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Chief Editor's Voice

REVAMPING THE PUBLIC SECTOR BANKS

Over the last few years, asset quality of banks in India has come under tremendous pressure. The pressure started persisting year after year and has become a permanent phenomenon in public sector banks. Experts are of the studied opinion that tough economic conditions and higher interest rates have put pressure on, resulting in the slippage of the quality of assets of Indian banks. Moreover, lapse in risk management processes is also responsible for the poor asset quality of banks.

The capital starved and corruption prone public sector banking system needs deep revamping and revitalization. The focus of the present government is on a big bang reforms. The heavy weight of non-performing assets in state-run banks has become a burden on the government budgeting. It affected the government initiatives in improving the investment climate internally and accelerating the economic growth. Considering the gravity of the situation, the new finance minister Arun Jaitley in the budget speech proposed seven new measures to revamp the Public Sector Banks. This revamp is said to be the most comprehensive one since the nationalization of banks in 1969. These seven steps included Appointments, Board of Bank Bureau, Capitalisation, De-Stressing, Empowerment, Framework of Accountability and Governance Reforms.

Named imaginatively as 'Indradhanush', the new government's 7-point agenda has become an ambitious initiative of the Department of Financial

Services under the Ministry of Finance (MoF). This seven point programme is aimed at in reviving the asset quality of public sector banks. This big bang central government programme has become one year old initiative to revamp state-run banks.

The first point in the agenda was appointment. In this the executives from the private sector were to be hired to run state-owned banks. Steps have taken by the government to make appointment on this line. The second point in the agenda was to constitute a Bank Board Bureau as a panel of eminent professionals to advise banks and act as a link with the government. Under the third point of capitalization the government were to inject a total of Rs. 25000 crore of capital into debt laden state banks immediately. The fourth point in the agenda was de-stressing. Rising bad loans have taken a toll on profitability of lenders keeping a drop in net profit of the banks. Under this the government was to concentrate on de-stressing the bank's bad loans

The middle level management needs strengthening. Empowering the human resources assumes greater significance at a difficult time of mounting bad loans. The government therefore focus its attention on allowing the banks to hire people on a permanent basis. Different options are open to them. The fifth point therefore is Empowerment. The sixth point Framework of Accountability denotes the government's idea of announcing a new

framework of key performance indicators for state-run lenders to boost efficiency in functioning while assuring them of independence in decision making on purely commercial considerations.

The seventh point in the agenda is the governance reforms. The process of governance reforms started with "Gyan Sangam" - a conclave of PSBs and FIs organized at the beginning of 2015 in Pune which was attended by all stake-holders including Prime Minister, Finance Minister, MoS (Finance), Governor, RBI and CMDs of all PSBs and FIs. There was focus group discussion on six different topics which resulted in specific decisions on optimizing capital, digitizing processes, strengthening risk management, improving managerial performance and financial inclusion.

Since the days of nationalization the Government and RBI have been trying to sort out and palliate the problems of banks in the public sector. The 'Indradhanush', an ambitious initiative of the Department of financial services under the ministry of finance incorporated seven point programme to revive the asset quality of public sector banks, that would raise the scale for corporate governance and accelerate their growth rate

De-stressing the public sector banks has become urgent and an uphill task of the new government which has completed two years in the office. The public sector banks have the legacy of funding the infrastructure sector and core sector as the major clients for the past few decades. But due to several factors, projects are becoming increasingly stalled / stressed thus leading to NPA burden on banks. The poor performance of the projects has become causing heavy damage to the efficiency of the public sector banks.

This has to be addressed with permanent solution.

The RBI has come up with a few measures and guidelines to strength risk control measures and NPA disclosures. The measures introduced by the RBI will help in the early recognition of financial distress, prompt steps for resolution and fair recovery for lenders.

The reforms introduced by the Government were intended to alleviate the stress faced by PSU banks. These measures may also expected to help banks to get out of the difficult situation in which they are presently in.

It is of the studied opinion of many that these initiatives should provide permanent solution to problems pertaining to human resource management at the mid-level. Furthermore, looking at the quantum of bad assets that prevail today, strategy should be worked out under Indradhanush for changing the situation drastically in the immediate days to come. It is only through a pre-emptive and prospective action that the government can achieve something tangible in this direction. Zeroing of political interference and ensuring sufficient autonomy subject to the required accountability can reap rich reward in this matter. At the same time the public sector banks should score high on the qualitative and quantitative parameters set for the measurement of their performance.

Nobody can but appreciate the initiative taken by the Government, which becomes first in that kind and the best in making PSU banks more professional and effective. The actions are on, let us wait for the result.

MICRO ENTERPRISES UNDER KUDUMBASHREE - A CASE STUDY ABOUT MALAPPURAM

***Rajeev Thomas**

Abstract

Micro Enterprises (Income Generation Activities - IGA) foster the economic status of women as an effective means to eradicate poverty. The income generating activities under individual and group initiatives to meet the livelihoods of the poor women are greatly promoted. These enterprises are promoted by the initiative of Kudumbashree by coordinating banks and the various governmental agencies by providing financial assistance and subsidies.

The major motivating factor for initiating Income Generating ventures under Kudumbashree mission was income and employment possibilities. The emergence of Kudumbashree is a great boon to the marginalized poor women in Kerala and it significantly contributes to the up-liftment of them, by providing credit and by generating employment opportunities. The performance of various IGAs promoted by Kudumbashree is satisfactory and they need more support from various levels for better results.

Key words:- Micro enterprises (IGA). Kudumbashree, Profitability

*M*icro enterprise development is a means for economic empowerment by providing gainful employment to the people below poverty line and thereby improving their income and living standards. Supporting and sustaining micro enterprises has always been a challenge for development

administration. Kudumbashree has been attempting to analyze and resolve these problems specifically and jointly, both by increasing the interface with the Local Self Governments and the entrepreneur regarding existing programmes as well as by bringing new strategies and new programmes that help to converge resources and address issues proactively

***Dr. Rajeev Thomas, Associate Professor, P G Department of Commerce
Marthoma College, Chungathara, Malappuram, Kerala.*

and creatively. Micro Enterprises (Income Generation Activities – IGA) foster the economic status of women as an effective means to eradicate poverty. The income generating activities under individual and group initiatives to meet the livelihoods of the poor women are greatly promoted.

The Rural Micro Enterprises (RME) programme was initiated to help women to set up individual and group enterprises. The minimum number of people required for a group enterprise is five. Various activities like Canteens/ Catering units, IT units, Group farming units, Fruit Processing units, Footwear units, Condiments units, Umbrella units, Building materials units, Horticulture units, Electronics units, Readymade garments units, Soap powder units, Toys units, Grocery shops etc have been formed under the RME programme. Women entrepreneurs are given training in entrepreneurship development, skill development, project management and in performance improvement.

2. Origin of the Research Problem

Under Kudumbashree programme, micro enterprise development starts with low capital, low risk and low profit at the initial stage. It expects that these enterprises will switch on from low to medium capital and then from low to medium risk. In the advanced stage, these enterprises reach medium capital and medium profit with appropriate technology and market. The activities such as micro credit and micro enterprises under the scheme were undertaken by the locally formed Community Development Societies consisting of rural households. More than

50,000 such micro-enterprises are functioning in the rural and urban areas in Kerala. They are engaged in diverse production processes like food processing, dairy products, soap-making, paper bag making, catering services, readymade garments, courier services, preparation of ethnic delicacies, etc.

The Kudumbashree mission is the implementing agency of various Central and State Government Schemes for providing employment to the poor women by promoting various Micro Enterprises / Income Generating Activities. Thousands of micro enterprises are functioning in the rural and urban areas of Kerala by providing employment and increased income for improving their standard of living. These enterprises are promoted by the initiative of Kudumbashree by coordinating banks and the various governmental agencies by providing financial assistance and subsidies.

3. Objectives of the Study

Objectives of the study:

- 1 To make a Comprehensive Evaluation of the functioning of the Micro Enterprises (IGAs) initiated under the Kudumbashree Mission.
- 2 To find out the various supports provided by the concerned authorities for their optimum functioning;

4. Hypothesis for the Study

Ho : Profit generated by an IGA under Kudumbashree does not depend on the nature and type of the productive activity.

5. Methodology and Sources of Data

5. 1 Research Design

The research is descriptive and analytical in nature. An interview schedule was designed for collecting data for the study. A pilot study was conducted and required data were collected by the researcher through personal interviews with the respondents.

5.2 Profile of the study area:

Malappuram is one of the most backward districts in Kerala. It has coastal, midland and remote and far flung tribal areas. This district has been considered as the most backward in the state in terms of several social indicators like lowest per capita income, high rate of infant mortality, large family size, the low age of marriage etc. Being one of the most backward districts in Kerala, a unique poverty alleviation programme, namely, Community Based Nutrition and Poverty Alleviation (CBNP & PAP) was introduced in this district in 1994. Later the Government of Kerala decided to extend this project further to the entire state of Kerala under the name of Kudumbashree in May 13, 1998.

5.3 Sampling Design:

The study area comprises of 15 development blocks and these blocks were divided into 100 grama panchayats and seven Municipalities. Kudumbashree project was implemented in all the blocks and panchayats. Hence to facilitate the study the district was divided into Central, Coastal and Eastern regions on the basis of its geographical features. The coastal area consisted of six development blocks, the central area consisted of five blocks and the eastern part consisted of four

blocks respectively. From each block one grama panchayat was randomly chosen. Accordingly six panchayats were selected from the coastal area, five panchayats from the central part and four panchayats from the eastern part. Similarly one municipality from each region was also included in order to ensure urban representation and accordingly three municipalities were chosen in the study.

5.4 Selection of respondents:

The criterion used for selecting IGAs was that the respective IGA should be a group activity and has been in existence for the past three years. The list of the IGAs functioning in the respective local body was verified and from the list, 10 IGAs were selected randomly from each local for the study.

For the study information were collected from 180 micro enterprises started under the initiative of Kudumbashree mission in Malappuram District. While selecting these units care was given to ensure that only those units which have completed a minimum of two years were only included in the study. The rationale for imposing such a condition for including micro enterprises in the sample is to make sure that the units were capable enough to handle their operations

5.5 .Collection of Data

The study is mainly based on primary data, and the secondary data is used to supplement and support the primary data. A field survey was carried out for collecting the required data. Statistical evidences are also drawn from the sources available with the Department of

Economics and Statistics and the Project Directorate of State Poverty Eradication Mission of the Government of Kerala.

5.6. Data Analysis and Tools used.

The general information has been analyzed with the help of primary data collected from among the respondents through structured questionnaires. For data analysis, simple averages, percentages etc and for hypotheses testing Chi Square test, and ANOVA were used.

6. Operational Definition

Micro Enterprises (IGA) : Micro enterprises or Income Generation Activities are small undertakings run by individuals or groups who take up the responsibility of managing the business and the family. These enterprises are based on certain characteristics like low capital, low technology and low risk. Though there are many definitions about micro enterprises, the definition given by Government of Kerala through Kudumbashree is accepted for this study. The definition is based on the following features. (1) Investment between Rs. 5000 and Rs 2.5 lakhs. (2) Individual or group based poor people (3) The entrepreneur should earn a monthly income of at least Rs. 1500/- (4) Enterprise fully owned, managed and operated by members themselves, preferably women below poverty line families are entrepreneurs.

7. Scope of the Study

The study is confined to Micro Enterprises (IGAs) initiated by Kudumbasree Mission Kerala. Study is conducted on the basis of sample units taken from Malappuram district.

8. Review of Literature

Micro Enterprise Development and provision of micro credit is an important tool for empowering women. Several studies have so far conducted in relation with the role of Micro Enterprises and its influence among rural poor women. A brief view of the studies so far conducted is given below.

Afrane (2002) reviewed Microfinance Programmes in Ghana and South Africa and reported that micro finance interventions have achieved significant improvements in terms of increased business incomes, improved access to life enhancing facilities and empowerment of women.

Galab and Rao (2003) invited the attention of the government on developing the rural economy by activating agriculture and non-agriculture sectors and removing infrastructural inadequacies to widen the self employment choices for the self help group members.

Nirmala et. al. (2004) examines the determinants of earnings of rural women and the benefits and problems experienced by them under self help group programme in Pondicherry. The study indicates that mere financial assistance does not help the women, many of whom do not possess any prior experience in the production activity. Respondents should be encouraged to venture into more diversified and remunerative activities.

Pat (2005) in the study pointed out that lack of management expertise, non-availability of raw materials, faulty

planning, lack of coordination between panchayats and Kudumbashree units and poor marketing were also observed as deficiencies faced by the Micro enterprises.

Badatya et. al. (2006) has conducted an evaluation study about the impact of Microfinance for Micro Enterprises with 56 SHGs. Out of a total 310 members, while 42 per cent had initiated different income generating purposes, about 28.4 per cent members had graduated to micro enterprises with asset creation. Repayment performance of the sample SHGs to banks was 94.2 per cent of the cumulative demand for all the SHGs.

Rena (2008) discusses the impact of micro finance in reducing poverty among women entrepreneurs in Eritrea. He opines that micro finance is more than just credit and can play an important role beyond enterprise development in supporting the livelihoods of the poor. By providing money when it is needed, micro finance helps the women clients to reduce their vulnerability and expand their business options

SIDBI (2008) had made an overall evaluation regarding the benefits derived from the Micro Finance Institutions that reveal the following facts - 79 per cent of the beneficiaries are able to increase their income through MFI activities while 39 per cent are able to repay their past costly debts and current debts by shifting to micro finance. The study points out to the need of diversifying the role of MFIs for promoting the micro enterprise development.

Kumari (2008) points out the importance of micro enterprise development as a key strategy for

empowering the rural women and for ensuring them better standard of living. It is revealed that the micro enterprises have succeeded in the socio-economic empowerment of women.

Ssendi and Anderson (2009) explore the nature of micro finance and the types of finances available to the poor who operate micro enterprises in Tanzania. They conclude that respondents who received the loans had claimed some immediate benefits but there is no evidence of permanent improvement in their well-being. These projects help to improve the daily struggles of rural poor women but that other measures are needed to alleviate poverty.

Purushotham (2010) highlights the importance of building entrepreneurial capacity among rural poor, particularly self help groups through skill development, functional literacy and market exposure.

Kumar (2011) has conducted a study about the Kudumbashree linked micro enterprises in three panchayats of Ernakulam District of Kerala to find the economic prospects and problems confronted by micro-entrepreneurs. The study concludes that average return on investment of around 16 percent per annum in addition to full-time and part-time employment generation is found to be quite rewarding. He opines that equipping the entrepreneurs to face competition by synchronizing technology and cost reduction efforts may further improve the situation.

Garikipati (2012) argues that lending to women is expected to help them to invest in non-farm enterprises, which in

turn allows them to shift their work time from wage work to self employment which is considerably better remunerated and enjoys higher social status

9. Data Analysis :

9.1 Demographic features.

Table 1
Demographic Features of the respondents

Variables	Categories	Coastal		Central		Eastern	
		No.	%	No	%	No	%
Age Group	Less than 30	22	32	16	27	14	28
	30 - 50	38	54	24	40	25	50
	50 Above	10	14	20	33	11	22
	Total	70		60		50	
Marital Status	Unmarried	3	4	4	7	2	4
	Married	58	83	48	80	43	86
	Widow	5	7	5	8	3	6
	Separated	4	6	3	5	2	4
	Total	70		60		50	
Education Status	Primary	26	37	20	33	18	36
	Secondary	30	43	32	53	24	48
	Above Secondary	14	20	8	14	8	16
	Total	70		60		50	
Religion	Muslim	38	54	33	55	25	50
	Hindu	30	43	21	35	20	40
	Christian	2	3	6	10	5	10
	Total	70		60		50	
Average Monthly Income	Below 2000	3	4	2	3	2	4
	2000 - 3000	20	29	20	34	15	30
	3000-5000	40	57	33	55	28	56
	above 5000	7	10	5	8	5	10
	Total	70		60		50	

Malappuram district is divided into 3 regions on the basis of the geographical features and the socio economic features show the following results. Majority of the members belong to the age group of 30 to 50 and are married. Above 50 percent of the respondents are having education up to secondary level and Muslims dominates in the respondents. 56 percent of the respondents are earning Rs. 3000 - 5000 per month in an average.

Out of the total 180 units 70 units are from coastal part, 60 units are from the central part and remaining 50 units are from the eastern sector (Table 2).

Table 2
Type of IGA - Area wise details

Type of activity	Area			Total
	Coastal	Central	Eastern	
Food processing	24 (34.3)	14 (23.3)	10 (20.0)	48 (26.7)
Production	16 (22.9)	14 (23.3)	8 (16.0)	38 (21.1)
Shops/Canteen	7 (10.0)	11 (18.3)	7 (14.0)	25 (13.9)
Animal husbandry	5 (7.1)	6 (10.0)	14 (28.0)	25 (13.9)
Garments	14 (20.0)	11 (18.3)	7 (14.0)	32 (17.8)
Others	4 (5.7)	4 (6.7)	4 (8.0)	12 (6.7)
Total	70 (100.0)	60 (100.0)	50 (100.0)	180 (100.0)

Source: Field survey

Table 3
Years completed by sample IGAs

Years completed	Number
Below 4 years	114 (63.3%)
4 - 6 years	46 (25.6%)
Above 6 years	20 (11.1%)

The total units were divided into three groups on the basis of their chronological years of existence and functioning.. Thus out of the total 180 units, 63.3 per cent (114) were included in the first group, the second group comprises of 46 units (25.6 per cent) and in the last group there were only 20 units (11.1 per cent). Therefore, majority of the units chosen for the study have completed their early stages of life and they are consistent in their functioning.

It was found that the major motivating factor for initiating Income Generating ventures was income and employment possibilities. A substantial number of the beneficiaries were found to be motivated to plunge into the ventures due to their previous experiences.

Table 4
Reasons for selecting Income Generating Activities

Motivating factors	Mean Score	Rank
Earning more income & employment	7.1	1
Market potential of the products	5.6	7
Availability of raw materials	6.38	5
Previous experience	6.7	2
Low investment	5.9	6
Employment opportunities to family members	6.6	3
Support from Kudumbashree authorities.	6.48	4
Others	4.67	8

Source: Field survey

9.2 Sources of capital of IGAs

Table 5
Mean values and co-efficient of variation regarding the different sources of capital of the IGAs

Sources of capital	Minimum	Maximum	Mean	Std. Deviation	CV
Bank Loan	50000.00	300000.00	140347.22	61381.76	43.74
Own contribution	4000.00	350000.00	19966.47	36756.45	184.09
Subsidy	10000.00	150000.00	59527.78	25466.03	42.78
Loan from friends and relatives	2000.00	25000.00	11615.38	8675.05	74.69
Others	5000.00	180000.00	22235.29	41265.19	185.58
Total	80000.00	650000.00	221671.11	96499.29	43.53

Source: Field survey

The analysis carried out regarding the capital structure and sources of finance revealed that the various components in the capital structure include: Bank loans, individual savings, subsidy from the government and banks, borrowings from friends and relatives and other means. The co-efficient of variation indicates that the distribution showing sources of capital varies considerably within the Kudumbashree IGAs.

Table 6
Sources of capital – IGA type wise

Type of IGA	Bank Loan	Own contribution	Subsidy	Loan from friends and relatives	Others.	Total	
Food processing	Mean	131354.17	15083.33	54739.58	12833.33	154000.00	204385.42
	Std. Deviation	59472.32	12623.15	21636.75	9907.91	9889.39	79092.81
	CV	45.28	83.69	39.53	77.20	64.22	38.70
Production	Mean	144539.47	14576.47	63815.79	11000.00	10000.00	222502.63
	Std. Deviation	69801.49	11314.73	29326.54	5656.85	7071.07	99974.13
	CV	48.29	77.62	45.95	51.43	70.71	44.93
Shops/ Canteen	Mean	152000.00	22500.00	64000.00	6750.00	9500.00	238400.00
	Std. Deviation	75567.30	20973.34	29154.76	5678.91	9000.00	105926.00
	CV	49.72	93.21	45.55	84.13	94.74	44.43
Animal husbandry	Mean	161000.00	16000.00	69600.00	-	12500.00	247600.00
	Std. Deviation	58944.71	8868.25	30308.14	-	3535.53	81434.02
	CV	36.61	55.43	43.55	-	28.28	32.89
Garments	Mean	123750.00	20765.52	48984.38	25000.00	69333.33	198834.38
	Std. Deviation	44341.05	44996.13	4108.38	..	95845.36	83617.83
	CV	35.83	216.69	8.39	-	138.24	42.05
Others	Mean	140000.00	56458.33	62916.67	-	10000.00	260208.33
	Std. Deviation	41669.70	108766.00	31276.50	-	..	161011.00
	CV	29.76	192.65	49.71	-	-	61.88
ANOVA	F value	1.475	2.920	2.760	1.37	.943	1.587
	P value	.200	.015*	.020*	.312	.491	.166

Source: Field survey (*Significant at 0.05 level.)

(Blank columns indicates that the above activity is not carried out)

Even though in most of the cases, there is no significant difference in the investment is observed except in the cases of Subsidy and Own contribution, where it is found to be significant at 5 per cent level. So in order to identify which type of IGA has significant differences, the multiple comparison test was carried out, the result of which indicates that the IGA activities grouped as Others have significant difference with remaining five activities as far as Own contribution is

considered. Similarly the Animal husbandry has significant difference with Garments as far as subsidy is considered. There is no significant difference that exists between all the other combinations of the type of IGAs.

9.3 Profitability and IGAs

Table 7

Average monthly profit of IGAs

Profit Range	Frequency	Percent
up to 5000	76	42.2
5001 to 10000	49	27.2
above 10001	55	30.6
Total	180	100.0

Source: Field survey

The majority (42.2 per cent) of the micro enterprises generate monthly profit up to 5000 and 27.2 per cent of the ventures generate profit between Rs.5000 to 10000 and 30.6 per cent of the units generate more than Rs 10000 p.m.

9.4 Profitability and type of activity

Profitability of an Income generating activity under Kudumbashree depends on nature and type of the productive venture. Initiating productive ventures through the optimum utilization of the locally available resources is one of the lofty ideas of the Kudumbashree mission. Accordingly the Mission encouraged its beneficiaries in the study area to initiate potential Income Generation ventures suitable for the area.

Table 8

Average monthly profit - IGA category wise

Profit Group	profit group			Total
	up to 5000	5001 to 10000	above 10001	
Food processing	19 (39.6)	7 (14.6)	22 (45.8)	48 (100.0)
Production	16 (42.1)	10 (26.3)	12 (31.6)	38 (100.0)
Shops/ Canteen	6 (24.0)	9 (36.0)	10 (40.0)	25 (100.0)
Animal husbandry	13 (52.0)	7 (28.0)	5 (20.0)	25 (100.0)
Garments	18 (56.3)	13 (40.6)	1 (3.1)	32 (100.0)
Others	4 (33.3)	3 (25.0)	5 (41.7)	12 (100.0)
Total	76 (42.2)	49 (27.2)	55 (30.6)	180 (100.0)

Source: Field survey

The above table revealed that food processing is the most profitable productive venture among the 6 categories. Accordingly 45.8 percent of the processing units generate profits more than Rs. 10,000 per month operating in the area as against 41.7 per cent of the other miscellaneous type of units. While 40 per cent of the shops and canteens and, 31.6 per cent production units also generate similar level of profits, 20 per cent and 3.1 per cent of the remaining categories of productive ventures such as animal husbandry and garment making generate profit more than Rs10,000 per month.

Upon deeper analysis of the reasons for the heightened profitability of the food processing units in comparison to other productive ventures in the area, it was found to be owing to the support extended to the Nutrimix units in the study area by the government.

So from the above table it is observed that the profitability varies with the type of IGA and too verify whether this type of dependence exists in general or not, we formulated the following hypothesis to be tested.

H₀ Profit generated by an IGA under Kudumbashree does not depend on the nature and type of the productive activity.

H₁ Profit generated by an IGA under Kudumbashree depends on the nature and type of the productive activity.

Table 9

Chi square test showing relation between profit and type of activity

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.577	8	0.025
Significant			

(Significant at 0.05 level).

The chi-square test carried out for the above hypothesis shows relation between profit and type of activity (Table 5.27). Thus the null hypothesis is rejected. So we can conclude that the profit generated by an IGA under Kudumbashree depends on the nature and type of the productive activity.

9.5 Marketing of products

Table 10

Marketing channels used by IGAs

Marketing Channels	Area			Total
	Coastal	Central	Eastern	
Through own shops	30 (42.85)	20 (33.33)	16 (32.00)	66 (36.10)
Own shops and personal selling	30 (42.85)	34 (56.67)	26 (52.00)	90 (50.50)
Others	10 (14.30)	6 (10.00)	8 (16.00)	24 (13.40)
Total	70 (100.0%)	60 (100.0%)	50 (100.0%)	180 (100.0%)

Source: Field survey

The products produced by the various Kudumbashree IGAs depend on the local demand and the marketability of the products. 36 per cent of the units market their products through their shops without using any other strategy but 50.50 per cent of the units resort multiple marketing strategies like sales through their counters and direct marketing through their representatives.

One of the major challenges faced by the micro enterprises is the marketing of the products in the competitive market. The women entrepreneurs may not have the skill to market the product due to lack of training and specialized knowledge. It is seen that more than 61 per cent of the respondents are not getting proper support from Kudumbashree for marketing their products. Only 39 per cent of the respondents are of the opinion that they are getting adequate support in marketing their products.

Table 11

Nature of demand for the products of IGAs

Demand	Area			Total
	Coastal	Central	Eastern	
Whole year	63 (90.0)	57 (95.0)	48 (96.0)	168 (93.3)
Seasonal	7 (10.0)	3 (5.0)	2 (4.0)	12 (6.7)
Total	70 (100.0)	60 (100.0)	50 (100.0)	180 (100.0)

Source: Field survey

As regards the market demand for the goods and services produced by the entrepreneurs under the Kudumbashree, it was noticed that 93 per cent units produce products that have demand throughout the year. Most of the products and services of the IGAs are confined to

the local markets only, this is one of the reasons for the low-profit and low profile existence of the IGAs under the Kudumbashree mission.

Table 12

Use of brand name in marketing products

Brand name	Area			Total
	Coastal	Central	Eastern	
Yes	31 (44.3)	16 (26.7)	17 (34.0)	64 (35.6)
No	39 (55.7)	44 (73.3)	33 (66.0)	116 (64.4)
Total	70 (100.0)	60 (100.0)	50 (100.0)	180 (100.0)

Source: Field survey

Brand name is an important factor which influences the sales of the products. Brand name gives identity to the products and helps to identify the products in the market. Only 35.6 per cent (64) of the units are using their own brand name for marketing the products and 64.4 per cent (116) units does not have any brand name

Table 13

Participation in trade fairs during festival seasons for marketing products.

Response	Area			Total
	Coastal	Central	Eastern	
Yes	49 (70.0)	32 (53.3)	24 (48.0)	105 (58.3)
No	21 (30.0)	28 (46.7)	26 (52.0)	75 (41.7)
Total	70 (100.0)	60 (100.0)	50 (100.0)	180 (100.0)

Source: Field survey

Kudumbashree mission organizes special fairs and stalls during festival seasons to promote the marketing of the products of micro units. The fairs will be arranged at the district level and at the panchayat level under the auspices of different local bodies. Only 58.3 per cent of the units are utilizing this opportunity

to market their products, and the units in the coastal area are utilizing this opportunity better than other areas.

9.6 Training to IGA Entrepreneurs

The Kudumbashree Mission visualizes special training for improving the skill and awareness of its members for the fruitful implementation of various programmes and projects. Accordingly special training was given to the aspiring members for initiating entrepreneurial ventures and to enable them to conceptualize feasible projects. Such trainings focused on conceiving projects, project selection, management, accounting and other relevant aspects.

Table 14

Participation in training programme before starting IGA

Training	Area			Total
	Coastal	Central	Eastern	
Yes	39 (55.7)	41 (68.3)	35 (70.0)	115 (63.9)
No	31 (44.3)	19 (31.7)	15 (30.0)	65 (36.1)
Total	70 (100.0)	60 (100.0)	50 (100.0)	180 (100.0)

Source: Field survey

It was observed that out of the 180 respondents who own entrepreneurial ventures, majority of the beneficiaries (63.9 per cent) received training before starting the units.

The table 15 reveals that only 42.2 per cent (76) have received formal training after starting the units and majority of the sample respondents (57.9 per cent) kept aloof from attending the training. This could be treated as another lacuna in the efficient implementation of the programme in the area.

Table 15
Training received by the respondents - after initiating the IGA.

Training	Area			Total
	Coastal	Central	Eastern	
Yes	24 (34.3)	25 (41.7)	27 (54.0)	76 (42.2)
No	46 (65.7)	35 (58.3)	23 (46.0)	104 (57.8)
Total	70 (100.0)	60 (100.0)	50 (100.0)	180 (100.0)

Source: Field survey

Table 16
Participation in marketing training programmes.

	Area			Total
	Coastal	Central	Eastern	
Yes	16 (22.9)	18 (30.0)	16 (32.0)	50 (27.8)
No	54 (77.1)	42 (70.0)	34 (68.0)	130 (72.2)
Total	70 (100.0)	60 (100.0)	50 (100.0)	180 (100.0)

Source: Field survey

The success of any productive venture depends on the marketing of their products. Kudumbashree mission includes special provision for providing training to the women entrepreneurs for improving their knowledge, and skill for effective administration of their units and their acumen in marketing their products. It was observed that 27.8 per cent (50) of the respondents have received aforesaid training. This means majority of them (72.2 per cent) have not been exposed to any such training whatsoever. This is a serious lapse in the implementation of the Kudumbashree mission in the study area.

Table 17
Participation in training programmes for improving the quality of products.

Training	Area			Total
	Coastal	Central	Eastern	
Yes	12 (17.1)	18 (30.0)	14 (28.0)	44 (24.4)
No	58 (82.9)	42 (70.0)	36 (72.0)	136 (75.6)
Total	70 (100.0)	60 (100.0)	50 (100.0)	180 (100.0)

Source: Field survey

Quality of a product is the prime mover for ensuring its acceptance in the market. Quality improvement is a continuous process which can be attained through constant efforts. The above table shows the distressing fact that around 75.6 per cent (136) of the respondents in the study area have not received any training for improving the quality of the products even through imparting such training to the beneficiaries is mandatory under Kudumbashree mission.

9.7 Number of Employees

As regards the employment generated under the productive ventures initiated as part of the Kudumbashree mission in the study area it was found that the number of employees varies from 2 to 10. These IGAs are formed by the small groups of rural women from the selected NHGs and they will be provided with necessary support by the Kudumbashree District Mission regarding loan availability and other matters. The groups are formed with five persons or 10 members as the case may be. The amount of loan and subsidy will depend upon the number of members and

cohesiveness among the group is a vital factor for the success of the unit.

An attempt was made to find out the number of employees working in the units and on the basis of the present strength of the employees the units are grouped into three – Below 5, five to seven and above seven. Majority of the units are having 5-7 employees (136 Units). 23 units are having employees above seven and 21 units are having employees less than five persons.

9.8 Loans and subsidies to IGA

Out of the total 180 units only 153 of them availed this facility and 117 respondents’ availed loans from public sector banks and four from private sector banks. The remaining 32 of the respondents approached co-operative banks for the required loans.

Table 18

Respondents’ opinion regarding the difficulties in getting bank loans.

Opinion	Area			Total
	Coastal	Central	Eastern	
Yes	25 (41.7)	8 (15.1)	4 (10.3)	37 (24.3)
No	35 (58.3)	45 (84.9)	36 (89.7)	116 (75.7)
Total	60 (100.0)	53 (100.0)	40 (100.0)	153 (100.0)

Source: Field survey

Only 24.3 per cent (37) respondents have faced difficulty in getting bank loans and the majority of the respondents (75.7 per cent) are of the opinion that they did not face any difficulty in getting bank loan.

10. Summary and Findings

In Kerala, the Kudumbashree programme was introduced as a poverty

alleviation programme with the full participation of women by forming their groups at the grass root level for enhancing their economic security. Kudumbashree has been promoting various micro enterprises for reinforcing the economic status of women by providing them employment under the individual and group initiatives.

The major findings are as follows

- Majority of the respondents (64.8 per cent) are educated and their qualification is either secondary or above.
- The family structure of the respondents shows that out of the total samples 74.3 per cent (401) are nuclear families.
- With respect to the monthly income of the respondents, it was found that majority of the families have monthly income ranging from Rs. 3000 – 5000 (56 per cent)
- Regarding the different types of IGAs carried out by the NHG members, it was found that Food processing came first and Production units came second.
- It was found that majority of the units have completed their infancy stage.
- The major motivating factor for initiating Income Generating ventures under Kudumbashree mission was income and employment possibilities.
- The mean investment of various IGAs amounted to Rs.2,21,671 and

the co-efficient of variation indicating the sources of capital varies considerably within the Kudumbashree IGAs.

- 42.2 per cent generate monthly profit up to 5,000 and 27.2 per cent of the ventures generate profit between Rs.5,000 to 10,000 and 30.6 per cent of the units generate more than Rs 10,000 p.m.
- It was found that food processing is the most profitable productive venture among the six categories
- Regarding marketing support, it is found that more than 61 per cent of the respondents are not getting proper support.
- Only 35.6 per cent (64) of the units are using their own brand name for marketing the products.
- It was found that only 58.3 per cent of the units are utilizing trade fairs during festival seasons to market their products while
- It was noted that only 63.9 per cent of the respondents received training before initiating the units. Similarly, only 42 per cent of the respondents have not received any training after the formation of the unit.
- Majority of the respondents (75.6 per cent) have not received any training for improving the quality of the products
- The role of public sector banks in providing loan is commendable.
- It is found that majority of the respondents (75.7 per cent) are of

the opinion that they did not face any difficulty in getting bank loans

11. Recommendations

- Kudumbashree mission and the local bodies should closely monitor and review the functioning of the individual and group IGAs.
- More efforts should be taken for popularizing of group farming, dairying etc. through NHGs.
- It is suggested that special efforts should be undertaken to impart training at the earliest by the Kudumbashree authorities at the decentralized level, which will be more convenient for the rural women entrepreneurs.
- Kudumbashree mission should introduce special programmes for promoting professional marketing strategies for the success of the micro enterprises.
- The government and the State Kudumbashree mission should take imperative steps for improving the quality, promotion of brand name, and for opening retail outlets throughout the state.
- The entrepreneurs should be trained with knowledge in the accounting and financial management techniques.
- Special efforts should be undertaken to promote the units to participate in the fairs by giving them special assistance and other incentives
- It is suggested that a centralized purchasing mechanism should be

resorted at the district level to make the purchases more cost effective.

12. Conclusion

The emergence of Kudumbashree is a great boon to the marginalized poor women in Kerala and it significantly contributes to the up-liftment of them, by providing credit and by generating employment opportunities. Kudumbashree became the status of helpline to many, aiming at eradicating

poverty, and in salvaging the destitute from the wretches of extreme deprivation. By participating in various income generating-cum-developmental activities, the morale and confidence of women became very high, the economic status and entrepreneurial skills were significantly increased. The performance of various IGAs promoted by Kudumbashree is satisfactory and they need more support from various levels for better results.

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E-mail: imdrvm@yahoo.com

A STUDY ON THE AWARENESS LEVEL OF EMPLOYEES ON CSR BY PUBLIC SECTOR BANKS

*Aswathy P

Abstract

In our country, banks form one of the key organization to make sure the balancing of economic conditions in our society. The concept of Corporate Social Responsibility (CSR) refers to the commitment of an organization to operate in a socially responsible manner to ensure a radical change in the living condition of poor people in our society. In 2007, RBI issued a circular that every commercial bank has to carry out CSR activities in the respective bank. At present public sector banks concentrate on the major areas of CSR which includes welfare of disabled children, women empowerment, community welfare, education as well as vocational training to the children, women and youth, environmental protection, healthcare campaigns, poverty eradication, rural development, protection to the girl child and employment related activities etc. Each public sector bank has unique strategy to select the CSR activity, sources of fund to do selected CSR activity, allot specific amount, etc. and it totally depends on the discretion of top management of the respective bank. Since employees are the asset of the banks, to understand their perception on CSR about various aspects is highly relevant. They should have a clear idea and view regarding the significance of CSR in public sector banks. The present study tried to understand the awareness level of employees on CSR in public sector banks in Kerala.

Key words:- Corporate Social Responsibility, State Bank of Travancore, Canara Bank, Syndicate Bank

Corporate social responsibility of a public sector bank is the responsibility to do certain value based activities for the development of society through the active participation of employees, management, local community. Nourishment of such CSR practices can upgrade the society's

standard of living. CSR is the most predominant practice in the banking sector which highlights positive outlook of banks towards the upliftment of public. Enrichment of CSR practices by public sector bank indicates their social values and commitment towards the development of deprived people living

**Aswathy P, Assistant Professor, Department of Commerce, HHMSPB NSS College for Women, Neeramankara, Trivandrum*

in our society. CSR activities of the public sector bank receive recognition from the society for the great effort and concern showed to the enhancement of society. In the present scenario, public sector banks are providing sincere attention to meet the needs of deprived sections in our society. Infact CSR activity report of each public sector bank reflects ethical practices, transparency, sensitivity environmental issues, social commitment, etc. Strategic management should be aligned CSR activities along with the banking operations. Many employees are voluntarily showing interest to participate in CSR activities conducted by the respective bank. The present study is focused to understand the awareness level of employees on CSR in their respective bank.

Significance of Employee's Awareness Level of CSR in Banks

Employees are doing an important role to execute the CSR activities for the development of poor sections of our society. Cooperation among employees to deliver CSR assistance to the deserved hands is highly essential. Top management should welcome the suggestion and opinion from the employees to get the best outcome. Banks with good reputation motivate employees to do CSR activities as part of their commitment towards the community development. Employees view their organization's commitment in a constructive manner and responsibly do more community development activities in a better way. Employees must have 'we' feeling towards the bank it would radically helped to improve the reputation of the

bank and also entrusted with confidence to work and loyal towards the bank and there exists an association between successes of the bank with the trust of common people. Bank must improve their talent to welcome active participation of employees towards the growth and development of society. So to understand the awareness level of employees on CSR is highly relevant.

Methodology

Both primary and secondary data were used for the study. Primary data was collected from the employees of selected three public sector banks in Kerala. They are State Bank of Travancore, Canara Bank and the Syndicate Bank. Primary data was collected through a research instrument from bank employees using structured questionnaire specially carried out for this purpose. Secondary data was collected from the headoffice of State bank of Travancore, regional office of Syndicate bank, regional office of Canara bank and State Level Bankers' Committee, Trivandrum. It was also collected from the official websites of selected public sector banks, RBI, publications, journals, websites, etc.

The population of the study covered all the employees of three major public sector banks that are actively performing CSR activities for the betterment of the society viz. State Bank of Travancore, Canara Bank and Syndicate Bank. Confidence interval was set up for State Bank of Travancore, Canara Bank and Syndicate Bank as 5.4, 5.7 and 6.4 respectively. So sample selected from SBT was 321, sample selected from Canara

bank was 274 and 215 employees were selected from Syndicate bank. Thus total samples selected for the present research consisted of 810 employees. The present study has been designed and executed by the methods of judgment sampling to select the banks and systematic sampling was used to collect the samples. The study was focused to collect samples from each district in Kerala due to the significance of the topic and also focused on selecting the samples who are only assigned to do

the CSR activities in each branch of the respective bank. Hence two representatives from each branch across the state were selected as samples. The proportion of branches of each bank in urban, semi-urban and rural area was identified. Finally samples were collected based on this proportion. Thus total samples collected from urban area are 186, 561 samples are collected from semi-urban area and 63 samples are collected from rural area of operation.

Statements on Awareness of Employees about CSR

Statements		N	Mean	Std. Deviation	Std. Error
Employees have thorough knowledge about the concept of CSR.	SBT	321	3.595*	.0481	.0481
	Canara bank	274	3.737**	.0579	.0579
	Syndicate Bank	215	3.567*	.0584	.0584
	Total	810	3.636*	.0315	.0315
Employees are informed about current CSR activities conducted in Bank	SBT	321	3.72**	.0513	.0513
	Canara bank	274	3.423*	.0575	.0575
	Syndicate Bank	215	3.591*	.0536	.0536
	Total	810	3.585*	.0318	.0318
Bank has not given any hard and fast rule to employees to follow CSR activities in bank	SBT	321	3.533*	.0539	.0539
	Canara bank	274	3.259*	.0597	.0597
	Syndicate Bank	215	3.312*	.0660	.0660
	Total	810	3.381*	.0344	.0344
Employees are self-motivated to participate in CSR activities	SBT	321	3.698**	.0509	.0509
	Canara bank	274	3.431*	.0484	.0484
	Syndicate Bank	215	3.586*	.0636	.0636
	Total	810	3.578*	.0312	.0312
Bank has separate departments like community service or social circles	SBT	321	4.252***	.0562	.0562
	Canara bank	274	3.412*	.0601	.0601
	Syndicate Bank	215	3.456*	.0675	.0675
	Total	810	3.757**	.0378	.0378

Source: Primary data; *-Low; **-Moderate; ***High

Since the entire analysis is envisaged on a five point Likert Scale, to arrive at the valid conclusion, the mean value obtained is conveniently classified into three categories. They are Mean value less than 3.688 effect is low, mean value between 3.688 and 3.908 effect is moderate and mean value higher than 3.908 effect is high.

With reference to the awareness of employees about CSR, the statement “Employees have thorough knowledge about the concept of CSR” acquired a mean value of 3.595 ± 0.0481 (Low effect) assigned by the employees of SBT. Correspondingly, the employees of Canara bank assigned a mean score of 3.737 ± 0.0579 (Moderate effect) and Syndicate Bank employees assigned a mean score of 3.567 ± 0.0584 (Low effect). The standard error is found low for employees of SBT; hence it is assumed that the date is more reliable.

The statement “Employees are informed about current CSR activities conducted in Bank” acquired a mean value of 3.720 ± 0.0513 (Moderate effect) assigned by the employees of SBT. Correspondingly, the employees of Canara bank assigned a mean score of 3.423 ± 0.0575 (Low effect) and Syndicate Bank employees assigned a mean score of 3.591 ± 0.0536 (Low effect). The standard error is found low for employees of SBT; hence it is assumed that the data is more reliable.

The statement “Bank has not given any hard and fast rule to employees to follow CSR activities in bank” acquired a mean value of 3.533 ± 0.0539 (Low effect) assigned by the employees of SBT.

Correspondingly, the employees of Canara bank assigned a mean score of 3.259 ± 0.0597 (Low effect) and Syndicate Bank employees assigned a mean score of 3.312 ± 0.0660 (Low effect). The standard error is found low for employees of SBT; hence it is assumed that the data is more reliable.

The statement “Employees are self-motivated to participate in CSR activities” acquired a mean value of 3.698 ± 0.0509 (Moderate effect) assigned by the employees of SBT. Correspondingly, the employees of Canara bank assigned a mean score of 3.431 ± 0.0484 (Low effect) and Syndicate Bank employees assigned a mean score of 3.586 ± 0.0636 (Low effect). The standard error is found low for employees of Syndicate Bank; hence it is assumed that the data is more reliable.

The statement “Bank has separate departments like community service or social circles “ acquired a mean value of 4.252 ± 0.0562 (High effect) assigned by the employees of SBT. Correspondingly, the employees of Canara bank assigned a mean score of 3.412 ± 0.0601 (Low effect) and Syndicate Bank employees assigned a mean score of 3.456 ± 0.0675 (Low effect). The standard error is found low for employees of SBT; hence it is assumed that the data is more reliable.

Based on the above statements, awareness of employees about CSR was analysed with the help of Anova. The result is discussed below. As such one objective is fixed, which is listed below.

Objective: To examine the awareness level of employees about CSR activities by the Bank.

Hypothesis: The awareness level of different categories employees about CSR activities by the Bank is similar.

The awareness level of SBT employees about CSR, acquired a mean value of 3.760 ± 0.5788 (Moderate effect) and the employees of Canara bank and Syndicate Bank employees got a mean score of 3.453 ± 0.539 (Low effect) and

3.502 ± 0.6226 (Low effect) respectively. The standard error is found low for employees of SBT; hence it is assumed that the data is more reliable. Anova test value is 24.013, sig.value is 0.000 ($p < 5\%$), the result is significant. There is difference among the different category of employees on the awareness level about CSR. Hence the null hypothesis is rejected.

Awareness of Employees about CSR-Category of Banks

Category of Bank employees		N	Mean	Std. Deviation	Std. Error	
Awareness level.	SBT	321	3.760**	.5788	.0323	
	Canara bank	274	3.453*	.5396	.0326	
	Syndicate Bank	215	3.502*	.6226	.0425	
	Total	810	3.587*	.5942	.0209	
	Sum of Squares	df	Mean Square	F	Sig.	Result
Between Groups	16.046	2	8.023	24.013	.000	Significant
Within Groups	269.626	807	.334			
Total	285.672	809				

Source: Primary data; *-Low; **-Moderate; ***High

Awareness of Employees about CSR-Area of operation

Area of Bank		N	Mean	Std.Deviation	Std. Error	
Awareness level.	Urban	186	3.632*	.6432	.0371	
	Semi urban	561	3.544*	.5420	.0258	
	Rural	63	3.453*	.6415	.0778	
	Total	810	3.587*	.5942	.0209	
	Sum of Squares		Mean Square			Result
Between Groups	4.747		2.374	6.819	.001	Significant
Within Groups	280.924	807	.348			
Total	285.672	809				

Source: Primary data; *-Low; **-Moderate; ***High

Awareness of Employees about CSR-Age Group

Age group of Bank employees		N	Mean	Std. Deviation	Std. Error	
Awareness level.	20-30	382	3.560*	.5319	.0272	
	30-40	151	3.560*	.6287	.0512	
	40-50	98	3.614*	.6512	.0658	
	50-60	179	3.654*	.6543	.0489	
	Total	810	3.587*	.5942	.0209	
	Sum of Squares	df	Mean Square	F	Sig.	Result
Between Groups	1.250	3	.417	1.180	.316	Not Significant
Within Groups	284.422	806	.353			
Total	285.672	809				

Source: Primary data; *-Low; **-Moderate; ***High

The awareness level of employees in the age group of 20-30 years about CSR, acquired a mean value of 3.560 ± 0.5319 (Low effect) and the employees in the age group of 30-40,40-50 and 50-60 got a mean score of 3.560 ± 0.6287 (Low effect), 3.614 ± 0.6512 (Low effect) and 3.654 ± 0.6543 (Low effect) respectively . The standard error is found low for

employees in the age group of 20-30; hence it is assumed that the data is more reliable. Anova test value is 1.180, sig.value is 0.316 ($p > 5\%$), the result is not significant. There is no difference among the different age group on the awareness level about CSR. Hence the null hypothesis is accepted.

Awareness of Employees about CSR-Educational Qualification

Education of Bank employees		N	Mean	Std. Deviation	Std. Error	
Awareness level.	Degree	454	3.559*	.5810	.0273	
	Post Graduation	285	3.634*	.6205	.0368	
	Professional	71	3.589*	.5697	.0681	
	Total	810	3.587*	.5942	.0209	
	Sum of Squares	df	Mean Square	F	Sig.	Result
Between Groups	1.023	3	.341	.965	.409	Not Significant
Within Groups	284.649	806	.353			
Total	285.672	809				

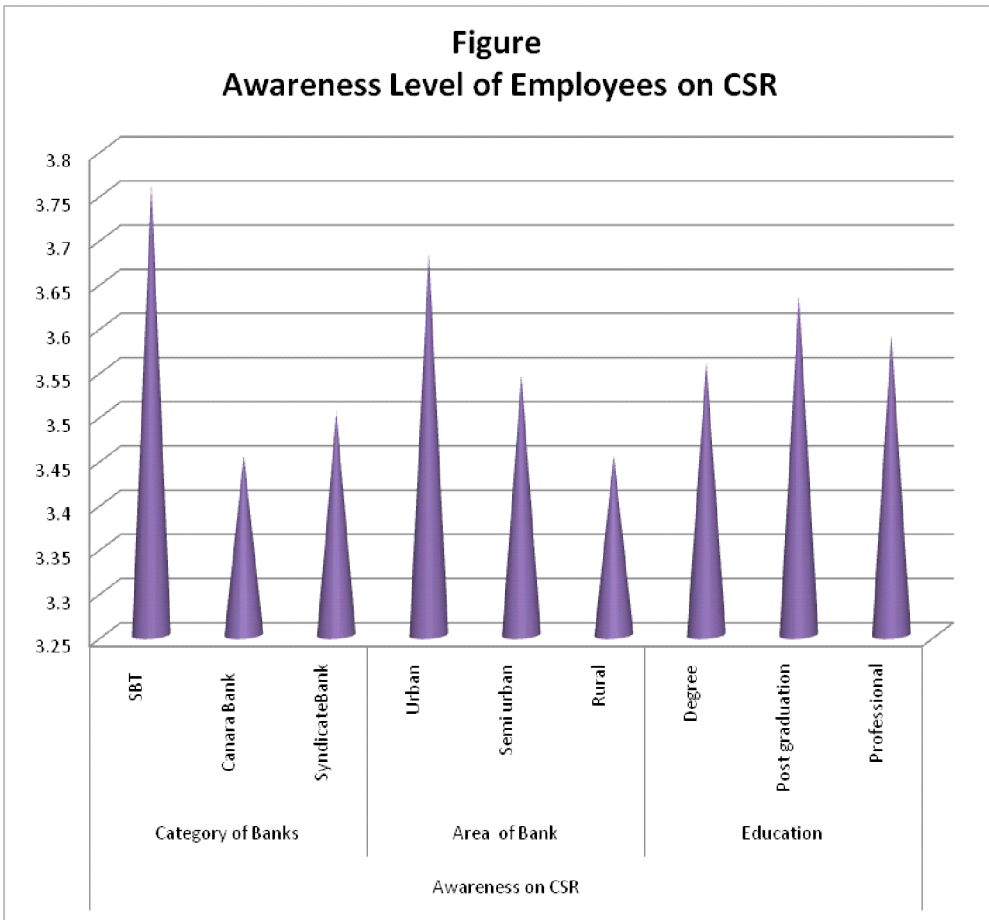
Source: Primary data; *-Low; **-Moderate; ***High

The awareness level of degree level employees about CSR, acquired a mean value of 3.559 ± 0.5810 (Low effect) and the employees of Post graduation and Professional category got a mean score of 3.634 ± 0.6205 (Low effect) and 3.589 ± 0.5697 (Low effect) respectively . The standard error is found low for employees of degree qualified; hence it is assumed that the data is more reliable. Anova test value is 0.965, sig.value is 0.409 ($p > 5\%$), the result is not significant. There is no difference among the different educational qualification of the employees on the awareness level about CSR. Hence the null hypothesis is accepted.

Also the graphical representation of the awareness level on CSR by the bank employees based on Category of Banks, Area of operation and Educational qualification was designed. It is illustrated on figure.

Findings

1. In the present study 321(39.60%) employees are from SBT, 274 (33.80%) employees from Canara Bank and from Union Bank the respondents collected were 215(26.50%).In the urban areas 22.96% and semi urban areas 69.26% and from the rural areas the



representation of the employees is 7.78%. Also it is clear that the percentage of representation of the employees whose age group is 20-30 years is 47.20 and the representation of the age group 50-60 years is 22.10%. The majority (56.00%) of the bank employees surveyed is having degree as the educational qualification and the employees who are having professional degree accounted for 8.70%.

2. Cross tabulation of the Category of the Bank with Area showed that majority (69.26%) of the employees considered for the present study was from semi urban area, followed to this 22.96% employees from urban areas, which is significant at 5% ($p=0.000$).
3. Cross tabulation of the Category of the Bank with Age group showed that 47.20% of the employees considered for the present study was from the age group of 20-30 years, followed to this 22.10% employees in the age group of 50-60 years, which is significant at 5% ($p=0.000$).
4. Cross tabulation of the Category of the Bank with Educational qualification showed that majority (56.00%) of the employees considered for the present study are having degree as the educational qualification, followed to this 35.20% employees hold post graduation, which is significant at 5% ($p=0.043$).

Conclusion

CSR is the commitment of an individual or an organization to work for the upliftment of the poor sections of the society. Moreover it is the responsibility of an organization to perform the best to protect the environment, guard the resources of our country, help the upcoming generation and contribute the best towards the further development of the society. The results has shown that out of 810 employees surveyed, majority of the bank employees selected for the study were from semi-urban area and also it was also revealed that employees working in the semi-urban area have more awareness about the concept of CSR than others and in the present era it was highly appreciable that many of the talented youths with degree qualification were choosing their career in the banking sector.

While analyzing each statement Anova test was conducted to understand the awareness level of employees about the concept of CSR and the results showed that employees of SBT obtained high mean value than others and the result was significant at 5% level. Hence the result proved that employees working in different public sector banks have different opinion regarding the awareness level on the concept of CSR. So the study revealed the absence of a common platform for the public sector bank employees to get the awareness about the concept of CSR irrespective of the name and fame of the bank. The employees are not getting updates related to the CSR policy from the apex bank. So this is the right time for the higher authority to

acknowledge this particular issue and educate the employees of the public sector banks regarding significance of CSR. By comparing the awareness level of employees of CSR in the three selected public sector banks with the area of operation, Anova test proved that there is a significant difference between the awareness level of employees of urban, semi urban and rural areas about the concept of CSR. So the result showed that when the area of operation changes the employee's awareness level on the concept of CSR also changes and there is a significant difference between the awareness levels. So there exists an association between the area of operation and the employee's awareness level on the concept of CSR. Further, Anova test proved that there is no significant difference between the awareness level of

employees of different age groups. So the results shows that when the age group changes the employee's awareness level on the concept of CSR does not change significantly and so there is no association between age and awareness level of employees. However the awareness level of employees working in the public sector banks in Kerala on the concept of CSR was compared with their educational qualification. Anova test proved that there is no significant difference between the awareness level of employees under different categories of educational qualification. So the result shows that when the educational qualification of employee's changes, the employee's awareness level on the concept of CSR does not change significantly and so there is no association between type of educational qualification and awareness level of employees.

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THE HUMAN DEVELOPMENT EXPERIENCE OF KERALA AND ODISHA: A CONTRASTING PICTURE

***Gayathri Unnikrishnan**

Abstract

The two Indian states, Kerala and Odisha are on the extreme ends of human development performance. This paper attempts to identify the possible reasons for the disparities in human development achievements in these two states. The role of historically favourable socioeconomic conditions in leveraging the human development performance of states is seen as one of the reasons for difference in human development performance. The history of the region, the government policies etc. also play an important role in shaping the development pattern of a region. Since balanced regional development has been an important objective of national policy in India, it would be interesting to enquire if this has been achieved in human development as well, along with the discussions on economic performance of the nation and its states. An attempt is made to examine the human development experience of two selected states in India- Kerala and Odisha, representing high and low performing states on the basis of HDI ranking, and to examine the possible factors that cause such wide disparities between these two states' performance in the human development front.

Key words:- Human development, development performance, per capita GDP, Millennium Development Goals (MDGs)

Generally per capita GDP is employed to analyze the development of a country (Kaliranjan, 2009). However, now it has been recognized that GDP alone does not represent development properly. Since 'people are the real wealth of a nation', it is necessary to study how they live and under what conditions. It is generally

expected that expenditure on social sector would augment human capital formation and in turn result in better human development. The fact that the real wealth of a nation is its people and not just the material resources was once again highlighted by the experience of the "miracle economies" of South East Asia (Joshi, 2006).

**Gayathri Unnikrishnan, Research Scholar, Centre for Development Studies, Thiruvananthapuram.*

While celebrating 25 years of the publication of the 1st Human Development Report (HDR) by the United Nations Development Programme (UNDP) in 1990, as well as in the urge to meet the Millennium Development Goals (MDGs), there has been a renewed focus on issues pertaining to the social sectors across the world. Under the social sectors fall “education, health, safe drinking water, sanitation, development of the marginalized groups and backward regions” Government of Odisha (2015).

Since balanced regional development has been an important objective of national policy in India, it would be interesting to enquire if this has been achieved in human development as well, along with the discussions on economic

performance of the nation and its states. Certain states have done exceptionally well in human development as reflected in Human Development Index (HDI) scores (For example, Kerala, Punjab), and at the same time there are states like Orissa, Bihar etc. which have been consistently at the bottom of the HDI ranking among the 15 major Indian states being studied. In this context it is relevant to identify the policies that would help the low performers to achieve better human development outcomes.

HDI: Performance of the Indian States

Analysis of state level experiences in development would help in learning from the successes as well as failures of each other, which in turn helps to emulate the positive aspects of each experience suitable to oneself. Other than the

Table I

HDI Value & Rank of 15 Selected Indian States for 1981, 1991, 1999-2000 and 2001, 2007-8

States/UT	1981 value	1981 rank	1991 value	1991 rank	2001 value	2001 rank	1999-2000 value	1999-2000 rank	2007-8 value	2007-8 Rank
Andhra Pradesh	0.298	9	0.377	9	0.416	10	0.368	10	0.473	9
Assam	0.272	10	0.348	10	0.386	14	0.336	11	0.444	10
Bihar	0.237	15	0.308	15	0.367	15	0.292	13	0.367	14
Gujarat	0.360	4	0.431	6	0.479	6	0.466	6	0.527	6
Haryana	0.360	5	0.443	5	0.509	5	0.501	3	0.552	5
Karnataka	0.346	6	0.412	7	0.478	7	0.432	7	0.519	7
Kerala	0.500	1	0.591	1	0.638	1	0.677	1	0.79	1
M.P	0.245	14	0.328	13	0.394	12	0.285	14	0.375	13
Maharashtra	0.363	3	0.452	4	0.523	4	0.501	4	0.572	3
Orissa	0.267	11	0.345	12	0.404	11	0.275	15	0.362	15
Punjab	0.411	2	0.475	2	0.537	2	0.543	2	0.605	2
Rajasthan	0.256	12	0.347	11	0.424	9	0.387	9	0.434	11
TN	0.343	7	0.466	3	0.531	3	0.480	5	0.570	4
UP	0.255	13	0.314	14	0.388	13	0.316	12	0.380	12
W. Bengal	0.305	8	0.404	8	0.472	8	0.422	8	0.492	8
All India	0.302		0.381		0.472		0.387		0.467	

Source: Compiled from NHDR 2011 and IHDR2011. (Data from 1981 to 2001 is taken from NHDR 2001. 1999-00 and 2007-8 data is obtained from India HDR 2011, which gives HDI 2007-8 values)

empirical relation/contrasts between economic growth (EG) and human development (HD), the history of the region, the government policies etc. also play an important role in shaping the development pattern of a region.

The HDI of the selected 15 states of India, as a proxy for their human development achievements, is shown in Table I.

It can be observed that states like Kerala, Punjab etc. have been doing quite well in HDI performance, while others like Odisha and Bihar have been performing poorly, as indicated by their lower HDI scores.

Moreover, much could be learned from the internal diversity among the Indian states. An attempt is made to examine the human development experience of two selected states in India-Kerala and Odisha, representing high and low performing states on the basis of HDI ranking, and to examine the possible factors that cause such wide disparities between these two states' performance in the human development front.

Taking insights from the works of K P, Kannan and Pillai N. Vijayamohan (2007a, 2007b) an attempt is made to review the best performer and worst performer in HDI in India. As Sen (1995)¹ had examined the experiences of Kerala and Uttar Pradesh to draw lessons from experiences within the nation, here the experiences of Kerala and Orissa are briefly reviewed. The state level HDRs of Kerala and Orissa provide useful insights regarding the human development conditions in these states.

KERALA

Kerala's experience and record in the field of human development, widely known as the Kerala Model of Development is discussed among scholars due to its uniqueness. The performance of Kerala is remarkable not only by national standards but also by international standards. The achievements of the state is comparable to those of the developed countries of the world. (State Human Development Report, Kerala, 2005).

Consistently for the last three decades the state of Kerala has maintained the first rank with respect to HDI values. In 1981, its HDI score was 0.5. The lowest score in 1981 was for Bihar (0.237). The difference between the highest and lowest scores is quite high. In 1991, Kerala's HDI was 0.591, which increased to 0.638 by 2001 (NHDR 2001). As per the latest publication of the Planning Commission, the IHDR² 2011, Kerala had an HDI score of 0.677 in 1999-2000, which increased to 0.790 by 2007-2008.

As mentioned in the first human development report of Kerala³, the Kerala Model is often referred to as a paradox of social development and economic backwardness. Kerala economy is led by the service sector. Remittances from abroad also play a significant role in the state's economy. The role played by the state government in achieving high levels of human development through its active interventions in the social sectors has been significant (Chakraborty, 2009). Although such expenditures have caused fiscal imbalances, it has done much to create a better human development condition in the state. There were also critics who

pointed out to the un-sustainability of the model.

There are both admirers as well as critics for the Kerala Model. Chakraborty (2009) had observed that, the admirers of the Kerala Model have generally been the western scholars. Whereas, the scholars from Kerala have been highly critical and questioned the sustainability of such a pattern of development, rather than merely celebrating the achievements of Kerala in the field of human development. This could broadly be viewed as the pessimistic narrative.

The narrative that takes an optimistic view of the development experience of Kerala is as follows. The state has achieved substantial gains in terms of human development in spite of its poor performance on the per capita income front. This provides a role model for the other countries as well as states to formulate better policies to attain better human development even with low economic expansion. On the other hand, the other narrative on Kerala model is the pessimistic one, that claims low economic growth and high levels of unemployment will stall further progress of human development. Stagnation in the economy's productive sectors will pose a challenge and the state will find it difficult to get enough revenue to finance its high social sector expenditure.

Literature on Kerala's development experience points out to the role that public policy has played in shaping its human development outcomes. The high priority that the state government gave to the expenditure on social sectors has played an important role in the state's

development trajectory (Chakraborty 2009). It is interesting to see that Kerala has made significant progress in basic dimensions of human development in spite of its low economic progress. Much is to be learnt from the unique development experience of Kerala, so that its positive aspects may be adopted to aid the development process in the other states as well.

Kerala is a state which was much ahead of other states in the nation in achieving the goal of universalizing elementary education, which is clear from the high literacy rate of over 90 percent. It also has very low dropout rates at primary as well as middle level.

Moreover, a major ingredient of Kerala's success story is constituted by the active **role of public action in the promotion of human development aspects in the state**. This has been significant, especially in the education and health sectors. Elementary education, role of women in the society etc. have had much role in augmenting the human development condition in the state.⁴Historically, the state has had the advantage of **welfare oriented rulers**. The Travancore kings had invested much towards the development of education and health by establishing educational institutions and hospitals.

Kerala experienced a wave of change during the 19th and 20th centuries with several **social reforms**. Social reform movements in the state deserve mention in this context since it influenced the lives of many, especially the sections of lower caste population in the state like "Ezhavas", "Pulayas" etc. The **Christian**

Missionaries and their works in the field of education and health has played an important role in Kerala's commendable achievements in the social sectors as well as in opening the doors of education to the lower castes as well. The "Sree Narayana Dharma Paripalana Yogam" or in short the SNDP had played a significant role in providing and empowering the sections of the society which didn't have access/opportunity to such services before. Ayyankali also considered education as a key weapon of empowerment. The NSS and other such organizations have given much importance for education. All these have helped Kerala to have better human development outcomes.

ODISHA

Odisha, a state with a total population of 42 million (in 2011), and forming 3.47 percentage of the national population is on the other extreme of human development index performance. Odisha has been placed towards the bottom of the HDI rank list as Odisha has had one of the lowest HDI values among the Indian states over the years. In 1981 its HDI was 0.267, which increased to 0.345 and 0.404 in 1991 and 2001 respectively. In 1999-2000 its position dipped to the last rank among the 15 selected states, with a score of 0.275. In 2007-8 its HDI was 0.362, still in the last place.

In 2014-15, about 15.4 percent, 33.4 percent and 51.2 percent were the contribution of agriculture, industry and service sectors respectively, of GSDP of the economy of Odisha (Govt. of Odisha, 2015). The Odisha economy during the 10th and 11th Plan periods "in

real terms at 2004-05 prices" had average annual growth rates of 8.82 and 7.05 respectively, mainly due to the increased growth in the industrial and service sectors. The economy of Odisha changed over time from an agriculture based economy to one driven by the industry and service sectors, with a decline in the share of agriculture sector and a rise in the other two sectors (Govt. of Odisha, 2015).

However, Odisha has been a state with high poverty rates and even on the economic growth front, the reform era did not seem to have helped the state improve, unlike other states which benefited from the reforms, observed Kannan and Vijayamohanam (2007). They attribute the absence of determination and "welfare-state perspective" among those in power as one of the weaknesses of the state. In their work, they also point out that unlike Kerala which had a historical advantage with its princely rulers who followed policies rooted in welfare objective, the "unfavourable dynamics of historical... economic, social and institutional conditions in Orissa" has been an impediment for progress in the state.

Table II shows the performance of Kerala and Orissa in different aspects of human development. It shows the wide differences between Kerala and Orissa in terms of Female Literacy, Infant Mortality Rate (IMR), Maternal Mortality Rate (MMR) etc. It can be seen that Kerala is performing far better, whereas Orissa needs more efforts to better its position.

Thus, although in absolute terms the HDI value of India and its states has increased over the years, much more improvements are required, especially in

Table II
A Few Indicators- Kerala, Odisha and All India

Indicator	Kerala		Odisha		All India	
	2001	2011	2001	2011	2001	2011
Literary Rate(% Female)(7 years and above)	87.86	93.91	50.97	73.45	54.28	74.04
Population(in '000)	31,841	33,388	36,805	41,947	1,028,610	1,210,193
IMR		12		53		44
U5MR	14		84		64	
MMR	81		258		212	
TFR	2008	2010	2008	2010	2008	2010
	1.7	1.8	2.4	2.3	2.6	2.5

Source: Databook for Planning Commission (2014).

Note: U5MR (Under Five Mortality Rate) is for the year 2009. Maternal Mortality Ratio(MMR) is for (2007-09)

those states which have been in the vicious cycle category since long. Compared to the rate at which the economic growth (EG) is progressing, human development (HD) performance needs much more attention, and this becomes much more significant because it directly affects the life of the people residing in this country. The rate of improvement in HDI in India needs to be speeded up which might require active Government intervention to promote better opportunities and access to health and education .

Conclusion

Early investments in education, health etc. along with a favourable social environment including social sector reform movements have helped Kerala to attain high human development outcomes. The absence of the very same opportunities and public action, as Kannan and Vijayamohanam (2007) pointed out was observed in Orissa, which has very low HD outcomes. Thus,

the broad reasons for such disparities in human development outcomes in these two states are interconnected factors including historical, social, and economic.

In conformity with the finding of Ranis (2004) that initial investments in HD made it easier for countries to graduate to the virtuous cycle category, among the Indian states it was seen that Kerala which had made initial strides in HD graduated to the virtuous category. On the other hand, Orissa, which unlike Kerala, had no much strong historical or social factors in favour of HD in the initial years, still remains as a state in the vicious cycle category. However, the state of Orissa has started to pick up on the economic growth front of late, with 8.78 percent anticipated economic growth rates for the year 2014-15 (Govt. of Odisha, 2015)⁵. However, as noted in the HDR (1996) of the UNDP, enhancement of economic growth becomes augmented when human capabilities are expanded.

Moreover the management of public funds and effectiveness and transparency in the implementation of welfare programmes is important to ensure better living standards for people. The experiences of Kerala and Orissa exhibit the contradictory picture wherein the historical advantage of one state due to

early investments in social welfare programmes and human development schemes helped it attain good living conditions for its people. At the same time, the lack of such programmes at early stages trapped the other state in a low level of human development achievement.

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CUSTOMER SATISFACTION: A COMPARATIVE STUDY ON HOME LOAN BORROWERS OF LIC HFL AND HDFC IN KOZHIKODE DISTRICT

*Shahar K, **B. Johnson

Abstract

Customer is an integral part of business. Customer satisfaction is a pivotal area especially in the service sector. The survival and growth of business has direct correlation with satisfaction of the customer. Generally Housing Finance Companies maintain a long term relationship with their customers from the date of sanctioning letter of a loan to clearing the loans. Customers need a variety of services during this period on various parameters relating to rate of interest, amount of EMI, customer care services, mode of repayment etc. Keeping in view the relative importance of each service, an attempt has been made in this paper to identify and compare the quality of services extended to customers by LIC Housing Finance Limited and HDFC. The work is carried out among 80 home loan beneficiaries in Kozhikode District using a structured interview schedule. For the purpose of analysis various statistical tools has been applied like percentage, mean score values, chi-square, t-test and ANOVA. The degree of satisfaction towards services offered by the financial agencies like LICHFL and HDFC are measured at five point scale. The various contents of services are analyzed and scrutinized by 15 variables. The respondents were asked to rate their position regarding each variable one by one.

Key words:- Customer satisfaction, EMI, Home loan, Loan repayment options.

*H*ousing is one of the basic needs of human beings and it is essential as food and clothing. The problem of housing has been of great importance ever since the evolution of mankind. House is viewed not only as a basic need, but an instrument of change to generate income, provides safe living and increase productivity.

House places a significant role in the socio-psychological development of individual. It is fundamental to man's existence and survival. Housing has a vital bearing on the health and status of people. It helps to preserve the working efficiency. Proper accommodation is an important indicator of the standard of living of people. A house is a permanent shelter to protect

*Shahar K, Research Scholar, Department of Commerce and Management Studies, University of Calicut.

**Dr. B. Johnson, Department of Commerce and Management Studies, University of Calicut.

the human beings from vagaries of nature. Now housing is a symbol of social prestige and an indicator of the social status. House is not only consumption good but also a productive investment.

There has been tremendous growth in the demand for housing in our country during the last few decades due to population growth, expansion of individual and commercial activities and the consequent migration of people in large scale into urban areas. Consequently, the requirements of housing finance increased considerably. Along with the increasing population and growth in economy, the aspirations of individuals and families are also increased to ensure better living conditions and standards.

Now, housing loan segment has become more competitive due to the entry of new institutions into the industry. Because of intense competition, the players in the sector have to become more customer oriented. They must provide quality services to their customers and ensure that customers are satisfied with their experience. Hence, the study on housing finance services assumes great significance.

With a view to solve the problem of housing shortage in the country, a large number of financial institutions such as NHB, HFCs, banks etc. were started under the public sector by the Government of India. LIC also has taken massive efforts for providing financial assistance to individuals, cooperative housing societies and state governments. With the object of extending financial

assistance on a long term basis to housing sector, LIC has established a new subsidiary called LIC Housing Finance Limited in 1989. Over the years, HDFC, the market leader in specialised housing finance industry, has helped to promote institutions in the field of housing finance as well as the financial sector in general. Even though, various measures were taken by the authorities to overcome housing problems in the country, the intensity of the problem has not yet alleviated.

The consumers should feel pleased with the availability of multiple sources of housing finance and also enquire about the merits and demerits of different schemes introduced by the various agencies of housing finance. The consumers are expected to consider various aspects like the interest rates of loans, housing loan policy of housing financial institutions, flexibility in repayment of instalments, terms and conditions of sanctioning loan, speed of sanctioning loan, attitude of employees towards customers etc. Success of a financial institution to win the appreciation and confidence of its customers, to a large extent depends on its competitiveness to serve its customers by understanding their expectations and requirements. Hence, a study on housing financial services, indeed, deserves much significance. In this juncture it is desirable to make a comparative study between LICHFL, one of the leading housing financial institutions among public sector and HDFC one of the leading housing financial institutions among private sector.

A brief profiles of LIC Housing Finance Limited (LICHFL) and Housing Development Financial Corporation (HDFC)

LIC Housing Finance Limited (LICHFL) as a subsidiary of Life Insurance Corporation (LIC) was incorporated on June 19th 1989 under the Companies Act, 1956, to accelerate the development of housing. The Registered and Corporate office of LIC HFL is situated at Mumbai. "To each one a home of his own" is the main objective of LICHFL. It renders liberal financial assistance to resident individuals of India and Non-Resident Indians (NRIs) for purchase/construction of residential houses/flats. The Company also provides finance on existing property for business/personal needs and also gives loans to professionals for purchase/construction of Clinics/Nursing Homes/ Diagnostic Centres/Office Space and also for purchase of equipments. It has 7 regional offices, 16 back-offices and 222 marketing units across India. It also has offices in Kuwait and Dubai to cater to the Non-Resident Indians in the Gulf countries covering Bahrain, Dubai, Kuwait, Qatar and Saudi Arabia

The Housing Development Finance Corporation (HDFC) was formally promoted and incorporated on October 17, 1977. HDFC was promoted by the Industrial Credit and Investment Corporation of India. HDFC provides housing finance in India. The corporation provides long term housing loans mainly to low and middle income individuals and corporate bodies. It has also provided a modest amount of construction finance to housing developers. HDFC being a

pioneer organization in the field of housing finance is a leading Institution in Retail Lending Housing Finance Institute at time when no other major player was in the field.

HDFC's wide product range includes loans for purchase and construction of residential units, purchase of plot, home improvement loans, home extension loans, non-residential premises loans for professionals and loan against property, while its flexible repayment options include Step Up Repayment Facility (SURF) and Flexible Loan Instalment Plan (FLIP).

Literature Review

The main purpose of this study is to analyse the level of satisfaction level of home loan borrowers of LIC HFL and HDFC of Kozhikode district. A few studies have attempted to examine the satisfaction level of home loan borrowers. The following are the related studies.

In his article "Housing Finance in India Looking into Future", Nassar M Munjee (1986) highlighted the necessity of fulfilling the financial needs of home builders and home buyers so as to develop the housing sector. For this, he suggested the need for strengthening the financial intermediation by attracting more financial institutions in this sector to meet the housing finance need. For this, adequate incentives (in the form of tax exemption) and supports should be given to financial institutions.

G. Gopikuttan (1988) analysed the causes, consequences and dimensions of the changes in the trend of house construction activities in Kerala. He opined that the emergence of socio-

political movements and growth of education have influenced greatly the housing pattern in the state.

M. Selvan (1999) in the article entitled "LIC Housing Finance: An Evaluation" observed that among the housing finance companies, LIC HFL has the widest network offices thereby offering housing finance extensively. The significant point was that the agents of LIC were also involved in the services of housing finance, so that the people living in the remote area of the country are aware of the loan facilities available with LIC HFL.

Samkutty Geoge (2002), in his study, analysed the housing finance schemes provided by housing finance institutions in the public sector, private sector, banking sector and co-operative sector. He collected the opinion of the borrowers about the housing finance schemes and measured their level of awareness and satisfaction. Based on the findings of the study, he has proposed an alternative model to make housing finance more accessible, rational, flexible and ultimately beneficial to all potential beneficiaries.

A.P. Helen (2010), in her study, has made a comparative analysis of the schemes of HDFC and KSHB (Kerala State Housing Board) and tried to see how far the economically weaker section in the three cities in Kerala (Trivandrum, Kochi, Kozhikode) benefited the services rendered by these two institutions.

In the absence of a systematic study on satisfaction level of home loan borrowers of LIC HFL and HDFC in Kozhikode district of Kerala state, the present article attempt to fill such a gap.

Scope and significance

The study is confined to Housing Finance Ltd of Life Insurance Corporation of India (LIC HFL) and Housing Development Corporation (HDFC). The study is focused on the housing loan borrowers of LIC HFL and HDFC in the Kozhikode district. The study is mainly intended to identify and assess the satisfaction level of home loan borrowers of these two housing financial institutions.

Housing is a basic human need and a complex problem. Owning a house is a dream for most families because self earned income of an individual or a family is not sufficient to own a house, considering the huge investment required for housing. So there arises the need for housing finance. Availing a housing loan from any of the housing finance institutions is not a task now a day. But the selection depends on certain important factors relating to home loan like amount of loan sanctioned, speed of sanctioning loan, easiness of documentation, attractive repayment options etc. This study is confined to measure the factors leading to the satisfaction level of home loan borrowers of Kozhikode district.

Objectives of the Paper

The objective of the study is to identify, assess and compare the factors determining the level of satisfaction of home loan borrows of LIC HFL and HDFC.

Hypotheses

Based on the objective of the study, the following hypotheses are formulated.

1. There is no significant difference in the customer satisfaction between home loan borrowers of LIC HFL and HDFC.
2. There is no significant difference in the customer satisfaction between male and female home loan borrowers of LIC HFL and HDFC.
3. There is no significant difference between home loan borrowers who take loan for different purposes from LIC HFL and HDFC.

Methodology

The research design chosen for the study is descriptive in nature. Both primary and secondary data are used in the study. The primary data were collected from 80 home loan borrowers in Kozhikode district. 40 number of home loan borrowers are taken from both LIC HFL and HDFC. The sample was selected using convenient sampling. The data was collected by filling an interview schedule from the respondents. In the schedule, there includes 15 statements relating to the factors which lead to the satisfaction level among home loan borrowers of LIC HFL or HDFC. For analysing the collected data, mathematical and statistical tool like percentages, averages, chi-square test and ANOVA were employed.

Tool for data collection

For measuring the satisfaction of home loan borrowers a customer satisfaction scale was developed. It consists of 15 statements relating to housing finance. Each statement is

capable of tracing the behaviour and attitude of satisfaction of the respondents. Five point rating scale was used to measure the satisfaction level. The options are: highly satisfied, satisfied, neutral, dissatisfied and highly dissatisfied (Values assigned are 5,4,3,2 and 1 respectively under the 5 point Likert’s scale). The statements are Amount of loan sanctioned, Speed of sanctioning loan, Period of loan allowed, Services provided after availing the loan, Location of the bank, Easiness of Documentation, Efficiency and experience of employees, Infrastructure facilities of banks, Flexible loan repayment options, Speed of communication, Speed of complaint settlement, Rate of interest, Amount of EMI, Adoption of latest technologies and Customer care services

Reliability test

The reliability of statements included in the questionnaire is tested with the help of reliability test by using SPSS.

Reliability Statistics

No. of Items	Cronbach's Alpha
15	.848

From the table, it is understood that the statements are reliable to test the satisfaction level of home loan borrowers since Cronbach’s Alpha test shows a value 0.848 which is more than the test value 0.7

Gender wise classification of customers shows that 62.5% of sample respondents are males. It is seen that

Results and Discussions

I. Result of general profile of home loan borrowers of LIC HFL and HDFC.

Table 1

General profile of home loan borrowers of LIC HFL and HDFC

	Institution				Total	
	LIC HFL		HDFC		No.	%
Gender	No.	%	No.	%	No.	%
Male	30	75.0	20	50.0	50	62.5
Female	10	25.0	20	50.0	30	37.5
Location						
Rural	28	70.0	23	57.5	51	63.75
Urban	12	30.0	17	42.5	29	36.25
Age group						
Below 30	0	0.00	2	5.0	2	2.50
Between 31-40	19	47.5	24	60.0	43	53.75
Between 41-50	18	45.0	9	22.5	27	33.75
Above 50	3	7.50	5	12.5	8	10.00
Annual income (in Rs)						
Up to 3 lakhs	9	22.5	12	30.0	21	26.25
3-5 lakhs	19	47.5	21	52.5	40	50.00
Above 5 lakhs	12	30.0	7	17.5	19	23.75
Purpose of Home loan						
Purchase house	7	17.5	11	27.5	18	22.50
Construct new house	26	65.0	19	47.5	45	56.25
Renovate old house	6	15.0	8	20.0	14	17.50
Purchase land	1	2.50	2	5.0	3	3.75
Type of interest						
Fixed rate	9	22.5	17	42.5	26	32.50
Floating rate	21	52.5	20	50.0	41	51.25
Mixed rate	10	25.0	3	7.5	13	16.25
Amount of loan availed (in Rs)						
Below 10 lakhs	19	47.5	29	72.5	48	60.0
10-20 lakhs	15	37.5	7	17.5	22	27.5
20-30 lakhs	6	15.0	4	10.0	10	12.5

Source: Primary data

63.75% of respondents are located in rural areas. Majority of the respondents are falling the age group of 31-40 (53.75%). Based on annual income, most of the respondents (50%) belong to income of Rs.3-5 lakhs. 56.25% of the home loan borrowers avail loan to construct new

house. Floating rate of interest is the most acceptable choice to the home loan borrowers (51.25%). Irrespective of the level of income majority of the respondents avail home loan for amount below Rs. 10 lakhs.

II. Chi-square analysis of factors affecting satisfaction level of customers of LIC HFL and HDFC.

Table 2

Summary of association of factors affecting satisfaction with LIC HFL and HDFC

Variables	Scale of satisfaction				
	Number of Respondents				
	Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
Amount of loan					
LIC HFL	9(22.5%)	29(72.5%)	1(2.5%)	1(2.5%)	0(0.0%)
HDFC	12(30%)	27(67.5%)	0(0.0%)	0(0.0%)	1(2.5%)
Pearson Chi-Square = 3.5 d f=4 p=.478					
There is no significant difference in the satisfaction level of home loan borrowers of LIC HFL and HDFC in the amount of loan sanctioned, since the p value (.478) is higher than .05 at 5% level of significance.					
Speed of sanctioning loan					
LIC HFL	11(27.5%)	20(50.0%)	7(17.5%)	1(2.5%)	1(2.5%)
HDFC	16(40.0%)	18(45.0%)	5(12.5%)	1(2.5%)	0(0.0%)
Pearson Chi-Square = 2.365 d f=4 p=.669					
There is no significant difference in the satisfaction level of home loan borrowers of LIC HFL and HDFC in the speed of sanctioning loan, since the p value (.669) is higher than .05 at 5% level of significance.					
Period of loan allowed					
LIC HFL	7(17.5%)	28(70.0%)	3(7.5%)	1(2.5%)	1(2.5%)
HDFC	7(17.5%)	26(65.0%)	5(12.5%)	2(5.0%)	0(0.0%)
Pearson Chi-Square = 1.907 d f=4 p=.753					
There is no significant difference in the satisfaction level of home loan borrowers of LIC HFL and HDFC in the period of loan allowed by banks, since the p value (.753) is higher than .05 at 5% level of significance.					
Services after taking loan					
LIC HFL	4(10.0%)	22(55.0%)	8(20.0%)	6(15.0%)	0(0.0%)
HDFC	6(15.0%)	25(62.5%)	8(20.0%)	1(2.5%)	0(0.0%)
Pearson Chi-Square = 4.163 d f=4 p=.244					
There is no significant difference in the satisfaction level of home loan borrowers of LIC HFL and HDFC in the services provided by banks after availing a home loan, since the p value (.244) is higher than .05 at 5% level of significance					

Location of Bank					
LIC HFL	5(12.5%)	21(52.5%)	7(17.5%)	7(17.5%)	0(0.0%)
HDFC	9(22.5%)	25(62.5%)	4(10.0%)	2(5.0%)	0(0.0%)
Pearson Chi-Square = 5.087 d f=4 p=.166					
There is no significant difference in the satisfaction level of home loan borrowers of LIC HFL and HDFC in the location of banks, since the p value (.166) is higher than .05 at 5% level of significance					
Easy documentation					
LIC HFL	1(2.5%)	26(65.0%)	10(25.0%)	3(7.5%)	0(0.0%)
HDFC	3(7.5%)	27(67.5%)	10(25.0%)	0(0.0%)	0(0.0%)
Pearson Chi-Square = 4.019 d f=4 p=.259					
There is no significant difference in the satisfaction level of home loan borrowers of LIC HFL and HDFC in the matter of easy documentation for sanctioning a loan, since the p value (.259) is higher than .05 at 5% level of significance					
Efficiency and experience of employees					
LIC HFL	4(10.0%)	25(62.5%)	9(22.5%)	2(5.0%)	0(0.0%)
HDFC	5(12.5%)	27(67.5%)	7(17.5%)	1(2.5%)	0(0.0%)
Pearson Chi-Square = .771 d f=4 p=.856					
There is no significant difference in the satisfaction level of home loan borrowers of LIC HFL and HDFC in the matter of efficiency and experience of employees, since the p value (.856) is higher than .05 at 5% level of significance					
Infra structure facilities of bank					
LIC HFL	4(10.0%)	24(60.0%)	8(20.0%)	4(10.0%)	0(0.0%)
HDFC	9(22.5%)	26(65.0%)	5(12.5%)	0(0.0%)	0(0.0%)
Pearson Chi-Square = 6.695 d f=4 p=.082					
There is no significant difference in the satisfaction level of home loan borrowers of LIC HFL and HDFC in the matter of infrastructure facilities offered by banks, since the p value (.082) is higher than .05 at 5% level of significance					
Flexible repayment options					
LIC HFL	2(5.0%)	19(47.5%)	13(32.5%)	6(15.0%)	0(0.0%)
HDFC	3(7.5%)	28(70.0%)	6(15.0%)	3(7.5%)	0(0.0%)
Pearson Chi-Square = 5.502 d f=4 p=.138					
There is no significant difference in the satisfaction level of home loan borrowers of LIC HFL and HDFC in the matter of different mode of repayment offered by banks, since the p value (.138) is higher than .05 at 5% level of significance					
Speed of communication					
LIC HFL	3(7.5%)	20(50.0%)	14(35.0%)	2(5.0%)	1(2.5%)
HDFC	6(15.0%)	22(55.0%)	10(25.0%)	2(5.0%)	0(0.0%)
Pearson Chi-Square = 2.702 d f=4 p=.598					
There is no significant difference in the satisfaction level of home loan borrowers of LIC HFL and HDFC in the speed of communicating loan related matters by banks, since the p value (.598) is higher than .05 at 5% level of significance					

Speed of complaint settlement					
LIC HFL	3(7.5%)	18(45.0%)	14(35.0%)	5(12.5%)	0(0.0%)
HDFC	3(7.5%)	25(62.5%)	9(22.5%)	2(5.0%)	1(2.5%)
Pearson Chi-Square = 4.512 d f=4 p=.341					
There is no significant difference in the satisfaction level of home loan borrowers of LIC HFL and HDFC in the speed of complaint settlement, since the p value (.341) is higher than .05 at 5% level of significance					
Rate of Interest					
LIC HFL	5(12.5%)	18(45.0%)	7(17.5%)	4(10.0%)	6(15.0%)
HDFC	6(15.0%)	17(42.5%)	11(27.5%)	4(10.0%)	2(5.0%)
Pearson Chi-Square = 3.005 d f=4 p=.556					
There is no significant difference in the satisfaction level of home loan borrowers of LIC HFL and HDFC in the rate of interest offered on housing loan, since the p value (.556) is higher than .05 at 5% level of significance					
Amount of EMI					
LIC HFL	3(7.5%)	25(62.5%)	4(10.0%)	7(17.5%)	1(2.5%)
HDFC	4(10.0%)	21(52.5%)	13(32.5%)	2(5.0%)	0(0.0%)
Pearson Chi-Square = 9.033 d f=4 p=.060					
There is no significant difference in the satisfaction level of home loan borrowers of LIC HFL and HDFC in the amount of EMI charged on home loans, since the p value (.060) is higher than .05 at 5% level of significance					
Adoption of new technologies					
LIC HFL	4(10.0%)	24(60.0%)	9(22.5%)	3(7.5%)	0(0.0%)
HDFC	6(15.0%)	24(60.0%)	10(25.0%)	0(0.0%)	0(0.0%)
Pearson Chi-Square = 3.453 d f=4 p=.327					
There is no significant difference in the satisfaction level of home loan borrowers of LIC HFL and HDFC in the installation of latest technologies by banks, since the p value (.327) is higher than .05 at 5% level of significance					
Customer care services					
LIC HFL	2(5.0%)	23(57.5%)	10(25.0%)	5(12.5%)	0(0.0%)
HDFC	4(10.0%)	28(70.0%)	6(15.0%)	1(2.5%)	1(2.5%)
Pearson Chi-Square = 5.824 d f=4 p=.213					
There is no significant difference in the satisfaction level of home loan borrowers of LIC HFL and HDFC in the customer care services of banks, since the p value (.213) is higher than .05 at 5% level of significance					

Source: Primary data

III. Testing of Hypotheses

For testing the hypotheses statistical test like t-test and ANOVA is used.

Ho.1: There is no significant difference in the customer satisfaction between home loan borrowers of LIC HFL and HDFC.

Table 3 (t-test)

Bank wise customer satisfaction

Bank	Number of Respondents	Mean value	Standard deviation	T value
LIC HFL	40	54.97	6.98	2.294
HDFC	40	58.32	6.03	

Source: Primary data

Table 3 shows that mean satisfaction score obtained for LIC HFL customers is 54.97 with standard deviation 6.98 and that of HDFC customers is 58.32 with standard deviation 6.03. There exists significant difference in the customer satisfaction between LIC HFL and HDFC, since the t value (2.294) is higher than 1.96. *The hypothesis is rejected.* Customer satisfaction of HDFC is greater than LIC HFL.

Ho.2: There is no significant difference in the customer satisfaction between male and female home loan borrowers of LIC HFL and HDFC.

Table 4 (t-test)

Gender wise customer satisfaction

Gender	Number of Respondents	Mean value	Standard deviation	T value
Male	50	57.80	7.19	2.019
Female	30	54.73	5.36	

Source: Primary data

Table 4 shows that mean satisfaction score obtained for male customers is 57.80 with standard deviation 7.19 and that of female customers is 54.73 with standard deviation 5.36. There exist significant difference in the customer satisfaction between male and female, since the t value (2.019) is higher than 1.96. *The hypothesis is rejected.* Satisfaction of male respondents is more than female.

Ho.3: There is no significant difference between home loan borrowers who take loan from LIC HFL and HDFC for different purposes.

Table 5 (ANOVA)

Purpose wise customer satisfaction

Purpose of loan	Number	Mean	Standard deviation	F value	P value
Purchase house	18	57.22	6.01	.144	.933
Construct new house	45	56.33	7.53		
Renovate old house	14	57.21	5.22		
Purchase land	3	55.33	5.68		

Source: Primary data

Table 5 shows that mean satisfaction of respondents take loan to purchase house is 57.22 with standard deviation is 6.01, respondents take loan to construct a new house is 56.33 with standard deviation 7.53, respondents take loan to renovate old house is 57.21 with standard deviation 5.22 and respondents take loan to purchase land is 55.33 with standard deviation 5.68. There is no significant difference between home loanees who take loan for different purpose in their satisfaction level, since the p value (.933) is more than 0.05 at 5% level of significance. *The hypothesis is accepted.*

Findings and conclusion

- The main purpose of taking home loan is to construct a new house
- Most of the home loan borrowers prefer floating rate of interest for their home loan.
- Age group in between 31-40 is considered as the viable age of availing a home loan.
- There is no significant difference in the satisfaction level of home loan borrowers of LIC HFL and HDFC

in variety of factors like amount of loan, speed of sanctioning loan, rate of interest on loan, amount of EMI, customer care services etc.

- Overall satisfaction of home loan borrowers of LIC HFL and HDFC is different. The satisfaction level of HDFC respondents are more than LIC HFL.
- Overall satisfaction of male and female home loan borrowers of LIC HFL and HDFC is different.
- No difference in the customer satisfaction between home loan borrowers of LIC HFL and HDFC in relation to the purpose for which the loan taken.

The success of housing finance companies depends on the availability of customized products and service quality offered to its customers. Banks should always evaluate their services and assess their strength and weakness with their competitors. It is concluded that LIC Housing finance Limited and HDFC are very popular among the customers these days. The trust level that customer have with these banks is very high in comparison to other banks. The customer satisfaction among home loan borrowers of LIC HFL and HDFC has almost same. Therefore both these housing financial institutions can lead in the housing loan sector. We can expect much more from these institutions in future.

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E-CAPS FOR MARKETING ECOTOURISM PRODUCTS - A REAL BUZZWORD STRATEGY

***Vinod C**

Abstract

Ecotourism is the magic mantra of environmentally sustainable activities in tranquil and unpolluted areas. Sustainable development activities results from conserving natural areas, educating visitors about sustainability and benefiting local people. Ecotourism is a growing niche market within the larger travel and tourism industrial scenario. The developing niche market environment must be in line with sustainable and eco-friendly practices, while maximizing visitors experience at the ecotourism destinations. A pleasant and satisfying experience involving local community is crucial for the development of destinations image. The development of strategies for marketing ecotourism products require blending of ecotourism's strategic vision, plans, policies and guidelines. In the present scenario ecotourism industry needs a new paradigm because 'ecotourism as usual' is just not working anymore. The present research focuses on the development of new strategies for marketing ecotourism products with community participation.

Key words:- Strategy, Marketing, E-CAPS, Ecotourism, Community participation

*M*arketing is vital to achieve sustainable ecotourism development. Sustainable ecotourism in its purest sense is one which attempts to make low impact on the environment and local culture. It is responsible tourism, both ecologically and culturally sensitive. The sustainable ecotourism needs all benefits, economic,

environmental, and social activities taken into account for planning and development process. Marketing is essential for attracting eco-tourists through delivering better service, quality and value, exceeding visitor expectations and also through establishing better relationship which ensures continuous loyalty.

Ecotourism marketing sells ecologically sustainable tourism products to the potential tourists by allowing them to use it at reasonable cost and profit. It involves actions undertaken by the ecotourism promoters for improving or preserving the environmental factors of the natural area. Ecotourism marketing focuses on the idea of keeping the environment clean and green. Ecotourism industry is aspiring to encounter the difficulties of fast-changing ecotourism marketing environment. The industry should follow a unique marketing strategy to adapt quickly to changing market changes.

Objectives of the study

- To identify the present strategy adopted in marketing ecotourism products in Kerala
- To analyse the marketing practices of ecotourism industry in the state of Kerala
- To identify new strategy for marketing ecotourism products in Kerala

Methodology

The present study was designed as an empirical and exploratory in nature. The study was conducted in four different stages. In the initial part of the study, the present status of ecotourism industry and the different marketing strategies used in ecotourism industry were described. In the second stage, a well-structured interview schedule was prepared. The efficacy of the draft interview schedule was pre-tested after interviewing thirty respondents. In the third stage, the perception and opinion of different

stakeholders in the ecotourism industry were collected and analysed.

Status of Ecotourism Marketing Strategy

The development of marketing strategy in the complex and challenging business environment requires forming a strategic vision and selecting the market targeting and positioning strategy for each market. The vision provides the basis for developing strategic targeting and positioning changes based on the implication of the vision. Targeting and positioning strategy matches customer value opportunities against the organisation's core capabilities. One of the greatest challenges facing marketing managers in the present scenario is the development of critical thinking and analytical skills required to adapt quickly and effectively to the environmental and market changes. The selecting strategies for fast-changing markets begin with the identification and evaluation of potential market changes and the strategy implications. The emerging ecotourism markets where the elements of product, price, communications, and distribution are recognized as valuable source for competitive advantage.

Ecotourism industry can build and maintain a strong and profitable relationship with their tourists and local community. Ecotourism promoters ensure that the organization achieve a sustainable competitive advantage through a structured approach to planning and strategy development. The word strategy appeared for the first time in the business literature in 1952 in a book by William Newman. At that time, strategy was

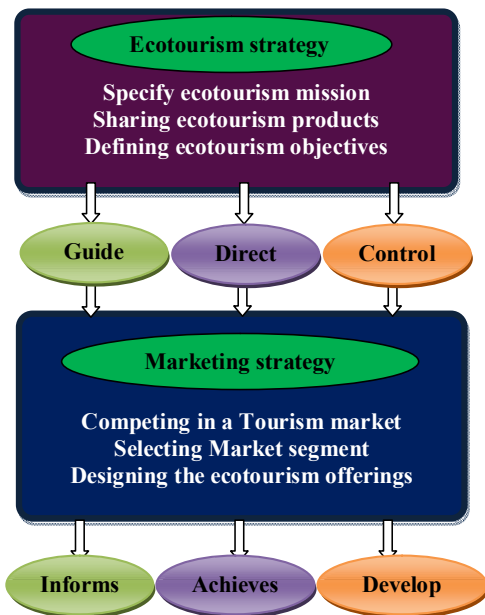
implicitly regarded as a plan for achieving organizational goals. Ecotourism marketing strategy is the overall plan for deploying ecotourism products to establish a favourable position in the tourism scenario. The utilization of key elements of ecotourism offerings is the marketing strategy to achieve the ecotourism mission and objectives.

Figure 1 shows the relationship between ecotourism strategy and marketing strategy. It shows that ecotourism strategy gives a direction to marketing strategy for awareness and development.

products in the state ranked as first. Friends and relatives were the next major source of ecotourism information to foreign tourists ranked which come to the second position. Domestic tourist opined that their main source of information was word to mouth (323 responded) ranked first and friends and relatives (294 responded) ranked second. This is presented in the Table 1

Figure 1

Relationship between Ecotourism strategy and Marketing strategy



Source: Developed from Strategic Marketing

In the opinion of the foreign tourists, electronic media and tour operators were the main sources of information (response level 23 each) about the ecotourism

Table 1

Tourist opinion about sources of ecotourism product information

Sources	Tourist			
	Domestic		Foreign	
	Responses	Rank	Responses	Rank
Word to Mouth	323	1	4	5
Friends and relatives	294	2	11	2
Electronic media	119	4	23	1
Tour operators	148	3	23	1
Print media	53	5	5	4
Tourism Fairs and marts	28	6	7	3

Source: Primary Data

Regarding the sources of information obtained by both domestic and foreign tourists the result of the analysis revealed that there is significant difference in the opinion of tourists regarding information provided by ecotourism promoters. Wilcoxon-Mann-Whitney test (U test) is applied.

Table 2

Ranks and Test Statistics for Tourist opinion about sources of ecotourism product information

Category	Mean Rank	Sum of Rank	Z	Sig.
Domestic	9.50	57.00	-2.887	0.004
Foreign	3.50	21.00		

Source: Primary Data

The results shows that the calculated value of Z is (-2.887) and the p value is 0.004, which is less than 0.05, the assumed level of significance. Hence the null hypothesis was rejected and the alternative hypothesis accepted. There is significant difference in the opinion of domestic and foreign tourists capturing information about the ecotourism products available in the state of Kerala.

E-CAPS

The shift from the ancient logic that ‘business of business is business’ to what is at this moment termed as E-CAPS. Undoubtedly, E-CAPS sprouted at a time when ecotourism industry is operational at a crossroad. The present strategy is highly sophisticated tactic by which developing ecotourism product development. The present study was conducted in different ecotourism regions of Kerala and to develop new and enlightened strategy for marketing ecotourism products with community participation. E-CAPS is the scientific combination of different doctrines identified. The identified innovative doctrines were blended, and to develop a novel strategy i.e. ‘E-CAPS’ (Eco-tourist - Community Active Participation Strategy) for marketing ecotourism products in Kerala. This strategy ensures high degree of community participation in ecotourism industry for developing ecotourism products value and to spread the products information with the effective application of web 2.0 technology so as to increase revenue and eco-tourist loyalty. The mathematical formula developed for shaping the present E-CAPS model for marketing

ecotourism products with community participation is presented below:

$$\begin{aligned}
 & \text{E-CAPS} \\
 & = \frac{1}{3} (CCe + CSe + VMe) \\
 & = \frac{1}{3} \left[\frac{1}{n} \sum_{n=0}^n CCn + \frac{1}{n} \sum_{n=0}^n CSn + \frac{1}{n} \sum_{n=0}^n VMn \right] \\
 & = \frac{1}{3n} \sum_{n=0}^n (CCn + CSn + VMn)
 \end{aligned}$$

Subject to;

$$\begin{aligned}
 CCe & = \frac{1}{n} [(Cc1) + (Cc2) + (Cc3) + \dots \dots \dots CCn] \\
 CSe & = \frac{1}{n} [(Cs1) + (Cs2) + (Cs3) + \dots \dots \dots CSn] \\
 VMe & = \frac{1}{n} [(Vm1) + (Vm2) + (Vm3) + \dots \dots \dots VMn]
 \end{aligned}$$

Where,

- E-CAPS = Eco-tourist-Community Active Participation Strategy
- CCe = Conscious Capitalism in ecotourism,
- CSe = Cross Selling in ecotourism,
- VMe = Viral Marketing in ecotourism.

E-CAPS is the ecotourism product value proposition practice that ensures all stakeholders’ active participation with the effective use of web 2.0 technology, innovative products offerings and application of mindful purpose, leadership and culture. It is the average combination of innovative and internationally accredited strategies in the business scenario, i.e. Conscious Capitalism, Cross Selling and Viral Marketing.

Projected Growth of Ecotourism industry

The present annual growth position of ecotourism industry in the tourism scenario was 10 – 15 % worldwide. The projected growth rate of ecotourism industry is illustrated in the Table 01. The projected growth rate was made on the

basis of scientific application of E-CAPS model. The mathematical model developed for the present study was used for describing the growth status of ecotourism industry in the future tourism scenario. The maximum growth rate will be achieved through the application of E-CAPS doctrines for ecotourism development should be 55 percent to 57.5 percent.

Table 3
Projected Growth rate of Ecotourism Industry

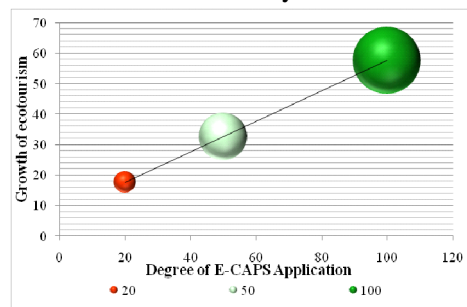
Normal Growth Rate (NGR)	E-CAPS = $\frac{1}{3}$ (CCe + CSe + VMe)									Future Growth = $\frac{1}{2}$ (NGR + ECAPS)
	CCe %			CSe %			VMe %			
	CC1	CC2	CC3	CS1	CS2	CS3	VM1	VM2	VM3	
10 – 15%	10	10	10	10	10	10	10	10	10	55 – 57.5
	0	0	0	0	0	0	0	0	0	30 – 32.5
	50	50	50	50	50	50	50	50	50	15 – 17.5
	20	20	20	20	20	20	20	20	20	31.67 – 34.17
	10	10	10	50	50	50	10	10	10	21.11 – 23.61
	0	0	0	0	0	0	0	0	0	27.78 – 30.28
	40	30	70	20	50	5	15	25	35	26.39 – 28.89
	10	15	25	35	45	55	65	75	85	?
	95	10	5	10	15	25	35	45	55	?
	0	0	0	0	0	0	0	0	0	?
?	?	?	?	?	?	?	?	?	?	?
?	?	?	?	?	?	?	?	?	?	?

Source: Developed by the Researcher

The rate of ecotourism growth was estimated on the average performance of cent percent E-CAPS doctrines application and the present normal growth rate. The varying averages of E-CAPS and the normal growth rate was the basis for predicting different future growth prospects of ecotourism industry. The assumed degree of E-CAPS doctrines are also applied for calculating the overall percentage of E-CAPS application in ecotourism industry. Cent percent application of E-CAPS model can produce maximum 55 – 57.5 % overall ecotourism product development. The overall projected growth rate is the

combined average of E-CAPS application and normal growth rate. The projected growth rate reveals that 100 percent application of E-CAPS will produce only 50 per cent contribution to the overall ecotourism growth, the rest of the contribution made by other ecotourism necessities. Cent percent growth and development in ecotourism industry depends on cent percent change in other ecotourism necessities essential for the ecotourism development. The changing ecotourism necessities and environment conditions are part and parcel of overall growth and development. The ecotourism promoters will take necessary action plan to achieve cent percent growth and development in ecotourism industry. The graphical presentation of projected growth of ecotourism industry is shown in the Figure 2

Figure 2
Projected Growth of Ecotourism Industry



Source: Developed by the Researcher

Cent percent application of E-CAPS model will produce higher growth prospects and low level application of E-CAPS downsizing the growth and development of ecotourism industry.

Conclusion

The present status of ecotourism industry shows that increased stakeholder happiness and community participation is essential for ecotourism product

marketing and development. The successful application of E-CAPS model fulfills the needs of the local community and other stakeholders in ecotourism at the inception level of ecotourism projects

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AN EVALUATION OF KERALA FINANCIAL CORPORATION: THE INDUSTRIAL DEVELOPMENT BANK OF KERALA

*Jacob Sam, **Jayadev. S

Abstract

Kerala has been traditionally backward in industrial development. Till the early decade of the twentieth century, industrial development of Kerala mostly centred on a few plantation crops like coconut, cashew nut etc. The production of coir yarn and fibre spread throughout the coastal belt of Travancore, utilising the cheap labour that was abundantly available in the region. A common feature shared by all the traditional industries is their regional concentration on account of geographical, historical and sociological factors as well as resource endowments. The establishment of the two state level financial and development organisations viz Kerala Financial Corporation (KFC) in the year 1953 and Kerala State Industrial Development Corporation (KSIDC) IN THE 1961 was a turning point in the path of industrialisation of Kerala. The Kerala Financial Corporation, as the premier institution in the state financing small and medium enterprises performs a crucial role in the industrialisation process of Kerala. It acts in the line of a development bank for accelerating the industrialisation in the state. The present paper is in this direction evaluating the performance of Kerala Financial Corporation in terms of the amount of loan disbursed, recovery and profitability.

Key words:- Kerala Financial Corporation (KFC), Industrialisation, Financial Assistance, negative growth, industrial policy

The economic growth and development of any country depends to a great extent on the efficiency of a developed financial system. Growth of the financial sector is an indicator of the economic development of a country. The financial sector liberalisation had led to a structural

transformation in the business environment of the Development Financial Institutions. A large number of new players, including commercial banks have been permitted to extend term loans of larger magnitudes. This change made the business environment of the Development Financial Institutions like

**Jacob Sam, Research Scholar, Kerala University Library, Palayam*

***Dr. Jayadev. S, Assistant Professor, MG College, Trivandrum*

Kerala Financial Corporation more competitive.

Among the two players of industrial financing in Kerala viz, the Kerala State Industrial Development Corporation and the Kerala Financial Corporation, the role played by the latter is very crucial. The Travancore Cochin Financial Corporation was established on December 1, 1953, under the State Financial Corporation Act 1951. This was later renamed as Kerala Financial Corporation consequent to the reorganisation of states in 1956. The Kerala Financial Corporation has its headquarters at Thiruvananthapuram and has 16 branch offices covering all the districts of the state. It has been conceived as a development bank for accelerating the pace of industrialisation in the state by providing financial assistance to the industrial sector. The Kerala Financial Corporation aims at the industrialisation of Kerala by providing long term loans to start small and medium scale industrial units and also to expand / diversify and to modernise the existing industries. The Kerala Financial Corporation also acts as ISO 9001 certifying organisation. Besides giving loans to the new/existing units for manufacturing and processing activities, the Kerala Financial Corporation also provides loans for the service sectors like tourism activities, hotels, hospitals pharmacies, commercial complexes, transportation services, mobile catering units etc. Generally, the term loan sanctioned is disbursed in different instalments. The instalments of the loan are disbursed as according to the progress in the promotional sequence. The corporation will complete the disbursement only after the promoter has

brought in his contribution completely. The loan agreement between the KFC and the promoter will contain the conditions of repayment of the principal and also the monthly or half-yearly instalments of interest. The recovery officers of the corporation visit the units frequently as part of the steps for ensuring timely repayment of the loans.

Objectives

1. To examine the trends in the Net Profit of KFC for the last five years.
2. To analyse the trends in the amount of disbursements by KFC for the last five years.
3. To analyse the trends in the recovery of amounts by KFC over the last 5 years.

Research methodology

This paper is based on secondary data and information has been sourced from various books, journals, Kerala State Planning Board published reports of last five years, Annual Reports of KFC for the last five years and is descriptive in nature.

◆ Net Profit Trend of KFC for the last Five Years

Table 1

Table showing Net profit trend of KFC for the last five years

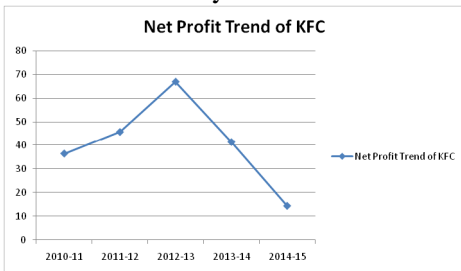
Year	Net profit (In Cr)
2010-11	36.40
2011-12	45.65
2012-13	66.83
2013-14	41.34
2014-15	14.37

Source: Annual Report, Kerala Financial Corporation, 2015

The corporation has been earning profits for the last five years even though there are fluctuations in its growth. The corporation's profit showed an upward trend till 2013 and thereafter it is showing a declining trend.

Fig 1.1

Net Profit Trend of KFC for the last 5 years



◆ **Financial assistance disbursed by KFC for the last five years**

Table 2

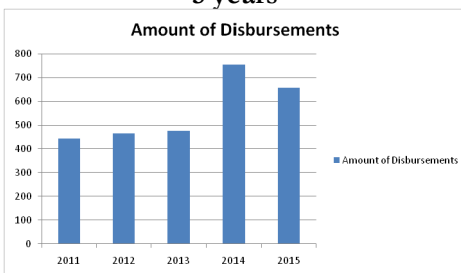
Amount of Financial Assistance Disbursed by KFC

Year	Amount of Disbursements(In Cr)	Growth %
2011	444	5.7%
2012	465	4.7%
2013	476	2.3%
2014	754	58.6%
2015	657	-12.9%

Source: Annual Report, Kerala Financial Corporation, 2015

Fig 1.2

Figure Showing Amount of Disbursements by KFC over the last 5 years



An amount of Rs 444 Cr was distributed by the corporation during the financial year 2010-11 recording a growth of 5.7% over previous year. An amount of Rs 754 Cr was distributed during the financial year 2013-14, registering a growth of 58.6% over the previous year. The growth in disbursements when compared to the previous year indicates the healthy contribution of the corporation to the development of the industrial activity in the state. An amount of Rs 657Cr was distributed during the financial year 2014-15 as against Rs 754 Cr during the previous year, thus registering a dip of 12.9%. The disbursements could not touch the expected levels owing to several reasons including the unanticipated changes in government policies and other external factors affecting business in certain sectors like tourism, mining, real estate etc. In this scenario, the corporation has been watchful in sanctioning and disbursing to new units resulting in a negative growth.

◆ **Recovery by KFC**

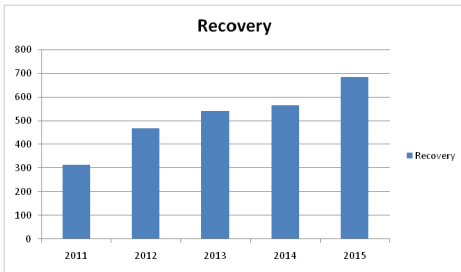
Table 3

Showing Recovery by KFC over the last 5 years

Year	Recovery Amount (In Cr)	Growth %
2011	314	4.6%
2012	467	48.7%
2013	540	15.6%
2014	565	4.6%
2015	684	21.0%

Source: Annual Report, Kerala Financial Corporation, 2015

Fig 1.3
Figure Showing Amount of Recovery by KFC over the last 5 years



The total recovery during the year 2011 was Rs 314 Cr. The total amount collected has gone up by 4.6% when compared to the previous year. The total recovery during the year 2012 was Rs 467 Cr, recording a growth of 48.7% over the previous year. The growth throws light on the effective functioning of the organization in the collection of current dues. The corporation collected an amount of Rs 684 Cr during the year 2015, recording a growth of 21.06% over the previous year. The considerable level of growth in the recovery shows the effectiveness of the organisation in terms

of quality lending and highly efficient collection of current dues irrespective of the adverse market conditions prevailed during the financial year.

Conclusion

Industrialisation has a major role in the economic development of developing states like Kerala. It can absorb excess labour power and can serve as an effective instrument to uplift the socio-economic conditions of the people. The present industrial scenario of Kerala witnesses serious efforts from the part of the government of Kerala to identify new opportunities and to equip itself to meet the emerging challenges. The industrial policy, IT policy, Export policy etc were all intended towards the enhancement of investment, especially in the industrial sector with the objective of creating more income and employment. Availability of finance is one of the key factors of industrial development. As the major institution financing industries in Kerala, the Kerala Financial Corporation has to continue to perform its function of supporting the industrial sector in the state.

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EVALUATION OF INTELLECTUAL CAPITAL IN AUTOMOBILE SHOWROOMS IN KERALA

*Jayadev. S, **Mohammad Toolabi

Abstract

Business structure of the 21st century is progressively more unwavering and ambitious by Intellectual Capital (IC) essentials. The outlook of any economy will no longer be land or equipment, but the 'people and their' knowledge reservoir. Today's 'knowledge based' economy recognizes two important hidden dynamic factors in an organization. They include knowledge and information. . Automobile show rooms have given best results for Intellectual Capital Efficiency and Physical Capital Efficiency. Among the three components of Intellectual Capital, Human Capital has consistently shown strong association with firm performance across the industries. For empirical investigation of the proposed study, the researcher has selected automobile sector in Kerala. These sectors are knowledge driven and lay due emphasis on the quality of human capital, R&D activities, product & process innovation and intellectual proprietorship. Hence an attempt was done to evaluate Intellectual Capital in Automobile Showrooms in Kerala.

Key words:- Intellectual Capital, Human Capital, Intellectual Proprietorship

Business structure of the 21st century is progressively more unwavering and ambitious by Intellectual Capital (IC) essentials. The outlook of any economy will no longer be land or equipment, but the 'people and their' knowledge reservoir. Today's 'knowledge based'

economy recognizes two important hidden dynamic factors in an organization. They include knowledge and information. Rise of the 'new economy' principally driven by knowledge and information has created a huge interest in intellectual capital. A knowledge-intensive corporation leverages their know-how, innovation and

*Dr. Jayadev. S, Assistant Professor, PG Department of Commerce and Research Centre, MG College, Trivandrum

**Mohammad Toolabi-Research Scholar in Commerce, University of Kerala.

reputation to achieve success in the market place. Market participants, practitioners and regulators alike argue that there is an important need for greater investigation and understanding of IC reporting as the usefulness of financial information in explaining firm profitability continues to deteriorate. Increased attention to intangibles and knowledge resources to create value has called for new frameworks to report organizational performance.

Significance of the Study

In today's global economic system, intellectual capital is becoming more and more important in determining the performance of international enterprises and national economies. Many global technology enterprises, such as Google and Amazon, are valued as worth billions of dollars, not for their material assets, but for their valuable intangible assets including intellectual properties. In other words, in the modern global economy, buildings or equipments as forms of material capital are no longer the most important assets. At any level, individual or organizational or national, the kinds of assets or capital other than material ones often play the most important roles in determining the success. It is a very important step to move up from a material capital focused approach to an intellectual capital appreciation approach. . For empirical investigation of the proposed study, the researcher has selected automobile sector in Kerala. In Kerala, the number of automobile manufacturing units is relatively stumpy, compared to Maharashtra, Delhi, or Tamilnadu. Hence in the present study the researcher has

relied on Automobile show rooms in Kerala. Kerala is a state famous for different categories Automobile show rooms. All these showrooms are functioning according to the specified standard and Instructions of the respective manufacturing units. These sectors are knowledge driven and lay due emphasis on the quality of human capital, R&D activities, product & process innovation and intellectual proprietorship. Automobile show rooms have given best results for Intellectual Capital Efficiency and Physical Capital Efficiency. Among the three components of Intellectual Capital, Human Capital has consistently shown strong association with firm performance across the industries. Such features make these industries an attractive proposition for research on Intellectual Capital.

Literature Review

The main IC reporting studies were typically cross-sectional and country-specific, although some longitudinal studies have been reported too. Some of the leading IC reporting studies, widely reported in the literature, were conducted in Australia, UK & Ireland, Sweden, Canada, Malaysia, Sri Lanka, New Zealand, Bangladesh and India. In the past, most studies employed content analyses as the research methodology; some other studies had also used questionnaire surveys. Despite the fact that the importance of IC has increased in recent times, there are inadequate reporting of IC in the financial statements of corporations. (Bhasin, 2011)

In a review of the current state of financial and external reporting research,

Parker identified IC accounting as a major area for further research. However, most of the IC reporting studies were cross-sectional and country specific. Examples include studies in Australia (e.g. Guthrie and Petty, 2000; Sujan and Abeysekera, 2007), Ireland (Brennan, 2001), Italy (e.g. Bozzolan et al., 2003), Malaysia (Goh and Lim, 2004), UK (e.g. Williams, 2001), and Canada (Bontis, 2003). Relatively very few longitudinal studies have been reported (e.g. Abeysekera and Guthrie, 2005). Moreover, some studies focused on the specific aspects of IC reporting, such as human capital reporting (e.g. Subbarao and Zeghal, 1997), while others conducted international comparative studies (e.g. Vergauwen and van Alem, 2005; Cerbioni and Parbonetti, 2007). Some IC reporting studies have looked beyond annual reports to examine other communication channels, such as, analyst presentations.

Studies have also been conducted to explore IC related issues from the firm's perspective. Chaminade and Roberts (2003) investigated the implementation of IC reporting systems in Norway and Spain. Habersam and Piper (2003) employed case studies to explore the relevance and awareness of IC in hospitals. Studies that looked at possible determinants of voluntary IC reporting include García-Meca et al. (2005) and Cerbioni and Parbonetti (2007). Guthrie and Petty's (2004) analysis of IC reporting practices suggests that reporting has been expressed in discursive rather than numerical terms and that little attempt has been made to translate the rhetoric into measures that enable performance of various forms of IC to be evaluated.

Objective of the Study

To evaluate and identify the items forming in the same group and those differ with respect to intellectual capital in automobile showrooms in Kerala.

Hypothesis

There is no difference in the items forming intellectual capital in automobile showrooms in Kerala.

Methodology

The present study is analytical in nature. The population constitute the entire automobile showrooms in Kerala. The total number as per the official website of RTO Kerala comes to 262. Accordingly 100 sample sizes were determined and Systematic Sampling Method was relied by the researcher to collect data from the population. A structured questionnaire was administered among the respondents. Here the sample constitutes two wheeler and four wheeler automobile showrooms. The statistical technique adopted by the researcher is Discriminant analysis. The period of the study covers 2013-2016.

Analysis and Interpretation

The present study is an attempt to evaluate and identify the items forming in the same group and those differ with respect to intellectual capital in automobile showrooms in Kerala. Automobile sector is considered to be one of the most important growing sectors in Kerala. Hence an attempt has been done to know the extent of intellectual capital in automobile showrooms in Kerala. In order to know the study more meaningful the grouping variable is classified into

level of employees, size of the automobile showrooms, department, region and specialisation. The total sample size is fixed as 100, after considering the total automobile showrooms in Kerala. Also intellectual capital was assessed on the basis of Human capital, Structural capital and Relational capital.

According to the respondents of four-wheeler automobile showrooms, the highest mean value assigned is for the variable Meet customer expectations and strive to exceed customer

expectations, got a mean score of 4.263, followed by Our employees understand current and future need of our customer got the mean score of 4.263. Likewise, the highest mean score is for the variables our solutions are very reliable and stable got a mean score of 4.226 and finally our employees share information with other and learn from other within their own team and department got a mean score of 4.129 by the respondents of two wheeler automobile showrooms.

Table 1.1
Discriminant analysis – Descriptive

Variables	Four wheeler		Two wheeler	
	Mean	Std. Deviation	Mean	Std. Deviation
Our employees are highly skilled and talented	3.368	1.2115	3.694	1.2428
Our employees have enough knowledge and skill to finish their own job	3.842	1.1673	3.968	1.0483
Our employees share information with other and learn from other within their own team and department	3.553	1.2571	4.129	0.9914
Complaints on our products/solutions are negligible	3.684	1.4163	3.839	0.898
Customers are delighted with our service capabilities	3.684	1.2933	4.065	1.0935
Our employees understand current and future need of our customer	4.237	1.1102	4.097	0.9783
Meet customer expectations and strive to exceed customer expectations	4.263	1.0457	3.935	0.892
We get a decent percentage of new customers because of positive customer referrals	3.789	1.0627	4.097	0.7463
Mutual relationship with customer and supplier is increased over the period	4.105	0.8753	4.097	0.9076
Our solutions are very reliable and stable	3.684	1.3355	4.226	0.762
Our solutions are cost effective	4	1	4.097	0.9783
We usually prevent repeat mistakes	3.974	0.9498	3.968	1.1101
Our productivity is continuously improving over the time	3.842	1.214	4.065	1.1528

Source:- Primary data

Table 1.2
Discriminant analysis – Wilks' Lambda

	Wilks' Lambda	F	Sig.	Result
Our employees are highly skilled and talented	.983	.821	.369	Not Sig.
Our employees have enough knowledge and skill to finish their own job	.997	.155	.695	Not Sig.
Our employees share information with other and learn from other within their own team and department	.937	3.243	.078	Not Sig.
Complaints on our products/solutions are negligible	.995	.224	.638	Not Sig.
Customers are delighted with our service capabilities	.975	1.240	.271	Not Sig.
Our employees understand current and future need of our customer	.995	.218	.643	Not Sig.
Meet customer expectations and strive to exceed customer expectations	.972	1.394	.244	Not Sig.
We get a decent percentage of new customers because of positive customer referrals	.970	1.489	.228	Not Sig.
Mutual relationship with customer and supplier is increased over the period	1.000	.001	.974	Not Sig.
Our solutions are very reliable and stable	.935	3.349	.073	Not Sig.
Our solutions are cost effective	.998	.113	.738	Not Sig.
We usually prevent repeat mistakes	1.000	.000	.985	Not Sig.
Our productivity is continuously improving over the time	.991	.421	.538	Not Sig.

Source:- Primary data

From the analysis it is clear that there is no significant difference in the mean difference of the variable between four wheeler and two wheeler automobile showrooms in Kerala as per the significant level of the F test. Wilks' Lambda values ascertained from the table also confirm that the respondents are high confident about the above variables.

Table 1.3
Discriminant analysis – Variables Failing Tolerance Test

Item	Within-Groups Variance	Tolerance	Minimum Tolerance
Our productivity is continuously improving over the time	1.383	.029	.001

All variables passing the tolerance criteria are entered simultaneously.

a. Minimum tolerance level is .001.

Source:- Primary data

From the above analysis it is clear that the variable our productivity is continuously improving over the time failing Tolerance Test, as the tolerance level is 0.029, hence excluded from the list.

Table 1.4
Discriminant analysis – Eigen values

Function Eigen value	% of Variance	Cumulative %	Canonical Correlation
7.578	100.0	100.0	.940

a. First 1 canonical discriminant functions were used in the analysis.

Source:- Primary data

Canonical Correlation is 0.940, which shows that high correlation exists among the remaining variables which have succeeded the tolerance test.

Table 1.5
Discriminant analysis – Chi-square

Wilks' Lambda	Chi-square	df	Sig.	Result
.117	76.297	25	.000	Significant

Source:- Primary data

The Chi-square test value is 76.297, p value is 0.000, shows that there is significant association among the variables.

Table 1.6
Discriminant analysis – Standardized Canonical Discriminant Function Coefficients

Discriminant variables	Function
Our employees are highly skilled and talented	3.563
Our employees have enough knowledge and skill to finish their own job	38.162
Our employees share information with other and learn from other within their own team and department	-1.529
Complaints on our products/solutions are negligible	4.423
Customers are delighted with our service capabilities	-3.710
Our employees understand current and future need of our customer	-3.336
Meet customer expectations and strive to exceed customer expectations	-1.556
We get a decent percentage of new customers because of positive customer referrals	-.614
Mutual relationship with customer and supplier is increased over the period	-4.163
Our solutions are very reliable and stable	4.099
Our solutions are cost effective	.526
We usually prevent repeat mistakes	-4.943

Source:- Primary data

From the variables analyzed the highest discriminant score obtained for the variable is employees have enough knowledge and skill to finish their own job got a discriminant score of 38.162, followed by Complaints on our products/solutions are negligible got a discriminant score of 4.423, solutions are very reliable and stable got a discriminant score of 4.099, employees are highly skilled and talented got a discriminant score of 3.563 and finally solutions are cost effective got a discriminant score of .526.

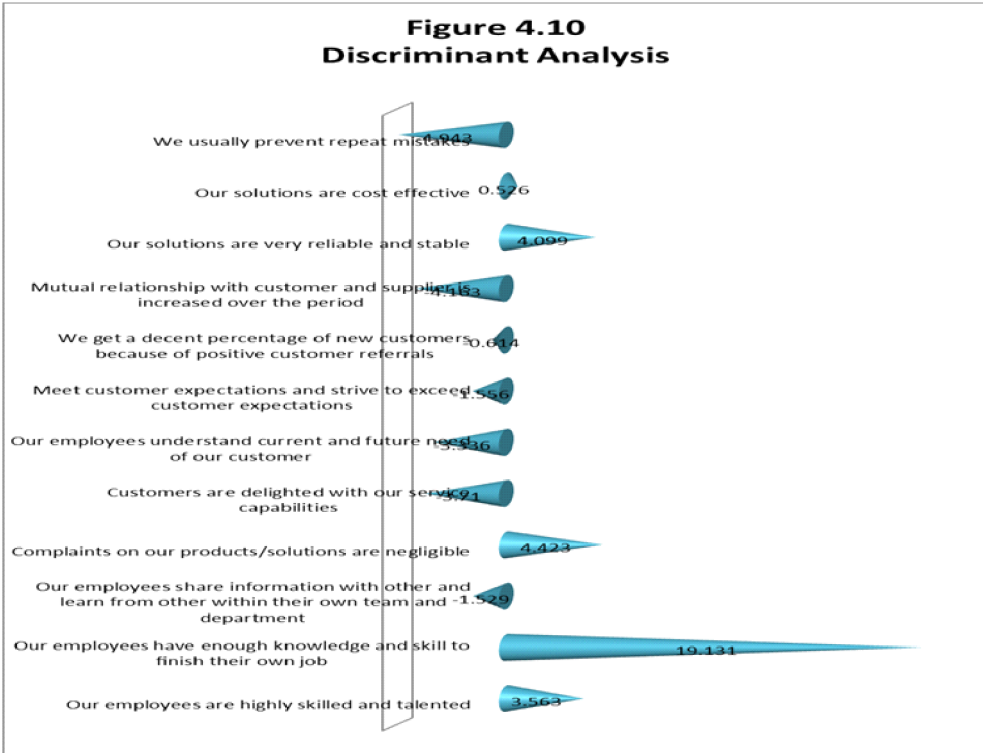
Also there is certain negative discriminant coefficient ascertained from the analysis.

The variables are employees share information with other and learn from other within their own team and

department(-1.529), Customers are delighted with our service capabilities(-3.710), employees understand current and future need of our customer(-3.336), Meet customer expectations and strive to exceed customer expectations(-1.1556), We get a decent percentage of new customers because of positive customer referrals(-.614), Mutual relationship with customer and supplier is increased over the period(-4.163), and finally We usually prevent repeat mistakes (-4.943). The graphical representation of the analysis done is shown in figure 1.1.

Findings

There is no significant difference in the mean difference of the variable between four where and two wheeler automobile showrooms in Kerala as per



the significant level of the F test to define intellectual capital in automobile showrooms. Wilks' Lambda values ascertained from the table also confirm that the respondents are high confident about the above variables

The variable Productivity is continuously improving over the time failing Tolerance Test, as the tolerance level is 0.029, hence excluded.

Canonical Correlation is 0.940, which shows that high correlation exists among the remaining variables which have succeeded the tolerance test.

There is significant association among the variables, as Chi-square test value is 76.297, p value is 0.000.

The highest discriminant score obtained for the variable is employees have enough knowledge and skill to finish their own job got a discriminant score of 38.162, followed by Complaints on our products/solutions are negligible got a discriminant score of 4.423, solutions are very reliable and stable got a discriminant score of 4.099, employees are highly skilled and talented got a discriminant score of 3.563 and finally solutions are cost effective got a discriminant score of .526.

Conclusions

Wilks' Lambda values ascertained from the table confirm that the respondents are high confident about the variables to define the intellectual capital in automobile showrooms.

The variable Productivity is continuously improving over the time cannot be used to define the intellectual capital in automobile showrooms.

There exists high correlation among the variables which have succeeded the tolerance test and the value is 94%.

The variables to define the intellectual capital in automobile showrooms are independent to each other.

The highest discriminant score obtained for the variable is employees have enough knowledge and skill to finish their own job got a discriminant score percentage of 60%, followed by Complaints on our products/solutions are negligible got a discriminant score percentage of 14%, solutions are very reliable and stable got a discriminant score percentage of 13%, employees are highly skilled and talented got a discriminant score percentage of 11% and finally solutions are cost effective got a discriminant score percentage of 2%.

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GREEN HR PRACTICES IN HOTEL INDUSTRY

*Sahaya Vijithra, **B. Chandrachoodan Nair

Abstract

Green HR is a recent jargon in modern human resource practices. The concept, originally developed in USA, is now being practiced in many countries. Green HR is concerned with sustainability and protecting the environment. Consumption of a large amount of natural resources makes it more relevant in the case of hotel industry which remains as the back bone of fast growing tourism sector around the world. The study of hotel industry in Kanyakumari, one of the important tourism destinations in Tamilnadu focused on the determination of the level of green HR practices.

Key words:- Green Practices, HR practices, Environmental Considerations.

The term 'Green' is a jargon prefixed with functions such as Marketing Management, Supply Chain Management and Human Resource Management. The desire to 'GO GREEN' has expanded from just individuals to multinational organizations.

Green HR is a most modern management jargon coined after the twentieth century. The concept was originally developed in United States of America and is now being practiced by many developed and developing nations. The present study focuses on Green HR practices with

*Sahaya Vijithra, M.Phil Scholar, Faculty of Management Studies, Noorul Islam University, Thuckalay.

**Dr. B. Chandrachoodan Nair, Professor & Director, Faculty of Management Studies, Noorul Islam University, Thuckalay.

reference to hotel industry in particular.

According to Jain (2009) green HRM involves two essential elements namely environmental HR practices and preservation of knowledge capital. Environment friendly HR initiatives are aimed at enhancing efficiency and employee engagement, and lowering labour costs. Green HR practices becomes more relevant where natural resources are employed on a larger scale .Lee (2009) pointed out that in the past sound economic performance of a firm was expected to guarantee corporate success whereas at present it is achieved by ecological footprints and increased attention on social and environmental aspects. Green HR practices will enhance the employee commitment in achievement of corporate objectives.

Objectives

Study on green HR practices in Hotel industry becomes very relevant in the context of huge consumption of natural resources by the sector and insistence by regulatory authorities. The study was primarily aimed at an assessment of present level of Green HR practices in hotel industry and to understand how far the rated and non-rated hotels, knowingly or unknowingly follow green HR practices.

Methodology

The population for the study was defined as the 80 hotels approved by Department of Tourism of Tamilnadu, ranging from budget hotels to star rated category in Kanyakumari. The sample size of 66 was arrived at a confidence level of 95 percent and confidence interval of

5. The selection of samples was carried out by application of simple random sampling technique. The officials responsible for Human Resources Management in Hotels formed the respondent group for the study. The data collection was by administering a structured questionnaire in to the respondents. The study reflects the views of the industry and perception of HR personnel in the industry.

Green HR

HR practices are very vital to an organization. In present day world organizations are moving towards green HR practices giving equal importance to people and environment there by attempting to enhance human values and protecting the nature. People are becoming more aware and conscious by way of talking about green products, green technology, green building, green education etc. Green HR practices refers to the use of employee interface for promoting sustainable practices and to enhance employee awareness and commitment in addressing issues relating sustainability, promoting environment HR initiatives leading to greater efficiencies, lesser costs and higher levels of employee engagement and retention (Mandip-2012). He also explained the application of green HR practices in recruitment, selection and training. Integration of green environmental issues to recruitment selection and training process involves monitoring the long term competency requirements, focusing on environment friendly attitude of candidates, ensuring equitable distribution in terms of gender, racial, ethnic and disabled groups,

providing information on sustainable development policies and commitments to new recruits at the time of induction .Green HR initiatives also include reduction in carbon foot prints, application of renewable energy sources, waste reduction and disposal, innovation, eco-friendly practices, green auditing, and CSR practices Development of green culture in organizations will lead to competitive advantage(Margaret M et.al).

Hotel Industry and Green HR Practices

India occupies a very prominent position among tourism destinations in the world. Tourism Satellite Accounting (TSA) research released by World Travel and Tourism Council(WTTC) projects an annual demand growth of 8.2 percent between 2010 and Tourism 2019, as regard to travel and tourism sector, bringing India to the third position in the world. Kanyakumari is an attractive destination to both domestic and foreign tourists. Hotel industry is directly associated with the development of the tourism sector. Green HR practices in hotels become more relevant in the context of its consumption of a large amount of natural resources

The study assessed the present HR practices in hotel industry based on relevant variables influencing green HR practices such as mode of interview, electronic pay roll, electronic filing, mode of communication, application of renewable energy sources, and environmental considerations.

Data Analysis

Both descriptive and Inferential Analyses were used for processing of data collected.

Level of Green HR Practices

Descriptive statistical analysis was carried to find out the level of Green HR practices in Hotel Industry. All the variables under study were put together and attempted to find out overall Green HR practices followed by Quartile Analysis for understanding the level of Green HR practices in hotel industry and the final outcome of the analysis is shown in table 1.

Table 1

Level of Green HR Practices

Level of Green HR Practices	Frequency	Percent
Low	19	28.8
moderate	31	47.0
High	16	24.2
Total	66	100.0

Table 1 show that the level of practice of Green HR is at high level in 24.2 percent of the hotels, at moderate level in 47 percent and low level in 28.8 percent of the hotels, among 66 hotels under study.

Rating of the Hotels and Green Practices

A hypothesis was developed to find out the relation between rating of the hotels and green practices.

Null Hypothesis H_0 : There is no significant difference between the rating of the Hotels and Green Practices.

Alternative Hypothesis H_1 : There is a significant difference between the rating of the Hotels and Green Practices.

t-test was used to find out the relation between rating of Hotels and Green

Practices followed by them.. The results are shown below.

Table 2
One Sample t-Test

Green Practices	Std.		t-value	p value
	Mean	Deviation		
Renewable Energy Sources	2.41	.822	-5.838	.000**
Reusable Utensils	3.08	1.127	.546	.587
Use of Recycled Products	4.20	1.084	8.967	.000**
Low-flow Fixtures	3.76	1.053	5.843	.000**
E- Filing	2.06	1.263	-6.040	.000**

Since p value for renewable energy sources, recycling of products such as Toner cartridges, low-fixtures and electronic file paper work is less than 0.01, the null hypothesis is rejected at 1% level of significance. Hence it is concluded that there is a significant relationship between rating of the hotels and green practices. As regard to reusable utensils the p value is greater than 0.05 and the null hypothesis is accepted. Hence it is concluded that there is no relationship between rating of hotels and reusable products.

Rating of the Hotels and HR Practices

A hypothesis was developed to find out the relation between rating of the hotels and HR practices.

Null Hypothesis H₀: There is no significant difference between the rating of the Hotels and HR Practices.

Alternative Hypothesis H₁: There is a significant difference between the rating of the Hotels and HR Practices.

t-test was used to find out the relation between rating of the Hotels and HR Practices followed by the Hotels. The results are shown below

Table 3
One-Sample T-Test

HR practices	Std.		t value	P value
	Mean	Deviation		
Interview	2.55	.980	-3.770	.000**
Training	2.42	1.216	-3.846	.000**
Motivation	2.42	1.216	-3.846	.000**
Purchasing	2.29	1.106	-5.230	.000**
personal Fitness	2.39	1.201	-4.100	.000**

inferred that ‘p’ value for all the factors relating to HR practices is lesser than 0.01. The null hypothesis is rejected at 1% level of significance. Hence it is concluded that the opinion regarding all statements of HR practices are not equal.

Rating of the Hotels and Environmental Considerations

A hypothesis was developed to find out the relation between rating hotels and environment consideration.

Null Hypothesis H₀: There is no significant difference between the rating of the hotels and environment consideration.

Alternative Hypothesis H₁: There is significant difference between the rating of the hotels and environmental considerations.

t-test was used to find out the relation between rating of hotels and environment consideration followed by the Hotels. The result of t-test is shown in table 4.

Table 4
One Sample T-Test

Environment consideration	Mean	Std.		p value
		Deviation	t- value	
Importance to environment	2.32	1.166	-4.752	.000**
Attitude towards environment	2.44	1.139	-4.000	.000**
Environment protection policy	2.42	1.216	-3.846	.000**
Working Environment	2.39	1.239	-3.974	.000**
Environment Friendly Activities	2.32	1.069	-5.180	.000**

From the above table it is inferred that ‘p’ value is less than 0.01. Hence the null hypothesis is rejected at 1% level of significance. It is concluded that the opinion regarding all statements of factors relating to environment considerations are not equal. Based on mean score all the statements of environment considerations are below average level.

Rating of the Hotels and Overall Green HR Practices

A hypothesis was developed to find out the relation between the rating of hotel and overall Green HR practices.

Null Hypothesis H₀: There is no significant difference between the rating of the Hotel and overall Green HR practices.

Alternative Hypothesis H₁: There is a significant difference between the rating of the Hotel and overall Green HR practices.

ANOVA test was used to find out the relation between the rating of Hotel and overall practices followed by the Hotel. The results are shown below.

Table 5
ANOVA Test

Statement on overall Green HR practices		Sum of Squares	F	Sig.
Green Practices	Between Groups	567.611	15.713	.000**
	Within Groups	550.889		
	Total	1118.500		
Prevailing HR Practices	Between Groups	125.054	2.734	.037*
	Within Groups	697.567		
	Total	822.621		
Environment	Between Groups	185.091	3.348	.015*
	Within Groups	843.167		
	Total	1028.258		
Overall practices	Between Groups	2084.208	8.298	.000**
	Within Groups	3830.231		
	Total	5914.439		

Since P value for green practices and overall practices is less than 0.01. The null hypothesis is rejected at 1% with regard to green practices and overall practices. Hence there is significant difference among star rating and overall practices.

Since p value for green practices and overall practices is less than 0.01 the null hypothesis is rejected at 1% with regard to green practices and overall practices. Hence there is significant difference among star rating and green practices and overall practices.

Since p value for HR practices and environment consideration is less than 0.05 the null hypothesis is rejected at 5% level of significance. Hence there is significant difference among star rating and Green HR and Environment consideration.

Findings

The practice of green HR management in organization needs more

focus, especially for hotel industry in particular, due to the enormous use of natural resources and to attract more domestic and foreign tourists. The green practices will enhance the value of the tourism destination. The study leads to the fact that the level practice of green HR in majority of the hotels is moderate or below. It is also seen that the hotels of different ratings do differ in green practices followed. But as regard to the use of reusable utensils among hotels, irrespective of star rating, the practice remains to be the same. HR practices also differ in star rated hotels. The hotels also differ in the importance given to environment. Acquisition of higher level star rating does not ensure the practice of green HR in Hotels. There is difference in over all Green HR practices among hotels practices which shows that higher levels of standards on the all the relevant variables relating to green HR practices are yet to be established .

Conclusion

Government also should play a vital role in Green HR practices by setting standards and insisting on implementing the same among hotel industry. This can be a condition while giving approvals to new hotels by regulatory authorities. Training Need Assessment (TNA) focusing on green HR practices seems to be the need of the hour. Responsible tourism is a path to achieve most of the objectives of green HR as it minimizes negative economic, environmental and social impacts. Application of Alternate source of energy is another area to be focused by hotels. Alternate source of energy refers to production or recovery of energy without any undesirable consequences as emission of green house gases. Green audit can also be done continuously and involves monitoring of performance of organizations whose activities might threaten environment and health of citizens

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MAHATHMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME- "A RIGHT TO ACT"

*G. Pushpangathan, **Prathibha R.S

Abstract

The Mahatma Gandhi Rural Employment Guarantee Act (MGNREGA) represent a paradigm shift from other wage employment programme operating in India. It is a shift from 'programme to act', compared to the earlier programmes. It ensures the livelihood security of the poor households in rural areas by providing at least 100 days of guaranteed wage employment, to the adult members who are willing to do unskilled manual labour in every financial year. It is perhaps the largest and the most ambitious social security and public work programmes in the world. Though the achievements of MGNREGA have been impressive, there has been an issue with regard to its implementation. That needs to be recognized and addressed meaningfully. This paper tries to create full awareness about the scheme.

Key words:- poverty, unemployment, MGNREGA, Key stakeholders, funding pattern

*I*n a rural agrarian labour surplus economy, sections of rural population depend on the wages they earn through unskilled, casual, manual labour. They are vulnerable to the possibility of sinking from chronic poverty in the event of inadequate labour demand. In the context poverty and

unemployment workfares programmes have been become more important interventions in developed as well as developing countries. So the govt implemented workfare programmes that offered wage employment on public works on minimum wages. Noted programmes are CRSE, PIREP, SFDA,

**Dr. G. Pushpangathan, Associate Professor, Dept. of Commerce, Mahatma Gandhi College, Thiruvananthapuram*

***Prathibha R.S, Research Scholar, Kerala University Library, Thiruvananthapuram*

FWP, SGSY, MNP, IRDP etc...here much emphasis was given to IRDP. But it was not able to attain the expected results. However the govt of India designed a new strategy for providing employment to the rural people and consequently the NREGA was passed.

MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act)

The National Rural Employment Guarantee Act passed in the year 2005 and came in to force on 2nd February 2006 implemented in 200 backward districts of India with the aim of providing 100 days employment and thereby alleviating poverty and creating rural assets at a statutory minimum wage. It was renamed as Mahatma Gandhi National Rural Employment Guarantee Act by merging the two existing programmes, Sampoorna Grameen Rozgar Yojana and National Food for Work Programme. It is one of the largest right based social protection initiatives in the world. In 2007 it was extend to another 130 districts and with effect from 1st April 2008 the scheme came to applicable in all districts.

Objectives of the study

The main focus of the study is to create full awareness about the scheme, therefore the study has been made;

1. To explain the basic features of MGNREGA
2. To highlight the process, institutions and funding pattern of MGNREGA
3. To investigate the critical issues of MGNREGA

Methodology

The relevant data have been collected through secondary sources

Salient features of MGNREGA

The essential features of MGNREGA are

Adult members of a rural household willing to do unskilled manual work may apply for registration to the local Gram Panchayath
The registered household is issued a Job Card (JC)
The JC should be issued within 15 days of application
The JC holder may submit a written application for employment
Employment will be provided within 15 days of application other wise employment allowance to be paid
Work should be provided within 5 km radius of the village otherwise extra 10% wages are payable
Wages are to be paid according to the minimum wage act 1948
At least one third of the beneficiaries shall be women
Worksite facilities are to be provided
Social audit has to done by Gram Sabha
Grievance redressal mechanism has to be put in place for ensuring a responsive implementation process.

Permissible works under MGNREGA

S. No	Type of Work	S. No	Type of work
Watershed- related works		Fisheries related works	
1	Contour trenches	18	Fisheries on seasonal water bodies on public land
2	Contour bunds	Works on coastal areas	
3	Boulder checks		Fish drying yards
4	Farm bunding	19	Belt vegetation
5	Gabion structures	20	Construction of storm water drains for coastal areas
6	Underground dykes	21	Rural drinking water related works
7	Earthen dams		Soak pits
8	Dugout farm ponds		Recharge pits
9	Stop dams	22	Rural sanitation related works
Watershed related works in mountain regions		23	Individual household latrines
10	Springshed development		School toilet units
Agriculture related works		24	Anganavadi toilet
11	NADEP composting	25	Solid and liquid waste management
12	Vermi-composting	26	Flood management related works
13	Liquid bio-manures	27	Deepening and repair of flood channels
Livestock related works			Chaur renovation
14	Poultry shelter	28	Irrigation command related works
15	Goat shelter	29	Rehabilitation of minors, sub minors and field channels
16	Construction of pucca (permanent) floor urine	30	
17	Tankand fodder trough for cattle Azolla as cattle-feed supplement.		

Source: MoRD, 'Report of the Committee on Revision fo MGNREGA Operational Guidelines', Ministry of Rural Development

Funding pattern of MGNREGA

The govt of India has established a fund called the national rural employment guarantee fund (NREGF), from which the grants are released directly to the district. Revolving funds are to be set up under NREGS at the district, block, and the Gram Panchayath levels with separate bank accounts being opened for such funds at each level. The MGNREGA is implemented as a centrally sponsored scheme on cost sharing basis between central and state govt. The central govt bears the following cost;

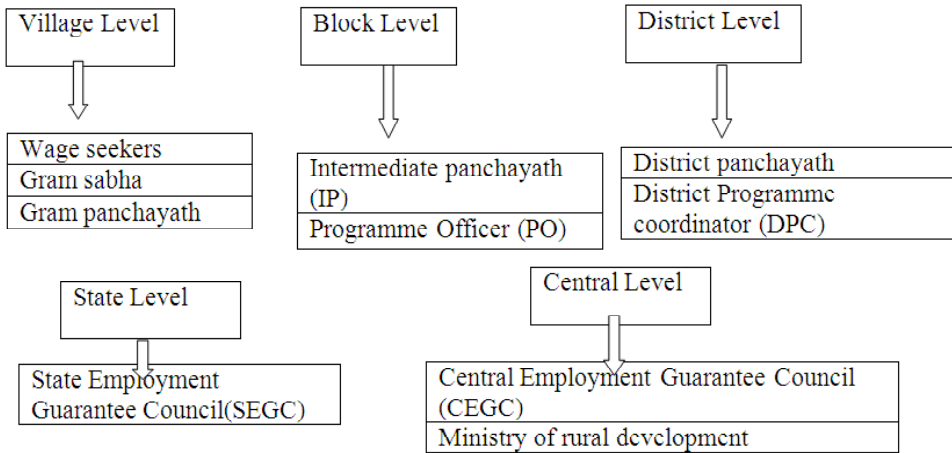
- The entire cost wages for unskilled manual workers,

- 75% of cost of material and wages of skilled and semi-skilled workers,
- Administrative expenses as may be determined by the central govt,
- Administrative expenses of the Central Employment Guarantee Council.

The share of State Govt-

- 25% of cost of material and wages of skilled and semi-skilled workers,
- Unemployment allowances,
- Administrative expenses of State Employment Gurantee Council (SEGC)

Key stakeholders of MGNREGA



Major challenges with MGNREGA

MGNREGA marks a radical change from the earlier wage employment programme. However there is no denying the fact that there have been many problems in infusing the system. The following are the major problems identified through many field studies:

- Lack of awareness about the provision of demanding work
- Inaccurate schedule of rate and delay in payment of wages
- Irregular flow of fund, Poor coverage/ networks of banks/ post office
- Inadequate staff and other institutional framework
- Worksite facilities are not available
- Poor maintenance of record, Illiterate workers, Low cash and time limit
- Non availability of Muster Rolls at worksite, Fake entries in Muster Rolls

- Use of contractor and machinery
- Payment to fictitious workers
- Frequency of social audit and there quality
- Ineffective grievance redressal system.

Recent initiative to strengthen MGNREGA

The following are the reforms taken up by the govt of India;

- List of permissible work expanded,
- Ensuring demand based character
- Effective planning and strict time schedule
- Reducing delays in wage payment and strengthening MIS
- Equal Opportunity for weaker group and facilitation
- Better social audit, performance audit and vigilance

MGNREGA at a Glance

		FY 2014-2015	FY 2013-2014	FY 2012-2013	FY 2011-2012	
Total no of Districts		645	644	636	635	
Total No. of Blocks		6601	6576	6568	6378	
Total No. of GPs		247643	247643	247643	247643	
Total no of Villages		778134	778134	778134	778133	
Total No. of HH Registered(In Cr)		13	13.3	13.2	12.6	
Total No. of Workers in Job Card(In Cr)		28.9	29.5	29.3	27.8	
Number of GPs with NIL exp		110474	26092	26190	25389	
Number of Ongoing Works(In Lakhs)		72.9	72	79.1	53.2	
Total No. of Works Takenup (New+Spill Over)(In lakhs)		74.1	93.8	104.6	80.8	
Total Exp (In Cr)	Wages(Rs. In Cr.)	4655	26592.9	27152.8	24306.2	
	Material and skilled Wages(Rs. In Cr.)	1252.9	9607.2	10430	10650.5	
	Adm Exp:					
	GP Level	6.4	224.7	307.6	301.8	
	Block Level	124.1	1329.7	1330.1	1191.7	
	District Level	35	593.6	482	514.4	
	State Level	21.855	200.166	32.936	108.055	
	Total Adm Expenditure	187.3	2348.2	2152.7	2116	
	Total Exp(Rs. in Cr.)	6095.2	38548.3	39735.4	37072.7	
	Labour Vs Material(%)	78.8	73.5	72.2	69.5	
	Admin Exp(%)	3.1	6.1	5.4	5.7	
	Wage Employment Provided (in lakhs)	Households	121.4	478.1	498.9	506.4
		Individuals	173	736.2	797.3	820
Men		71	383.3	422.1	446.6	
Women		101.9	352.9	375.3	373.3	
SCs		38.6	167.3	181.7	185	
STs		30.1	129.4	142.9	147.4	
Persons with Disability		1.6	4.8	4.6	4	
Person days (In Cr)	Total as per LB	227.0	258.6	278.7	199.6	
	Persondays Generated so far	20.5	219.7	230.5	218.8	
	% of Total LB	9	85	82.7	109.6	
	% as per Proportionate LB	42.3				
	SC persondays	4.4	49.6	51.2	48.5	
	ST persondays	3.5	37.9	41	40.9	
Average Wage rate per day per person		130.5	132.7	121.4	114.5	
Average days of employment provided per Household		16.9	46	46.2	43.2	
Total No of HHs completed 100 Days of Wage Employment(In Lakhs)		0.1	46.4	51.7	41.7	
% payments generated within 15 days		72.9	50.7	63	57.8	
% of payments Disbursed through EFMS		38.3	26	0.9	0	
Performance since inception: Persondays Generated (In Cr.):		1680.54		Total expenditure(Rs.In Cr.): 250664.44		

Source: <http://nrega.nic.in/netnrega/home.aspx>

Conclusion

The demand driven approach of NREGA marks a paradigm shift from the previous wage programme. It has turned as a significant vehicle for strengthening decentralization and increasing outreach to the poor. For developing rural economy the

programme is definitely a boon but it needs to be metamorphosed from short term job provider to long-term sustainable livelihood and society based on equity. Effective levels of awareness and sustained public initiatives are crucial to ensure that the implementation problems are not only addressed but also resolved and the objectives are met.

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INFRASTRUCTURE AND EFFICIENT FINANCING MECHANISMS - A CONCEPTUAL ANALYSIS FOR AN IDEAL FRAMEWORK

*Rajeeve L, **C. Ganesh

Abstract

The efficiency of a financing mechanism is determined by the risk return profile of the project. In order to understand the efficiency of a financing mechanism, it is imperative to primarily understand the risk profile of the project which in turn will indicate a return expected by potential investors. An accurate assessment of the risk profile together with the mitigating mechanisms and financial viability will give a precise picture about the mechanism to be adopted for financing the infrastructure project. This paper tries to explore the financing mechanisms for infrastructure projects with special emphasis on efficiency based on the risk return profile and propose a framework for selecting appropriate financing mechanism.

Key words:- global infrastructure, financing mechanism

The global infrastructure needs is estimated to reach at US\$ 57 trillion by 2030, to keep pace with the exponentially growing global demand. While the developed countries are investing more

in rebuilding their existing infrastructure the developing countries faces grave challenges even for making the basic infrastructure amenities. The importance of efficiency in using appropriate financing mechanism is increasing globally

*Rajeeve L, *Managing Director, Kerala Urban and Rural Development Finance Corporation Ltd. & Research Scholar, Institute of Management in Kerala University of Kerala*

**Dr. C. Ganesh, *Professor, Department of Commerce, School of Business Management & Legal Studies, University of Kerala*

and it plays a vital role in infrastructure sector. In a Global study it is estimated that US\$ 1 trillion per year can be saved worldwide in infrastructure development costs by adopting efficient financing mechanisms.

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Financing Mechanisms for Infrastructure Projects

The three principal forms of finance for infrastructure service delivery are public finance, corporate finance and project finance. Chan *et al* (2009) stated that although many public institutions employ a variety of financing vehicles, these generally fall into two broad categories namely cash flow financing and capital market financing. Cash flow financing vehicles rely on the quality of cash flows from an asset being financed to repay the interest and capital. On the other hand, a capital market finance vehicle relies on the quality of the balance sheet

of an institution to raise the required finance for a specific or number of projects.

While budget appropriations remain the major source of finance for public infrastructure, governments have increasingly been drawing on capital markets to finance public infrastructure. This partly reflects the impact of financial innovation on financing efficiency, as well as changes in the attitudes of government to debt and ownership of infrastructure assets (Chris Chan *et al.* 2009). At the same time, Government has the freedom to choose to fund some or all of the capital investment in a project, government can invite the private sector to bring in expertise and efficiency.

In Corporate financing, corporations provide equity financing through retained earnings and shareholders' equity. The private operator may accept for the projects based on the balance sheet of the private operator rather than the project itself. Debt is secured through collateralisation of corporate assets and assignments of receivables. The benefit of corporate finance is that the cost of funding will be the cost of funding of the private operator itself and so it is typically lower than the cost of funding of project finance. But opportunity cost is associated with the corporate financing. Because of this company will only be able to raise a limited level of finance against its equity and the more it invests in one project the less it will be available to fund or invest in other projects.

The most common and efficient financing arrangements for PPP projects is project financing which is otherwise

known as limited recourse or non-recourse financing. Project finance consists of government, corporations and PPP financing investments solely through the revenue stream of the infrastructure projects without taking recourse to government guarantees. Project financing normally takes the form of limited recourse lending to a special purpose vehicle (SPV) which has the right to carry out the construction and operation of the project (World Bank 2016).

Efficiency in Investment, Funding and Financing

Infrastructure financing and Infrastructure investment are often perplexed but they are not the same. Chris Chan and others (2009) explained that the provision of public infrastructure involves interrelated activities of investment, funding and financing which all have distinct implications for economic efficiency. Infrastructure financing arise from the privatization of the existing facilities whereas Infrastructure investment involves the development, operation and ownership either by the private sector alone or in a joint venture between the government and the private sector entity (Grimsey and Lewis 2002). In both cases the risks involved are obviously quite different. Efficiency in financing would minimise the lifetime financing costs of a project.

When an investment is made thrust should be given to whether or not the public welfare can be improved by allocating the public money to build, renovate or restructure a particular infrastructure service. In the case of funding, the core issue is whether

governments should depend on user charges or taxes over time to pay for the ongoing costs of infrastructure operation, including interest payments and principal repayments. For financing, where the decision is whether to use fiscal reserves, sell assets, raise new taxes or other revenues, or borrow to pay for the investment's upfront costs. The central efficiency issue is which vehicle best manages project risk. The financing vehicles which allocate the risk to the partner best manage each type of risk are more efficient and reduce the overall cost of a project.

Efficient Infrastructure Investment

According to the investment theory an efficient investment is one in which a project is expected to yield benefits that exceed risk-adjusted costs. If any constraints are there on the availability of finance, efficiency requires optimizing across projects to ensure the highest overall returns. Governments have to consider an array of factors when undertaking project evaluation as infrastructure investment has various consequences. Obtaining cash flow forecasts, identifying appropriate discount rate and assessing risk evolutions are some of the difficult tasks in investment evaluation. The decision rule, which is most important, is to invest when the net present value of project benefits exceeds that of investment costs by an amount no less than the value of keeping the investment option alive.

Profitability is not the lone factor determining the success of an infrastructure project but a lot of spread out benefits that are not fully captured in

market prices. Chan et al elucidate that the efficiency of a financing mechanism is judged on the basis of the delivery of the highest ratio of benefits to costs in comparison with other alternatives. Funding sources should reflect benefits to users, with public funding making up the shortfall between user charges and the overall costs of the infrastructure. These costs include interest payments and principal repayments. Efficiency requires finding the balance between the effect of user charges on demand, with the reduction in costs imposed on taxpayers who may or may not use the service. (Chan et al. 2009) Since the key financing task is meeting upfront investment costs in a timely manner, the vital efficiency issue articulate with which financing vehicle best manages project risk. The financing vehicles which allocate risk in its best form to the stakeholders to manage each type of risk are more efficient, thereby reduces the overall cost of the infrastructure project.

Efficient Infrastructure Funding

Generally public infrastructure services are not financially self-sufficient since the presence of public good benefits associated with it. Due to this, Governments are constrained to provide subsidised rates to all those are capable to pay for the service in order to promote distributional objectives. These kinds of approach certainly have impact on funding of citizen service project. The payment for such obligations should be directly funded through budgetary processes to ensure more transparency and accountability of project funding decisions. As infrastructure projects have long living period contemplations of

intergenerational equity will affect investment decisions and there are chances of a trade-off in construction costs and maintenance costs. Funding decisions too have implications for future generations as commitments to subsidies can impose burdens on future generations. Yet intergenerational equity has little intrinsic implication for the use of particular financing vehicles (Brennan 1996) because the costs of money over time are offset by the discount rate.

Efficient Infrastructure Financing

The Fisher Separation Theorem postulated that investment and financing decisions can be regarded to be independent of each other, i.e., productive investment opportunities that maximise present value can be determined independently of the optimal way of financing. (I. Fisher 1930) This raises the question of whether financing decisions have implications for apportioning efficiency in public infrastructure investment at the economy-wide level. In principle, well-functioning capital markets can provide 'signals' to motivate and reward the 'sustainable' use of capital. This would help allocate funding and, hence, capital inputs to those investments that offer the highest returns (Modigliani, F. and Miller, M. H. 1958). But the Public infrastructure investment may not be subject to the same discipline as private investment even if financing is arranged using the capital market.

Financing Efficiency Factors

Financing vehicle is the method used to raise finance for construction and operation of an infrastructure project. It can deal with the funding gap through the

incentives it generates for user charges, the disciplines it imposes on risk management, and the costs of financing which form part of the lifetime project cost. Financing vehicles may differ in their risk management, transaction costs and information asymmetry. These risks can be mitigated by efficient management and choosing of an appropriate financing mechanism.

Project risk and risk management:

Project risk is related to the financing, construction and operation of a project. Despite the monopolistic characteristics of public infrastructure assets, the disparity of returns is determined by the risks inherent in the development and operation of infrastructure assets. Sawant (2010b) identified a number of risks that need to be allocated and managed to ensure successful financing of the public infrastructure projects. Chan (2009) and Inderst (2010) however cautioned that these risks need to be allocated with the party that is best placed to manage them in a cost effective way.

Risk and uncertainty increases the return required by investors. The focal point is whether a financing vehicle can reduce project risk. A financing vehicle can reduce risk and uncertainty thereby it can lower the total cost of financing an infrastructure project. Modigliani and Miller (1958) demonstrated that under certain conditions the overall risk of a project is fundamentally invariant to the method of financing. A financing vehicle that can allocate project risks to those who have the means to better manage those risks can reduce the overall level of project risk.

Transaction costs: Arrangements and management of financing may have high administrative costs and timing is a very important factor in this case. Transaction costs also influence financing efficiency. Transaction complexities have to be accounted for when governments engage private-sector entities to finance or operate selected infrastructure facilities. When Governments or private sector entities have availability of adequate finance what is required is timely delivery of design, construction and operation of infrastructure. Delay will certainly inflict costs in declined services, although it can bring better information to guide the investment decision.

Information Asymmetry: Jensen & Meckling (1976) made clear that Informational asymmetry affects how well risks can actually be allocated as the parties to the investment do not have a common understanding of the types and extent of risk associated with the infrastructure project. A lack of information can add substantially to transactions costs. Project uncertainties are generally reflected in higher premiums required by investors and higher hurdle rates for public investment. Information asymmetry become more severe when funding and financing decisions involve multiple agencies or levels of government

Risk Management Plan

Risk management is a very important factor in finalizing an appropriate financing mechanism. Risk may be superfluous where the managers have no control or which may be mitigated or managed. The four important stages in risk management plan are risk assessment, risk quantification,

risk response and risk control. After having assessed and quantified risk is subjected to risk response. The risk response plan should include a strategy and an action plan to address the strategy. The action plan consists of what need to be done, who is to do it and when it should be done. The main risk responses are Avoid the risk, Transfer the risk, Mitigate the risk and Accept the risk.

In *Avoid the risks* do something to remove the risk by changing the supplier whereas in *Transfer the risks* make someone else responsible by transferring the risk which is part of a project. But it is difficult to quantify the level of transfer of risk in terms of percentage of the total risk because of the heterogeneity in the impact of the risk. In *Mitigate the risk* action is taken to lessen the impact or chance of occurrence of the risk. If the risk relates to availability of resources, draw up an agreement and get sign-off for the resources to be available. If the risk might be so small the effort to do anything is not worthwhile and better to accept the risk.

Risk mitigation is the most important mechanism concerned with risk management of a major infrastructure project. It is the process of identifying compensation due to the affected parties on the occurrence of a risk which has been allocated to them. The foremost risk mitigating mechanisms related to various risks are risk compensation, contingency funds, contractual agreements and risk guarantees and private insurance.

The next step in the risk management is the monitoring of risk to identify changes in the status and to check whether

they turn into an issue. It is prominent to hold regular risk reviews to identify actions outstanding, exceptions, risk probability and impact. The risk control mechanism removes risks that have passed, and identify new risks.

Financial Viability Analysis

Assessment of financial viability is a crucial step in the process as it shows up the key financial parameters relating to the project. Testing of financial viability has paramount importance given that the lenders will finance the project only if it satisfies their benchmark. Hence before selecting a financial mechanism the investor should analyze the project on the lenders perspective.

It measures to which extent the project can bear the capital expenditure on the project. It also measure the project returns over a period of time that matches the life period or the expected duration of the contract. NPV, IRR are some of the important methods for determining financial viability. Financial ratios, Rate of Returns and insurance are some important factors considers when assessing financial viability. As financial viability have is affected by the scope and structure of the project it would help to make necessary changes in the project structure or to consider the most appropriate financial mechanism for the project.

The debt ratio indicates how much debt a company is using to finance its assets relative to the amount of value represented in shareholders' equity. Debt-to-equity ratio directly affects the financial risk of a company. Loan life coverage ratio (LLCR) is used to estimate the ability

of the borrowing company to repay an outstanding loan. The debt service coverage ratio (DSCR) measures a company's ability to service its current debts by comparing its net operating income with its total debt service obligations. Lenders would also identify minimum returns on investment (RoI), equity (RoE) and assets (RoA) before financing is committed to the SPV. The weighted average cost of capital (WACC) calculates a company's cost of financing and acquiring assets by comparing the debt and equity structure of the business.

A Framework for Selecting Appropriate Financing Mechanism

In the light of the above analysis the need of an ideal framework for infrastructure financing gets the prominence. Inderst (2010) demonstrated that infrastructure investment decision is determined primarily by risk-return profile of a portfolio held by an investor. Risk is all the possibilities of delays or differences in returns to that which investors would receive if everything went according to plan. The assessed overall risk of a project implies a certain level and category of expected returns. Having assessed the implied risk category and level of risk, the model helps with the selection of a financing mechanism that is appropriate for the infrastructure project.

Need assessment is the first step in the process of identifying the appropriate financing mechanism for infrastructure investment. The need identification and the feasibility study will indicate the type of infrastructure that is required for the satisfaction of the identified need. The assessment of infrastructure needs starts

with determining the nature of infrastructure, ie, whether it is social or economic infrastructure. Followed by this a process of classification takes place and risks are categorized into project risk, transaction cost risk and information asymmetry between public and private sectors. Subsequent to the classification a detailed quantification of the identified risks takes place using a qualitative assessment tool. The quantification of risk yields a score of the overall project risk, giving a qualitative indication of the expected return by potential investors of the project.

The most efficient financing mechanism is the one that diversifies and allocates the risks of a project to the parties that are best able to carry. The main factors affecting the total cost of finance are the allocation of project risk, transaction costs, and informational asymmetries. Once the project risks have been identified and quantified, it is important that the public and private sector institutions understand clearly the nature and level of risks the other party is prepared to assume in the implementation of the project throughout its life-cycle. All the risk scores are calculated on weighting which is based on the circumstances of the project and other factors. The identification of risk category of a project enables the judgment of a probable investment return by potential investors or lenders of the project.

After having assessed the total risk score project risk management plan will be carried out for controlling the risk in the extent possible. Subsequent to that financial viability will be tested on account

of the lenders perspective to select an appropriate financing mechanism. This will enable the investor and lender to come in to an agreed ratio based on the consensus to some extent taking into account of the overall risk to be borne by the lender. Provisions of legislations, regulations and guidelines have to be taken into account before a final decision is made on the choice of a financing mechanism. It will determine or guide the final choice of the mechanism and the administrative and legal processes to be followed to implement such a choice.

Conclusion

Governments have been the traditional funding sources of infrastructure projects especially those have high public good feature. The approach to funding of community service obligations can impact on the financing of the project. There is a wide variety of financing mechanisms that raise funds for infrastructure while promoting smart growth. There are array of risks which

play an important role in determining the return of the infrastructure projects. The perspective plan 2030 envisaged by the State had given foremost thrust to major infrastructure investments in Kerala with inclusive growth in all sectors in the state. For this a financial system conducive to mobilise the domestic savings and allocating them efficiently to meet the equity and debt requirements of the fast growing infrastructure is imperative.

One major objective of this research is to determine the nature, the utilization and the appropriateness of various public infrastructure financing mechanisms. It also attempts to suggest a framework for selection an appropriate financing mechanism on the basis of risk factors, risk management and financial viability of the project. Though the selection of financing mechanism through this framework may not always be appropriate, this framework allows the organizations to construct their own financing order based on their selection of projects and risk factors.

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TWO DAY NATIONAL WORKSHOP ON RESEARCH IN ECONOMICS- A REPORT

A National Workshop on Research in Economics was organized by Kerala Economic Association on 30th and 31st July, 2016 at Chaithanya Pastoral Center, Kottayam.

In the first day there were **FOUR** sessions

Session 1: The inaugural program was addressed by Dr.M.A.Oommen, the veteran economist and professor, who narrated his earlier experiences with research. The gist of his reflections is given below:

“Pursuit of knowledge and its expansion is the hall mark of research. It is not mere information gathering and organizing. Research involves information gathering, collection of data, and its analysis. However, its meaningful interpretation is the heart of research. Data is quantitative expression of information. In order to handle data, one must understand the variables. A ‘variable’ is anything that changes over time and space. For the operationalization of the variable, it must be thoroughly understood and interpreted. Analysis of data is research.

In descriptive research, there is a lot of plagiarism. Never be in this game. Scientific research on the other hand is

learning by reasoning, interpreting by reasoning and inferring by reasoning. It should be logical, objective, and systematic. Make your inferences falsifiable. Make your value explicit. Read the book “The Logic of Scientific Discovery” by Karl Popper to understand the philosophy of research. Axioms are not inferences; independent variables are your arguments. Specifying the independent variable is very important. Your knowledge and experience is very important for formulating the variable.” His lecture was very insightful.

Session 2: Data base: by Dr.Irudayarajan, Centre for Development Studies.

He pointed out that questioning is the fundamental step for research. In order to find out the answers, the researcher should first review the literature on the topic which will help to find out the research gap. On every topic, there may be a number of articles available. The researcher should first of all find out the article which should be read and discriminate them from those which need not be read. The next step in research is to spell out the objectives and decide on the data base and methodology. Data can be used from the secondary sources like Census data and National Sample survey which are authentic.

Session 3: Strategies for publishing in academic journal: by Dr.Justin Paul

Dr.Justin Paul said research output is 'intellectual capital'. The results should reach the reader for further research in the area, in the form of articles.

The various types of articles are:

- Empirical paper with theory or without theory (more chances of getting published)
- Conceptual paper with propositions and theory development (AMS Review, AMR)
- Research articles with three or two case studies/single case
- Review of literature paper

Dr. Justin Paul gave some practical tips for getting the paper published, which is summarized below:

“Try to get the articles published in those journals which have high impact factor like SSCI journals, journals from ABDC list etc. World Development Journals may not have submission fee. Cent per cent perfect paper should be submitted following the rules of journals to avoid desk rejection. Proof reading before submission is very important to avoid desk rejection. Abstract should be less than 200 words and should convey the purpose, design, methodology, findings and originality and contribution (value) of the paper. The introduction must tell the scope of the study and convince the reader why this phenomenon or theoretical framework is important. In literature review, summarize theoretical and analytical approaches to the study. Cite

maximum recent articles from the target journal (ie, the journal in which you wish to get your article published). Pool the findings of other articles. Derive hypothesis based on literature review. The research studies can be review articles, meta studies, quantitative studies and qualitative studies. The results should support hypothesis. In the conclusion and discussion, make sure that they are long enough and results are interesting. Then link back to introduction and hypotheses. Also, see if results corroborates with findings of any previously published studies. Provide ideas for future research.”

Session3: Research Methodology – Objectives and Hypothesis : by Dr.Vinoj Abraham, CDS

The excerpts from the lecture:

Research problems can come from literature review and from the researcher's own experience. Hypothesis is a “testable” idea, not actually done now. Conjecture is not testable. Cause-effect relationship cannot be proved empirically. It will show only statistical result. But theoretically you can prove. A null hypothesis can be statistically tested and could be accepted or rejected. It may show relationship or no relationship. It would not show causality. The alternative hypothesis is only a possibility. Every study has an underlying hypothesis, whether it is written or not. Hypothesis may not be stated obviously. Hypothesis is formed not to prove it, rather to falsify it. Objectives are written to avoid writer's bias. The aim of objective is ‘not to protect the hypothesis, but to find out the truth’.

Dr.Vinoj also explained the theory behind hypothesis called the analytical framework. He emphasized that proving and disproving are knowledge. A statistical study need not be better than a case study.

Session4: Writing a Project proposal for funded research: by Dr. P.K. Viswanathan, Gujarat Institute of Development research.

The speaker opened with an advice that any research proposal should start with a “good idea”, poor ideas will not be successful. It should also be “well – packaged”. Essentially a research proposal from funded-research should have the following contents:

Context of study: 1- 1.5 pages

Identification of research gap: 1-2 pages

Data source and methodology: 1 page

Scope and coverage – half page

Project related time frame – 1 page

Project theme (mile stones)

Statement of budget

Output/outcome expected ie, book or papers

References/bibliography

Abstract/summary of the proposal

Annexure (CV of the investigator)

He emphasized that the project should be socially relevant.

In the second day also there were FOUR sessions.

Session 1 &2 : Writing of synopsis-PhD by Dr. D Narayana, Planning Board

He started with the importance of title of the project. The title should convey the essence of the work and should attract the attention of the reader and generate a desire to read. Both introduction and problem statement crucially depends on literature review. Literature review should be able to dig the problem and put it in the context . it is not summarizing the findings of somebody else. The researcher should be able to convince why a particular method is used. In other words, the methodology and research design should suit the problem to be analyzed. Writing quality is very important. The practical tips given by the speaker is summarized below:

- Select an interesting article
- Follow the format till you become confident
- Include statistics or information that unsettles the reader or raise his curiosity
- Begin with a broad picture, narrow it down to get research question
- Problem statement should have the research question, aim/objective of the study, and significance/ contribution to the discipline.
- Methods – feasibility of the method and strike a balance between the theoretical framework or quantitative techniques.
- Avoid statements like ‘primary and secondary data will be used’.

- Have discussion along with interpretation
- List of reference should be in the properly cited. Bother the spelling of names.

stream ideas come from Harvard Business School, London School of economics and such other knowledge centres. Heterodox means interdisciplinary approach, economics interacting with psychology, sociology, history etc.

Session 3 & 4: Ethics in Research and Plagiarism by Dr. Bino Paul, (Tata Institute of Social Science, Pune)

Ethics in research involves, not only non-manipulation of data, but also non-disclosure of respondents and not causing psychological problems to respondents.

The speaker started with a remark that “Economics is a knowledge activity”. It involves the interaction between ideas, institutions and persons. Ideas can come from mainstream and heterodox. Main

He also discussed the views of different Nobel laureates on economic theories. In his lecture, he also mentioned about, neoclassical theory, Capability theory, Marxian theory and econometrics.

Report Prepared by

K.Subramoniam, Assistant Professor, St.Gits Institute of Technology, Kottayam

Dr. K. Sasikumar & Dr. Sanoop Gopi Krishna

SOLID WASTE MANAGEMENT

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Glossary

Brand India: The concept of Brand India encapsulates all the sectors that have the potential to make India a global power. The five-Ts of Brand India are talent, trade, tradition, tourism and technology. The concept of Rainbow of India envisions seven key focus areas which will be the overarching theme of all initiatives to make India a developed nation. These themes are India's culture, agriculture, women, natural resources, youth power, democracy and knowledge. Prime Minister Modi outlined an eight point key development model, with detailed initiatives on each, to put India back on high growth path and deliver good governance to the citizens.

Ease of doing business: Ease of doing business is an index published by the World Bank. It is an aggregate figure that includes different parameters which define the ease of doing business in a country. It is computed by aggregating the distance to frontier scores of different economies. The distance to frontier score uses the 'regulatory best practices' for doing business as the parameter and benchmark economies according to that parameter. For each of the indicators that form a part of the statistic 'Ease of doing business,' a distance to frontier score is computed and all the scores are aggregated. The aggregated score becomes the Ease of doing business index. India now ranks 130 out of 189 countries in the ease of doing business, moving up four places from last year's adjusted ranking of 134.

First Develop India (FDI): Ease of doing business, focus on Public-Private

partnerships, harnessing the potential of Democracy, Demography and Demand - that's what forms the key focus of PM Narendra Modi's 'Make in India' campaign. To achieve India's expected economic growth we must stress on two FDIs - First Develop India and Foreign Direct Investment. For Indians FDI is a responsibility, it means to First Develop India, for global investors FDI is an opportunity in the form of Foreign Direct Investment,

Gyan Sangam: The seventh point in the seven point agenda of revamping of public sector banks is the governance reforms. The process of governance reforms started with "Gyan Sangam" - a conclave of PSBs and FIs organized at the beginning of 2015 in Pune which was attended by all stake-holders including Prime Minister, Finance Minister, MoS (Finance), Governor, RBI and CMDs of all PSBs and FIs. There was focus group discussion on six different topics which resulted in specific decisions on optimizing capital, digitizing processes, strengthening risk management, improving managerial performance and financial inclusion.

Inclusive growth: Inclusive growth is a concept that advances equitable opportunities for economic participants during economic growth with benefits incurred by every section of society. The 'inclusive growth' as a strategy of economic development received attention owing to a rising concern that the benefits of economic growth have not been equitably shared. Growth is inclusive when it creates economic opportunities

along with ensuring equal access to them. Apart from addressing the issue of inequality, the inclusive growth may also make the poverty reduction efforts more effective by explicitly creating productive economic opportunities for the poor and vulnerable sections of the society. The inclusive growth by encompassing the hitherto excluded population can bring in several other benefits as well to the economy.

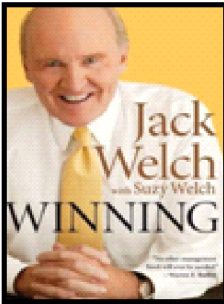
Indradhanush: In order to make good the non-performing assets in state-run banks the new finance minister Arun Jaitley in the budget speech proposed seven new measures to revamp the Public Sector Banks. This revamp is said to be the most comprehensive since the nationalization of banks in 1969. Named imaginatively as 'Indradhanush', the new government's 7-point agenda has become an ambitious initiative of the Department of Financial Services under the Ministry of Finance (MoF). This seven point programme is aimed at in reviving the asset quality of public sector banks. These seven steps included Appointments, Board of Bureau, Capitalisation, De-Stressing, Empowerment, Framework of Accountability and Governance Reforms.

Per Drop More Crop: It is a new policy for water conservation for improving the knowledge of farmers about soil behaviour for getting better yields. This idea was expressed by the Prime Minister Narendra Modi. This new mission of per drop more crop assures saving on each drop of water which can usher in a new era of progress and prosperity. Flood irrigation becomes a thing of the past and technological upgradation is given much

emphasis. This will not only ensure abundant water but bring better results in the form of good yields.

Start up and Stand up: Start up India campaign is based on an action plan aimed at promoting bank financing for start-up ventures to boost entrepreneurship and encourage start ups with jobs creation. The campaign was first announced by Prime Minister Narendra Modi in his 15 August, 2015 address from the Red Fort. It is focused on to restrict role of States in policy domain and to get rid of license raj and hindrances like in land permissions, foreign investment proposal, environmental clearances. It was organized by Department of Industrial Policy and Promotion (DIPP). A start up is an entity that is headquartered in India which was opened less than five years ago and has an annual turnover less than ₹25 crore (US\$3.7 million)

Sab ka Sath Sab ka Vikas: Prime Minister Narendra Modi's Panchamrut philosophy ensures welfare and wellbeing of all. This philosophy has a vision for the all-round development at the core of it. Panchamrut is the integration of five different streams which drives growth. This confluence of the panchshakti (five vital powers) of Knowledge, Water, Energy, Security and Human Resources, the five fundamental powers required to achieve holistic and sustainable growth. This will result in unprecedented growth and improvement in the quality of life in the nation..It is the amalgamation of mantra of 'SabkaSaath, Sabka Vikas' and Panchamrut philosophy that forms the corner stone of Narendra Modi's model of governance.

Book Review

WINNING-HOW TO WIN IN BUSINESS AND LIFE

JACK WELCH & SUZY WELCH

HARPER COLLINS PUBLISHERS Pages 372, Price Rs.299

This book is all about how to win in business and in life. Jack Welch had forty years of career at General Electric. During this long four decade career he led the company from success to success. This he has done around the globe in multiple markets and against severe competition. His honest be-the-best style of management became the gold standard in business with his relentless focus on people, teamwork and profit.

The illustrious author was inspired to work for this book by the questions he received while travelling around the world over the past so many years. Most of these questions and the answers ended up in filling the twenty chapters of this book. The ideas he expressed in this book included along with several allied areas, about leadership, hiring, change, strategy and work life balance.

After the retirement in 2001 as the Chairman and CEO, he has travelled extensively the world, meeting different people and answering their varied questions. Jack's philosophical and pragmatic approaches in business, based on his previous experiences, find its expression into the form of a book. This has destined to become the bible of business and a best seller. The book would help solve difficult problem the people to face in business for generations to come.

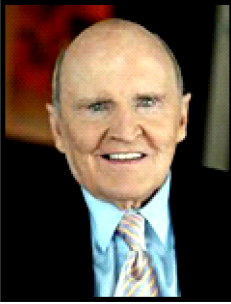
Aimed at people at every level, in companies large and small, Jack's optimistic, get-it-done mindset is riveting. Packed with personal anecdotes and written in Jack's

distinctive no-nonsense voice, Winning offers deep insight, original thinking, and nut and bolt advice that will change the way people think about the work. This is a candid and comprehensive look at how to succeed in business for everyone from college graduate to Chief Executive Officers.

The book highlights that business is about people. In fact life is only people - family, friends, colleagues, bosses, teachers, coaches and neighbours. At the end of the day it is only people that matters. This book tries to give answers to people's questions as to how faces ever changing challenges of work, and how to get it right. It is the culmination of the codification of questions that people asked ever, as to how the things being got done in the best manner possible

Winning companies are meritocracies. They practice differentiation, making a clear distinction between top, middle and bottom performers. We should have a positive high energy approach to life and work. Success is a function of talent, energy and drive of the people. People in business should make the work life balance plan fulfils their dreams and passions.

We need to handle the uncertain new situations of the business environment with characteristic thoughtfulness and determination. Basically the government is riddled with bureaucracy, waste and inefficiency. The company also has all these things. But the difference is that, the company regularly cleans up these, but the government carry it always.



Creative Thinkers of Management 12

JOHN FRANCIS "JACK" WELCH, JR.

JOHN FRANCIS "JACK" WELCH, JR. (born November 19, 1935) is a retired American business executive, author, and chemical engineer. He was chairman and CEO of General Electric between 1981 and 2001. Jack Welch was born in Peabody, Massachusetts. Throughout his early life in middle school and high school, Jack found work in the summers as a golf caddie, newspaper delivery boy, shoe salesman, and drill press operator

Late in his senior year, Welch was accepted to University of Massachusetts Amherst, where he studied chemical engineering. Welch worked in chemical engineering at Sunoco and PPG Industries during his college summers. In his sophomore year, he became a member of the Phi Sigma Kappa fraternity. Welch graduated in 1957 with a Bachelor of Science degree in chemical engineering, turning down multiple corporate offers in order to attend graduate school at the University of Illinois. He graduated from the University of Illinois in 1960 with a Master's degree and a PhD in chemical engineering.

Welch joined General Electric in 1960. He worked as a junior chemical engineer in Pittsfield, Massachusetts, at a salary of \$10,500. In 1961, Welch planned to quit his job as junior engineer because he was dissatisfied with the raise offered to him and was unhappy with the bureaucracy he observed at GE. In 1981, Welch became GE's youngest chairman and CEO,

succeeding Reginald H. Jones. By 1982, Welch had dismantled much of the earlier management put together by Jones with aggressive simplification and consolidation. One of his primary leadership directives was that GE had to be No. 1 or No. 2 in the industries it participated in.

Welch worked to eradicate perceived inefficiency by trimming inventories and dismantling the bureaucracy that had almost led him to leave GE in the past. He closed factories, reduced pay rolls and cut lackluster units.

Welch valued surprise and made unexpected visits to GE's plants and offices. . Welch popularized so-called "rank and yank" policies used now by other corporate entities. Each year, Welch would fire the bottom 10% of his managers, regardless of absolute performance. He earned a reputation for brutal candor. He rewarded those in the top 20% with bonuses and stock options. He also expanded the broadness of the stock options program at GE from just top executives to nearly one-third of all employees.

Welch adopted Motorola's Six Sigma quality program in late 1995. By 1999 he was named "Manager of the Century" by Fortune magazine. In 2005, he published *Winning*, a book about management co-written with Suzy Welch, which reached No. 1 on The Wall Street Journal bestseller list, and appeared on New York Times Best Seller list.

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