Plus (FB)	Rs 25,000 – Rs 2 lakh	Multiple family members can be covered	15 day hospitalisation-50% of cover for quarantine in Gover/ Military hospital, overseas travel history required	Rs 299- Rs 2077	If you have no personal or group cover. Can Cover ICU charges and quarantine charges
Reliance General Insurance and Health Care (FB)	Rs 50,000- Rs 1 lakh	Covers quarantine period of 15 days or job loss	Only YES Customers, 15 day hospitalisation-50% of cover for quarantine, overseas travel history required	Rs 1947 for 50,000 cover and Rs 3894 for 1 lakh cover	If you have no personal or group cover. Can Cover ICU charges and quarantine charges
Arogya Sanjeevini Plans (BI)	Rs 1 lakh – Rs 5 lakhs	Covers all diseases including COVID	Caps and limitations vary	Rs 5000-Rs 6000 for Rs 5 lakh cover for 35 year old	Useful if you are buying your first plan as it covers other illness

Source: <https://economictimes.indiatimes.com/wealth/insure/health-insurance/should-you-buy-a-coronavirus-specific-insurance-policy-heres-a-comparison-of-those-available/articleshow/75092342.cms>
*FB- Fixed Benefits

Key Features in Corona Kavach Policy

Any individual from 18 years to 65 years can take the policy. Policy is available on individual and Family floater basis. Family includes self, spouse, parents, parents in law and dependent children upto to 25 years of age. Generally policy covers COVID hospitalisation cover. Pre hospitalisation 15 days and post hospitalisation 30 years. Policy period is three and half months or six and half months or nine and half months including the waiting period of 15 days. Sum assured for the policy is minimum of Rs 50,000 upto to Rs 500,000 .The policy also covers optional cover of hospital daily cash. Hospital for the policy includes any set up designed by the Government as hospital for the treatment of COVID. Any co morbid condition triggered during Covid treatment in hospital is also covered.

Policy includes home care treatment also for 15 days. It includes ambulance charges Rs 2000 per hospitalisation.

All the policies designed is targeting new policy holders which is evident to tap the market share. Manipal Cigna Health Insurance, Bajaj Allianz General Insurance, HDFC Ergo, SBI General Insurance and Digit Health Care Plus are among the players that have already introduced these plans(Economic times 13, April, 2020).

The data statistics from policy Bazar indicates the increase in the sale by 20-30 percentage as compared with that February 2020. The report also claims the increase in the health insurance policies, especially new policies has a remarkable demand with the increasing level of Covid cases. The policy of Oriental Insurance, United India Insurance and

Table 2

Overview of claims settled by the insurers

Insurers offering COVID cases	Insurance claim ratio	Policies Sold	Covid Claim Settlement Ratio	Network Hospitals	Renewability
Bharati AXA – Airtel payment bank(FB)*	89%	21829	76.01%	4500+	lifelong
ICICI Lombard –True Balance (FB)	76%	42,34,760	78.67%	5,025+	Lifelong renewability
Star health and Allied Insurance (FB)	78.62%	37,34,365	78.62%	9900.+	lifelong
Digital Health Care Plus(FB)	11%	865	63.56%	5,900+	lifelong
Reliance General Insurance and Health Care (FB)	94%	91,492	76.43%	7300+	lifelong
ArogyaSanjeevini Plans (SBI)(BI)	66.08%	7,56,443	66.08%	6000+	lifelong

Source: <https://www.insurancedekho.com/health-insurance> retrieved on 05/05/21. (<https://www.insurancedekho.com/>, 2021)

National Insurance is also covered in the 'COVID kavach' policy.

The settlement figures indicate that the insurance claim ratios of the companies identified are well recommended as they are above 50 per cent. Covid policy settlement ratio of the insurance companies is approximately 76-78 per cent.

For the claim settlement insurance companies are providing different conditions for the settlement. The requirements also are changing with each company.

Digitalisation for Reshaping the Insurance Sector

With digitization, the insurance sector grew up to 17 per cent in April-May this year compared to a nine per cent growth in 2020-21. Automation, adoption of artificial intelligence, internet of things, cloud computing, digital platform solutions including Digi Locker have helped India's insurance sector to grow faster during the pandemic. The technology aid to faster claims processing. Insurance sector with digitalisation is ready to bound. The year 2020 was reshaping the insurance sector with reinventing the operational activities. Launch of short term health insurance policies, and accepting the telemedicine in insurance policies and payments modes of online premiums change the insurance sector segment. The traditional health insurance sector has now changed to digital form from getting a policy title to settlement of claim. The greater proportion of youth in population and availability of affordable smart phones and easy internet access has propelled

insurance sector. Insurers have taken steps to incorporate digitization into their business models like online sale of insurance, electronic settling of claims, analytics on customer data captured, etc are some of them. Several other initiatives are under progress but adoption has been sluggish due to many challenges in the path.

Ministry of health and family welfare (MoHFW) and Insurance and Regulatory Development Authority of India (IRDAI) have taken several initiatives to drive digitization across health insurance sector in India which has been used by Federation of Indian Chambers of Commerce & Industry (FICCI) for framing phase wise implementation. Some of the initiatives to digitalise insurance sector includes a) Standardize data format for capturing patient details for easy exchange b) Use of unique patient identifier (UID using Aadhaar) for policy holders c) Unique identification for providers d) Smart cards for policy holders with policy benefits, utilization and health details e) Digital storage of pre-policy health check-up data f) Digital policies linked to UID and data storage with anytime access all these need a national level implementation strategy. Some of the strategies which are already in application are online sale of policies, online payments, digital marketing etc which are initiated by individual companies. The complete digitalisation in the health insurance sector is expected to complete within 5 to 6 years by assuring that IRDAI has enough storage to keep the digital policies in electronic format form.

The advent of online insurance platform for insurance sector will support

better customer communication with digital marketing aids like chat box, pop ups with maximum advantage of artificial intelligence .It can assist the customers in better purchase decision by comparing different policies and will help to design the customised policies in the future. The digitalisation with e documents will make the claim procedure easier.

Digitalisation in Transforming Health Insurance Sector

The wave of digital transformation has hit the health insurance sector also. It has given a new novel touch in sector where the economy is in the peril of Covid 19 pandemic. While the insurance industry has already taken a dive to transform, the pandemic has encouraged health insurance service providers to move to a digital transformation journey. This mounting shaped is unparalleled in service as insurer and insure will be in advantage position. With an intention to penetrate the market the health insurance sector need to adopt the elements in technology to leap in excellence. The technologies imbibe by the sector includes:

a) Artificial intelligence (AI) based voice assistants : They are customer engagement tools with a human touch .These services are personalised and hence this step depicts the epitome of medical insurance innovation. Offering personalised ubiquitous services to customers bring new dimensions to digital journey. Few steps with these AI system include educating customers with various policies, calculating price as premium with the respect to their need and age,

answering all queries without leaving any unattended, and offering scale customer service operations. Private insurance companies like ICICI Prudential life insurance, Reliance General Insurance have already introduced the customer service system.

- b) Augmented reality (AR), virtual reality (VR) and mixed reality (MR) for customer experience: The application to reality concepts in insurance business helped health insurers to bridge the physical-virtual gap .Besides it also support interactive customer experience while ensuring both consumer engagement and entertainment. The virtually 3D environment stipulated by the application can create niche markets by interacting with potential customers, improve the marketing campaign, and accelerate insurance claim assessment.PNB –Met life has already leverage their marketing with AR,VR and MR
- c) Seamless access to big data with cloud computing: With cloud computing the insurance companies are in the position to save enormous data in data storage. Cloud-based storage makes it possible to save files to a remote database and retrieve them on demand. Cloud computing ensures enormous storage of data, customer data to give proper feedback, accessibility and computation of remote data are all benefits with cloud computing. While we move to digital India platform cloud computing is becoming an inevitable part. Max *Life Insurance* is

leveraging *cloud* to deliver scalable, agile technology platforms for meeting their customer expectations

d) Robotic Process Automation (RPA): Robotic process automation can be implementing to streamline the business process. The system support in health insurance claim management process, fraud detection, policy administration and servicing. RPA can reduce the errors increase the process speed and also the process expenses can be reduced. RPA support in improving customer experience and minimize operational risk. Bajaj Alliance Insurance improves efficiency and accuracy by the deployment of RPA.

e) Mobility of services in Apps: Apart from these health insurance apps like HDFC life Insurance apps, Religare health etc are designed to provide their consumers convenience and easily accessible services via customer-facing insurance apps. These user friendly apps are useful for existing customers as well potential customers in getting consultations, making policies, submitting claims, completing payments etc. Starting from initiating the policy to claim settlement these mobile apps will be updating the parties involve.

Apart from these collaborations with Phonepay, Paytm etc will facilitate the digital insurance payments. The functioning of Health ATMs and Health Apps are also bringing health awareness inclusion. Online premium calculators and online premium payments are supporting the move to digital transformation. These

digital transformation appraise the friendly technology. The insurers and Third-party Administrators (TPA) can even track health-related information with the help of the Internet of Things (IoT) devices used by policyholders. These regular monitoring measures will help the policy holder to take timely health decisions and also preventive measures. By extending hassle free process the digital transformation empowers the customers with providing all information and hence making the policy transparent.

Conclusion

As compared with other sectors, insurance sector is also striking to recover quickly from Covid 19 pandemic. There are major impacts in the industry with private companies designing new customised policies, digitalisation taking place in sector all improvising the insurance sector. Pandemic has led many insurance companies to pursue digitalization projects that are likely to generate medium-term efficiency gains once conditions return to normal. For these reasons, it is expected the insurance industry rebound. There is competition in the sector but it's healthy and transparent. All these are to empower customers to help them in building a strong insurance portfolio. In short these developments are making transactions and services more seamless and user friendly, hence expanding the market share. The study has to explore with identification and analysis of these policies with other angles of awareness among public, percentages of claims, policy holders perception etc. Also it is quite evident that further study is to extend in the areas of policy holders settlement perception.

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PERFORMANCE OF MUTUAL FUND PLAYERS IN INDIA - A CRITICAL EVALUATION

*Simi B S, **Dr. Rajesh T

Abstract

Many investment schemes used to collect resource mobilization like public provident fund, equity schemes, real estate investment, unit linked insurance plan, fixed investment of companies, mutual fund, etc. Mutual fund is an important activity for collecting scattered resources of a country. Mutual fund in India is one of the investment vehicle made up of a pool of money collected from many investors for the purpose of investing in securities such as stock, bond, money market instrument and other assets. Among the mutual funds, the most important funds are pension fund, child fund and ULIP fund. This study also covers the growth pattern of equity fund, balanced fund and debt fund of major mutual fund players; Tata, HDFC and Reliance. The result of the study is helpful for improving performance of mutual fund players.

Key words:- Mutual fund, Investment, UTI.

*M*obilization of saving is most important for the development of any economy. Mobilization of saving creates sound financial system, it is necessary for any country. Many investment schemes used to collect resource mobilization like public provident fund, equity schemes, real

estate investment, unit linked insurance plan, fixed investment of companies, mutual fund, etc. Mutual fund is an important activity for collecting scattered resources of a country. Historians are uncertain of the origin of mutual funds. Some says that Dutch Merchant named Adriaan van ketwich whose earlier

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investment trust created in 1774. But other point of view the closed end investment companies launched in the Netherland in 1822 by King William as the first mutual fund. Mutual fund really captured the public attention in the 1980's & 90's when mutual fund investment hit record high and investors saw creditable return.

The mutual fund industry in India started in 1963 with the formation of Unit Trust of India at the initiative of Government of India and Reserve Bank of India. Mutual fund in India is an investment vehicle made up of a pool of money collected from many investors for the purpose of investing in securities such as stock, bond, money market instruments and other assets. Mutual fund player is a special type of company that pools together money from investors and invest it on behalf of the group, in accordance with stated set of objectives. It is a trust that pools the savings of a number of investors who share a common financial goal. Each scheme of a mutual fund can have different character and objectives. The money so collected is invested by the fund manager in different types of securities depending upon the objective of the scheme.

The growth of mutual fund in India is divided into six different phases depending on the structural changes which have taken place in the mutual fund industry. The first phase of Indian mutual fund industry started with the establishment and growth of UTI during 1964-87. In 1987 public sector banks and financial institution were permitted to enter into mutual fund industry. With the emergence of privatization and liberalization of Indian economy in 1993,

Government of India allowed both Indian and Foreign private sectors to enter into mutual fund industry. From the year 2004 and continuing till date is witnessing major changes in this industry through mergers and acquisition. The Indian mutual fund industry witnessed an exceptional growth of 42% in financial year 2017. According to Association of Mutual fund in India (AMFI) data, Indian mutual fund companies grew from Rs 13.81 trillion as on June 2016 to Rs 33.67 trillion as on June 2021. It highlights more than 2 fold increases in a span of five years, which we believe is likely to sustain in 2022 as well. Given the increased appetite among investors

Review of Literature

Ramamurthy and Reddy conducted a study to analyze recent trends in Indian mutual fund industry. They concluded that major benefits delivered to small investors by mutual funds are professional management diversification of investment, return potential, liquidity, transparency, affordability, flexibility, wide choice and appropriate regulation.

Ansari stressed the need for mutual funds to bring in innovative schemes suitable to the varied needs of the small savers. In order to become predominant financial services institution in the country.

Ippolio documents the reaction of investors to performance in mutual fund industry. His findings have shown that poor relative performance results in investors shifting their assets into other funds.

Vidyashankar identified that investors preferred mutual fund because it provide

better investor protection with the interference of SEBI. So mutual fund will lead to dominant role to play Indian capital market in future.

Krishnamurthi explained that the small and medium investors with limited financial earnings to invest in capital market, mutual funds are the investment vehicle.

Jatana and bisore revealed that mutual funds play a very significant role in capital market development and it will leads to economic development.

Khan pointed out that mutual funds are vital instruments of fund mobilization in the modern era.

Singh analyzed various factors like past record of organization, credit rating, market speculation, disclosure of adequate information influence choice of mutual fund

Katerina showed that fund managers help investors to make appropriate decision in the area of mutual fund investment.

Scope of the Study

This study is exploratory in nature. For analyzing the performance of mutual fund players four yardstick were used. They are aggregate growth of mutual fund industry, growth of equity based mutual fund schemes, growth of balanced based mutual fund schemes and growth of debt based mutual fund schemes. Past three to five years data were taken for analyzing the performance of these schemes and to find out the overall performance of mutual fund industry in India.

Statement of the Problem

A mutual fund is one of the most sort-out ways of investment in now a day. The significance of mutual fund is that even a layman with no knowledge of share market can make use of mutual fund for getting use of the security market appreciation. As it is most commonly used by investors with less/no knowledge of stock market. It is always a confusing point in selecting mutual fund schemes. A study on analyzing the overall performance of mutual fund and performance on segment wise like equity, balanced, debt will help the investor in solving the dilemma in mutual fund players and schemes.

Objectives

1. To analyze the growth trend of major mutual fund schemes in India.
2. To analyze the growth trend of equity fund, balanced fund and debt fund of major mutual fund players in India.

Research Methodology

Among the mutual funds, the most important funds are pension fund, child fund and ULIP fund. This study was conducted by covering these three mutual fund schemes. From the pension funds the most eminent players are Tata, HDFC and Reliance. Among the child fund UTI, SBI and Axis are the major players. The growth of the mutual fund industry was analyzed by evaluating the past five year's data. The data for this study have been generated from secondary sources. The secondary sources include internet, journal, magazines, books, publication etc.

Data Analysis

For analyzing the growth of mutual fund industry in India, last five years financial data were used. The data analyzed by using cumulative growth average. For analyze purpose major here component in mutual fund like pension fund, child fund and ULIP schemes are taken as base for exploration. When we consider the pension fund schemes TATA, HDFC, Reliance are the major players. On taking the average growth we can observe that HDFC mutual fund have the highest cumulative growth percentage (2.68). But it is worth by to mention that reliance have only a negative growth (-5.71). UTI, AXIS and SBI are the main segment in child fund scheme. On observing the average growth, we can interpret that UTI mutual fund have highest cumulative growth percentage (3.82). But SBI and AXIS are showed low growth percentage as compared to UTI. LIC and UTI are main service providers in ULIP mutual fund. Finding the result we got LIC maintain

high cumulative growth rate rather than UTI.

On the growth of equity based mutual fund industry in India, we consider equity sector and equity diversified sector. TATA, HDFC, reliance are the key players in equity sector. The evaluation show that only TATA leads to positive growth rate (9.45). But both HDFC and reliance goes to negative growth rate. For analyzing equity diversified sector, SBI, AXIS, UTI are the leading players. On taking the average growth of equity we got SBI have only to maintain positive growth rate (2.46).

For observing the balance based mutual fund industry in India, we consider the most eminent players such as TATA, HDFC, RELIANCE, SBI, AXIS and UTI. On taking the average growth of balanced based SBI have the top cumulative growth percentage (12.69). Reliance is one of the eminent segment in mutual fund industry but it lead negative growth rate (-0.95).

Table 1
Growth of Mutual fund industry in India (percentage)

Scheme	Players	I Year	III Year	V Year	Cumulative growth
Pension fund	TATA	18.75	17.85	20.83	2.13
	HDFC	13.44	-	-	2.68
	RELIANCE	11.37	9.53	-	-5.71
Child fund	UTI	12.18	10.84	14.69	3.82
	SBI	12.98	14.44	14.69	2.51
	AXIS	12.09	-	-	2.41
ULIP	LIC	9.96	6.06	10.76	1.56
	UTI	10.22	9.06	10.51	0.56

Source: Ministry of Statistics and Programme Implementation (MOSPI) and AMFI

Table 2

Growth of Equity based Mutual fund industry in India (percentage)

Scheme	Players	I year	II year	III year	Cumulative growth
Equity sector	TATA	47.29	-	-	9.45
	HDFC	37.25	12.29	20.85	-10.69
	RELIANCE	32.59	8.37	19.45	-9.81
Equity diversified sector	SBI	30.47	23.28	34.41	2.46
	AXIS	29.15	13.82	25.98	-2.28
	UTI	29.2	18.54	-	-14.05

Source: Ministry of Statistics and Programme Implementation (MOSPI) and AMFI

Table 3

Growth of Balanced based Mutual fund industry in India (percentage)

Players	I year	II year	III year	Cumulative growth
TATA	14.4	13.31	16.85	3.19
HDFC	10.36	11.11	17.49	11.04
RELIANCE	12.87	6.53	12.27	-0.95
SBI	8.66	9.65	15.74	12.69
AXIS	8.85	9.12	10.73	3.93
UTI	12.08	9.24	16.48	6.41

Source: Ministry of Statistics and Programme Implementation (MOSPI) and AMFI

The main segments in debt based mutual fund industry in India are TATA, HDFC, RELIANCE, SBI, AXIS and UTI. In this analysis consider three years financial data. As per this study we got only reliance have positive growth percentage (2.08). But all other players lead to negative growth percentage.

Major Findings

1. The pension fund investors can make highest wealth creation by investing in HDFC funds because it shows a highest growth rate i.e. 268 per cent. But the pension fund investors in reliance are very disappointed because it shows a negative growth rate is -5.71.

Table 4

Growth of Debt based Mutual fund industry in India (percentage)

Players	I year	II year	III year	Cumulative growth
TATA	12.85	3.87	-	-32.97
HDFC	11.23	4.41	-	-26.77
RELIANCE	10.44	-	-	2.08
SBI	12.85	3.87	-	-32.97
AXIS	13.13	3.42	-	-36.17
UTI	12.08	4	-	-35.45

Source: Ministry of Statistics and Programme Implementation (MOSPI) and AMFI

- From the child fund, UTI is a leading player. It shows that 3.82 per cent growth rate. Both SBI and AXIS achieved only low growth rate i.e. 2.51 and 2.41.
- From ULIP, LIC and UTI are major players. LIC attain top growth rate is 1.56 per cent. The other player only to achieve 0.56 per cent based on five years financial data.
- From the analysis of equity based mutual fund industry's found that Tata shows a highest growth rate (9.45 per cent). SBI shows 2.46 per cent growth rate under equity diversified sector. But the analysis of equity tax planning sector, UTI shows a negative growth rate i.e.-14.05 per cent
- Under balanced based mutual fund industry in India SBI is a eminent player its growth rate is 12.64

per cent. But Reliance shows a least growth rate i.e. -0.95 per cent.

- Under debt based mutual fund industry in India, Reliance shows highest growth rate i.e. 2.08 per cent. The all other players such as TATA, HDFC, SBI, AXIS, UTI show negative growth rate.

Suggestions to be Implemented

- From the analysis of pension fund scheme, Reliance shows -5.71 per cent so it must try to improve their activity.
- Under child fund scheme axis must improve their growth rate but ULIP, UTI show only 0.56 per cent so it create leading growth rate.
- From the study of equity based mutual fund, HDFC and Reliance show negative growth rate. Both players must improve their growth activity.

4. From equity diversified sector AXIS and UTI reflect negative growth rate. So they must improve their activity and try to attain positive growth.
5. Under equity based tax planning sector UTI show negative growth rate so it will leads to positive path and maintain investors.
6. Under balanced based mutual fund industry Reliance, TATA and AXIS must improve their growth rate.
7. Under debt based mutual fund industry only reliance maintains favorable growth.All other major

players like TATA, HDFC, SBI, AXIS, UTI etc. shows negative growth rate so they will leads to positive one.

Conclusion:

Mutual fund is an activity to collect scattered resources. There are certain most important players involved in mutual fund industry such as Tata, HDFC, SBI, LIC, UTI, Reliance. Certain player's achieves to positive growth rate while others turn into negative growth mark. Decline trends leads to losing investors' confidence so every players involved in mutual fund industry try to create maximum growth rate.

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THE INFLUENCE OF TALENT MANAGEMENT IN MANAGING THE JOB STRESS OF EMPLOYEES

***Dr. Vinod A S, **Haritha S M**

Abstract

Job Stress is a psychological or mental condition of a person being frustrated, irritated, angry or nervous at the work place. It is the body's reaction to demand or challenge anything which may occur because of any thoughts, feelings, emotions etc. Elimination of stress is unrealistic, since stress is a part of normal life. It's impossible to completely eliminate stress, and it would not be advisable to do so. Instead, we can learn relaxation techniques and other methods to manage stress so that we have control over our stress. Talent Management provides various techniques to improve the mental health of employees and their development. The study aims to identify the various factors affecting job stress and how talent management activities influence the management of stress in the work place. The study is descriptive and secondary data is the major source of data used here. The study concludes that the talent management activities have a positive effect on reducing job stress and eliminating its causes.

Key words:- Job Stress, Talent Management, Psychological Condition

Stress may be considered as any physical, chemical, or emotional factor that causes bodily or mental unrest and that may be a factor in causing disease. While many people associate the term stress with psychological stress, scientists and

physicians use this term to denote any force that impairs the stability and balance of bodily functions. If stress disrupts body balance and function, then is all stress bad? Not necessarily.

A mild degree of stress and tension can sometimes be beneficial. For example,

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feeling mildly stressed when carrying out a project or assignment often compels us to do a good job, focus better, and work energetically. Likewise, exercising can produce a temporary stress on some body functions, but its health benefits are indisputable. It is only when stress is overwhelming, or poorly managed, that its negative effects appear. An important goal for those under stress is the management of life stresses. Elimination of stress is unrealistic, since stress is a part of normal life. It's impossible to completely eliminate stress, and it would not be advisable to do so. Instead, we can learn relaxation techniques and other methods to manage stress so that we have control over our stress and its effects on our physical and mental health (Stöppler, Shiel, 2021). *Talent management* is relatively a new area of study and a constant process that involves attracting and retaining high-quality employees, developing their skills, and continuously motivating them to improve their performance. The primary purpose of talent management is to create a motivated workforce who will stay with your company in the long run. The exact way to achieve this will differ from company to company. In this study, we discuss about what are the factors affecting stress and how it can be managed through proper talent management practices.

Statement of the Problem

Job Stress is a psychological or mental condition of a person being frustrated, irritated, angry or nervous at the work place. It is the body's reaction to demand or challenge anything which may occur because of any thoughts, feelings, emotions etc. In every type of

organisation, it is very important for having a clear and positive mind set of employees for finishing a task perfectly. But, when the employees are affected by stress, it will definitely affect their productivity and thereby the productivity of the organisation. So a special consideration should be given to manage the factor of stress. Talent Management provides various techniques to improve the mental health of employees and their development. The study aims to identify the various factors affecting job stress and how talent management activities influence the management of stress in the work place.

Objectives of the Study

- To identify the various factors affecting job stress
- To explain how talent management activities influence the management of stress in the work place.

Methodology

The study is descriptive and secondary data is the major source of data used here.

Job Stress

Job stress is the harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources, or needs of the worker. Job stress matters to our health and our work. When we feel stressed, our bodies respond by raising the concentration of stress hormones in our blood. When our bodies continually respond to constant demands or threats, coping mechanisms stay in overdrive, which can be damaging to health over

time. Research shows that excessive job stress can lead to many long-term health problems, including cardiovascular disease, diabetes, weakened immune function, high blood pressure, musculoskeletal disorders, substance abuse, depression and anxiety. Some short term signs of job stress are listed in the table to the right. Stressful working conditions can also impact health indirectly by limiting our ability or motivation to participate in other health promoting behaviours such as eating well and exercising (Center of Promotion of Health in the New England Work place,Cph).

If you work, it is likely that job stress will affect you at some point during your career. Whether you are an employee or an employer, it is important to recognize that stress in the workplace can contribute to poor health, which can lead to lower productivity, absenteeism, and higher healthcare costs.

For example:

- Up to 44 per cent of women and 36 per cent of men want to quit their jobs because of workplace stress. This contributes to unhappiness as well as many negative health effects.
- Healthcare expenditures are nearly 50 per cent greater for workers who report high levels of stress. • Sixty percent of lost workdays each year can be attributed to stress.
- Job stress is more strongly associated with health complaints than financial or family problems.

Job Stress Signs and Symptoms

Headache, Sleep disturbances, Upset stomach Difficulty, concentrating Short

temper, Fatigue Muscle aches and pains Over- and under-eating Chronic mild illness Anxiety, irritability Depression Gastrointestinal problems, Angry outbursts Accidents, Substance use and abuse Isolation from co-workers, Job dissatisfaction, Low morale Marital, family problems(Cph-New).

Examples of Work Organization Stressors

■ **Physical stressors**

Constant sitting/lack of mobility, Repetitive tasks, Fast-paced work, Rotating shifts, insufficient breaks, Poor temperature control, Excessive noise

■ **Psychosocial stressors**

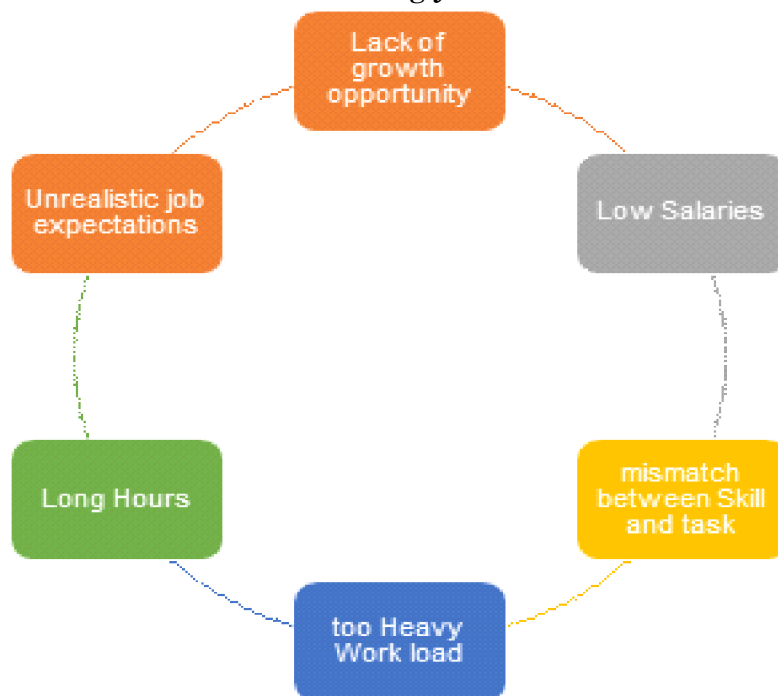
Unrealistic deadlines Sustained, excessive workload, Excess overtime, Responsibility without authority, Job skills not used, Lack of recognition, Poor communication, Inflexible rules, Lack of input in decisions, Conflicting demands, Poor supervision, Poor relations with co-workers, Lack of respect, Dead end jobs (no promotions), Job insecurity, Favoritism, Discrimination, Racial/sexual harassment etc (Cph-New).

All the factors are considered as the most relevant factors which affects or cause job stress. Talent Management practices have effect on all these things. The steps in the implementation of Talent Management is explained below.

Step 1: Specify What Skills You Need

What is the first step in the talent management process?Before you can go any further, you must determine what kinds of hires you need and what requirements they should fill.Consider if

Figure 1
Factors affecting Job Stress



Source: Secondary data

it would be possible to teach existing employees to avoid the need to hire anyone new. This activity helps to reduce or eliminate the problem of mismatch between job and skill.

Step 2: Attract the Right People

There are several stages to attracting talent:

1. Create targeted advertisements and post them on top job sites — HR branding is helpful here.
2. Plan interviews and other means to identify the best person for the job. In addition to regular questions, consider using personality

assessments, references, and tests that require candidates to perform in real-life situations.

3. Hire your top choices. This will help to give better confidence, loyalty etc.

Step 3: On Board and Organize Work

Help new employees feel orientated by being ready for them as soon as they enter the company. Know what tasks you will set them, have training sessions scheduled, and assign current employees to support new workers settle in. This will help to maintain better organisational relationship and gain employee confidence and morale.

Step 4: Organize Learning and Development

Remember, it is often easier to develop the skills of your current employees than to hire new talent.Plus, even if you do hire top talent, they will likely want to learn something in their new role.Plan ways for your workers to learn and grow, such as through conferences, courses, and a learning management system to create a learning environment. This will helps to gain talent development, skill up gradation, talent retention etc.

Step 5: Hold Performance Appraisals

Checking employee performance regularly allows you to see if workers could manage additional responsibilities.This could save you hiring new talent and it may help an employee prepare for a promotion.And it may also help to identify the problems of work-life imbalance, long- hours working, decreased morale etc.

Step 6: Strategize to Retain Your Best Talent

Keep employees satisfied at work through promotions, benefits, motivating tactics, ensuring job satisfaction, and improving company culture.This will helps in alleviating the risk of low reward and recognition.

Step 7: Plan for Successions

Nurture employees for successions, such as for when a senior member of staff retires.Enable employees to perform to their best through continuous learning opportunities, including knowledge management.If an employee decides to leave the company, conduct an exit interview to find out what went wrong

— this will help you prevent the same issue occurring again in the future. It will helps to reduce high employee turnover in the long run.

Tips to Reduce Job Stress through Talent Management Practices

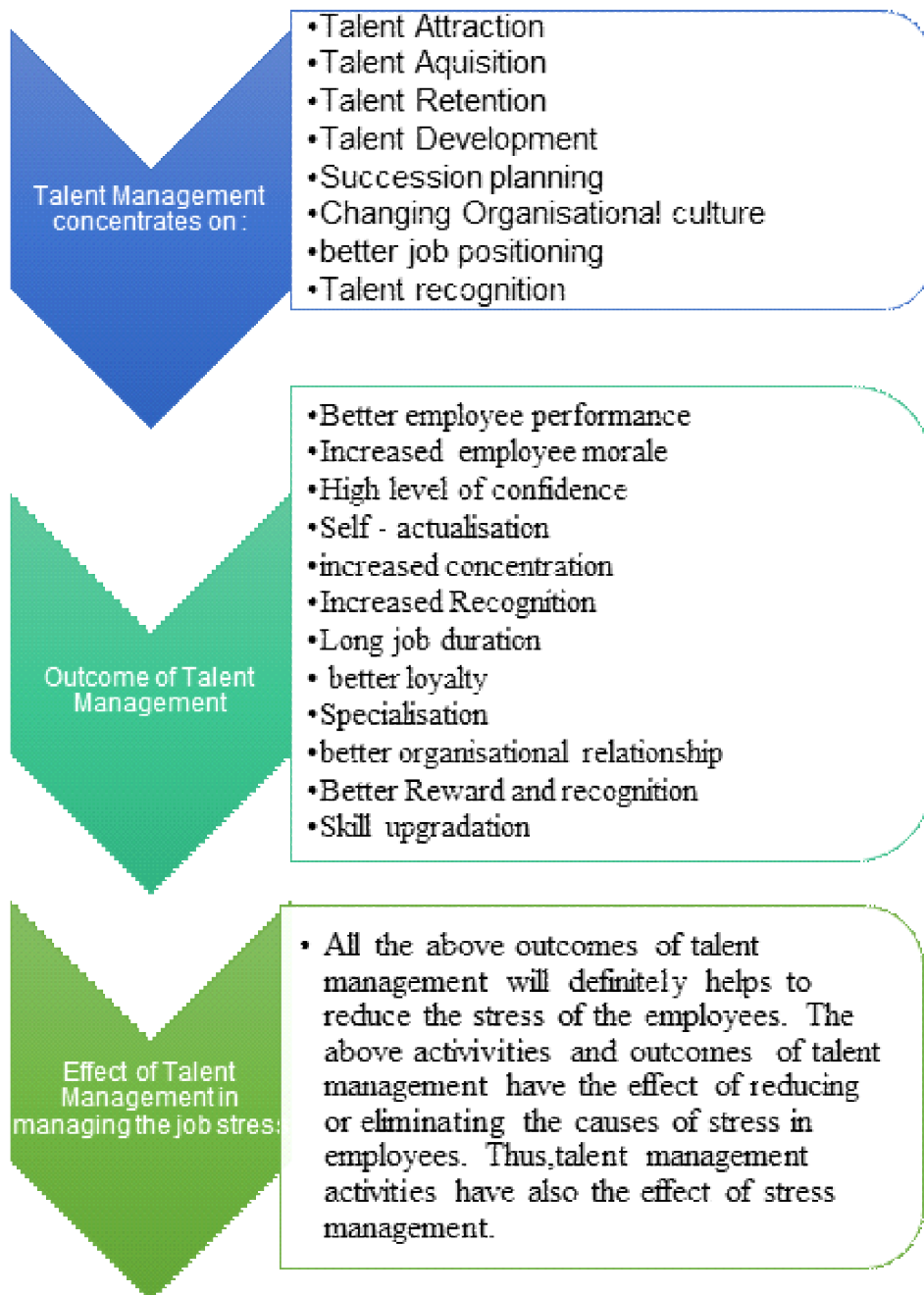
- Give employees a sense of control over their work and opportunities to grow and learn new things. When designing jobs, pay special attention to these aspects of the job:
- Workstations are designed for tasks and injury avoidance
- Tasks are matched with workers' capabilities and resources
- Roles and responsibilities are clearly defined
- Job overall has meaning and a variety of tasks
- Workers can use their skills and learn new skills
- Workers can make decisions affecting their jobs Communication is required between co-workers and in two directions between workers and supervisors
- There are opportunities for social interaction among workers
- Work schedules are compatible with responsibilities outside the job

Key Areas of Talent Management and Stress Management.

The following diagram depicts the important areas which are covered under Talent Management, its outcome and its effect on stress Management of employees.

Figure 2

Key Areas of Talent Management and Stress Management



Source: Secondary data

Conclusion

From the above information, it can be concluded that talent management activities have also the effect of eliminating or reducing the level of job stress in employees. Therefore, it is necessary to adopt better Talent management practices

to gain a better level of employee morale, loyalty and satisfaction. And the outcomes of stress management are almost come under the outcomes of Talent management and if we implement better talent management practices, there may not arise need for a special stress management wing.

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A STUDY ON THE FACTORS AFFECTING THE JOB SATISFACTION OF COLLEGE TEACHERS

***Dr. Smita Kochummen**

Abstract

The aim of this paper is to analyze the factors in the work environment, which affect the job satisfaction of college teachers. An employee spends a major part of his life at the place where he works. He is influenced by his work environment. A good work environment provides him happiness and joy while a bad work environment creates frustration for him. A good work environment motivates him to perform better, while a bad work environment demotivates him. A work environment is constituted by both physical and non-physical or psychological factors. Physical factors consist of tangible things which can be seen or touched. It includes the infrastructural facilities available in the organization. Non physical or psychological factors consist of intangible factors which can only be felt. It includes the interpersonal relations between the human beings. A good work environment leads to increased level of job satisfaction.

Key words:- Job Satisfaction, Work Environment, College Teachers, Physical Factors

Higher Education also referred to as tertiary education or post-secondary education has as its components teaching at undergraduate and post graduate levels, research and social service activities or extension activities. For all types of work, the area of performance is defined. For some type of work, the area

of operation will be wide which may include physical as well as the non-physical presence of people. Operations can now be controlled in a remote mode using e-gadgets, but in certain fields, the area of operation will be closely restricted, where activities will have to be performed in a pre-fixed environment which is explained as the work environment. This will consist

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of many factors which will, directly and indirectly, influence the work environment. An employee working in an environment for work will be influenced by the physical and non-physical factors attached to this work environment. The sum total of the employees' acceptance towards the factors existing in the work environment will make the environment acceptable or non-acceptable. Once the work environment turns positive and acceptable, the job executed in that environment will produce job satisfaction. The work place is the physical location where someone works. It can range from a home office to a large office building or factory. A work environment includes organizational culture, management styles, hierarchies and human resource policies. Employee satisfaction is the degree to which employees feel fully satisfied and content in their jobs. Employee turnover is the rate at which employees leave their employers, whether voluntarily or involuntarily. These three concepts are interlinked; work environment influences job satisfaction which in turn affects employee turnover rates. Work environment comprises of management culture, co-workers, air quality, parking facilities and even the size of one's cabin. In short, positive factors which constitute a good work environment will lead to job satisfaction with the performance.

OBJECTIVES OF THE STUDY

The present study aims to analyze the work environment of college teachers and the factors affecting their job satisfaction.

METHODOLOGY

Data has been collected from 213 College teachers both from Government

and Government aided Arts and Science Colleges under the University of Kerala. Random Sampling Method has been used to collect the data. A structured Interview Schedule has been used to collect the data from the respondents. SPSS has been used to analyze the collected data.

REVIEW OF LITERATURE

Haneman, Schwab, Fossum, Dyer (1990), state that employees' behavior and attitude are affected by the nature of the work they do and the environment in which it is done. May Smith states "No human being can be considered apart from his environment, and no human being is independent of his environment, for good or ill each of us is affected by conditions external to our bodies and then to our minds. The environment in which we earn our living can stimulate or depress, help or thwart us, determining in some way to which we shall interact".

Patnaik and Mishra, (1997) state that since we all spend a major part of our lives in different work settings, we must take care of the psychological environment in which we transact. The quality of this psychological environment probably influences the quality of life in general.

Work environment is mainly the college premises consisting of physical and non-physical factors. The facilities available and other work environments closely related to his profession will consist of numerous factors which can be broadly assigned to three aspects. They are:

1. Teaching-learning, examination and interpersonal.

2. Infrastructural facilities.
3. Service matters, staff welfare measures and job stress.

Satisfaction and dissatisfaction towards the work environment will be reflected as satisfaction or dissatisfaction towards the job itself. A conceptual framework is given in Figure 1.

An effective work environment is crucial to the success of any organization. A positive work environment boosts the performance of employees. The management must take measures to provide a positive work environment.

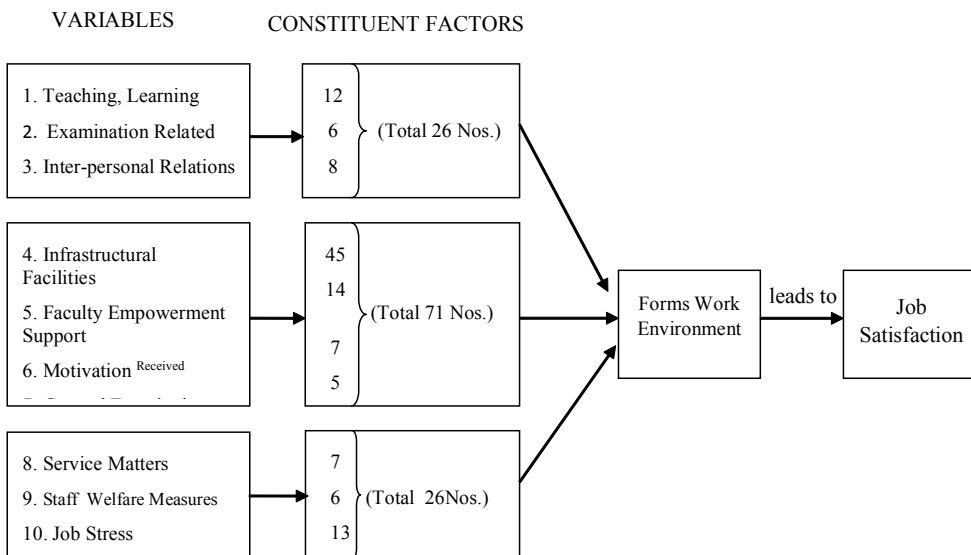
PHYSICAL AND NON PHYSICAL FACTORS OF WORK ENVIRONMENT

Work environment includes both physical and non-physical or psychological environment. The physical environment comprises those tangible factors which

can be seen or touched. Non-physical or psychological factors include those factors which cannot be seen or touched but only are felt. Both physical and non-physical factors are essential for the functioning of an organization. A college teacher's work environment comprises of the classroom environment, departmental environment, campus environment, library and learning environment, organizational environment and interpersonal relations with students, colleagues, Head of the Department, Principal, management, administrative staff and parents. An effective work environment is essential for the success and well-being of the organization. It enhances the performance of both teachers and students. There are 128 physical and non-physical factors which constitute work environment. The physical and non-physical factors of the work environment are described through the ten variables like teaching-learning, examination,

Figure 1

Factors, Work Environment and Job Satisfaction-A Conceptual Framework



interpersonal, faculty empowerment, motivational, general functioning, service matters, staff welfare measures and job stress. These ten variables are consolidated into three variable heads, considering the nature of the activity, viz.

1. Teaching-learning, examination and interpersonal relations.(constituents 26 factors)
2. Infrastructural facilities and motivational aspects.(constituents 76 factors)
3. Service matters, staff welfare measures and job stress.(constituents 26 factors)

1. TEACHING-LEARNING, EXAMINATION AND INTERPERSONAL RELATIONS

(a) TEACHING-LEARNING ACTIVITIES

The main task of a teacher is teaching-learning. A teacher requires adequate books and reference materials which must be made available in the college library and department library. The classroom is the place where actual teaching learning takes place. Teaching is the primary duty of a teacher. Other physical factors which influence teaching are spaciousness of the classroom, lighting and ventilation, adequacy of seating facilities, teaching gadgets, ICT facilities, number of students in a class etc. determine the physical environment. The non-physical or psychological environment comprises of the quality of the students, grasping power of the students, the response and attitude of the students, their punctuality and

regularity to college and the general discipline in the classroom. If the number of students in a class is large, it becomes difficult to manage the class. The communication skills of the teacher, the method of teaching etc. determine how effective teaching-learning takes place. Use of ICT tools in teaching increases the confidence level of teachers and students. It creates an interest among students and causes to change their habits of learning. Physical and non-physical factors constituting a work environment with regard to teaching-learning are given in Table 1.

(b) EXAMINATION RELATED ACTIVITIES

Teachers have to perform different examination related activities including invigilation duty, centralized valuation, and home valuation, examiner ship in other colleges, question paper setting and membership in malpractices squad. The physical factors affecting invigilation duty are the facilities in the classroom. The classroom must be spacious with adequate lighting, ventilation and seating arrangements. The psychological factors include the attitude of a teacher.

(c) INTERPERSONAL RELATIONS

Inter personal relations play a vital role in determining the psychological environment and satisfaction of teachers. Teachers must have good interpersonal relations with the management, Principal, Head of the Department, colleagues, administrative staff, students, parents and alumni.

Table 1

Physical and non-physical factors constituting a work environment with regard to teaching-learning

PHYSICAL FACTORS	NON PHYSICAL FACTORS
1. Adequacy of books and reference 2. The Volume of syllabus 3. Teacher-student ratio 4. The Scope of using ICT	1. Discretion in choosing subjects 2. Adequacy of time to complete portions 3. The Pass percentage of students 4. Response and attitude of students 5. Level of understanding of students 6. Time to conduct test papers 7. Innovative techniques of teaching 8. Time for remedial coaching

2. INFRASTRUCTURAL FACILITIES AND MOTIVATIONAL ASPECTS IN THE COLLEGE

(a) SATISFACTION WITH INFRASTRUCTURAL FACILITIES IN THE COLLEGE

The infrastructural facilities in the college play a vital role in determining the satisfaction of both teachers and students.

(b) CLASSROOM ENVIRONMENT

Classroom environment comprises of physical and psychological factors. The physical factors include adequate tables, chairs, blackboard, white board, chalk and duster, lighting, ventilation etc. With the advancement of technology, ICT enabled teaching is desirable.

(i) DEPARTMENTAL ENVIRONMENT

The physical environment in the department comprises of adequate space,

lighting, ventilation and seating facilities. There must be adequate cupboards, book shelves and reference books. There must be good washroom facilities, drinking water and a peaceful atmosphere. There must be an adequate number of computers, internet connectivity and printing facilities. The psychological factors include the inter relationships between the Principal and Head of the Department (HOD) and between the colleagues.

(ii) LIBRARY AND LEARNING ENVIRONMENT

Every Higher Education institution must have a good library with adequate space and ambience. A good library is the source of knowledge. In the teaching profession, updating of knowledge is a basic requirement. Similarly, internet facilities for both teachers and students, printing and photocopying facilities etc. should be provided at affordable costs. Library automation, book lending system and

(iii) COMMON FACILITIES IN THE COLLEGE

Facilities like availability of adequate pure drinking water, washroom facilities and canteen /cafeteria etc. are more or less essential.

(c) FACULTY EMPOWERMENT SUPPORT FROM THE COLLEGE

It is the present day need that teachers get psychological support and motivation from college authorities. Teachers must be provided with ample opportunities for attending different training programs, orientation, refresher, short term courses, and opportunities for attending seminars, conferences and workshops. Awards must be given to extra ordinary teachers for their academic contributions.

(d) SATISFACTION WITH MOTIVATIONAL ASPECTS IN THE COLLEGE

Motivation is a psychological aspect affecting job satisfaction. It is a psychological factor or an external or internal force which drives us to perform better. Teachers must take regular feedback from students to improve their performance.

(e) SATISFACTION WITH GENERAL FUNCTIONING OF THE COLLEGE

The college timing must be suitable both for teachers and students. Staff club activities, recreational activities, celebrating national days and festivals remove the monotony and boredom of teachers and students.

3. SATISFACTION WITH SERVICE MATTERS, STAFF WELFARE MEASURES AND WORK STRESS

(a) SATISFACTION WITH SERVICE MATTERS

Salary must be disbursed as soon as possible before the 10th of every month. Monetary benefits determine the job satisfaction of teachers to a great extent. The arrear payments must be made available to the teachers. The arrear payments must be made available to the teachers at appropriate times.

(b) STAFF WELFARE MEASURES

Staff welfare measures include General Insurance for the employees, Provident Fund, Pension etc. which are monetary benefits and affect the job satisfaction of teachers to a great extent.

(c) WORK STRESS

Stress is a psychological factor affecting job satisfaction.

JOB SATISFACTION

People dedicate themselves to a work only when they enjoy job satisfaction. Job satisfaction is the favorableness or unfavorableness with which employees view their work. Job satisfaction is a part of life satisfaction. It can only be inferred but not seen. Job satisfaction is simply how people feel about their jobs and the different aspects of their jobs. An employee's experience of satisfaction or dissatisfaction with his job is a consequence of the extent of his positive or negative job attitudes.

CONCLUSION

There are several factors affecting the job satisfaction level of academic staff. Job satisfaction of college teachers is very much affected by the remuneration, professional development, infrastructural facilities, management support, leadership styles of Principal, relations with Head of the Department, colleagues, students, communication skills, workload etc. Apart from the organizational factors,

demographic factors like age, gender, family size, the occupation of spouse, educational qualifications, experience, distance from residence to college, mode of conveyance used, journey time etc. determine the job satisfaction of teachers. The primary sources of satisfaction of teachers are in aspects of working with students, intellectual stimulation, autonomy, holidays and job security. The following factors are generally considered as important.

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DETERMINANTS OF CUSTOMER PURCHASE DECISIONS OF HEALTH COVER PRODUCTS WITH SPECIAL REFERENCE TO PALAKKAD MUNICIPALITY, KERALA

*Pramod A, **Dr. B Gopakumar

Abstract

India's rapid rate of economic growth has its roots in the introduction of the economic liberalisation in the early 1990s. This has allowed country to exploit its economic potential and raise the standard of living of the people. Insurance has a key role to play in this process of economic development. It transfers some sort of risk from one person or a group of persons to a more financially sound entity in exchange for a payment (also known as premium). Hence, this study is descriptive and empirical in nature. Thus, it proves that when there is an increase in gaps between the factors that influence the purchase decision of insurance products and the marketing strategies adopted by various health insurance companies, the number of people who are benefited by health insurance coverage get limited.

Key words:- Health Insurance, Determinants, Purchase Decisions

A healthy and competent workforce is the biggest asset of any nation. Therefore, every progressive country is keen on providing access to healthcare to its citizens. World Health Organisation (WHO) defines health as complete physical, mental and social well-being and not merely the absence of disease and

injury. As per WHO a country's health systems comprise of all the organisations, institutions and resources that are devoted to produce health actions (World Health Report 2000). Providing healthcare also has a cost component. This is met by several groups that include the central government, state government, local bodies, private or voluntary organizations,

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insurance companies and the affected individuals themselves. Though the concept of risk pooling was in practice from Vedic times, and finds mention in the writing of Manu (Manusmriti), Yagnavalkya (dharmasastra) and Arthasastra of Kautilya (siddaiah, 2011), people have not taken the health insurance concept in a big way in India. It is reported that nearly three fourth of health-related expenses are met by personal savings (IRDA, 2010), often landing the poor in long term financial liability. Health insurance is no longer a luxury for Indians, but has become a need. Even with the increasing disposable incomes, ordinary families are finding it difficult to meet the medical expenses due to the increasing cost. Health Insurance in India was introduced in 1986 in the form of Mediclaim by the public sector general insurance companies. Post liberalization, several private insurance companies entered the market with attractive packages and as of 31st March 2012, there are 22 organizations, that include stand-alone health insurance companies, providing health insurance scheme of some form or other to the consumers.

Review of literature

National Council for Applied Economic Research (1992) in its study examined the nature and type of illness suffered by people, the system of medicine used and their perceptions of the efficacy of the systems used. The study was based on an all-India survey which covered both rural and urban areas in all States and Union Territories except Manipur, Nagaland, Sikkim, Tripura, Arunachal Pradesh, Mizoram, Andaman

& Nicobar Islands, Dadra & Nagar Haveli and Lakshadweep. The prevalence rate of treated illness for the country as a whole was found to be 67.70 episodes in urban areas and 79.06 illness episodes in rural areas per 1000 population. In almost all the states the reported prevalence rate of illness for which treatment was sought worked out to be lower for the females than males for both adults and children up to the age of 14 years. Fever was found to be the most common ailment treated, followed by illness due to respiratory and gastrointestinal infections. There was not much difference in the pattern of illness by place of residence (rural and urban). Eighty per cent of the illness episodes in the urban areas and 75 per cent of the cases in rural areas were treated under the allopathic system of medicine. In 55 per cent of illness episodes treatment was sought from private facilities, whereas for 33 to 39 per cent of cases treatment was sought from government facilities. It was found that people residing in rural areas had to travel through longer distances as compared to their urban counterparts. This increased the average cost of treatment of illnesses. In urban areas the average cost of treating each illness episodes were Rs. 142.60 as compared to Rs. 151.81 for rural areas. The average expenditure of treatment was high under the allopathic system followed by the homeopathic system of medicine. The study also revealed that the urban households spent a lot in treating accident cases, whereas in rural areas the average expenditure on treatment of degenerative diseases was as high as Rs. 776.23. The average expenditure on treating

respiratory illness was quite low in both rural and urban areas.

Purohit Brijesh C. and Tasleem A. Siddiqui (1994) analysed the utilization aspect of health services in India from various angles. The degree of utilisation was seen through a comparative picture across three state categories - low, medium and high expenditure groups. It had been found that the planned efforts led to the development and increased utilization of Indian and other non-allopathic systems of medicines. The level of utilisation was found to be higher in states with higher per capita governmental expenditure on healthcare, while the states with lower per capita governmental expenditures depicted lower levels of utilisation. It was observed that majority of out-patients utilised the services of private doctors followed by utilisation of public and private hospitals. The inpatient care, however, was availed more at the public hospitals. The distribution of inpatients across three types of wards, namely, free, general and special, suggested that the free wards of public health institutions, namely, public hospitals and PHCs, had been utilized more in each of the state groups. Unlike this the other types of wards, namely, paying general as well as paying special, were utilized more at the non-governmental institutions. The utilisation levels in OPD as well as inpatient services were found to be higher in rural areas relative to their urban counterparts. The pattern in rural area had an inverse correspondence with the level of government expenditure on health. In the high expenditure group of states, both OPD and inpatient utilization was lower than their counterparts in other

expenditure groups. It therefore emerged that more of the per capita expenditure on health in high expenditure states was going towards expensive care in urban sector. The break-up of health facilities in terms of five items, namely, medicines, X-ray/ECG/EEG, any other diagnostic treatment, surgical treatment and any other treatment depicted wider spread of private sector in OPD care. In the years 1986-87 and 1990, the proportion of households income being spent on health remained almost invariant around 3 per cent. The states where the government expenditure was found to be lower, the households have tended to spend more. Thus, an urgent need for serious governmental initiative was suggested to encourage appropriate utilization by means of devising health insurance and other cost recovery mechanisms.

Panikar P.G. (1998) revealed that Kerala entered the final phase of demographic transition characterized by low death rate and declining birth rate leading to a slowdown in growth rate of population. In 1991, the birth rate in Kerala was estimated as a little over 18 (per 1000 population), as against 30 for all-India and an average of 28 for low income and 24 for middle income countries. The crude death rate of Kerala in 1991 was 6 (per thousand populations), compared to the national average of 11, and an average of 10 for low income and 8 for middle income countries. He observed that the population coverage of healthcare facilities, i.e. the ratio of population to total number of medical care institutions, was far better for Kerala than in all other states. The number of persons per hospital worked out to be

14,264 in Kerala as compared to the all-states average of 61,810.

Indrayan Abhaya (2000) examined the trend in accessibility of medical and health services in rural areas of India. He observed that Indian rural areas made great progress over past 50 years. Health indicators had shown a tremendous improvement. Indian rural areas had a wide network of primary health centres (PHCs). The number of PHCs increased from 620 in the year 1955 to 21693 in the year 1995. The area covered per PHC reduced from 681 square km in the year 1965 to only 144 square km in the year 1995. In the year 1999, it stood at 137 square km. However, some of these PHCs had vacant positions. For example, as per the 1999 report (GOI 1999), more than 4000 positions of PHC doctors were lying vacant. More than 1300 PHCs were without any doctor. More than 5000 were without a laboratory technician. Nearly 24000 positions of health workers were vacant. Not many competent professionals were willing to work in rural areas. Incentives were sometimes provided but those were seldom considered adequate and failed to address the problem. He concluded that despite availability of a PHC not too far away, many families still went to a city for medical care.

Statement of the problem

There is a general opinion that health insurance is beneficial, but not many take a health insurance cover. It is something that can 'wait', and often it doesn't happen. When people meet with an accident or when they are diagnosed with major illnesses, which involves considerable

expense on hospitalisation, people regret their postponed decision. Customer awareness on health insurance is increasing due to marketing communication from companies, social changes, influence of activities by Non-Governmental Organizations (NGOs) and word-of-mouth communication. Recent efforts by government to provide health insurance to lower sections of the society through schemes like Rashtriya Swasthya Bhima Yojana (National Health Insurance Scheme), micro insurance schemes etc. are likely to influence the consumers from various sections of society in creating a favourable disposition towards health insurance. The ministry of health has come out with statistics that lifestyle diseases like Diabetes, high Blood Pressure, Cholesterol related problems, Cancer and Heart Diseases are on the rise. The prevalence of risk factors is high even in rural Kerala: Diabetes 20%, high Blood pressure 42%, high Cholesterol (>200mg/dl) 72%, smoking (42% in men), obesity (body mass index >25) 40%, physical inactivity 41% and unhealthy alcohol consumption 13%. The age-adjusted Coronary Artery Disease (CAD) mortality rates per 1,00,000 are 382 for men and 128 for women in Kerala. These CAD rates in Kerala are higher than those of industrialised countries. On the other side, more and more health insurance providers – standalone or multi-business – are entering the health insurance sector. Innovative products and attractive packages are being offered. Marketing communication in the health insurance context is developing and being widely used by companies. Internet based communication has been tapped by

several organisations for this purpose. It is important to understand how these market realities are influencing health insurance purchase behaviour. According to health insurance company executives, there is a reluctance among the population, especially the younger age group to opt for health insurance due to many reasons. Studies conducted by governmental agencies have shown that in spite of the higher level of education, health consciousness, rising occurrence of lifestyle diseases and increased cost of healthcare, the state of Kerala is yet to accept in full health insurance as a means of better healthcare. Several groups in society like the government, agencies involved in healthcare and marketing organisations involved in health insurance business are interested in understanding the underlying factors that lead a customer towards purchase of health insurance products, this presents an important topic for research. There may be several factors that influence an individual to have an insurance cover or not have it. Healthcare costs are on the rise, public awareness on health issues is increasing, chronic diseases that necessitate long term treatment are becoming common and many health insurance companies are making a variety of offers; yet large sections of people are unwilling to purchase a health insurance policy. In a country of 1.2billion with an insurable population assessed at 250 million, only 15% of the population has any form of health insurance coverage (Nagpal, 2008). In this context, it becomes important to understand the factors influencing the purchase of health insurance policies in the state of Kerala.

Objectives of the Study

1. To understand the factors influencing the purchase decision of health insurance policies.
2. To trace the pattern of health insurance subscription among people of Palakkad municipality.
3. To identify factors that distinguish a health insurance subscriber from a non-subscriber.

Significance of the Study

The state of Kerala, well known for educational and social advancement, equaling the levels of developed countries, is facing the problem of increased lifestyle diseases. Further, people have started considering medical check-up and preventive healthcare as means to have better health management. Therefore, health insurance is expected to have a huge potential to grow. In spite of this, the managers of health insurance companies are of the opinion that the response to health insurance schemes by consumers of the state is not very encouraging. They are keen to learn the reasons for the purchase behaviour of consumers: why people buy health insurance, why they do not buy, and what influences decisions like amount of cover, brand selection, re-purchase etc. Therefore, this study aims at understanding the determinants of consumer purchase decision of health insurance in the state of Kerala. It is observed that the findings of the study are relevant to the marketing organisations in order to understand the consumer expectations better and to the government agencies to enhance their efforts to provide better healthcare to different social sectors.

Scope of the Study

The scope of the study is to identify the determinants of customer purchase decisions of Health insurance products. The study gathers information about the factors influencing the purchase/non-purchase decision of health insurance policies. The study covers the determinants that influence the purchase decision towards health insurance policies among the people of Palakkad municipality, Kerala.

Research Methodology

The present study analyses the determinants that influence customer purchase decision of health insurance products. The study is descriptive and empirical in nature. For this study both primary data as well as secondary data are taken in to consideration. The study is mainly based on primary data, on a sample survey conducted among the people of Palakkad municipality in Kerala. A random sample of 50 is selected for the study. Primary Data is collected through random as well as purposive sampling techniques. Data is collected using a well-structured questionnaire. This is supplemented by secondary data from various sources namely Government Reports, Research Reports, Books and Websites. Statistical tools such as percentage analysis and ranking method are used for data presentation and analysis.

Health Insurance in India

During the past several years in India, health spending averaged 11% of non-food expenditures and almost 5% of the total annual expenditures of households. Almost 40% were reported to have taken

loans to meet such expenditures and nearly 10% sold assets resulting in intergenerational poverty (MoH, 2006). According to the Planning Commission report on Vision 2020, Health insurance can play an invaluable role in improving the overall health care system (Planning Commission, 2002). The setting up of Insurance Regulatory Commission of India (IRDA) is expected to contribute:

1. To maintain a stable and viable market
2. To protect and safeguard consumers' interest
3. To improve the fairness of private insurance
4. Controlling the charges of premium with reference to benefits offered by the policy.

The health insurance market traditionally was characterized by three main players which are closely associated with each other. They are:

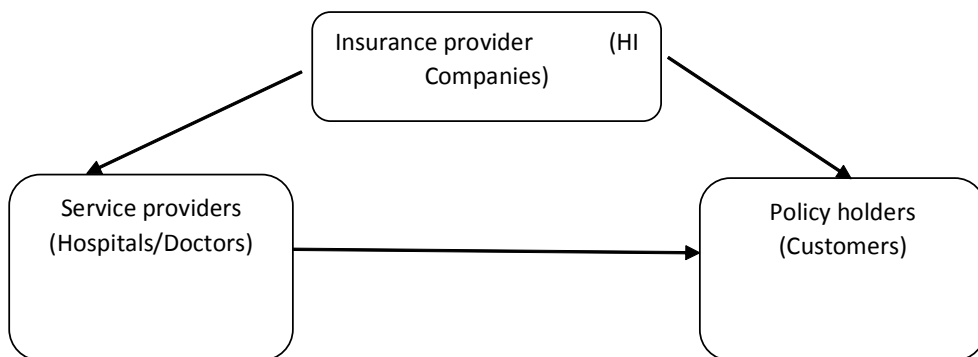
1. The insured person and policyholder / patient
2. The insurance company
3. The medical service provider (doctor, dentist, hospital etc.)

Third Party Administrators

As a recent development, another organization, the Third-Party Administrators, have come to occupy an intermediary role of facilitating health insurance process. This has immensely contributed to the improvement of claim processing in health insurance.

Under insured country, where any insurance is seen as unwanted by a large

Figure 1
The Triad of Healthcare Market



section of people. The aging of the Indian population calls for the expansion of insurance mechanisms to finance new social risks, such as that of needing Long-Term Care (LTC) to old age. A number of health insurance companies are entering the market place with promises of innovative products. This has resulted in growth of health insurance in India.

Health and Health Insurance Scenario in Kerala

The state of Kerala with a population of about 33.4 million and a literacy rate of above 90% is a fertile ground for health insurance marketing. Kerala has a highly literate and health-conscious population playing an active role in politics and public affairs and adopting hygienic practices (Shah and Rani, 2003). Many factors in the social milieu of Kerala were conducive to the high growth of demand for health care. The high level of education, especially female education, ensured that people were easily sensitized to the newer developments in treatment. The settlement pattern in Kerala, with comparatively easy accessibility to the

towns and other centers where medical institutions were situated, was another contributory factor. The rapid proliferation of health facilities in the government sector during the 1960s and 1970s ensured a growing awareness of modern methods of medical care, which people then became used to (Ramankutty, 2000). The contribution from private organisations like the church run hospitals also had a considerable impact in growth of health awareness and health facilities in the state. Healthcare Scenario in Kerala is going through a phase of transition and evolution. Private expenditure on healthcare is increasing. Quality of health services offered by private institutions is perceived to be better and there is a shift from government's free medical services to chargeable services offered by private hospitals. The proportion of persons seeking care from private rather than government hospitals increased from 55% in 1986-87 to 65% by 2004 (Dilip, 2010). However, in this sector, there is observed to be more focus on infrastructure without laying emphasis on processes and monitoring the outcomes. And there is

need for quality in service delivery. As this becomes a priority area, use of sophisticated diagnostic equipment and tests will further increase the medical services cost. Based on a study on outpatient care utilization in urban Kerala, Levesque et al (2007) conclude that even in a context of high public availability, relying on the development of the private sector to respond to increasing health care needs could create inequalities in access. Escalation of costs of private services and reduced public investments could generate some inequalities in access for the poor. In India, there are two sections of the society from health insurance view point. There is a large part of the population that is at the lower end where government schemes and micro health insurance are ideal. There is also another equally important middle/upper segment where private health insurance companies will find a potential market. The second most populous country in the world offers a large number of insurable persons if proper schemes at reasonable price are available. Kerala with its advancement in literacy and health facilities is yet to adopt health insurance as a major means of healthcare financing. Hence an overview of the market environment is very relevant.

Results and Discussion

A profile of these respondents based on key socio-economic parameters is relevant to understand the behaviour pattern of consumers' as regards to purchase of health insurance policy as well as to analyse the responses to various questions used for ascertaining thought process and attitudes towards health insurance concept and organisations.

The major factors that prompt a customer to purchase a health insurance policy and the factors that prevent purchase – these are important considerations for the health insurance marketer. The study also tried to identify the factors that a potential customer considers while deciding the service provider. Further, the marketing organizations are interested in knowing consumer preferences towards different service providers in the country and how they are rated. 76% of the respondents belong to the age group 30 – 40 years and out of this 76% only 24% has taken a health insurance policy. Majority of the respondents think about getting a health insurance cover after the age of 45.

The majority of the respondents (37.5%) strongly agree that the presence of these factors is considered while choosing the health insurance policy. 25% of the respondents have not carefully given a thought to these factors and 12.5% of the respondents are not aware of these factors.

The majority of the respondents (64.7%) strongly agree that these are the major reasons for not having a health insurance policy. 23.5% are aware of health insurance but they are ready to meet the hospitalisation expense without health insurance claim amount. 11.7% are prospective customers.

The most important source of information about health insurance is newspaper advertisement and health/health insurance related news. Friends and relatives, television advertisements and insurance agents are found to be other major sources. The majority of the

Table 1

Factors considered most while choosing health insurance policy

	Factors	Rank
a	Name and the Reputation of the Insurance Company.	4
b	Availability of maximum consumable income.	9
c	Use of extensive promotional activities.	15
d	Prompt claim processing with least of formalities.	14
e	Minimum co-payment involved.	8
f	Minimum deductible applicable.	13
g	Nominal premium charged.	5
h	Wide policy options.	10
i	Reliability of services offered.	6
j	Comprehensive coverage.	7
k	Cash less facility.	2
l	Easy accessibility of linked hospitals.	1
m	Easy availability of services in hospitals.	3
n	Flexibility of policy offered.	11
o	Availability of tax benefits.	12

respondents (68%) do not have a health insurance policy because they have already taken an insurance policy such as LIC Policy and other private life insurance policies. 32% of the customers have health insurance. The majority of respondents (62.5%) prefer a health insurance policy from a public company as compared to a private health insurance policy. The most of the customers are not willing to pay for additional services offered by health insurance companies. Promotional efforts are not taken by the insurance company to protect the customers. Most of the customers are

aware of health insurance, but they are not ready to purchase a health insurance policy. The main reasons for customers to opt for health insurance are protection from rising cost of healthcare, to provide better healthcare to family and to meet unexpected major medical expenses. Therefore, the cost of medical care is a major driving force.

Suggestions

1. This study gives an idea about the potential and the need to promote health insurance, and the areas in which the marketers need to focus on to develop the market.

Table 2
Reasons for not taking health insurance policy

	<i>Reasons</i>	<i>Rank</i>
a	Low salary/non availability of funds.	2
b	Don't like to buy.	5
c	Don't feel the need for it now	1
d	Prefer to invest money in some other areas.	10
e	Lack of proper awareness	3
f	No one suggested about it.	6
g	Not taken by friends, relatives etc.,	4
h	Saving in some other areas to meet healthcare needs.	14
i	Lack of reliability and flexibility.	7
j	Difficulty to approach insurance agents.	11
k	Inadequacy of knowledge on the part of the insurance agents.	12
l	Linked hospitals are not easily accessible.	8
m	Difficulty in availing services in hospitals.	13
n	Narrow policy options.	15
o	More co-payment involved.	9

2. Major factors that influence customers favourably and unfavourably/negatively while taking the purchase decision of health insurance policies should be considered by the insurers while designing various types of policies. Its successful marketing is helpful to the marketers and agencies involved in the health insurance business.
3. Personal, marketing and social factors that influence customer purchase decision should be considered while presenting health insurance policies to the prospective customers by the agents.

4. Attractive financial incentives/benefits should be offered to existing policy holders and prospective customers of various schemes.

Conclusion

Huge medical expenses provide an opportunity for the marketing organizations to attract customers with suitable schemes. Awareness of health insurance, a pre-requisite for market growth, can be attained by the Marketers through proper promotional programmes and awareness campaigns. Further, the less educated group has lower levels of awareness about health insurance. Newspaper advertisements, news items

etc. are the most widely reported sources of information, followed by TV ads and insurance agents. Insurance agents, being a reliable source, can be used to create company specific preferences for promoting its products. In order to attract the young customers, who do not respond positively to health insurance as they do not anticipate health problems and have not felt the need for health insurance cover, companies need to design suitable schemes. Social factors can create awareness about health insurance in the minds of the customers, the tilt towards purchase can be done by marketing initiatives like making good schemes, offering benefits and making good promotional efforts. Further, agents can

influence the conversion of a potential customer to a policy holder through active marketing. These show the great role marketing activities can play in developing the health insurance sector in Kerala. The most important factor influencing consumers while selecting service provider is trustworthiness of the company. In this area, it is found that public sector companies fare better than private sector companies. Brand image is an important factor and perceived service quality, most often built through word-of-mouth communication plays a vital role in creating positive market image, as opinions and suggestions from friends and relatives is an important factor that determines the purchase decision.

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A STUDY ON MGNREGA SCHEME WITH SPECIAL REFERENCE TO FEMALE WORKERS IN THIRUVANANTHAPURAM DISTRICT

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Abstract

Gender is the inevitable push factor for growth and development of a nation like India. Though women have been contributing to economic productivity since the dawn of human history, their role has been visualized as a passive one. Moreover it is observed that women are often experienced the situation of extreme poverty which are further aggravated by household and social discrimination. In spite of the given provisions in our constitution the harsh reality of deprivation and degradation continues. The changes have taken place in a significant portion of urban women, but their counter parts living in rural areas are only marginally affected by these change. Women empowerment especially economic empowerment is the only way by which it can be made possible to give equal status to women in a male dominated society. The Eleventh Five Year Plan marks a significant departure from the conventional way of looking at women in plan document. It tries to mark the centrality of women in all sectors. It explicitly recognizes that women are not just equal citizens but agents of economic and social growth. A major initiative taken by the Government of India in the Eleventh Five Year Plan to raise the level of socio-economic status of the rural people under the Ministry of Rural Development is the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). The implementation of MGNREGA has been positively affecting the rural life as well as empowering the women of India in various aspects.

Key words:- MGNREGA, Women Empowerment, female workers

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) of 2005, which emerged in response to this growing dilemma, provides 100 days of work to any rural household that demands it. MGNREGA by providing work on demand creates employment

opportunities during periods when other work is not available. And through bank payments it also generates financial inclusion for non-banked households. It offers equal wages to men and women. Women's employment in MGNREGA is high, and for nearly half the women participants the programme provides the first opportunity to earn cash income. The

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Mahatma Gandhi National Rural Employment Guarantee Act (2005) aims to enhance livelihood security for all adults willing to perform unskilled manual labour in rural areas. Any household is entitled to 100 days of employment in a financial year at a minimum daily wage rate. Work can be split among house hold members, but workers must be at least 18 years old. The act envisages not only an immediate livelihood (through employing unskilled labour) but also long term livelihood opportunities by creating sustainable assets in rural areas. This contributes to enhancing national resources (through water conservation, drought proofing, renovating water bodies, rural connectivity and so forth) and furthering sustainable development. For nearly 45 per cent of the women workers in MGNREGA, this may be their first cash earning activity. A vast quantity of Indian and international literature has identified access to paid work as a key determinant of a rise in women's bargaining power within the household.

Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) was launched in Kerala on a pilot basis in two districts, Palakkad and Wayanad in 2006. It was scaled up to cover all 14 districts of Kerala by 2008. The Kudumbasree community network plays a vital role in implementation of MGNREGA. In Kerala, MGNREGA has transitioned from a poverty alleviation measure into a platform for the enhancement of the economic, social and governance capabilities of women in Kerala, women account for 90 per cent of the labour groups under MGNREGA-the highest for any state in the country.

Statement of the Problem

In Kerala MGNREGA has transitioned from a poverty alleviation measure in to a platform for the enhancement of the economic, social and governance capabilities of women in Kerala. Most of the research carried on MGNREGA is confined to economic aspect only. It is not comprehensive. Very few researchers emphasized on the impact on MGNREGA on socio economic empowerment of women beneficiaries and implementation issues of MGNREGA. The present study will discuss both socio economic empowerment and impact of MGNREGA.

Need and Significance of the Study

The Govt. of India has repeatedly redesigned various employment generation program to meet the problems of poverty and unemployment from time to time .MGNREGA is the first programme in India that has promised to provide the legal right to work. Though the main aim of the act is to generate employment in rural areas, but apart from this these are several secondary benefits lies in the act in the form of women empowerment. As such the society in the rural areas of Thiruvananthapuram district is highly male dominated. The women cannot take decision on their own without consulting their husbands or fathers neither do they have control over household productive activities such as farming. But these women usually contribute to farming activities such as harvesting and storage of farm products which are controlled by male members of the house .Therefore it is necessary to know their

opinion regarding the programme to get a clear picture about the success of MGNREGA. Though many studies have been conducted on women empowerment through MGNREGA, but Thiruvananthapuram district remains under researched in this aspect. Hence the present study aims to fill the gap.

Scope of the Study

To be empowered, women should come forward and realize that they are not second grade citizens of the society and at the same time also equally capable with men in all aspects of livelihood. Their empowerment has a great potential in leading our country to a spectacular development. The achievement of inclusive growth and overall development is highly dependent on the gender equality and prosperity of women in rural society. The study is confined to the female workers of MGNREGA, to investigate the benefits from MGNREGA for rural women. The study has taken in to account first ward of Thiruvananthapuram district.

Objectives of the Study

The important objectives are:

1. To study the objectives of the scheme.
2. To investigate the benefits from MGNREGA for rural women.
3. To examine the impact of MGNREGA on Socio-Economic empowerment of women beneficiaries.
4. To find out the problems in implementation of MGNREGA.

5. To suggest measures for more effective implementation of MGNREGA based on the findings of the study.

Research Methodology

There are 10 panchayats in Thiruvananthapuram district. The total sample size is fifty and samples from each area in Panchayath have been selected randomly from first ward. The targeted groups for the study were the women beneficiaries of MGNREGA. Sample design the study is based on both primary and secondary data. Primary data Primary data were collected through questionnaires. Fifty respondents were interviewed. The secondary data were obtained from text books, magazines, journals, website (official site of MGNREGA) news papers etc.. The collected data were tabulated and analyzed with the help of various statistical tools such as tables, charts, percentage etc. and ANOVA test was used for testing the hypothesis.

Review of Literature

There is large number of work relating impact of MGNREGA on empowerment of women. In this study I have reviewed only few important ones to understand the concept and to link them. These are;

Babita Pandey & Tanveer Ahmedwani, (2014) focused their study on the women participation in MGNREGA in KASHMIR. The study shows that role of women in MGNREGA is a distant dream of achieving for it was meant and finds that

Kashmir has the lowest percentage of women participation.

Saharia, (2014) reviews the economic empowerment of women due to MGNREGA from following angles. Employment opportunities, women as wage earner wage parity, control rights of women in earning from MGNREGA, financial inclusion, bargaining power. The author concludes that some “Gender-Neutral Measures” such as implementation of better worksite facilities, proper payment of wages, planning of works in phases, speedy grievances redressal etc. will encourage women to demand more work under MGNREGA.

K Borah & R Bardoli, (2014) in their research paper, MGNREGA on women and its wages on Daily Waged Workers: A case study of Sonipour District of Assam has discussed about the impact of MGNREGA on women empowerment and identified the obstacles in the path of the implementation of the scheme. The paper revealed that female workers have significant benefits from MGNREGA and also identified some limitations in the implementations of the Act.

Xavier & Mari, (2014) in their study try to evaluate the impact of MGNREGA on socioeconomic empowerment of women in Kalakkanmoi panchayat of Sivaganga expenditure of the households compared over the pre MGNREGA period and the scheme significantly enhances the social and economic decision making power to women in the men dominated rural society. Hence the scheme ensures improved standard of living of the

vulnerable poor, more especially among women.

Lavanya & Mahima, (2013) determined the scope of women empowerment through MGNREGA in PALAKKAD. The results of the study showed that MGNREGA had made the women beneficiaries economically independent and it was also concluded that the programme had laid a foundation for self-esteem and independence for women beneficiaries.

Shah, (2013) found that a study in the state of Meghalaya found that women were able to engage with social institutions such as bank/post offices/local bodies that improved their confidence by guaranteeing economic interdependence, leading to some kind of decision making in the households affairs.

Roy & Samanta, (2010) conducted a study in two districts Burdwan and Dakshin Dinajpur of West Bengal and found significant positive changes like self-confidence and self-reliance in the women respondents after commencement of the act.

Ghosh & Dheeraja Rao, (2010) revealed that the mandatory provision of wage payment through bank and post office has guaranteed that a large number of women were accessed to economic institution from which they had been largely devoid off.

Ashok Pankaj & Rukmani Thakha, (2010) in their article “Empowerment Effects of the NREGS on women workers: A study in 4 states examines the empowerment effects of the NREGA on rural women in Bihar, Jharkhand,

Rajasthan and Himachal Pradesh. In this paper they analyzed that women have gained more opportunity because of cash payment in hand through the scheme as a result they have benefited through income consumption effects, intra household effects, and the enhancement of choice and capability than before.

Dheeraja & Rao, (2010) in their study found that the act has contributed to the empowerment of women, representing better decision making power within households. They interviewed 600 women respondents in Andhra Pradesh and Rajasthan and reported that in Andhra Pradesh; They suggest that the act has contributed to the improvement of the different dimensions of women empowerment including social, political, and economic.

Hazarika, (2009) examined the impact of MGNREGA on gender empowerment in Morigaon and Bongaigaon district of Assam. This study showed that almost 70 to 80 per cent of sample workers had meaningful income other than unpaid family work during the pre NREGA .Majority of the worker felt that they are now in better position to fulfill their own requirement without looking at others.

Khera & Nayak, (2009) through their sample survey in six Hindi speaking states of North India focuses on impact of NREGA in the lives of women workers. This study reveals that there is significant benefits reported by women include increased food security and better ability to avoid hazardous work.

MGNREGA and Empowerment of Women

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a landmark legislation passed by the parliament of India after a struggle for employment guarantee legislation. MGNREGA as a flagship programme of Government of India was notified on September 7, 2005 in 200 rural districts in its first phase of implementation which took an effect from February 2, 2006. In 2007-08, it was extended to an additional 130 rural districts. The remaining districts were notified under MGNREGA has covered the entire country with the exception of districts that have a hundred percent urban population.

The main objective of the Act is to enhance livelihood security of the rural household by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. It was essentially a programme to provide basic income and employment opportunities to poor households in rural areas where opportunities of work did not exist or was very limited. The programme is different from earlier wage employment programmes in terms its right based and demand driven approach to public work, this Act is the largest ever public programme that goes beyond poverty alleviation and recognizes employment as a legal right. There is much that the MGNREGA promises from the perspective of women empowerment as well, Although, the programme was never

conceived as an exclusive programme for empowerment of women, certain provision in the Act, the scale and flexibility of operation of the programme

and the prevailing societal and economic realities of the country made it to emerge as a programme with overtones for empowerment of poor rural women.

To Examine the Impact of MGNREGA on Socio- Economic Empowerment of Women Beneficiaries

Table 1

Personal Profile and opinion of Respondents

Job wise		Repay Debt	
Factors	Respondents	Factors	Respondents
Very much	31 (62)	Very much	19 (38)
To some extend	16 (32)	To some extend	21 (42)
Moderate	1(2)	Moderate	5 (10)
Fairly little	2(4)	Fairly little	4 (8)
Very little	0 (0)	Very little	1 (2)
Total	50(100)	Total	50(100)
Decision making role		Income	
Regular	48 (96)	Wages	20 (40)
Occasionally	2 (4)	Husband`s wage	0 (0)
No Involvement	0 (0)	Both	30 (60)
Total	50(100)	Total	50(100)
Usage of Wages		Experience	
Family expense	14 (28)	1-3 Years	11 (22)
Health care	9 (18)	4-6 Years	30 (60)
Children education	2 (4)	7 years	9 (18)
All	25 (50)	Total	50(100)
Total	50(100)		

Source: Primary data

Based in the objectives of the study, the following hypothesis were formulated and tested (Table 2).

H0 1: There is no significant influence in the impact of MGNREGA on socio-economic empowerment of women beneficiaries based on age.

H1 1: There is significant influence in the impact of MGNREGA on socio-economic empowerment of women beneficiaries based on age.

Since the p-values of all variables is greater than .05,so the null hypothesis is accepted.ie there is no significant influence in the impact of MGNREGA on socio economic empowerment of women beneficiaries based on age. But the variable ‘Women Empowerment’ age has a significant influence(**Table 3**).

H0 2: There is no significant influence in the impact of MGNREGA on socio-economic empowerment of women beneficiaries based on marital status.

H1 2: There is significant influence in the impact of MGNREGA on socio-economic empowerment of women beneficiaries based on marital status.

Table 2

ANOVA		Sum of Squares	df	Mean Square	F	Sig.
Women empowerment	Between Groups	9.887	3	3.296	3.713	0.024
	Within Groups	23.08	26	0.888		
Total		32.967	29			
Savings level	Between Groups	1.867	3	0.622	0.506	0.682
	Within Groups	32	26	1.231		
Total		33.867	29			
Family well being	Between Groups	7.297	3	2.432	2.016	0.136
	Within Groups	31.37	26	1.207		
Total		38.667	29			
Standard of Living	Between Groups	0.996	3	0.332	0.283	0.837
	Within Groups	30.471	26	1.172		
Total		31.467	29			

Source: Primary data

Table 3

ANOVA		Sum of Squares	df	Mean Square	F	Sig.
Women empowerment	Between Groups	8.987	4	2.247	2.483	0.683
	Within Groups	24.45	27	0.905		
Total		33.437	30			
Savings level	Between Groups	1.925	4	0.481	0.406	0.587
	Within Groups	32	27	1.185		
Total		33.925	30			
Family well being	Between Groups	6.492	4	1.623	1.454	0.453
	Within Groups	30.12	27	1.116		
Total		36.612	30			
Standard of living	Between Groups	0.873	4	0.218	0.201	0.419
	Within Groups	29.354	27	1.087		
Total		30.227	30			

Source: Primary data

Since the p-values of all variables are more than significance level (0.05). So the null hypothesis is accepted and there is no significant influence in the impact of MGNREGA on socio economic empowerment of women beneficiaries based on marital status.

Findings

1. Majority of respondents belongs to the age group of 41-50 categories and the qualification is below SSLC. Most of the women are married and some are widow, who are the sole earner of their family.
2. Majority of the respondents belong to income group of 10000-20000 and they have own job card majority MGNREGA workers are tribes and they have got 200 working days per year and they have working experience between 1-6 years.
3. Majority of MGNREGA workers family income is the contribution of both husbands and wife wage. The scheme helpful to women for contributes for their family.
4. Delay in payment is also responsible for poor participation of women particularly in case of single women if they are the main earners in the family. The study reveals that most of the women are use their NREGA wage for repay their debts; meet family expense (health care, children education, family expense etc.) So savings from the scheme is less for women participants.
5. Majority respondents felt discontents in works given to them. There are no difference in work and wages under MGNREGA between men and women as per the respondents. Under MGNREGA women are allowed to work along with the male irrespective of the work. Women do hard work along with the men. Many of the women said that they were suffered with body pain and headaches after the daylong work. Some of the workers claim that works under MGNREGA should be relaxed for women and should give less hard work especially for manual work.
6. Majority of respondents are not satisfied with their wage payment. The awareness level of the respondents regarding the minimum wage, demand for work, unemployment allowance, extra wages beyond 5 kms work, awareness of the worksite facilities were found very low.
7. The study reveals that non-availability of child care and raring facilities at the work site even though the Act includes this provision.
8. MGNREGA fund have been allocated for the provision of safe drinking water, resting place, changing place, changing room, first aid, recreational facilities for children, etc. From the survey it is found that except drinking water facility all other facilities were generally absent.
9. It was experienced that majority respondents are try to attend social audit which is conducting in once in every year. With the coming of MGNREGA women have come forward to participate in the meeting and are given a chance to express their opinion for the welfare of the villagers under the MGNREGA scheme.
10. Majority of the respondents have benefitted from the scheme and

have total control of their own earnings.

11. Age does not influence on all variables other than women empowerment in the impact of MGNREGA on socio-economic empowerment of women beneficiaries.
12. Marital status does not influence in the impact of MGNREGA on socio economic empowerment of women beneficiaries.

Suggestions

Some suggestions are recommended here on the basis of field observations and interaction with village people.

1. Present target of 100 days employment per household should be increased. A proper monitoring mechanism should be developed that can assured correct procedure in job card.
2. Awareness must be created among the rural people. Lack of awareness regarding the scheme has reduced its success rate. To create awareness among the women regarding MGNREGA, apart from brochures, newspaper, television, radio etc., proper campaigning through street drama, loudspeaker, writing on the wall about MGNREGA can be effective measures to increase awareness.
3. Majority of workers are below SSLC qualification. To increase awareness women need to be educated. More initiation and awareness should be given to the rural poor women about MGNREGA, that they should know

the benefits of the scheme which will increase the women participation rate.

4. Know social audit are conducted in once in a year, all women are not participate in social audit. Transparency and Accountability ensure efficient utilization of resources under the scheme. Therefore provision of regular social audit must be carried out by Gram Sabha which enable in bringing transparency and accountability.
5. The study reveals that market wage rate is much higher than MGNREGA wage. It discourages the women to work under the scheme. Therefore in order to maintain consistency with the minimum market wage rate, MGNREGA wage rates should be revised at regular intervals.
6. The Govt., must take stringent and immediate steps to curb corruption in the implementation of MGNREGA and be vigilant so that without delay wages reach to the women workers for whom it is meant for. The facilities provided in the scheme like shed for children, periods of rest and a first aid box, etc., should be implemented and maintained properly.
7. Delays in job card issue, project approval, payment transfer etc. should promptly be attended and resolved. More literacy driven programme should be arranged by the Govt., for the rural women, which will help them to involve

themselves in such kind of scheme for their empowerment.

8. There should be need proper planning of local Govt., and panchayat to run the programme effectively. A strong relation must be built up between panchayat and rural people for better results.
9. Introduce new technology in agricultural activity to create permanent job to rural people throughout the year. Small agro industry, forest resources based industry must be proposed in suitable area for the creation of permanent job in the rural area.

Conclusion

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is the largest poverty alleviation and well thought legislation in Indian history of social security programme since independence. By providing guaranteed wage employment to its registered workers, the Act has brought about the silent revolution in rural areas of the country. MGNREGA has come as a ray of hope for the rural households as the main focus of the scheme is to enhance livelihood security in the form of generation of guaranteed wage employment by creating village infrastructure. The Act also empowers ordinary rural women to play an active role in the implementation of

employment guarantee schemes through gram sabhas, social audits, participatory planning and other means. This Act ensures all women should have a voice in decision making, either directly or through legitimate intermediary institutions that represent their interest.

Though the official statistics reflects that MGNREGA has been quite successful and well implemented scheme that has been operating in rural area but in reality there have been significant problems of rural women. Though it has a positive impact on the participation and earnings of the women beneficiaries, but it is still less than average successes in Thiruvananthapuram district. From the study it can be concluded that the performance of MGNREGA is not full satisfactory. The scheme could not ensure the 100 days job guarantee to the majority of the women job card holders in Thiruvananthapuram district includes tribes, they could not ensure the 200 days of job guarantee. The Act appears to be quite meaningful and powerful for rural development in general women empowerment in particular for the entire nation. The problem lies not in the Act, but in its defective implementation and lack of proper monitoring, involvement of political, delayed in wage payment, lack of transparency, etc., need to be strictly controlled. The prospects of the MGNREGA for rural development and women empowerment are quite bright provided it is properly executed.

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