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EDITORIAL

Cash less Economy

Buying and selling involve transfer of goods and services in exchange for either money or money's worth. Economic/business transactions generally result in the transfer of legal tender money from one person to the other. Carrying cash is risky. Physical possession/carrying cash requires lot of protection as there is always a threat from purse-snatchers, robbers, burglars, thieves, pirates etc. At times cash is bulky and carrying cash is cumbersome. Paying or receiving cash is an unorganized or informal way of doing business. In an unorganized or informal method of doing business tracking the flow of resources is difficult for the planners and the tax authorities.

As it is difficult to track the flow of resources black marketers, corrupt officials and extremists prefer cash transactions. Black money, corruption and extremism are three important maladies of the society. They nullify the developmental efforts, sabotage the economy and hinder the growth. It is said that these problems can be effectively tackled if we go digital. Some others out of illiteracy, ignorance and disbelief in the financial institutions prefer cash transactions over cash less transactions and prefer to hoard cash rather than depositing cash in the bank. Hoarding cash results in loss of purchasing power and does not make available the resources for developmental activities. These problems can be avoided by going digital.

The earliest origins of money can be traced as far back as 9,000 BC, where grains were generally used as a form of money for exchange of goods. Later came gold coins, then copper and other non-precious metals, and now we have paper money. One notable change that can be seen is the fact that the tangibility of money is slowly decreasing over the years.¹ That is the society is switching itself from cash to cashless programme.

“The Cashless program is a networked end-to-end solution that is hardware neutral, works with qualified communication suppliers and card associations for payment reconciliation and account management.”² Shifting to cashless transactions from cash transactions would mean more use of electronic payments. Electronic payments bring more people into the folds of formal economy.³ A cashless economy is one in which all the transactions are done using cards or digital means. The circulation of physical currency in cashless economy is minimal.

Hitherto in India cash transactions are much more than the cashless transactions thus requiring large quantities of cash. It is said that the ratio of cash to gross domestic product in India is one of the highest in the world (12.42% in 2014). The number of currency notes in circulation is far higher than in other large economies. Some studies show that cash dominates even in malls, which are visited by people who are likely to have debit and/or credit cards. According to the study, with over Rs. 1 lakh crore of cash in circulation, a transformation of 1% moving to cashless transactions can reduce cash circulation by Rs. 100 crore. A moderate growth of cashless transactions by 5 percent a year will save the country more than Rs. 500 crore annually.³ Hence, there is a need to dis-incentivise cash and incentivise cashless transactions. In another study, sponsored by Visa and ItzCash it was stated that the two main reasons for not going for cashless transactions are either the seller or merchant not accepting cards or lack of awareness among consumers.³

Several benefits arise out of going digital or cashless. Some of the benefits are:

- a) Reduced instances of tax avoidance (*because it is financial institutions based economy where transaction trails are left*);
- b) reduced generation if not complete avoidance of black money;
- c) reduced cost of currency issuance and management (*It is said in Financial year 2015, RBI spent Rs. 27 billion on currency issuance and management.*);
- d) reduced transaction costs across the economy;
- e) reduced counterfeit/fake currency (*1 in 7 notes is supposed to be fake, which has a huge negative impact on economy*);
- f) reduced problem of soiled notes (*In a cashless economy there will be no problem of soiled notes.*);
- g) increased hygiene (*Soiled notes carry germs*);
- h) reduced costs of operating ATMs.;
- i) increased efficiency in the implementation of welfare programmes (*as money is transferred directly into the accounts of the beneficiaries*);
- j) reduced risk and the cost associated with carrying cash (*Increased use of prepaid, debit and credit cards reduces the amount of cash that people carry and reduces the risk and the cost associated with carrying cash.*);

- k) increased speed and satisfaction for customers (*no delays and queues, no interactions with bank staff*);
- l) increased GDP because of increased velocity of money and increased availability of banking services (*as no physical infrastructure is required*);
- m) increased access to credit and financial inclusion; and
- n) increased transparency in business operations and money transfers (*increased use of plastic, digital and/or encrypted money enables a more detailed record of all the transactions which take place in the society, allowing more transparency in business operations and money transfers*).

Naveen Surya, Managing Director, ItzCash Card Ltd, said, “Creation of an e-payment ecosystem depends on the success of multiple factors like merchants, POS infrastructure, E-wallet, mobile applications, net banking, etc.”³ Some of the prerequisites for achieving the objective of cashless economy are:

- a) Creating awareness, changing the perceptions and motivating the consumers to prefer cashless transactions;
- b) increasing confidence in the organized financial infrastructure and encouraging the people to make use of a variety of services provided by the banks;
- c) increasing or spreading financial and computer literacy;
- d) providing cheap, high speed and uninterrupted internet facility both in urban and rural areas;
- e) making Electronic payment infrastructure completely safe and secure;
- f) effectively controlling the vested interests who do not want to move and do not allow others to move towards cashless economy;
- g) enabling the small business men to invest in electronic payment infrastructure;
- h) writing off or minimizing the cost of card usage; and
- i) developing user friendly Apps.

Realizing the need for curbing black money, corruption and extremism the Government of India has demonetized Rs.500 and Rs.1,000 currency notes. To continue the fight against black money, corruption and extremism, as a sequel to demonetization the Government has decided to go digital and started taking steps to encourage cashless transactions. They are licensing of payment banks, promoting mobile wallets, launching UPI, promoting e-commerce by liberalizing the FDI norms, and withdrawing surcharge and service charge on cards and digital payments. In addition to that through “Vittiya Saksharata Abhiyan (Visaka)” the Government is trying to educate and popularize the use of different electronic modes of payment. But without the cooperation of hitherto educated people it is not possible to achieve the objective for the Government. Hence it is the onerous duty of each and every educated person in the country to join hands with the Government to make it a success.

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Trends & Traits of Demographic dreamguys in a growing economy like India – A study of youth Preferences

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ABSTRACT

Developing countries with huge youth population can use their potential to boost economic growth. For this purpose countries have to invest in their education, health and character. The young generation has specific needs, challenges and aspirations. The economic development would be achieved through quality and number of working people in the population, in other words "demographic dividend", can occur when country's working population is larger than the non-working population i.e. dependents. In order to maximize the dividend, we must ensure that our young working population is well equipped with skills to grab opportunities and other possibilities. The aim of this study is to find out what kind and quality of persons are desirable and in fact expected to be in this working component which we may call as independent and responsible for effecting a phenomenal economic growth of the country in the coming years. A unique picture of youth has emerged from this study. Data are collected through a survey among MBA students and faculty members in Bhopal city.

Introduction

Demographic analysis is a very powerful tool to find parameters of planning and its potentials. The age-wise classification helps to explore the independent component of a demographic parameter which reveals the pattern of population of a country in terms of children, youth and old persons. This knowledge leads to the potential of demographic dividend.

Demographic dividend, as defined by the United Nations Population Fund (UNFPA) means, "the economic growth potential that can result from shifts in a population's age

structure, mainly when the share of the working-age population (15 to 64) is larger than the non-working-age share of the population (14 and younger, and 65 and older)." In other words, it is "a boost in economic productivity that occurs when there is growing number of people in the workforce relative to the number of non-working people".

As we all know that population comprises two types of people i.e. working and nonworking. In a mathematical way demographic dividend can be trended by dividing independent component with depended component of the total population. To be more useful & productive for the society, this independent component has to be of a good quality & virtues too.

With the advancement in medical science mortality is reducing & longevity is increasing as a result ratio of independent and dependent components of population is steadily changing. India has a large percentage of population in the young age group. This has increased the prospects for India

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to grow faster and reap the dividend. While India sees the demographic resources to help its economic development, the world looks at it as a highly productive workforce and a big market as well.

The critics however say that India’s demographic potential is underutilized because of poor standards of education, under development, and slow job creation opportunities in the country.

While the critics’ concerns are genuine, no one can underestimate the potential of India’s demographic resources. Clubbed with demographic resources, the governments can take initiatives in this regard to start a new beginning to have benefits of India’s higher youth component.

As per the latest the United Nations Population Fund's (UNFPA) State of the World's Population report titled ‘The power of 1.8 billion, India has 35.6 crores youth between 10 and 24 years which means, India has the world's largest youth population despite having a smaller population than China.

China is second with 27 crores young people, followed by Indonesia 7 crores, the US 6.5 crores and Pakistan 6 crores, Nigeria with 5.7 crores, Brazil with 5 crores, and Bangladesh with 4.8 crores.

Table-1: World Population & Dependency Ratio (2015)

World Population in 2015 – 736 crores
Population aged 10–24 = 24.5%
Population aged 0–14 = 26.1% (192 cr)
Population aged 15–65 = 65.7% (486 cr)
Population aged 65 above = 8.3% (61 cr)
World Dependency ratio = Dependent / Independent
= 26.1+8.3 / 65.7
= 34.4 / 65.7
= 52.38

Source: United Nations Population Fund's (UNFPA) State of the World's Population report

India is at a takeoff point now to flying start to demographic dividend. "Young people are the innovators, leaders, planners of the future and they can transform the future only if they have qualitative disposition & impressive personality.

We perceive Demographic Dividend ratio as Independent / Dependent

In case of India when the population is 123.6 (in the year 2014) = 81.2 / 42.4 = 1.92

When the population is (2015) 127.7 = 84.2 / 43.5 = 1.93

The objective of this research is to find out what kind and quality of persons are desirable and in fact expected to be in this independent component responsible for effecting a phenomenal economic growth of the country in the coming years. Such persons may be called as dream guys of the young generation who is going to take care of the dependent component of the population.

Objective of the Study

- To find out what kind and quality of persons are desirable for economic growth of the country in the coming years
- To identify the challenges for attaining better demographic dividend
- To dig out the suggestive measures to ensure maximum mileage out of demographic dividend for India.

Hypotheses

- There are no significant differences in their preferences for health parameters
- Self-religion and mother tongue are most preferred by youth of today
- There is no significant difference between preference for Extrovert orientation and introvert orientation
- Dream guys of tomorrow want to be more careful rather than caring
- Emotional people are not liked by youth these days and very high positive attitude is preferred over positive attitude

Research Methodology

For gathering relevant data a survey was conducted in Bhopal among MBA students and faculty members (31 females & 19 males’ total 50). We begin by looking at the characteristics of demographic transition- dependency ratio, demographic dividend ratio of last two years. In this paper, we mostly use primary data collected through structured questionnaire containing 15 questions on various parameters are prepared. Respondents were asked to assign scores out of 10 for each parameter. The collected data were analyzed by using SPSS (Statistical Package for the Social Sciences) tools which are descriptive statistics, one sample t-test, two sample sign test and chi square.

Data Analysis

H1 - There are no significant differences in their preferences for health parameters

Table-2: Descriptive Statistics showing preferences of Youth on Health

Particulars	N	Sum	Mean	Std. Deviation	Variance
No BP	49	347	7.08	3.246	10.535
No Diabetes	48	368	7.67	2.956	8.738
No Allergies	47	378	8.04	2.766	7.650
No Cholesterol	47	376	8.00	2.805	7.870
Blood Group match	44	327	7.43	2.731	7.460
Valid N (listwise)	44				

From table No. 2, it is evident that youth wants to be fit and live a healthy life, in most of the cases mean is more than 7 with low standard deviation of 2.7 - 3.2, which means that majority

of youth love to live a healthy life with no diabetes, Cholesterol, BP and also want to match blood group before marriage.

Null Hypothesis: There is no significant difference in preferences of youth for Language.

Table-3: One-Sample Statistics showing preferences of Youth on language

Particulars	N	Mean	Std. Deviation	Std. Error Mean
Hindi	50	8.08	1.712	.242
English	49	8.90	1.212	.173
Casual Mixed	46	7.85	1.619	.239
Mother Tongue	48	7.50	2.212	.319
Self-Regional	48	7.06	2.282	.329

From table No. 3, it is evident that Dream guys of today are more fluent in Hindi & English languages with a mean of 8.08 and 8.90 and low standard deviation 1.712 and 1.212 respectively as compared to Mother tongue and self-religion having 7.50 and 7.06 mean and 2.212 and 2.282 standard deviation. For testing hypothesis one sample t-test is conducted.

Table No. 4 One – Sample Test for testing Hypothesis

Particulars	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Hindi	33.365	49	.000	8.080	7.59	8.57
English	51.398	48	.000	8.898	8.55	9.25
Casual Mixed	32.879	45	.000	7.848	7.37	8.33
Mother Tongue	23.489	47	.000	7.500	6.86	8.14
Regional	21.439	47	.000	7.062	6.40	7.73

In table No. 4, p value (.00) is less than .05 significance level in all cases therefore null hypothesis is rejected. We conclude that the population means are statistically significantly different. Youth of today is more fluent in speaking English as compared to other languages.

Null Hypothesis: There is no significant preference of youth towards their religion.

Table 5 Descriptive Statistics showing preferences of Youth towards religion

Particulars	N	Mean	Std. Deviation	Variance
Own Religion	49	7.12	2.386	5.693
Any Religion	50	7.54	2.178	4.743
No Religions	48	5.37	3.337	11.133
Valid N (list wise)	48			

In table No 5, highest mean score is of ‘Any religion’ with 7.54 with lowest standard deviation. Whereas youth doesn’t prefer others with no religion as it scores lowest mean i.e. 5.37 with highest standard deviation of 3.3. Hence, null hypothesis is rejected and it concludes that majority of the youth give respect to all religions but do not make any choices on the basis of religion.

H2 - There is no significant difference between preference for Extrovert orientation and introvert orientation

Table-6: Group Statistics presenting Behavior of Dream Guys

Gender	N	Mean	Std. Deviation	Std. Error Mean	
Introvert	Male	19	7.11	1.997	.458
	Female	27	6.00	2.557	.492
Extrovert	Male	19	6.42	2.364	.542
	Female	29	8.45	1.429	.265

From the above table No. 5, it is clear that Male prefer Introvert girls (Mean= 7.11, Standard Deviation = 1.997) over Extrovert girls (Mean= 6.42, Standard Deviation = 2.364) in behavior. Whereas Female prefer Extrovert males (Mean= 8.45, Standard Deviation = 1.429) over Introvert (Mean=6, Standard Deviation = 2.557) in behavior.

Hence, null Hypothesis is rejected. There is significant difference between preference for Extrovert orientation and introvert orientation with respect to gender.

H3 - Dream guys of tomorrow want to be more careful rather than caring

Table-7: Descriptive Statistics showing analysis based on Nature

Particulars	N	Mean	Std. Deviation	Minimum	Maximum
Careful	50	8.86	1.512	2	10
Caring	50	8.92	.922	7	10

Table No 6 shows that youth of tomorrow wants to be more careful rather than caring in nature. The mean of parameters careful and caring is almost same 8.86 and 8.92 respectively as compared to other parameters. H3 hypothesis is analyzed by two sample sign test using SPSS, following table were extracted.

Table-8: Frequencies of Caring & Careful Parameters

	N	
Caring - Careful	Negative Differences ^a	15
	Positive Differences ^b	17
	Ties ^c	18
	Total	50
a. Caring < careful		
b. Caring > careful		

		N
Caring - Careful	Negative Differences ^a	15
	Positive Differences ^b	17
	Ties ^c	18
	Total	50
a. Caring < careful		
c. Caring = careful		

Table-9: 2 tailed test-Test Statistics^a

	Caring - careful
Z	-.177
Asymp. Sig. (2-tailed)	.860

a. Sign Test

Table Nos. 7, 8 & 9 show the test statistics for sign test. Table 9 shows the value of Z statistic and the probability value. Probability value (.860) is greater than the significance level (.05), then the null hypothesis is accepted or alternate hypothesis is rejected. So it is concluded that youth of tomorrow prefer to be both careful and caring.

H4 - Emotional people are not liked by youth these days and very high positive attitude is preferred over positive attitude

Table-10: Emotions Preferences of Youth Contributing in Growing Economy

Particulars	Male	Female	Total
High Emotional	84	145	229
Medium	133	250	383
Low	114	137	251
Not Emotional	94	81	175
Total	425	613	1038

Table-11: Calculation Of Chi-Square

Of	Ef	Of-Ef	(Of-Ef) ²	(Of-Ef) ² /Ef
84	93.762	-9.76	95.30	1.02
133	156.816	-23.82	567.20	3.62
114	102.77	11.23	126.12	1.23
94	71.6522	22.35	499.42	6.97
145	135.238	9.76	95.30	0.70
250	226.184	23.82	567.20	2.51
137	148.23	-11.23	126.12	0.85
81	103.348	-22.35	499.42	4.83
Calculated Value of X²(Chi-Square)				21.73

Degrees of freedom = (r-1) (c-1) = 3, Level of significance = 0.05,

Tabulated value of Chi square = 7.815

The calculated value of $\chi^2=21.73$ is greater than the table value (7.815) at 3 degrees of freedom and 5% significance level so the null hypothesis is rejected. Hence, there is a significant

difference in the Preference of youth towards Emotional and positivity with respect to Gender. And from the table No. 9 it is clear that female prefer medium emotional as her dream boy.

Findings

It was observed that the young generation looks forward to shape into dream guys. Attitude positive got the highest points but surprisingly high positive attitude didn't find the top place. Extrovert orientation in behavior was preferred over introvert orientation. Language-wise, English still ruled the roost though Hindi, mother tongue and regional languages got almost equal marks in the survey. Caring nature scored over carefree and careful nature. Another important parameter emotional maturity placed moderately emotional as top ranker scoring over highly emotional and low or non-emotional person. A great pleasant surprise was on finding that "any religion" got the higher ranking than "own religion" which implies that own religion is not the only religion preferred by youth of today. This parameter also hints at the increasing tolerance for other religions which is a healthy sign of youngster in India. On health parameter equal importance was assigned to BP, diabetes, allergies, cholesterol and blood group.

Conclusion

The survey reveals that the dream guys of tomorrow have to be serious business professionals. The picture of a dream guy emerges out of this study is that of a youth, male or female, extrovert & caring in nature with positive attitude, following any religion, moderately emotional, English speaking along with mother tongue.

Will we have such independent young persons in our demography! If these types of dreamguys constitute the independent component and take care of the dependent component of the population, not only the future of the country is bright but it will also speed up the current pace of growing economy of India.

The attention of the policy makers, planners and administrators should, therefore, be primarily focused on creating and grooming such dream guys who can add to demographic dividend and even multiply it manifold. Cheer up young guys you are going to be the Dream boys and dream girls of India and shape yourself unto this expectation.

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An Empirical Study of the Impact of Growth Rate of Banks on Bank Profitability and Productivity

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ABSTRACT

Banks are a vital component of the healthy functioning of any economy. This study attempts to understand the growth of banks in India in terms of its business and analyses whether the growth has resulted in better profitability and productivity. Based on a 10 year analysis of data of all scheduled commercial banks in India, the study shows that while bank growth has impacted productivity, it has not been translated into an impact on profitability of banks. Appropriate suggestions have been provided based on the findings of the study.

Introduction

A sound financial system is indispensable for a healthy economy. The banking sector, being an eminent part of the financial services industry, thus directly affects the performance of any economic system.

Until the last decade, banks in India were regarded largely as institutions similar to public utilities. The market for banking services was oligopolistic, centralized and highly regulated. The banking system in India has undergone a sea change in the last two decades with rapid globalization and opening of markets.

The Indian banking system consists of 26 public sector banks, 25 private sector banks, 43 foreign banks, 56 regional rural banks, 1,589 urban cooperative banks and 93,550 rural cooperative banks, in addition to cooperative credit institutions. Public-sector banks control nearly 80 percent of the market, thereby leaving comparatively much smaller shares for its private peers. Standard & Poor's estimates that credit growth in India's banking sector would improve to 12-13 per cent in 2016 from less than 10 per cent in the second half of 2014 (India Brand Equity Foundation, 2015). Therefore, the growth opportunity for the Indian banking industry is tremendous.

Given the importance of banks to the Indian economy, it is very important them to grow their businesses and also ensure that they are profitable and productive at the same time. Mere growth that is not translated into profitability and productivity would harm the banks. This study tries to examine the relationship between the growths of the bank and understand whether the growth has translated into a profitable and productive performance of the banking sector.

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Literature Review

Based on the theme of this paper, the literature review in this section is organized to reflect the studies on profitability, productivity and growth of banks in India.

Studies on Profitability of Banks in India

Several studies have focussed on the profitability of banks in India. Malviya (2012) analyzed the profitability, risk and growth prospects of both the public and private sector banks in India and noted that while public sector banks were able to realize a higher level of profitability and cost control, private banks were able to generate more revenue for each rupee invested in assets. Kaur (2012) studied the income and expenditure patterns and its relation to profitability of public sector banks and showed that there was a positive correlation between profitability and interest earned, interest paid, operating expenses and other income. Devi (2013) analyzed the overall efficiency and the profitability of different private sector banks in India. The study noted that, there were differences among the mean interest spread, net profit margin, return on long term fund and return on networth among different private sector banks. However, there was no difference among the mean return on assets.

Shankar and Sanyal (2007) studied the impact of ownership and competition on bank profitability. The authors observed that private sector banks are profitable than the public sector and that the foreign banks proved to be better than the private sector banks. Rao, Rezvanian and Nyadroh (2004) analyzed the profitability of private banks, public sector banks and foreign banks. The study found that private banks were the best ROE performers, followed by foreign banks.

Studies on Productivity of Banks in India

Fujii, Managi and Matousek (2013) measured the technical efficiency and productivity growth in the Indian banking sector. The results pointed out that the foreign banks have strong market competitiveness and pulled the production frontier in a more efficient direction. On the other hand, public and private sector banks, showed considerably higher inefficiencies. Rajan, Reddy and Pandit (2011) compared the efficiency gains across the different groups of banks and observed that public sector banks are more efficient compared to private and foreign banks. Sensarma (2006) estimated the efficiency and measured the productivity of Indian banks and found that cost inefficiencies in the banking sector in general were steadily declining and total factor productivity was increasing. However, foreign banks were observed to be poor performers both in terms of cost efficiency as well as total factor productivity.

Bhattacharyya, Bhattacharyya and Kumbhakar (1997) studied the relationship between economic regulations and bank productivity. The authors examined the total factor productivity growth of the selected banks and found that the growth rate accelerated substantially during the economic liberalization and deregulation. Islam and Zaman (2013) studied the impact of productivity on profitability of banks. The different factors that

affected productivity of banks were change in deposit structure, change in liability structure, presence of skilled employees, and presence of proper responsibility and accountability. The study also observed that productivity has a positive impact on the profitability of banks.

Studies on Growth of Banks in India

Growth of banks have largely been understood and studied in terms of growth in deposits and advances. Venkatesan (2012) evaluated the trend and growth in deposit mobilization of scheduled commercial banks in Tamilnadu and noted that there was an upward trend in current deposits, savings deposits, and term deposits and thus these banks had done well in deposit mobilization. Jain and Sheikh (2012) analyzed the growth of lending in different private sector banks in India and found that there was a general growth in lending. Ibrahim (2013) evaluated the growth and working of Indian commercial banks. Business per employee was high in foreign sector banks as compared to other two sectors of banks. In case of profit per employee, all the three sectors had shown significant growth.

Ahmad and Jegadeeshwaran (2013) compared the NPA position of all the nationalized banks in India and observed that there was an upward trend in the level of NPAs (both gross and net) of nationalised banks. Bapat (2013) examined the relationship among growth, profitability and productivity for the Indian Public sector banks and observed that while profitability of banks was not significantly affected because of growth rates of banks, productivity of banks was affected because of growth rates of banks.

The review of the above literature shows that not much research has been done on examining whether the growth of the bank has an impact on the bank's profitability and productivity. This study attempts to fill this research gap, with reference to different categories of banks.

Methodology of the Study

Objectives of the Study:

- To study the impact of bank growth rates on the profitability of banks.
- To study the impact of bank growth rates on the productivity of banks.

Definitions:

Bank growth rate: The growth rate of a bank is defined in terms of its total business i.e. growth in deposits and growth in its loans and advances.

Bank Profitability: The profitability of banks is defined in terms of return on assets (ROA) calculated as follows:

$$ROA = \frac{\text{Net Income}}{\text{Total Assets}}$$

Net income of a bank is defined as the difference between the interest that a bank receives on its assets and the interest that the bank pays on its liabilities.

Bank Productivity: The productivity of banks is defined in terms of business per employee calculated as follows:

$$\text{Business per employee} = \frac{\text{Total Business}}{\text{Total Employees}}$$

Where,

Total Business= Total Advances + Total Deposits

Total Deposits = Demand deposits + Savings deposits + Term deposits

Total Advances = Short term loans + Long term loans

Hypotheses:

The following hypotheses that have been developed for the study:

Hypothesis 1 –There is no significant impact of bank growth rates on ROA.

Hypothesis 2 – There is no significant impact of bank growth rates on Business per employee.

Sampling procedure and data collection

70 scheduled commercial banks operating in India have been considered for the study, of which 26 are Public sector banks, 20 are private sector banks and 24 are foreign banks. Appendix 1 provides the full list of banks that have been selected for the purpose of the study. Data for all the selected banks was collected for a period of ten years from 2003-04 to 2013-14 from the Capitaline Databases.

Data analysis techniques

The data collected was studied using regression analysis. The following regression models were created for the study:

$$ROA = \alpha + \beta BGP + \varepsilon, \text{ and}$$

$$BPE = \alpha + \beta BGP + \varepsilon$$

Where,

ROA means percentage change in return on assets,

BPE means percentage change in business per employee,

BGP means percentage change in business growth parameter i.e. Total deposits or Total Advances or Total Business,

α, β represent the regression coefficients, and

ε Represents residual error.

The regression analysis has been performed separately for Public sector, Private sector, Foreign and all banks together.

Presentation of results of the study

Impact of bank growth on the profitability of banks

Tables 1, 2 and 3 show the regression coefficients representing the impact of bank growth rates on the profitability of banks.

Table-1: Impact of growth in total deposits on ROA of banks

Category	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	All years
Public sector Banks	51.66	-10.62	-3.31	12.65	-5.4	-12.69	-7.84	-37.46	28.05	4.86	-19.21	-4.52
Private sector Banks	8.12	-7.7	2.87	-39.19	49.1	-71.49	-29.56	2.82	-14.5	-151.08	-23.09	0.09
Foreign Banks	9.77	-5.92	0.01	-1.09	-3.71	-0.31	-3.73	-43.69	1.32	5.05	0.2	-0.26
All Banks	6.26	-5.41	0.18	0.67	-3.8	0.24	-4.83	-11.17	2.2	3.23	0.63	-0.26

*The highlighted cells represent values which are significant at 95% confidence level.

Table-2: Impact of growth in total advances on ROA of banks

Category	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	All years
Public sector Banks	1.17	1.23	4.89	-0.68	0.79	-9.97	-10.16	-21.32	14.01	13.22	-43.01	-4.09
Private sector Banks	-1.37	16.92	6.19	-9.22	23.79	-65.45	-23.27	-6.05	-0.22	-97.07	-11.15	0.09
Foreign Banks	4.52	-1.99	9.5	7.18	0.45	-1.32	-3.23	-44.26	-0.32	-4.08	2.59	0.66
All Banks	-0.02	-0.15	2.49	1.6	0.58	-1.36	-5.54	-18.94	0.6	0.34	1.71	0.32

*The highlighted cells represent values which are significant at 95% confidence level.

Table-3: Impact of growth in total business on ROA of banks

Category	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	All years
Public sector Banks	-102.02	8.71	-5.62	5.06	-3.93	7.98	20.82	57.75	-44.21	-31.05	51.89	5.03
Private sector Banks	-25.62	-16.78	-3.69	50.24	-78.87	146.43	71.33	6.07	12.16	239.96	30.82	0.64
Foreign Banks	-7.13	2.47	-13.98	-1.77	-2.35	-1.6	3.37	121.8	1.35	-6.63	-0.87	-0.26
All Banks	-6.44	0.88	-3.51	0.43	-0.81	-0.77	6.13	44.24	-3.59	-6.23	-0.88	0.12

*The highlighted cells represent values which are significant at 95% confidence level.

Impact of bank growth on the productivity of banks

Tables 4, 5 and 6 show the regression coefficients representing the impact of bank growth rates on the productivity of banks.

Table-4: Impact of growth in total deposits on business per employee of banks

Category	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	All years
Public sector Banks	-8.21	-0.77	-2.22	1.42	-2.66	-1.18	-3.68	-24.28	-9.44	18.06	-5.32	-0.22
Private sector Banks	7.05	1.4	4.77	-0.59	9.42	14.01	0.36	-6.7	2.72	3.16	0.74	3.79
Foreign Banks	-0.73	-0.3	-0.26	-0.9	0.63	-0.43	0.34	1.21	-0.39	-1.2	-0.44	-0.17
All Banks	4.33	-0.62	0.64	-0.63	0.39	-0.57	0.83	-0.16	-0.24	-1.08	-0.34	-0.15

*The highlighted cells represent values which are significant at 95% confidence level.

Table-5: Impact of growth in total advances on business per employee of banks

Category	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	All years
Public sector Banks	-4.72	-1.22	-0.75	-1.8	-1.88	-0.93	-2.04	-21.08	-8.37	13.69	-7.87	0.15
Private sector Banks	4.54	1.56	3.47	1.12	2.23	12.46	2.05	-6.58	1.88	0.19	3.42	2.62
Foreign Banks	-1.51	-0.01	-0.21	-0.5	0.03	-0.5	-0.59	1.02	-0.97	-0.23	-0.34	-0.22
All Banks	3.05	-0.15	0.47	0.04	0.43	-0.19	0.69	-0.15	-0.09	-0.74	-0.46	-0.03

*The highlighted cells represent values which are significant at 95% confidence level.

Table-6: Impact of growth in total business on business per employee of banks

Category	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	All years
Public sector Banks	13.41	6.68	-0.12	1.47	3.81	3.15	6.02	48.58	19.61	-31.29	12.08	1.32
Private sector Banks	-8.3	-2.96	-7.58	0.5	-15.27	-24.81	4.82	14.49	-3.11	-2.15	-7.19	-5.9
Foreign Banks	-0.74	1.49	0.87	0.79	-0.4	0.75	-0.33	-2.82	1.16	0.47	1.64	0.55
All Banks	-5.53	1.4	-0.58	0.26	-0.47	0.59	-0.92	0.15	0.27	1.19	1.48	0.41

*The highlighted cells represent values which are significant at 95% confidence level.

Analysis of results

An analysis of Tables 1, 2 and 3 shows that growth has had a significant impact on profitability only in the case of public sector banks. In the case of private sector, foreign banks and all banks put together, growth has no significant impact on profitability. This leads to accepting hypothesis 1.

However, an analysis of Tables 4, 5 and 6 shows that growth has a significant impact on the growth on the productivity of banks measured in terms of business per employee. This leads to the non-acceptance of hypothesis 2.

Conclusions and Recommendations

The conclusions and implications of the study are as follows:

- Growth in deposits and advances do impact productivity in banks. This is noticed through the impact on business per employee.
- However, the impact on productivity is not been translated into an impact on the profitability of banks. This can be understood from the finding that none of the growth parameters have any significant impact on ROA of banks.
- Based on the above conclusions the following recommendations can be made:
- Special training programs may be conducted by banks for their employees to focus on profitability.
- Performance based bonus systems may be awarded by banks to their employees. This would motivate the employees to perform better and would simultaneously improve the profitability of banks.

- Banks could also increase their profitability, by using better technology to reduce their costs of operations.

Dedication

The authors humbly dedicate the paper to Bhagawan Sri Sathya Sai Baba, the Revered Founder Chancellor of Sri Sathya Sai Institute of Higher Learning, Prasanthinilayam, India.

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Appendix 1: List of banks considered for the study

State Bank Of India	IndusInd Bank
Oriental Bank Of Commerce	Axis Bank
IDBI Bank	Karnataka Bank
Corporation Bank	Ratnakar Bank
Bank of Baroda	South Indian Bank
Canara Bank	City Union Bank
UCO Bank	Nainital Bank

United Bank Of India	Jammu and Kashmir Bank
Union Bank Of India	Tamilnad Mercantile Bank
State Bank of Travancore	DCB Bank
Dena Bank	Yes Bank Ltd
Central Bank of India	Deutsche Bank
State Bank of Hyderabad	Barclays Bank
Bank of Maharashtra	Royal Bank of Scotland N.V.
Syndicate Bank	Standard Chartered Bank
Bank of India	Citibank N. A.
Allahabad Bank	HSBC Bank Oman S.A.O.G
Punjab & Sind Bank	Bank of Bahrain & Kuwait Bsc
Andhra Bank	BNP Paribas
State Bank of Mysore	Credit Agricole Corporate & Investment Bank
Indian Overseas Bank	Hongkong & Shanghai Banking Corporation
State Bank of Bikaner and Jaipur	Mizuho Corporate Bank Ltd
Vijaya Bank	DBS Bank Ltd
Indian Bank	Krung Thai Bank Public Company
State Bank of Patiala	Abu Dhabi Commercial Bank
Punjab National Bank	AB Bank Ltd
Kotak Mahindra Bank	Bank of Ceylon
Lakshmi Vilas Bank	Bank of Nova Scotia
ING Vysya Bank	Bank of Tokyo-Mitsubishi Ltd
Karur Vysya Bank	Societe Generale
Federal Bank	Shinhan Bank
HDFC Bank	Commonwealth Bank of Australia
ICICI Bank	UBS AG
Dhanlaxmi Bank	Rabobank International
Catholic Syrian Bank	Australia & New Zealand Banking Group

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Religion as a Source of Political Power: What the Young Generation of Higher learning thinks about it? An Empirical Approach

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ABSTRACT

Religion is an integral part in the lives of the Indian population. It also plays a significant role in the politics of India. The findings of present research suggest that politicians from all walks of life use religious sentiments to attract voters to come in power. Political polarizations of people in religious line create mistrust and disharmony among the population of the country. As a result, social conflicts and violent incidents occur time to time which affect economic activities of the country. Young generations of modern India expect and desire that religious agenda should not be used by the politician rather they should concentrate on human and economic development of the country.

Introduction

Religion and politics walk hand in hand in all over the world. It was practiced in the past, it is practiced in the present and it will also be practiced in future until people will start thinking the role of religion in life scientifically and rationally.

If we look at the ancient history of India, we find that religion played an important role to classify people as Brahmins, Kshatriyas, Vaisyas and Shudras. Brahmins being the supreme among the caste used to dominate the rules and regulations of the society with the blessing of a king of a particular territory. The King generally used to come from the class of Kshatriyas. The status, occupations, obligations, duties and privileges were divided according to the caste of the people (Apte, 1996a). The Hindu populations of India are still classified according to their caste and one's caste is determined

according to his or her birth. Caste may be changed in their next birth according to his or her acts (Karma). People of lower caste in India suffer socially and economically due to these classifications of caste. They are demanding for change against this discrimination and humiliation. The politicians are using caste, creed and religion during elections to come into power. In modern India, to appease them, they have introduced Scheduled castes, Scheduled tribes and other backward classes (OBC) reservation in different Government jobs, admission to public educational institutes, and for seats in the Central, the State and the local legislatures and bodies. Job opportunities for young generations are very limited now in the country. A significant number of students from IITs and IIMs have been going abroad recently for better career opportunities. Medical facilities for poor and middle class communities are in a very poor condition in most parts of the country. So, the politicians very cleverly bring forth the issues of religious agenda like Ram Janmabhumi (Birth place of Rama) temple in Ayodhya, the ban of cow slaughtering and eating and religious conversions to divert the attention of people from the main issues such as unemployment, medical facilities, population control, poverty etc.

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Review of Literature

The interweaving of religion and politics began much earlier than the emergence of the political parties in the historic scene. The people of the Vedic and its later periods firmly believed that 'States' had been set up by the God himself. The King as a descendant of God has his divine power of ensuring a righteous administration for the welfare of his subjects. He is a master of all with the exception of Brahmins. The Brahmins were also exempted from taxes (Apte, 1996b). The king used to have famous Brahmin in his courtyard. He used to play the role of priest of the royal household as well as used to play a public functionary who shared with the king the responsibility for the welfare of the State. During this period, Brahmins used to enjoy considerable influence and power in the State. The head Brahmin can be compared to an Archbishop of the Christian Church. In Christianity, politics and religion have been directly connected to the proclamation of the Christianity as an official religion of the Roman Empire.

Islamic religion is also very much related to politics. Prophet Muhammad himself was a religious as well as a political leader of Islam. Most of the Muslim countries are ruled by the Sharia law, Hadith and Fatwa (when the similar incident is not found in Koran). But the strictness varies from country to country. Saudi Arabia and Iran are more conservative states. They still practice be-heading, lashing and stone-throwing until the offender dies.

The history of Indian independence is very much linked with religion. The British, who ruled India for nearly 200 years, used Hindu and Muslim community against each other to delay the attainment of freedom. In 1947, when the British formally left the country, the British India was divided into a Hindu-majority 'India' and a Muslim-majority 'Pakistan'. To prove Hindus and Muslims are two distinct religious communities and they cannot live together, the Great 'Calcutta killings' were organized (Sinha & Dasgupta, 2011) where 5,000 to 10,000 people died and over 15,000 wounded between August sixteen and nineteen, 1946 (Markovits, 2015). The partition of the country resulted to a mass migration of ten to twelve million people from India to Pakistan and vice-versa and the killing of around 200,000 to 360,000 people from all walks of life due to the impending partition, the partition itself and after partition in the refugee camps (Brass, 2003). The leaders and their families were unaffected and they came to power as victorious. After independence, a significant number of big and small riots erupted throughout the country between Hindu and Muslim communities (Varshney, 2002; Wilkinson, 2004) for different issues. The mutual trusts between two communities were never cordial before due to the force conversion, killings, destroying and looting of the property since the Muslim invasion of India.

In the global arena, a number of recent incidents have shaken the world and their politicians. The Danish cartoon controversy became international after its publication of cartoons depicting the prophet Mohammad by a Danish newspaper *Jyllands-Posten* on 30th September, 2005. The

publication sparked Muslim outrage all over the world. Muslim protesters of Syria set fire to Danish and Norwegian embassies on fourth February, 2006 (BBC News, 2006). Charlie Hebdo, a Satirical weekly Newspaper in France was attacked by terrorists, killing twelve people and injuring eleven others due to publication of Prophet Muhammad's cartoon (CNN, 2015). A series of coordinated attacks also occurred in Paris, the capital of France and its Northern suburbs Saint-Denis on 13th Nov. 2015. The attackers killed 130 people and injured 368 people. ISIS (Islamic state of Syria and Iraq) has claimed the responsibility (CNN, 2015). Nearly 4000 boys and girls from western countries have joined hands with the ISIS for jihad to establish a Caliphate in Syria and Iraq. There are about 550 Western women with ISIS, twenty percent of them are British (Mary, 2015). This has fueled debates about whether religious Muslims and secular European can coexist peacefully (Mandaville, 2009). The kidnapping of 276 schoolgirls by Boko Haram in Nigeria (Times of India, 2014), school children killing in Pakistan by Taliban (Siddique & Yuhas, 2014) and bloggers killing in Bangladesh by Muslim religious fundamentalist (Burke & Hammadi, 2015) have generated the same question among other communities of these countries whether they would be able to live peacefully in future with their identity and culture.

There are many other examples where religion played a significant role in global politics. For example, there was a civil war in Sri Lanka for more than twenty years between the Hindus and the Buddhists. In Northern Ireland, Protestants and Catholics fought against one another in religious line. In America, where Church and State are formally separated, but religion plays dominant role in political discourse. In recent years, the Christian Evangelical Movement in the United States has been a major factor for the political success of the Republican Party.

Objectives of the Study

Now-a-days, the world politics is much influenced by the religious events. Most of the established political parties all over the world are trying to appease certain minority communities offering economic incentives and religious interest to get their votes. In India, Governments of different states are offering different economic incentives to these minority groups to attract their support. In these scenarios, the present study aims to explore:

- I. The attitudes of young generations towards religion as a source of political power
- II. What should be the main agenda of all political parties rather than to fulfill the religious agenda?
- III. The effect of religious polarization in the society
- IV. Variation in attitudes, if any, among the young male and female students regarding the factors which have derived from the Factor analysis

Methodology

The data were randomly collected from the students who are studying at the graduate and postgraduate levels in different areas of management, engineering, general and professional courses. The sample came from Government as well as different private management and engineering colleges of West Bengal. The questionnaire had two parts. The first part contained the information of socio-biographical variables of the sample and the second part contained eighteen questions regarding the attitude of young generations towards the religion and its influence in Indian politics. Five point Likert scale was used with anchors using strongly agree (5), fairly agree (4), do not know (3), fairly disagree (2) and strongly disagree (1). The sample size of the present study was two hundred and fifty seven only. The statistical package SPSS (version seventeen) was used to analyze the data. Factor analysis was carried out to find out the factors/components that dominate the Indian political scenarios. Factor analysis is a multivariate statistical procedure which reduces a large number of variables into a smaller set of variables. The form of Factor analysis used was principal component analysis with Varimax Rotation. To justify the Factor analysis, Kiser-Meyer-Olkin (KMO) test for sampling adequacy and Bartlett’s test of Sphericity were used (Hair, Black, Babin & Anderson. 2010). Cronbach’s alpha was used to measure the internal consistency reliability of the questions used in the survey. A series of analyses of variance (ANOVA) were performed to investigate the relationship between gender and the different components derived from the Factor analysis.

Socio-demographic Characteristics of the Respondents

The socio-demographic characteristics of the respondents are presented in Table-1. The percentage of male and female students were 54.09 and 45.91 respectively. The majority of the students belonged to the age group of eighteen to twenty two. Again, the majority of the students (67.32 %) were seen to be pursuing graduation in different fields of engineering, management and general degree courses. Only 32.68 percent of the students came from different postgraduate courses.

Table-1: Characteristic of the Respondents

Characteristics	Sample	Frequency	Percentage
Gender	Male	139	54.09
	Female	118	45.91
Age	18-22	158	61.48
	22-26	78	30.35
	>26	21	8.17
Course pursuing	Graduate courses	173	67.32
	Post-graduate courses	84	32.68

Results and discussion

To find out the attitudes of young generations toward the religion and its effects on social life, Factor analysis was carried out. Bartlett’s test was significant (Chi-square=801.605, p < 0.000) and Kaiser-Meyer-Olkin (KMO) test was 0.749 which justify the Factor analysis (Malhotra, 2007). The value of Cronbach’s alpha was 0.77, which justify the internal consistency of the scale developed for this study. Factor analysis produced six components from eighteen variables which were capable of explaining the observed variance. The Eigen values of all the components, the variance explained by each component and the cumulative variance were calculated by SPSS (version 17) which were presented in Table-2. To determine how many components to retain, several procedures have been suggested to consider such as Eigen values, Scree plot, Percentage of variance (Malhotra, 2007). The Eigen value approach suggests that only components with Eigen values greater than one are retained. The present study indicates that only six components have Eigen values greater than one. The first component accounted for 21.07 percent of variance, while the second, third, fourth, fifth and sixth components interpreted 9.46 percent, 7.39 percent, 6.80 percent, 6.54 percent and 6.12 percent respectively. They together contributed 57.38 percent of the total variance. All the remaining components were not significant.

Table-2: Religion and its Influence on Politics (Rotated Component Matrix)

S. No	Descriptions of statements	Components					
		1	2	3	4	5	6
1	Leaders from all walks of life use religious sentiments to attract voters in favour of them to gain the political power		0.76				
2	Now-a-days interweaving politics & religion becoming common phenomenon as believers are becoming more vocal and demanding to fulfill their religious agenda		0.71				
3	Caste, creed & religion are extremely used in Indian power politics.		0.58				
4	In India, religion has often been used to outrage strikes and public disorders across the country.			0.67			
5	India was divided during her independence on the basis of religion & leaders during that time used religion very cleverly for their favours ignoring human sufferings.	0.64					
6	It is very common to hear ‘Hindu vote’, ‘Muslim vote’ during election time to polarize the voter in religious line.	0.54					

7	At present, all over the world, all political turmoil and arm struggles are due to religious reasons rather than ideological reasons.				0.73		
8	Human & economic developments of a country should be the basic aims of all politicians rather than to fulfill religious agenda.	0.72					
9	Religion is being used in politics as an easy route to power.				0.75		
10	The Imams of Islam have tremendous influence on public and often urge their supporters to support a particular political party or a leader during election.						0.72
11	Religion is a personal matter & it should not be used in politics.						0.71
12	Deadly political and social conflicts due to religion hinder economic activities of a country.			0.73			
13	Religious activities and economic growth goes hand in hand except when religion is used for political violence to get the power.	0.62					
14	There is a tendency among all political parties in our country to claim that they are the saviour of the minority community.	0.60					
15	Political polarization in religious line create mistrust and disharmony among the population.				0.77		
16	Radicalism of one religion influences other religions to become radical for their survival.			0.62			
17	When ultra-concepts of religion are used in politics to capture political power of a country, political & religious violence erupts.	0.53					
18	Religion was used in Indian politics throughout the Indian history.					0.59	
---	Eigen Value.	3.79	1.70	1.33	1.22	1.18	1.10
---	% of Variance	21.07	9.46	7.39	6.80	6.54	6.12
---	Cumulative %	21.07	30.53	37.93	44.73	51.27	57.38
Component-1: Human & economic developments of a country should be the basic aims of all politicians rather than to fulfill religious agenda. Component-2: Leaders from all walks of life use religious sentiments to attract voters in favour of them to gain the political power. Component-3: Deadly political and social conflicts due to religion hinder economic activities of a country. Component-4: Political polarization in religious line create mistrust and disharmony among the population. Component-5: Religion is used in politics as an easy route to power. Component-6: Religion is a personal matter but the Imams of Islam often urge their supporters to support a particular political party or a leader during election							

In our study, variables five, six, eight, thirteen, fourteen and seventeen co-relate and combine with component one after rotation because of their common nature. The component may be labeled as 'human & economic developments of a country should be the basic aims of all politicians rather than to fulfill religious agenda'. The young generations want economic opportunity which is a fundamental human desire and aspiration. Deng Xiaoping of China is encouraging private enterprises, providing economic freedom to them and has declared 'to be a rich through innovation and devotion should be encouraged and recognized in our country' (Richard & Julia, 2006).

Component two is related with variables one, two and three and maybe labeled as 'Leaders from all walks of life use religious sentiments to attract voters in favour of them to gain the political power'. In India, all political parties use caste, creed and religion in politics. Even in twenty first century, caste and religion continues to play an important role in India's social life. Religious groups in India also play major roles in political

system. Throughout Middle East, religion and government remain tightly bound. The leaders of government use religion to enhance their popularity and legitimacy, and religious leaders use religious power to influence people and government on different social and political issues.

Component three is related with variables four, twelve and sixteen and maybe named as 'deadly political and social conflict due to religion hinder economic activities of a country'. Radicalism of one religion forces other religion to become radical for their survival and to protect their followers. Political stability of the government, the rule of law and social co-operation from all the population are the primary conditions for economic and human development of a country. For example, ethnic politics and social conflicts in Nigeria have hindered political, economic and social developments (Kalejaiye & Alliya, 2013). Muhammad Yunus, the founder of the Grameen Bank in Bangladesh experienced resistance by the religious fundamentalists against socioeconomic empowerment of women in the society. One branch of the Grameen Bank was

forced to close down due to the threat by the local fundamentalists. They accused Grameen Banks are destroying 'Islamic way of life and values' through spreading western culture and ideology in Bangladesh (Yunus, 2003).

Component four is related with variables seven and fifteen and may be named as 'political polarizations in religious line create mistrust and disharmony among the population'. Most Indians are socialized from birth through religious practices. Rituals, prayers and ceremonies occupy a prominent place in most households and families. Political leaders polarize people along the religious line. Ideological convictions in politics among the Muslims are very rare because they are very much guided by the religious line. It is easy to understand when we see that no Muslim country ever condemn the killings of ISIS in Syria and Iraq, kidnappings of schoolgirls in Nigeria by Bokoharam and killings of school children in Pakistan by Taliban. Imams, those who are famous for issuing 'Fatwa' are silent about these incidents. Because, beheading, slavery and taking non-believer's wife and daughter as concubines are firmly established in Sharia law (Warraq, 1995). Some Muslims may argue that slavery is not legitimate now and Crucifixion is wrong in this modern world. But they cannot condemn slavery or crucifixion outright without contradicting the Koran and the example of the Prophet.

Component five is related with variables nine and eighteen and may be named as 'religion is used in politics as an easy route to power'. Throughout the history of mankind, religion was used as a source of political power. Napoleon Bonaparte, a great commander in history mentioned that 'religion is an excellent stuff for keeping common people quite' (Napoleon, 1916). In India, there are significant number of religious biased men in parliament from ruling as well as from opposition parties. In their constituency, they use their religious affiliation to come to power. Very often, political leaders from all walks of life manipulate the religious views in such a way that it serves well their interests.

Finally, component six is highly related with variable ten and eleven and may be labeled as 'religion is a personal matter but Imams of Islam often urge their supporters to support a particular political party or a leader during election'. Though religion is a personal matter, but it is used popularly in Indian politics. Muslims, all over the world maintain their own identity at social and cultural level. The Imams of this community play a significant role on their people through 'Fatwa' and 'Diktat'. Indian born Salman Rushdie and Bangladeshi born Tashlima Nasrin are the victims of these types of Fatwa. Platteau (2007) mentioned that 'the lack of a centrally determined interpretation of the Quran makes Islam vulnerable for misuse; every ruler can choose the Imam he likes best'.

ANOVA Analysis

A series of analysis of variance (one-way ANOVAs) was performed to investigate the relationship between gender and the components derived from the factor analysis. The age was not considered because age differences of the students between

graduate and post-graduate courses were very minimal. Course pursuance was also not considered due to very small number of post-graduate- students. A one-way ANOVA analysis allows us to test whether several means were equal across one variable and this was done by analyzing the variance. In our study (Table-3), male and female students differ significantly in their opinion on 'Leaders from all walks of life use religious sentiments to attract voters in favour of them to gain the political power'. On the contrary, both males and females do not differ in their opinion on others components derived from the factor analysis.

Table-3: Relationship between Components and Gender (ANOVAs analysis)

Components	F-value	P-value
Human & economic developments of a country should be the basic aims of all politicians rather than to fulfill religious agenda	0.058	0.810
Leaders from all walks of life use religious sentiments to attract voters in favour of them to gain the political power	5.031	0.026*
Deadly political and social conflict due to religion hinder economic activities of a country	1.005	0.317
Political polarization in religious line create mistrust and disharmony among the population	0.216	0.642
Religion is used in politics as an easy route to power	0.185	0.667
Religion is a personal matter but the Imams of Islam often urge their supporters to support a particular political party or a leader during election	0.635	0.426

*significant at 0.05% level

Conclusion

The present young generations are very much career oriented and they want more job opportunities in the country. They know political leaders along with religious leaders use religious sentiments to entice voters to come to power. They also know that political polarization along the religious line create mistrust and disharmony among the population. Religion should be considered as personal matters and it should not be used in politics for personal and community's gain. Reservation of job on the basis of caste, creed and religion should not be considered at the Central as well as the State level. Incompetent person might hold a position due to reservation, where decision has to be taken rationally in National as well as International level. To reduce the influence of religious institutions in public life, the Federal as well as the State Government should emphasize on scientific and uniform education system. The political leader of the country should not forget that India is a country of multiple religions. Here, Hinduism, Islam, Christianity, Buddhism and other religions coexist. India should

cultivate participative political culture, outgrow religious rancor and create job opportunities for young generation without being biased towards caste, creed and religion. Candidate should be judged on their own merit, without giving any special regard to their cast, creed and religious identity. Though, the development of caste system is controversial and lacks historical perspective, unfortunately for us we had not only to study such histories but unconsciously to mould our whole outlook on life upon them.

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Declaration

I do hereby declare that the article is original and has never been published in any form and in any journal.

Amal Krishna Saha



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Emotional Intelligence in Teaching Fraternity

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A B S T R A C T

We all have different personalities, different wants and needs, and different ways of showing our emotions. Navigating through this all takes dexterity and cleverness - especially if we hope to succeed in life. This is where emotional intelligence becomes important. Emotional happiness seems to play an important role in shaping the behavior as well as performance of individual's work-life environment. Emotional intelligence is the ability to recognize your emotions, understand what they're telling you, and realize how your emotions affect people around you. Emotional intelligence also involves perception of others to manage relationships more effectively. The study focuses on understanding emotional intelligence of Faculty members in teaching Fraternity in India. This paper examines the impact of four significant aspects of Emotional Intelligence that is self-awareness, self-management, social awareness and relationship management in teaching fraternity.

Introduction

Today rapid environmental changes are causing fundamental transformations. The transformations do represent a shift from traditional intelligence to new paradigm of emotional intelligence. Emotional Intelligence gives a person a competitive edge. Emotion generates from exposure of a particular situation. Psychologists, Psychiatrists, Management consultants and Medical doctors have proven that EI is responsible for the way we behave, how we feel, how we relate to others, how well we do at the job and how healthy we are. EI is the mixture of head (IQ) and heart (EQ). Research shows that IQ has helped 'you' to be successful to the extent of 20% in life

and the rest of 80% success depends on EQ. Emotional Intelligence is increasingly relevant to organizational development and developing people, because the EQ principles provide a new way to understand and assess people's behaviors', management styles, attitudes, interpersonal skills, and potential.

The system of life - and organizations - is fluid, dynamic, and potentially self-renewing wherein today's best leaders are learning to "go with the flow" to accept the inevitability of constant change and recognize change itself as a potential source of energy. In such a scenario the education industry also has to fast respond and this entitles the teaching fraternity to be the leaders of the change. Hence making it inevitable for them to empower themselves through enhancement of their emotional intelligence.

Teachers play the important role in refining character by inculcating self-discipline and empathy. For this, teaching fraternity should be aware of the importance of Emotional intelligence. A teacher should aim at developing special abilities in order to tackle the challenges of the increasing

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workload, multifarious roles at home and work, increasing their conceptual knowledge and remain competitive in disseminating quality education. These abilities are:

- Perceiving emotions
- Using emotions
- Understanding emotions
- Managing emotions

The appropriate development of these personal abilities is a key to successful performance as a teacher. Emotional intelligence deals with four variables, self-awareness, self-management, social awareness and relationship management. The overall relationship between these variables is very crucial in determining teaching effectiveness as they directly impact an individual's emotional set up at work, in the classroom and enables a teacher to understand and manipulate the emotional set up of his students to their own advantage, resulting in holistic development.

Hence emotional intelligence is now considered to be an important attribute for teachers to improve their competitiveness and efficiency.

The challenges of a teacher, are numerous and these keep on becoming complex generation after generation as modern trends and issues creep in into the genY. With this modernization, classroom management has become major concern for the teaching fraternity. In this context, emotional intelligence acts as an important attribute in improving the self-efficiency of the teachers.

The aim of this research paper is to find the relationship between emotional intelligence and the teaching efficiency of the teaching fraternity. The purpose is to highlight the significance of emotional intelligence as a mantra for achieving effectiveness in teaching- learning process, delivering holistic education to the students with a focus on personal development, thereby producing quality students. The educational institutions should also start recognizing this important equation between emotional intelligence and teaching effectiveness, as this contributes to upgrade their image as a centre of learning and excellence.

The research methodology is explorative in nature. It explores the significant relationship between various aspects of the four attributes of emotional intelligence ie- *self-awareness, self-management, social awareness and relationship management* in a sample of 750 teaching faculty from various colleges in India. The scope of study is the personal and emotional attributes and their levels in the teaching faculty of colleges in India. The sample has been collected through convenient sampling technique. Primary data has been collected through a well-structured questionnaire based on the objectives of study. Interpretations and suggestions are based on the data analysis using SPSS software.

Objectives of the Study

A teacher with the ability to perceive, understand, manage and use emotion to facilitate thought could increase the effectiveness of training the students. Furthermore the awareness and cultivation of EI as an investment in human capital could alter the manner of teaching to remain competitive in disseminating quality education. This research, therefore examine the role that emotional intelligence plays in Teaching fraternity. The goal is to draw conclusion about the factors leading to Emotional intelligence in teaching fraternity.

Data Analysis

The objective of the study is to know the level of emotional intelligence in teaching fraternity. To facilitate the study over 750 respondents were distributed a questionnaire that included various factors which helped to interpret the problem statement in detail. The survey had been done through convenient sampling. The respondents were spread over the faculty members working in various colleges in India.

Description of demographic variables of the respondents

Table 1 shows the distribution of demographic variables observed over the factors of "Age in yrs, Educational Qualification, Experience and Marital Status.

Table 1 Demographic Variables of Respondents

Demographic Variables		Frequency	Percentage
Age in yrs.	25 or less than 25	106	14.13
	26-35	245	32.67
	36-45	355	47.33
	Above 45 yrs	44	5.87
Educational Qualification	UG	286	38.13
	PG	260	34.67
	M.Phil	156	20.80
	Ph.D	48	6.40
Experience	less than 3 yrs	198	26.40
	3-5 yrs	278	37.07
	6-10 yrs	64	8.53
	Above 10 yrs	210	28.00
Marital Status	Single	91	12.13
	Married	659	87.87
Total		750	100

Opinion about Emotional Intelligence Level of Working Women in Teaching Fraternity

Our study consisted of 750 respondents who were asked to indicate on a five point scale, their agreement or disagreement

with the set of twenty three statements relating to the emotional intelligence of faculty which are:

1. 'Most of the time I am able to identify and separate my emotions (X₁),
2. I am not defensive when I am receiving negative (X₂),
3. I am aware of impact of my mood on other people (X₃),
4. I know how feelings impact my own actions (X₄),
5. I acknowledge my own strengths and weakness (X₅),
6. I do not lose control when I am angry (X₆),
7. I have presence of mind in any situation (X₇),
8. I can change my ideas and goals based on new information to fit in to the situation (X₈),
9. I can behave calmly even in stressful situations (X₉)
10. I admit my mistakes openly when it demands (X₁₀)
11. I am able to take up new assignments and challenging tasks (X₁₁)
12. I am organized in my work (X₁₂)
13. I am sensitive towards other's feelings (X₁₃)
14. I am capable of catering the needs of the students (X₁₄)
15. I make myself available to the students and parents even out of office hours when they are in need (X₁₅)
16. I always recognize the forces in the college and work to meet the requirements (X₁₆)
17. I offer help readily when I am asked for (X₁₇)
18. I encourage colleagues to work even when things are not favorable (X₁₈)
19. I appreciate students for their success (X₁₉)
20. I try to provide ongoing mentoring or coaching to my students (X₂₀)
21. I interact well with the student and parents and provide guidance and counseling (X₂₁)
22. I establish and maintain close relationship with other professionals at work (X₂₂)
23. I always like to be the active partner in solving the conflicts in my college (X₂₃)'.

Factor analysis attempts to identify underlying variables, or factors, that explain the pattern of correlations within a set of observed variables. Factor analysis is often used in data reduction to identify a small number of factors.

The output of the factor analysis is obtained by using principal component analysis and specifying the rotation. There are two stages in factor analysis. Stage one being the factor extraction process, wherein the objective is to identify how many factors are to be extracted from the data.

The Kaiser-Meyer-Olkin (KMO) measure is indicator of how well suited the sample data are for factor analysis. It is the ratio of the sum of the squared correlations for all variables in the analysis to the squared correlations of all variables plus the sum of the squared partial correlations for all variables. The denominator of this ratio increases with variation that is unique to pairs of variables (partial correlations), making the value of KMO less than one. Small values of KMO indicate that factor analysis may not be appropriate for the data. Kaiser (1974) suggests that values of .9 or higher are great and values below .5 are unacceptable.

Table-2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.858
Bartlett's Test of Sphericity	Approx. Chi-Square	9344.54
	Df	253
	Sig.	< 0.001**

The table 2 shows Bartlett's test of Sphericity which evaluates the null hypothesis that the correlation matrix is an identity matrix (all the values in the diagonal are 1 and all the off-diagonal values (correlations) are zero), which would indicate no relationships among the variables, and thus no basis on which to proceed with factor analysis. A significant test result allows us to reject this hypothesis.

The table 3 shows the communality values. Communality can be defined as the proportion of variance in any one of the original variables, which is captured by the extracted factors. The history of the derived components is outlined in the Total Variance Explained table. Note that the first component accounts for the most variance (47.7 %), the second accounts for (60.8 %), and so on..

Table-3: Communalities

Variables	Extraction
Most of the time, I am able to identify and separate my emotions	0.477
I am not defensive when I am receiving negative	0.608
I am aware of impact of my mood on other people.	0.684
I know how feelings impact my own actions	0.669
I acknowledge my own strengths and weakness	0.702
I do not lose control when I am angry	0.493
I have presence of mind in any situation	0.802
I can change my ideas and goals based on new information to fit in to the situation.	0.811
I can behave calmly even in stress full situations.	0.806
I admit my mistakes public when it demands.	0.778

I am able to take up new assignments and challenging Tasks	0.767
I am organized in my work.	0.843
I am sensitive towards other’s feelings	0.341
I am capable of catering the needs of the students	0.318
I make myself available to the students and parents even out of office hours when they are in need	0.403
I always recognize the forces in the college and work to meet the requirements	0.373
I offer help readily when I am asked for.	0.518
I encourage colleagues to work even when things are not favorable	0.617
I appreciate students for their success	0.656
I try to provide ongoing mentoring or coaching to my students	0.319
I interact well with the student and parents and provide guidance and counseling	0.699
I establish and maintain close relationship with other professionals at work	0.750
I always like to be the active partner in solving the conflicts in my college	0.425
Most of the time, I am able to identify and separate my emotions	0.477
I am not defensive when I am receiving negative	0.608

Extraction Method: Principal Component Analysis

Table-4: Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumu %	Total	% of Variance	Cumul %	Total	% of Variance	Cumul %
1	6.09	26.46	26.46	6.09	26.46	26.46	4.83	21.02	21.02
2	3.30	14.35	40.81	3.30	14.35	40.81	3.55	15.44	36.46
3	2.65	11.53	52.34	2.65	11.53	52.34	3.48	15.13	51.59
4	1.83	7.94	60.27	1.83	7.94	60.27	2.00	8.68	60.27
5	0.99	4.30	64.57						
6	0.94	4.09	68.66						
7	0.89	3.88	72.55						
8	0.82	3.58	76.13						
9	0.71	3.09	79.22						
10	0.65	2.84	82.06						
11	0.60	2.62	84.67						
12	0.53	2.30	86.98						
13	0.48	2.10	89.08						
14	0.37	1.61	90.69						
15	0.31	1.36	92.05						
16	0.30	1.32	93.37						
17	0.30	1.32	94.69						
18	0.24	1.05	95.74						
19	0.23	1.00	96.74						
20	0.23	0.98	97.72						
21	0.20	0.85	98.58						
22	0.18	0.80	99.38						
23	0.14	0.62	100.00						

Extraction Method: Principal Component Analysis.

Four components are extracted because Eigen values greater than 1. Together they account for approximately 60.27 % of the variance. From the table it can be seen that after four factors were extracted and retained, 60.27 % of the variance is being captured by the four extracted factors together. The history of the derived components is outlined in the Table 4.

Table-5: Rotated Component Matrix

	Rotated Component			
	1	2	3	4
X12	0.906	0.101	0.061	0.093
X9	0.890	0.089	0.070	0.027
X7	0.884	0.072	0.122	-0.022
X8	0.882	0.149	0.101	0.040
X10	0.869	0.114	0.101	0.000
X11	0.863	0.118	0.085	0.020
X5	0.037	0.831	0.098	-0.009
X3	0.126	0.809	0.112	-0.030
X4	0.057	0.805	0.120	0.066
X2	0.034	0.749	0.081	0.197
X1	0.110	0.672	0.115	0.024
X6	0.263	0.630	0.029	0.161
X22	0.073	0.050	0.860	0.049
X21	0.085	0.109	0.825	-0.011
X19	0.114	0.069	0.796	0.073
X18	0.057	0.034	0.779	0.076
X23	0.082	0.124	0.631	0.069
X20	0.046	0.124	0.542	0.083
X17	-0.076	0.016	0.069	0.712
X15	-0.020	0.018	0.027	0.633
X16	0.095	0.006	0.061	0.601
X13	0.013	0.089	0.092	0.570
X14	0.075	0.130	0.022	0.543

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Table 5 shows the component matrix which lists the factor loadings for each variable. Table 5 shows the first rotated factor F1, explaining 21.02 % of total variance, reveals strong associations between X12, X9, X7, X8, X10 & X11 having loadings of 0.906, 0.890, 0.884, 0.882, 0.869 & 0.863 respectively on factor 1. This suggests that factor 1 is a combination of these variables. Therefore this factor can be interpreted as “**Emotional Resilience**”.

Now for factor 2 we see X5, X3, X4, X2, X1 & X6 have a high loading of 0.831, 0.809, 0.805, 0.749, 0.672 & 0.630 respectively. These variables can be clubbed into a single factor called “**Self-Awareness**” factor. As for factor 3 it is evident that X22, X21, X19, X18, X23 & X20 have the highest loading of 0.860, 0.825, 0.796, 0.779, 0.631 & 0.542 and this factor can be terminated as “**Social Relation**”.

The first rotated factor F4, explaining 8.68 % of total variance, reveals strong associations between X17, X15, X16, X13 & X14 having loadings of 0.712, 0.633, 0.601, 0.570 &

0.543 respectively on factor 4. This suggests that factor 1 is a combination of these variables. Therefore this factor can be interpreted as “**Social Awareness**”.

The Opinion about Emotional intelligence of faculty regarding Self Awareness, Emotional Resilience, Social Awareness & Social relation was analyzed in this section.

Dimension-wise Opinion regarding Emotional Intelligence of Faculty

An attempt has been made to study the opinion of the respondents towards the Emotional Intelligence of Faculty. After converting the qualitative information of the opinion into a quantitative one the average scores were obtained from the respondents on various dimensions like ‘Self Awareness, Emotional Resilience, Social Awareness & Social Relation’ and obtained results are presented in table 6.

Table-6: Dimension-wise Opinion regarding the Emotional Intelligence of Faculty

Factor	Max	Mean	SD	Mean %
Self-Awareness	30	14.00	2.94	46.66
Emotional Resilience	30	12.88	3.06	42.93
Social Awareness	25	9.51	2.30	38.03
Social Relation	30	12.66	3.86	42.20

Dimension-wise distribution of mean, Standard Deviation and mean percentage of Emotional Intelligence of Faculty that among 4 dimensions, the highest mean % score (14 ± 2.94) which is 46.66% is obtained for the factor “**Self-awareness**” whereas, the lowest mean % score (9.51 ± 2.30) which is 38.03 % was obtained for “**Social awareness**”.

The mean score on ‘Emotional Resilience’ was (12.88 ± 3.06) which is 42.93% and the mean score on ‘Social Relation Factors’ was (9.51 ± 2.30) which is 38.03%. Hence highest Emotional Intelligence of Faculty was found towards Impact of self-awareness.

Emotional Intelligence of Faculty with respect to demographic variables - Average score analysis

In this section the Emotional Intelligence of Faculty is analyzed with respect to the demographic variables Age in yrs., Educational Qualification, Experience and Marital Status.

Null Hypothesis: There is no significant difference between the mean scores regarding Emotional Intelligence of Faculty with respect to the selected demographic variables

Age-wise Opinion regarding the Emotional Intelligence of Faculty

Age wise opinion regarding the Emotional Intelligence of Faculty are shown in the following Table 7.

It could be noted from table 7 that the highest mean score (10.48 ± 3.66) regarding the Emotional Intelligence of Faculty of ‘**Self Awareness**’ was obtained for the age group of above 45 yrs. The highest mean score (13.70 ± 3.97) regarding the

Emotional Intelligence of Faculty of '*Emotional Resilience*' was obtained for the age group of 25–35 yrs., regarding the Emotional Intelligence of Faculty of '*Social Awareness*' the highest mean score (9.29 ± 2.88) was obtained for the age group of 25 – 35 yrs., regarding the Emotional Intelligence of

Faculty of '*Social Relation Factors*' the highest mean score (13.11 ± 3.70) was obtained for the age group of 35–45 yrs.

Table-7: Age-wise Opinion regarding the Emotional Intelligence of Faculty

Particulars	Age in yrs								ANOVA	P
	less than 25		25-35		35-45		Above 45 years			
	Mean	SD	Mean	SD	Mean	SD	Mean	SD		
Self-Awareness	13.85	2.47	14.91	2.68	13.85	2.78	10.48	3.66	33.01	< 0.001**
Emotional Resilience	12.69	2.47	13.70	3.97	12.76	2.07	9.73	3.00	23.81	< 0.001**
Social Awareness	10.05	2.17	9.29	2.88	9.76	1.77	7.36	1.20	17.98	< 0.001**
Social Relation	13.45	3.57	12.75	3.49	13.11	3.70	6.68	2.59	45.14	< 0.001**

**Significant at 1%

Further to test the significant difference between the mean score regarding the Emotional Intelligence of Faculty among the respondents with respect to age ANOVA test is used and the result is also shown in table 7. Since P value is less than 0.01 regarding Self Awareness, Emotional Resilience, Social Awareness & Social Relation and hence there is highly significant difference in the mean scores with respect to age.

Education-wise Opinion regarding the Emotional Intelligence of Faculty

To study the effect of Education, the distributions of sample respondents according to Education, the opinion of the respondents regarding the Emotional Intelligence of Faculty of

product are shown in table 8. It could be noted from table 8 that the highest mean score (10.79 ± 3.69) regarding the Emotional Intelligence of Faculty of '*Self Awareness*' was obtained among the Ph.D. The highest mean score (13.65 ± 4.25) regarding the Emotional Intelligence of Faculty of '*Emotional Resilience*' was obtained among the postgraduates, regarding the Emotional Intelligence of Faculty of '*Social Awareness*' the highest mean score (10.03 ± 3.32) was obtained among the postgraduates, regarding the Emotional Intelligence of Faculty of '*Social Relation Factors*' the highest mean score (12.45 ± 3.91) was obtained among the M.Phil.

Table-8: Education-wise Opinion regarding the Emotional Intelligence of Faculty

Particulars	Educational Qualification								ANOVA	P
	UG		PG		M.Phil		Ph.D			
	Mean	SD	Mean	SD	Mean	SD	Mean	SD		
Self-Awareness	14.23	2.43	13.72	3.45	15.01	1.55	10.79	3.69	29.73	< 0.001**
Emotional Resilience	12.53	1.81	13.65	4.25	13.15	1.54	9.92	2.95	24.32	< 0.001**
Social Awareness	9.53	1.43	10.03	3.32	9.20	1.01	7.52	1.30	18.64	< 0.001**
Social Relation	14.23	3.37	12.08	3.31	12.45	3.91	7.15	3.05	63.40	< 0.001**

**Significant at 1%

Further to test the significant difference between the mean score among the respondents with respect Education the ANOVA test is used and the result is also shown in table 8. Since the P value is less than 0.01 regarding Self Awareness, Emotional Resilience, Social Awareness and Social Relation and hence there is highly significant difference in the mean scores found with respect to Education.

Marital Status-wise Opinion regarding the Emotional Intelligence of Faculty

To study the effect of marital status, the distributions of sample respondents according to marital status the opinion of the respondents regarding the Emotional Intelligence of Faculty of product are shown in the following table 9.

Table-9: Marital Status-wise Opinion regarding the Emotional Intelligence of Faculty

Particulars	Marital Status				T	P
	Single		Married			
	Mean	SD	Mean	SD		
Self-Awareness	13.67	2.56	14.04	2.99	1.13	0.258
Emotional Resilience	12.55	2.92	12.93	3.08	1.10	0.272
Social Awareness	9.35	2.10	9.53	2.32	0.69	0.493
Social Relation	12.26	4.01	12.72	3.84	1.05	0.294

It could be noted from table 9 that the highest mean score (14.04 ± 2.99) regarding the Emotional Intelligence of Faculty of '**Self Awareness**' was obtained among the married respondents. The highest mean score (12.93 ± 3.08) regarding the Emotional Intelligence of Faculty of '**Emotional Resilience**' was obtained among the married respondents, regarding the Emotional Intelligence of Faculty of '**Social Awareness**' the highest mean score (9.53 ± 2.32) was obtained among the married respondents, regarding the Emotional Intelligence of Faculty of '**Social Relation Factors**' the highest mean score (12.26 ± 4.01) was obtained among the married respondents.

Further to test the significant difference between the mean score among the respondents with respect to marital status the Student's Independent t test is used and the result is also shown in table 9. Since the P value is greater than 0.05 regarding Self Awareness, Emotional Resilience, Social Awareness & Social Relation and hence there is no significant difference in the mean scores with respect to Marital status.

Suggestions

It is very clear that in the current environment, Emotional intelligence plays an important role in determining the teaching efficiency of the faculty. Every individual's performance with respect to both EQ and IQ is an asset to the educational sector.

Emotional intelligence consists of five key skills, each building on the predecessor. They are the ability to quickly reduce the stress, ability to recognize and manage one's emotions, ability to connect with others using nonverbal communication, ability to use humor and role plays to reduce stress and ability to resolve conflicts positively with confidence. The five skills of emotional intelligence can be learned by anyone, at any time. Based on the significant relationship developed between the various attributes of emotional intelligence i.e. self-awareness, self-management, social awareness and relationship management on the self-efficacy and performance of the teachers, it is recommended that all teachers take initiatives to enhance their emotional quotient in order to be effective teachers, guides and philosophers of their students. It is also important for the teachers of the present generation to facilitate their students to enhance their EQ in

order to prepare them to achieve success in the challenging and competitive world. It is recommended that the curriculum be developed to include a discussion of emotional intelligence as both a trait and ability-based construct that may allow them to develop and exercise these abilities.

Conclusion

Various researches have reiterated the importance of emotional intelligence in the professional wellbeing of individuals. Present research has highlighted this relationship in the less explored area of teaching. A high emotional quotient is highly desirable in the teaching and learning efficiency. In the increasingly challenging teaching field, high level of emotional quotient enables the teaching fraternity to maintain considerable emotional maturity inside and outside the classroom, which allows them to use their intelligence, knowledge and presence of mind in not only disseminating quality education, but also acting as an ideal role model for students to learn and teach them to improve on their emotional intelligence in order to be successful.

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Impact of Stock Split Announcements on Stock Prices and Liquidity: Empirical Evidence from India

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A B S T R A C T

A stock split announcement is a corporate decision that splits the existing share into a number of shares by reducing its current face value. Basically stock splits are announced either to improve marketability of the share or to convey future profitability of the firm or to make trading in the shares attractive. The present study aims at investigating whether stock split is done in order to maintain the share prices within a normal price range and whether it improves the stock liquidity and also whether it signals any future prospects of the company. The study evaluates 20 splits announced by Nifty 200 companies between January 2012 and December 2015. Based on the results obtained through Event Study Methodology it was concluded that the companies split their shares to reduce the share price in order to make them more affordable and attractive for trading. Whereas the study neither shows any evidence for improvement of stock liquidity nor it indicates any signaling power of the split in the post-split announcement period.

Introduction

Stock split is a corporate action in which the existing shares are divided into multiple numbers of shares by reducing their par value. In case of stock splits the total number of outstanding shares of a company increases and thereby results in decrease in earnings per share. Also the total net worth and market capitalization of the company remains the same. The stocks are split in an agreed ratio that will determine exactly how many shares the firm will give to its existing shareholders.

Normally holding multiple number of shares with a lower par value is beneficial than holding a single share of a higher

par value. This is so because at any time the holder wants to liquidate his stock of a higher par value on account of a sudden downtrend in the market he may find it difficult to liquidate it easily due to absence of a potential buyer. Also the shareholder having a single share may not be able to wait and bear the risk until the downtrend gets corrected. By raising the number of outstanding shares stock split gives additional shares to the existing shareholders that can be used for further trading and also makes it affordable and attractive to those who are keen to hold such stocks at a lower price. Thus it can be said that splits improve liquidity of the shares.

Splits are announced by blue-chip companies who have seen a huge growth in their share prices in the past and have estimated huge business growth in the upcoming years that will further drive the share prices beyond normal trading range. Therefore they decide to split their shares in order to ensure that their shares trade within a normal price range. In case the market participants are aware about such a strategy of the company and believe that the past performance will be continued even in the future than the demand for such stocks

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will rise on and around the announcement day. Thus it can be said that stock splits may also be used by the companies in order to communicate information regarding their future profitability.

The present study aims to investigate as to why a company splits their shares whether it is done to make trading in its shares more attractive or whether to raise the liquidity of their shares or whether it is executed in order to convey any information about their future profitability.

Literature Review

Fama, Fisher, Jensen, & Roll (1969) studied the impact on stock prices of the companies listed on the NYSE as a result of stock split announcements. A sample of 940 splits announced during a period of thirty three years has been studied. It was concluded that stock splits results into a positive impact on stock prices mainly in the anticipation of higher dividend announcements after the stock splits.

Lakonishok & Lev (1987) conducted study for a period of twenty years i.e from 1963 to 1982 in order to find out whether announcement of stock splits and stock dividends have any impact on the stock prices and trading volume. The study revealed that both split and dividend announcements do have a positive impact on the stock prices whereas there is a nominal impact on the trading volume.

Masse, Hanrahan, & Kushner (1997) analyzed the response of 186 firms trading on Toronto Stock Exchange towards stock splits, reverse splits, and stock dividends. They found that the announcements of stock splits and stock dividend have a positive impact on the market whereas reverse split announcement showed a positive response on the market.

Wulff (1999) conducted a study on German firms to find the impact of stock split announcements on stock prices and stock liquidity. The study analysed 78 stock split events for a period from 1993-1996. The study found that splits result in fall in stock prices and also improve liquidity in the post announcement period.

Chen & Wu (2009) examined the trading activity and return volatility pattern before and after splits. The study considered 31 splits announced during 1997-1998 and found that small trades increase significantly after stock splits and the increase in return volatility is strongly related to the increase in small trades after stock splits.

Bechmann & Raaballe (2005) have done comparative study on stock dividends and stock splits in Denmark for the period from 1995 to 2002. Study suggests that firm declares the stock split in order to improve liquidity, whereas stock dividend is declared to improve equity capital.

Gueyié, Sedrine, & Atindehou (2007) conducted a study to find out the impact of stock split announcements on Canadian market. The study was conducted using a sample of 119 split events for the period of 16 years i.e. from 1985-2000. The study concludes that Canadian market shows positive response to the split announcements.

Kalay & Kronlund (2014) investigated the market reaction to stock split announcements of 1,203 firms traded on the NYSE. The study was conducted for the period from 1988 to 2007 resulting into a sample of 2,097 split events. The study concludes that market reacts positively to the announcements believing that splits incorporate information regarding firm's earnings.

Chen, Nguyen, & Singal (2011) evaluated the information content of 10,507 stock splits. The sample period covers splits that are announced between January 1981 and December 2007 by the companies listed on NYSE. The results suggest that splits occur because firms want to signal positive information, and also occur for other reasons, presumably to make the stock more marketable.

Huang, Liano, & Pan (2009) examined whether stock splits contain information content about future operating performance or whether splits are undertaken by firms to realign their share prices. The results suggest that the stock splits do improve the liquidity and bring the stock prices in normal range but no evidence was found regarding improvement of operating performance of the companies after split.

Research Methodology

To meet the objectives of the study Event Study Methodology was used. The Event Study gives an adequate picture of the impact of any corporate announcements and macro announcements. The methodology consists of various methods that can be used in order to evaluate the impact of any event. One of the most prominent methods used in the previous studies was The Market Model method which is used in the present study.

The following steps were followed under Event Study Methodology

1. Define the event

The day of share split announcement was taken as the event day. In case the event was announced on a non-trading day, the day before announcement is taken as the event day.

2. Define the sample

20 share split announcements made for a period of four years (2012 to 2015) by a total of 19 Nifty 200 index companies listed on National Stock Exchange were selected.

3. Determine the estimation and event window

- Estimation window of 109 days prior to the event window has been taken in order to calculate the regression coefficients Alpha and Beta.
- An event window of 41 days has been selected i.e. 20 days before and 20 days after the event day.

4. Calculate daily stock return, market return, stock volume and market volume

Daily Stock return was calculated as:

$$R_{it} = P_{it} - (P_{it-1}) / P_{it-1}$$

Daily Market return was calculated as:

$$R_{mt} = I_t - (I_{t-1}) / I_{t-1}$$

Daily Stock volume was calculated as:

$$V_{it} = V_{it} - (V_{it-1}) / V_{it-1}$$

Daily Market returns were calculated as:

$$V_{mt} = V_{mt} - (V_{mt-1}) / V_{mt-1}$$

Where:

P_{it} is the price of share i on day t and P_{it-1} is the price of share i on day $t-1$

I_t is the Nifty 200 index price day t and I_{t-1} is the Nifty 200 index price on day $t-1$

V_{it} is the volume of share i on day t and V_{it-1} is the volume of share i on day $t-1$

V_{mt} is the Nifty 200 index volume on day t and V_{mt-1} is the Nifty 200 index volume on day $t-1$

5. Computation of Expected Return (ER) and Expected Volume (EV)

Expected Return (ER) and Expected Volume (EV) were calculated over the 41 day event window

$$E(R_{it}) = \alpha_i + \beta_i \cdot R_{mt}$$

$$E(V_{it}) = \alpha_i + \beta_i \cdot V_{mt}$$

Where, α_i = Alpha coefficient of 'i'th security

β_i = Beta coefficient of 'i'th security

R_{mt} = Daily return on Nifty 200 Index during period 't'

V_{mt} = Daily trading volume of Nifty 200 index during period 't'

6. Computation of Abnormal Return (AR) and Abnormal Volume (AV)

Abnormal Return (AR) and Abnormal Volume (AV) were calculated over the entire 41 day event window using the following equations:

$$AR_{it} = R_{it} - E(R_{it})$$

$$AV_{it} = V_{it} - E(V_{it})$$

7. Computation of Average Abnormal Return (AAR) and Average Abnormal Volume (AAV)

The Abnormal Returns and Abnormal Volume computed in the event window across all 19 event announcements were averaged on daily basis.

8. Computation of Cumulative Average Abnormal Return (CAAR) and Cumulative Average Abnormal Volume (CAAV)

In order to draw overall inferences caused by the event on the stock returns and trading volume the daily AAR and AAV were cumulated.

9. Analyzing the significant impact

In order to analyze the pre and post event impact on the stock returns and trading volume t-test has been used.

a. t value for AAR: $t(AAR) = \frac{AAR}{\sigma/\sqrt{N}}$

b. b. t value for CAAR: $t(CAAR) = \frac{CAAR}{\sigma/\sqrt{N}}$

c. t value for AAV: $t(AAV) = \frac{AAV}{\sigma/\sqrt{N}}$

d. t value of CAAV: $t(CAAV) = \frac{CAAV}{\sigma/\sqrt{N}}$

Empirical Results

Table-1: Selected Nifty 200 companies with their split announcement dates and the changed face value per share

S. No	Company Name	Split Date	Old Face Value (Rs./Share)	New Face Value (Rs./Share)
1	Ajanta Pharma Limited	28-01-15	5	2
		26-04-12	10	5
2	Asian Paints Limited	05-09-13	10	1
3	Axis Bank Limited	25-04-14	10	2
4	Bank of Baroda	27-09-14	10	2
5	Bata India Limited	27-05-15	10	5
6	Berger Paints Limited	04-11-14	2	1
7	Cadila Healthcare Limited	12-08-15	5	1
8	Canara Bank	26-08-14	10	2
9	The Federal Bank Limited	04-06-13	10	2
10	Havells India Limited	30-06-14	5	1
11	ICICI Bank Limited	09-09-14	10	2
12	The Jammu & Kashmir Bank Limited	12-06-14	10	1
13	Kaveri Seed Company Limited	14-11-13	10	2
14	Mahindra And Mahindra Financial Services Limited	21-12-12	10	2
15	Natco Pharma Limited	12-08-15	10	2

16	Pi Industries Limited	12-02-13	5	1
17	Punjab National Bank	19-09-14	10	2
18	State Bank Of India	24-09-14	10	1
19	Tech Mahindra Limited	30-01-15	10	5

Source: www.moneycontrol.com

Analysis

A. Stock Splits and Stock Returns

Table 2: Average Abnormal Return (AAR) and Cumulative Average Abnormal Return (CAAR) and their t-statistic values

Pre Announcement					Post Announcement				
Window	AAR	T Test	CAAR	T Test	Window	AAR	T Test	CAAR	T Test
-20	-0.0030	-0.6391	-0.0030	-0.2026	0	0.0049	1.0596	-0.0154	-1.0459
-19	0.0048	1.0304	0.0018	0.1241	1	-0.0071	-1.5105	-0.0225	-1.5247
-18	0.0025	0.5261	0.0043	0.2909	2	-0.0058	-1.2447	-0.0283	-1.9193**
-17	0.0018	0.3759	0.0060	0.4100	3	-0.0090	-1.9253**	-0.0373	-2.5297**
-16	-0.0066	-1.4111	-0.0005	-0.0373	4	-0.0051	-1.0953	-0.0424	-2.8770**
-15	0.0040	0.8579	0.0035	0.2346	5	0.0052	1.1035	-0.0372	-2.5271**
-14	-0.0045	-0.9554	-0.0010	-0.0683	6	-0.0056	-1.1922	-0.0428	-2.9051**
-13	-0.0001	-0.0142	-0.0011	-0.0728	7	0.0042	0.9060	-0.0386	-2.6179**
-12	-0.0008	-0.1688	-0.0019	-0.1263	8	-0.0020	-0.4286	-0.0406	-2.7537**
-11	0.0008	0.1646	-0.0011	-0.0741	9	0.0037	0.7902	-0.0369	-2.5032**
-10	-0.0044	-0.9498	-0.0055	-0.3752	10	0.0053	1.1364	-0.0316	-2.1429**
-9	-0.0086	-1.8463**	-0.0141	-0.9606	11	0.0039	0.8380	-0.0276	-1.8772**
-8	-0.0105	-2.2553**	-0.0247	-1.6755**	12	-0.0038	-0.8237	-0.0315	-2.1384**
-7	-0.0025	-0.5365	-0.0272	-1.8456**	13	0.0041	0.8799	-0.0274	-1.8594**
-6	-0.0003	-0.0591	-0.0275	-1.8644**	14	-0.0017	-0.3605	-0.0291	-1.9737**
-5	-0.0026	-0.5656	-0.0301	-2.0437**	15	0.0011	0.2287	-0.0280	-1.9012**
-4	0.0069	1.4836	-0.0232	-1.5733	16	-0.0039	-0.8337	-0.0319	-2.1655**
-3	0.0010	0.2160	-0.0222	-1.5048	17	0.0021	0.4420	-0.0298	-2.0254**
-2	0.0005	0.1114	-0.0216	-1.4695	18	0.0056	1.1941	-0.0243	-1.6469
-1	0.0013	0.2767	-0.0204	-1.3818	19	-0.0051	-1.0851	-0.0293	-1.9909
0	0.0049	1.0596	-0.0154	-1.0459	20	-0.0071	-1.5177	-0.0364	-2.4720

** Significant at 5% level

It can be seen from table 1 on day -9 and -8 there has been a significant negative impact of the event on daily Average Abnormal Return. It is also observed that the daily Average Abnormal Return increased few days before the event and also on the event day but no significant impact was found. After the event there was a decline in daily Average Abnormal Return for almost 3 days and showed a significant negative impact on day

+3. Later the daily Average Abnormal Return increased for very few days but no significant impact was observed. But when daily Average Abnormal Return were cumulated in the entire window period it was found that the Cumulative Average Abnormal Return has decreased in the post event window and showed a major post event negative impact.

B. Stock Splits and Trading Volume

Table-3: Average Abnormal Volume (AAV) and Cumulative Average Abnormal Volume (CAAV) and their t-statistic values

Pre Announcement					Post Announcement				
Window	AAV	T Test	CAAV	T Test	Window	AAV	T Test	CAAV	T Test
-20	-1.0243	-0.5297	-1.0243	-0.3125	0	0.6240	0.3227	3.5017	1.0683
-19	0.1957	0.1012	-0.8286	-0.2528	1	1.1438	0.5915	4.6455	1.4173
-18	-0.8604	-0.4449	-1.6890	-0.5153	2	-0.3635	-0.1880	4.2820	1.3064
-17	-0.1281	-0.0662	-1.8171	-0.5544	3	-0.5414	-0.2800	3.7406	1.1412
-16	-0.0298	-0.0154	-1.8469	-0.5634	4	-0.2220	-0.1148	3.5186	1.0735
-15	-0.2723	-0.1408	-2.1192	-0.6465	5	-0.6666	-0.3447	2.8520	0.8701

-14	-0.4445	-0.2298	-2.5637	-0.7821	6	0.0272	0.0141	2.8792	0.8784
-13	-0.4225	-0.2185	-2.9862	-0.9110	7	-0.5971	-0.3088	2.2821	0.6962
-12	-0.6322	-0.3269	-3.6184	-1.1039	8	-0.5540	-0.2865	1.7281	0.5272
-11	-0.3429	-0.1773	-3.9613	-1.2085	9	-0.5996	-0.3101	1.1285	0.3443
-10	-0.8015	-0.4145	-4.7628	-1.4530	10	-0.0720	-0.0372	1.0566	0.3223
-9	11.7275	6.0645**	6.9648	2.1248**	11	-0.7419	-0.3836	0.3147	0.0960
-8	-0.4985	-0.2578	6.4663	1.9727**	12	-0.4849	-0.2508	-0.1703	-0.0519
-7	-1.0391	-0.5373	5.4272	1.6557	13	-0.5245	-0.2712	-0.6947	-0.2119
-6	-0.6044	-0.3125	4.8229	1.4714	14	-0.3402	-0.1759	-1.0349	-0.3157
-5	-0.4114	-0.2128	4.4114	1.3458	15	-0.4817	-0.2491	-1.5166	-0.4627
-4	0.0585	0.0302	4.4699	1.3637	16	-0.5101	-0.2638	-2.0267	-0.6183
-3	-0.6756	-0.3494	3.7943	1.1576	17	-0.3106	-0.1606	-2.3373	-0.7131
-2	-0.4434	-0.2293	3.3510	1.0223	18	-0.3914	-0.2024	-2.7287	-0.8325
-1	-0.4732	-0.2447	2.8777	0.8779	19	-0.5270	-0.2725	-3.2558	-0.9933
0	0.6240	0.3227	3.5017	1.0683	20	-0.6099	-0.3154	-3.8657	-1.1793

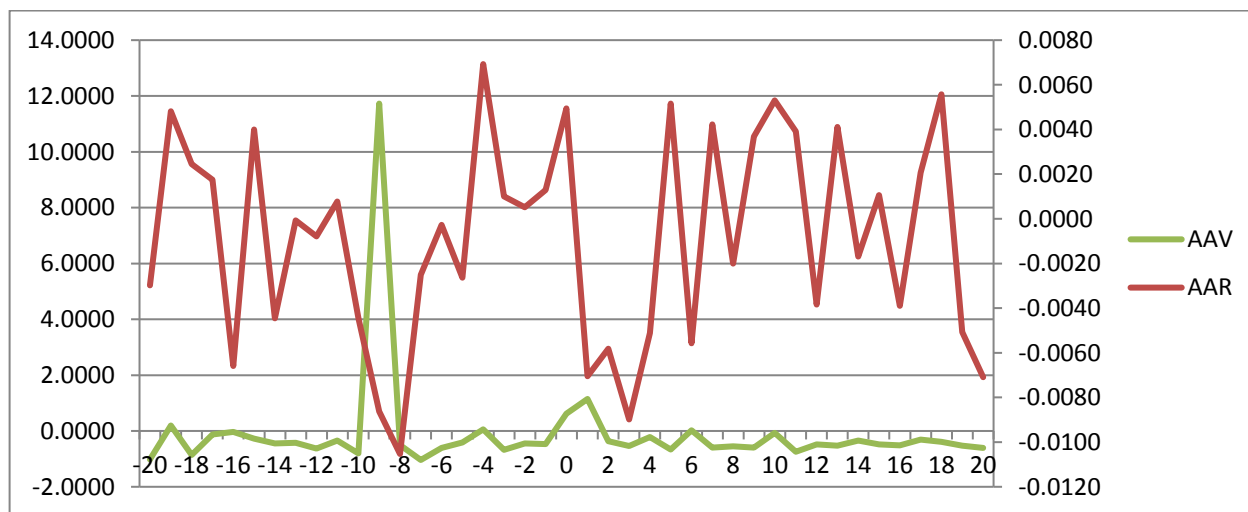
** Significant at 5% level

The daily Average Abnormal Volume reached the highest point on day -9 where the increase in the volume was extraordinary and showed a significant positive impact. On the event day the daily Average Abnormal Volume had increased and doubled on day +1 and later it went on decreasing. But on none of these days it showed a significant impact. In case of Cumulative Average Abnormal Volume, it has been positive in

the window from day -9 to +11 and showed a significant positive impact only on days -9 and -8. It can also be seen that though on many days Cumulative Average Abnormal Volume stood positive but it was constantly declining and no impact was found for such decline.

C. Relationship between Stock Prices and Trading Volume

Figure-1: Stock Price and Trading Volume over a Window Period of 41 Days



As it can be seen in Figure 1 there was high volatility found in the trading volume during the event window. It was found that initially whenever the prices decreased there was a huge volume in the market but as the event date came closer both stock prices and volume started increasing. Thus the relationship turned out to be positive. The reason for such relationship was due to huge amount of supply on day -9 that led to a sharp fall in stock prices which was later corrected. Such a situation occurred due to the shareholders of Jammu & Kashmir Bank who sold off their stakes in bulk on a single day on account of a report published that highlighted that the bank had undisclosed Non Performing Assets of Rs. 2,500 crores.

Such an act led to 18% fall in the stock prices of Jammu & Kashmir Bank and thereby affected the overall performance of

Nifty 200 Index. This downtrend in the market was soon corrected by other investors who purchased these stocks as well as other company's stocks and led to a positive relationship between stock prices and volume till the event day. But from the subsequent day of the event an inverse relationship was found between stock returns and trading volume. It was also found that the shares started trading within a normal price range than after the event.

Conclusion

The study evaluates whether the splits are done to bring the prices in normal trading range and also to understand whether split announcements signal future prospects of the company and whether it affects stock liquidity. To fulfill the objectives event study technique was used.

The study finds that the daily Average Abnormal Returns had been negative for most of the days in the event window and when cumulated there was a major significant negative impact observed after the split announcements. Hence it can be concluded that the stock splits have resulted into trading of the stocks within the normal price range. This also suggests that the market has not perceived that the split announcements indicate higher profitability of the firm in the future and thus no increase in demand for the stocks were found around the event. It was also found that there was no significant impact of the event on the trading volume of the stocks.

The study reveals that though the demand for stocks before and on the date of splits increased and also an increase was found in terms of volume but still after the announcement the same trend was not observed in the market. The sellers and buyers did not find a favorable price to effect trade in the market. Thus the study finds no evidence regarding improvement of market liquidity as a result of split announcements. The conclusions of the study are in conformity with the conclusions drawn by (Huang, Liano, & Pan, 2002).

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Visibility and Projection of Paradigm Shift in Cashback Industry: A Case of Cashnom.com

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A B S T R A C T

Cashback! A new buzzword in e-commerce industry which implies the repayment of a particular percentage of money spent on online purchases in the form of cash to the customers. Cashback websites provide customers a certain amount as cashback for their purchases at online shopping sites and tend to make money with the concept of affiliate marketing. The First Global Industry Research Report has identified 235 cashback industry leaders worldwide operating in mature markets like the UK and US as well as booming and developing markets like India, China, Southeast Asia and Latin America. The report has mentioned the presence of cashback leaders in the world including 51 US, 48 UK, 35 EU, 35 Indian, 19 SE Asian, 14 Australian, 12 Chinese, 12 Latin American and nine others have made a mark in the cashback industry. It is the fastest growing with \$84 billion plus global industry which has a huge impact on the e-commerce and online retail strategies leading to convince customer to buy online. The present case study is of a new start-up, Cashnom.com – a cashback website, established in November 2015, got operational in January 2016. The study has shown the existing business model used by Cashnom.com and discussed its issues, challenges and their resolutions. Based on the resolutions a new business model has been proposed mentioning a wheel movement concept for generating customer base and profitability. Further areas of concern have also been discussed in the case study.

Introduction

Cashback – A new buzzword in e-commerce industry! The term ‘Cashback’ comprises of two self-explanatory words: cash and back, which imply the repayment of a particular percentage of money spent on online purchases in the form of cash to the

customers. Cashback websites are those websites which provide customers a certain amount as cashback for their purchases at online shopping sites. However, it has been found, as a rich e-commerce ecosystem which is much broader in scope. Instead of limiting the definition to the narrow perception as “cash back”, more descriptive term has been evolved - “cashback industry” to reflect the bigger scale and its wider applications as a vital part of e-commerce. “Cashback” describes the wide range of e-commerce sites around the world as well as its use as a vital marketing strategy by tens of thousands of large and small online retailers. It has also been welcomed by customers, because it is their favourite shopping incentive.

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Cashback websites tend to make money with the concept of affiliate marketing. These sites have tie-ups with e-commerce websites and the e-commerce sites pay the cashback websites a certain amount for each sale referred by them. The cashback sites transfer part of this amount to the customer as cashback. In this situation, customers are not directly saving money like in case of discounts; rather they save on their next purchase on the same site. Cashback concept is not new, it has been in use by mobile wallets - Paytm, PayU, MobiKwik etc. as well as food aggregators and e-commerce companies. Many national and international credit card companies such as American Express, Discover etc. use cashback as a tool for increasing sales, consumer engagement, competitive advantage and business building strategies. This arrangement together with new technologies provides an attractive atmosphere for consumer research, big data analysis, e-commerce, loyalty programs, promotions, brand building and business growth.

Global Scenario

The First Global Industry Research Report has identified 235 cashback industry leaders worldwide operating in mature markets like the UK and US as well as booming and developing markets like India, China, Southeast Asia and Latin America. The **Cashback Industry Report 2015** is the first detailed analysis and authoritative guide to the global cashback industry. The report has mentioned the presence of cashback leaders in the world including 51 US, 48 UK, 35 EU, 35 Indian, 19 SE Asian, 14 Australian, 12 Chinese, 12 Latin American and nine others have made a mark in the cashback industry. It is the fastest growing with \$84 billion plus global industry which has a huge impact on the e-commerce and online retail strategies leading to convince customer to buy online. The 'Global Report Highlights' has identified several key cashback industry insights. The report mentioned that 64% of online consumers belong to loyalty reward site, 71% of online shoppers want products with high cashback rebates and Online Performance Marketing (OPM) sites generate 10% of UK ecommerce retail sales from cashback vouchers, coupons and related online marketing strategies. It has been forecasted that combined B2B and retail e-commerce will hit \$12 trillion worldwide by 2020. Consumer preferences and industry trend have been analysed in the research report. It has mentioned four key industry trends which, cashback industry and online retails should follow:

- a. Online shopping consumer preferences and cashback adoption,
- b. Shift from coupons and daily deals to cashback as a primary marketing strategy,
- c. Impact of mobile technology in new markets such as India and China, and challenges in mature markets for US and UK,
- d. New technologies, innovators and the potential for impact and disruption as the cashback industry matures.

The industry has multiple cashback strategies and tactics such as vouchers, coupons and the use of a growing collection of discounts and incentives often described as online

performance marketing. This integrated toolbox of strategies and tactics is believed to be of big interest to providers and customers within the e-commerce world. Cashback companies at the global level such as Ebates, Quidco, TopCashback, RetailMeNot, Ominto and Cashkaro provide consumers with millions of dollars as cashback every year. Their huge retail partners love these affiliate relationships because they only pay a commission when a consumer sale is final. Large e-commerce sites such as Jabong, LaModa, Rakuten, Flipit and Zanui use cashback strategies to engage customers, develop loyalty, generate sales and build a competitive advantage. More than 15 thousand retailers have been actively involved in cashback programs with e-commerce partners around the world. This includes some of the world's biggest brands such as Amazon, Walmart, Target, Travelocity, Hotels.com, Bloomingdale's, Nordstrom, AT&T, Groupon etc.

Indian Scenario

Cashback websites are comparatively fresh entrants in the Indian ecommerce scenario. Cashback sites are getting accepted in India as they allow customers to get good discounts and in turn save money on their purchases. In recent years, cashback and coupon portals have emerged as an important segment of the thriving e-commerce industry in India. The report of Forrester Research Online Retail Forecast, 2104-2019 (Asia Pacific) mentions that India's online retail spending is likely to grow at a compound annual growth rate (CAGR) of more than 50% during these five years as more Indian consumers start purchasing online. Forrester expects the online customer population in India to grow up to 128 million by 2018, while India's online retail spending is expected to stroke US\$16 billion by 2018.

The Indian customer loves an excellent bargain, be it clothes, electronics, furniture or even grocery items, and that is the key driver of cashback sites in the country. Recognizing the contribution of cashback sites in driving quality passage along with sales, e-commerce companies are gradually relying more on cashback marketing and building it into the overall marketing approach to get an edge over others in the market, which in turn will give an extra boost to this section in the coming times, Cashback is a blessing for shopaholics as e-commerce sites are giving extra money in shopper's wallet for repeat purchase by the customer from their website. The cashback companies have believed that they have picked the right cord of Indian shoppers to achieve retention and loyalty of customers. By offering discount, marketplaces can go up to a certain extent both in terms of sales and retention of customers, but with cashback they can travel that extra mile to add real value and attraction to customers. Digital wallet has a good potential and it is the talk of the town now. Every company is trying to take customer's money into their wallets. Paytm is the leader in this area with a broad range of products and services in the market. The Reserve Bank of India has also granted the license to 11 payment banks for increasing financial inclusion in India and making the payment process more efficient. Experts believe that the digital wallet is the future of making

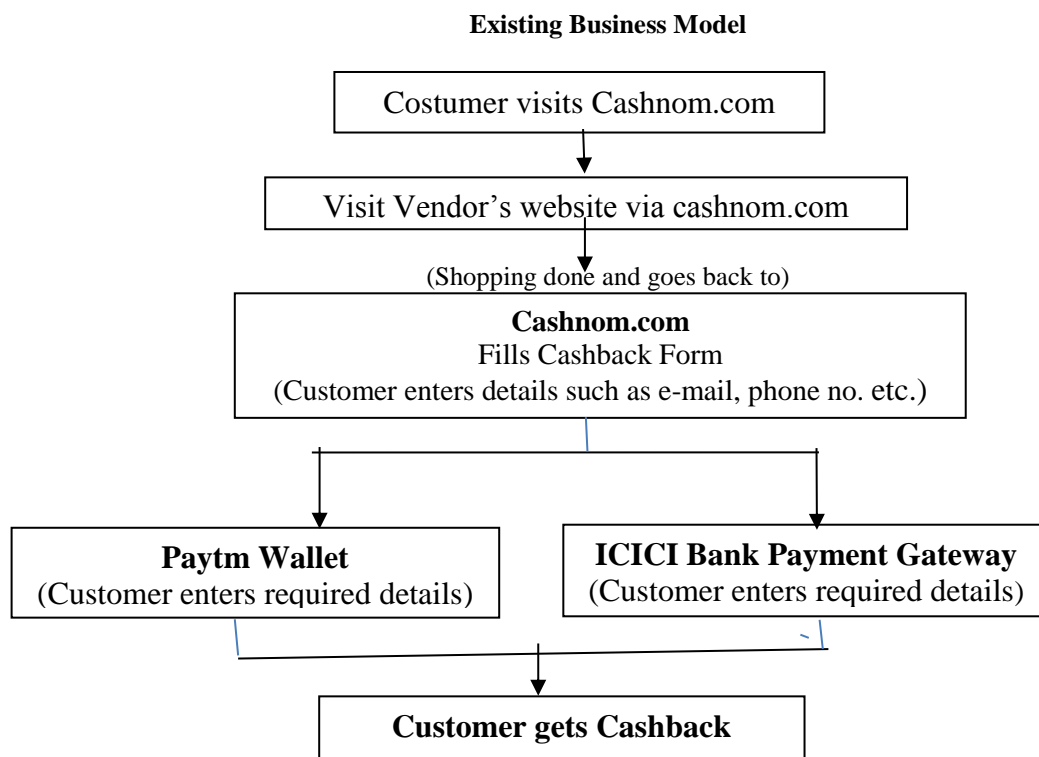
transactions online and big players like Apple and Google are also competing in the West to be the leader in this area.

Cashnom.Com

Cashnom.com, cashback website which is a new start-up, established in November 2015, got operational in January 2016. It is one of the upcoming cashback provider website in India. It gives cashback to its customers if they buy from a wide range of e-commerce portals / e-tailers via their website. The founders of cashnom.com, Mr. Rahul Sharma and Mr. Vivek Kumar started this portal with an initial investment of INR8500. The USP of this cashback provider is that they give the liquid money as cashback to the customers and transfer the cash to their bank accounts through bank’s payment gateway or transfer money to paytm wallet. This feature of giving liquid cashback to the customers has not been found in any other cashback provider. No doubt at the onset, it is an attraction for the customer as the money is with customer himself and he is the boss, but the chances that he will try to re-invest it again are as much in doubt as in other cases. While other companies are providing credits points for which the customer is more likely to reinvest as the system gets a push effect. However, in the present scenario some innovation is needed by creating more attraction in terms of giving more credits points on the cash transfer and further invested in making transactions. We propose a broad concept as under and is worthwhile reviewing for slight amendment in

the existing pattern which adds to retention of costumer, thereby creating space for customer loyalty. Generally, all cashback providers / websites convert their cashback into credit points, which can be used in next transaction. This technique of retaining cash as credit points acts as their customer retention strategy. Cashnom.com has been in agreement with more than 40 e-commerce websites / e-tailers including Amazon, Flipkart, Jabong, Freecharge etc. with pre-decided terms of commission. It is planning to be in business with more than 200 e-tailers in near future.

The cashback website cashnom.com has been showing a positive sign of growth in its initial phase. The registration was done on January 28, 2016. Details of the registration are available on Who.is.com, a query and response protocol which is used for retrieving the data from databases that store the registered users or assignees of an internet resource such as a domain name, IP address and other useful information. The Alexa Rank of this portal is 37,88,554 and net worth of US \$636 with 290 visitors per day as on 14.06.2016. The Alexa Ranking System is used to know the level of traffic each web site receives. This is a ranking method that mainly audits and keep track of the frequency of visits on the websites. The existing business model of Cashnom.com is as follows:



Issues, Challenges and Resolutions

Customer retention is the base for any business including e-commerce portals. It is the life blood of e-commerce business. The present business model of Cashnom.com does not focus on the customer retention and customer loyalty. The existing model focuses only on the smooth conduct of the operations leading to successful transfer of money as cash back to the customer account (either to bank account through ICICI bank payment gateway or to paytm wallet). Foresightedness is missing in this model without which growth is not possible. Customer retention and customer loyalty is the biggest challenge in the world for any e-commerce portal. There has to be a strategy which leads to lure customers to shop via. Cashnom.com, retain customers to the site and stay loyal in future. The founders were mainly focussing on present scenario, however, need of the time is to foresee the business for survival in the competitive world and also for growth perspectives.

To understand Cashback, an understanding of the business model of companies giving cashback is required, which is little different from other e-commerce companies. Companies have their own mobile wallet which means people keep their money in the virtual wallet of the company. The virtual wallet money is stored in an escrow account of the company with a bank. The company receives interest on the amount of customer's money which they have in their escrow account. So, this becomes a major part of income such companies generate. Now when a user gets cash back he/she will use that website only to shop, pay bill or any other transaction. In each case, these companies charge a commission of 2-10% from the telecom companies/merchants/e-tailers. Thus, mobile wallet is not only the mode of generating revenue but it has more strategic implications. Cashnom.com is presently working at break-even point i.e. no-profit no-loss, therefore, a new business model has been proposed to it for long term sustainability and generating revenue.

Customer acquisition cost is very high and the e-commerce and cashback companies have already spent a large amount of money in marketing themselves. But it is extremely difficult to gain customer loyalty that too when they are price sensitive. If competitors offer better discounts, then the customer will shift for better deals as there is no switching cost. By providing cashback, companies ensure that their customers stick to them and come back for a repeat purchase. The proposed business model is also suggesting long term survival and growth strategy i.e. a strategy has been proposed in order to have customer retention and customer loyalty towards Cashnom.com.

The key concern with Cashnom.com was that organisation never highlighted its USP of giving liquid money as cashback to customer. Almost all cashback websites have been providing cashback as credit points in the e-wallet, coupons etc. which

cannot be transferred as liquid cash to the customers. For getting competitive advantage, the USP should be highlighted and more awareness has to be generated in order to bring heavy traffic to the website. Other problems have also been observed in this website. The website was not user friendly and unnecessary information was provided which was not required. Space was not properly utilised due to extra information, enlarged vendor's logos, blank space etc. Navigation problem has also been observed in the portal which results in inability of customer to move within the portal with ease. All these problems lead to the decline in the number of visitors and resulting in the low rate of conversion affecting the survival and growth in this competitive industry where every customer is important for the business. Therefore, these issues should also be taken care of while designing the website.

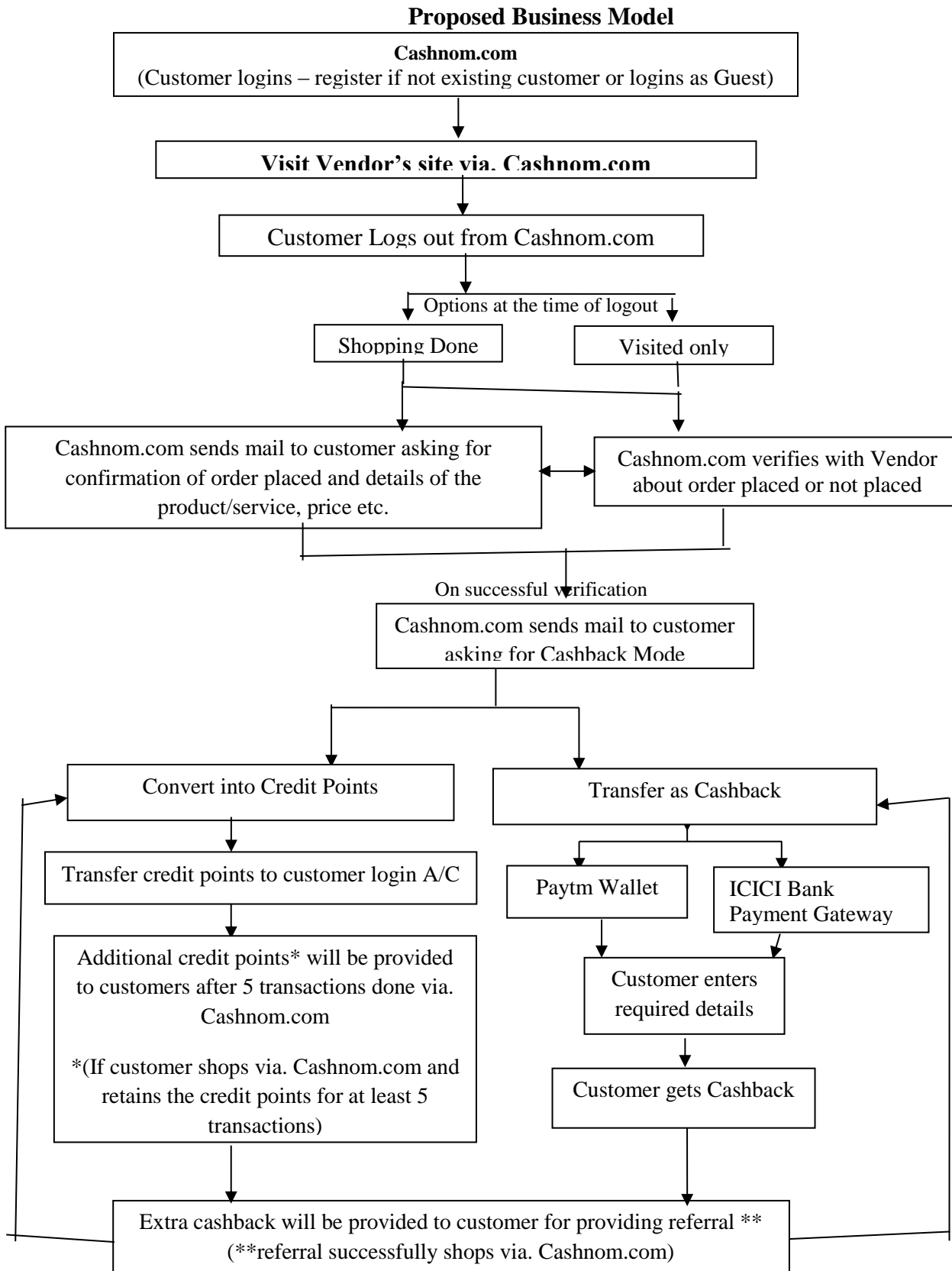
Another major concern was of traffic generation. The referral policy has been introduced in the new model in order to bring more traffic to the website. Every conversion of visitor into customer through reference will fetch more cashback for the referrer resulting in increase in customer base for Cashnom.com.

Road Ahead

The proposed model is based on the wheel movement concept; this concept believes that recurring scheme leads to recurring profitability. There has been apprehension that the sudden paradigm shift from credit points system to liquid money as cash back will go a long way or the major players in the industry will absorb the small players.

The founders belong to the technical background and are well equipped with technical domain. However, they are unacquainted with the management know-how due to which their managerial approach has not been up to the mark. This has been the area of concern for them to understand the problem from management perspective and overcome the grey areas. Visibility of USP in the market has been the area of concern. The focus of founders was on mission; however, the vision was lost. As a matter of fact, the vision has to come forward, mission should follow, strategies and objectives should pave the way to achieve mission and vision. The wheel movement concept will lead to customer retention and loyalty, which will further expand the business in the desired direction.

Another area of concern is to raise funds for further expansion as the founders are facing difficulty in getting funds from the financial institutions based on their existing business model. The major challenge for cashnom.com is to raise funds with the help of proposed business model. Now the apprehension is whether proposed business model will result into arrangement of funds in order to expand the business and move forward towards growth prospects; or is there another scope of improvement in the proposed model.



Cashback is a blessing for shopaholics and it is working magically for the companies in increasing their revenues and customer loyalty. Companies have to control their cash burn rates and should look for more innovative processes and making these processes more efficient. There is a lot of news coming in media regarding the shut downs and layoffs in start-ups due to the cash crunch. In this situation, it is difficult to believe that this golden scenario will continue for very long as start-ups have started fighting for their survival and sustainability in business model.

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Dr. Navneet Joshi has experience of 15+ years in the area of academics, consulting industry projects and case study development. He is a Microsoft Faculty Fellow, Holds Ph.D. degree in commerce from MJP Rohilkhand University, EDP-CF from IIM-C, PGDIT from SMU, currently working as

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Ms. Deepika Saxena is currently working as Assistant Professor in JIMS, and has work experience of more than 10 years including academia and industry. She is a graduate in commerce from Delhi University, and in computer applications from IGNOU. She has done MBA from Jaipuria Institute of Management, Ghaziabad and currently pursuing Ph.D from Gautam Buddha University, Greater Noida. Her area of research includes micro-finance, micro-credit, technology in banking etc. She has published and presented several research papers in Journals and Conferences of National and International repute including IIM and IIT. Her research paper titled: ‘Technology based Initiatives by Indian Commercial Banks towards Financial Inclusion’ received the “Best Paper Award” in annual conference of IIM-Bangalore. She has also conducted MDPs and has been involved in guiding the post graduate students for dissertations and research projects.



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Strategically Managing the M. B. A. Programme, Learning through Convergence Scheme of IGNOU: A Framework for a Practical Approach

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ABSTRACT

Indira Gandhi National Open University, largely caters to the distance education requirements of people who are widely disbursed in India and abroad. It has got centers in countries like Japan, Middle East, China etc. IGNOU is well known for its high quality education as far as study materials and student evaluation is concerned. MAC is accredited at 'A' grade by NAAC. After Pre-Degree has been de-linked from tertiary education, there are a lot of unutilized resources in such colleges, both in terms of manpower and infrastructure. IGNOU's policy was to utilize such unutilized resources and conduct courses. The convergence scheme was a synergy of distance and regular education and it has got all the benefits of a full time regular course if the course is offered through face to face mode. IGNOU permitted the institution to charge three times bigger fees than that of distance education courses if the course is offered through complete face to face mode. Even then this fee structure was much less than that of even two-tier or three-tier B-Schools. MAC is a college, situated in a tribal area. The students could avail AICTE recognised MBA programme at affordable cost with the full benefits of a regular full time course. Mar Athanasius College was the only college in Kerala that opted to conduct the programme through face to face mode. The model adopted by Mar Athanasius College (MAC) could be replicated in any Institute which was recognised as a Partner Institute, by IGNOU.

Introduction

MBA through Convergence Scheme

MBA through convergence scheme was an innovative programme of IGNOU. It was a new scheme conceived jointly

by IGNOU, UGC and AICTE under the guidance of Ministry of Human Resources Development in 2008. The objective of the scheme is to meet the projected XIth Plan access rates for tertiary education. The said programme was offered as a full time regular programme at Mar Athanasius College, Kothamangalam, Kerala (MAC). At MA College, they pride themselves on promoting a culture that encourages open minds, foster superior communication and creates possibilities. MBA programme was led by Prof (Dr.) John Pulparambil (Retd. Prof.IMG, Govt.of Kerala)

Convergence of Concepts

MBA at MA College was a new age idea driven by the 5Cs- Convergence, Connectivity, Collaboration, Creativity and

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Communication. These are the driving forces of the new economy that fundamentally transforms our lives. Management education at MA College was intended to facilitate unbound exploration of ideas. In order to facilitate this process the College draws upon various streams of thought and integrate these in the educational process. With the synergy of new technology, knowledge, and tools the College has evolved an integrated management educational process to train young managers for the new economy. With such comprehensive training the students would be able to find excellent placements.

The M.B.A. degree is one of the most prestigious professional qualifications in the world today. The most important reason for this prestige is the fact that the M.B.A degree holders are among the most wanted in the job market today. In the case of those who are not in need of a job under somebody else, having a M.B.A degree is a symbol of great achievement, boosting their image in the professional circles as well as in the society at large. This status consideration apart, the M.B.A degree or diploma is a certification that its holder has successfully completed a very rigorous education-cum training process in Management studies, equipping him/her to deal with management issues, especially in the decision-making process, in a highly professional manner.

Doing things professionally improves the success chances of the organization or enterprise for which the issues are dealt with and the decisions are taken.

In any case, the M.B.A education cum training, if managed well, equips a person to deal with management situations, issues and processes with a high degree of professional touch, which enhances the quality of management work, leading to an improvement of the success chance of the enterprise or the organization. It is due to reasons such as the above that a large number of youngsters and even elderly persons in senior positions are today keen on doing the M.B.A. course and to obtain the M.B.A. qualification. Similarly, it is to cater to the demands of such M.B.A. aspirants that a large number of educational Institutions all over the world are conducting a variety M.B.A programmes. In Chennai alone, there are more than 80 Institutions offering M.B.A. Programmes.

The case of the Mar Athanasius College, launching an M.B.A. programme now is no different from the above. By starting an M.B.A. programme, the M.A.C. was responding to the aspirations of the youth of the country and to the needs of the country to have well-educated management professionals to manage its affairs, especially in the context of development and nation-building.

The Centre of Management Studies

Vision

A place for world class management education constantly seeking to fulfill the aspirations of the youth in the country to become reputed management professionals, and the needs of the country to have such management professionals for

accelerating the process of environment friendly and integrated development of the nation.

Mission

The Mission of this Centre is to promote world class management education by enabling the students from far and near

- to build a fulfilling career for themselves, and
- to become creative partners in the process of nation-building in India in the world of globalization.

Objectives

1. Offering world class management education in selected areas of specialization;
2. Ensuring high degree of management development among the students with a balanced focus on knowledge, skills, positive attitudes and creative values needed for being effective executives.
3. Facilitating and motivating the students to devote their total time and resourcefulness to the pursuit of their personal, academic and career objectives;
4. Providing unbroken learning assistance to the students, including assistance for job placement.
5. Promoting society-oriented management learning by students and teachers who constantly work for ensuring mutually satisfying professional activities aimed at self-development, social development, and national development in a globalised world.

Guidelines for Improving the Study of the MBA Programme

In order to derive maximum benefits from the MBA programme, it is desirable to follow a multi-pronged strategy, combining the completion of the prescribed course work and additional strategies for developing management skills that will improve the market value and life performance competency of the students. A framework for such an approach is outlined below, focusing on the following:

1. Dealing with the prescribed study portion (Course/Block/Unit/ Sub-Units) of the IGNOU Study Materials.
2. Understanding and using management concepts and methods for developing management competency.
3. Understanding and analysing management situations.
4. Understanding and learning from successful managers of eminence.
5. Understanding and acting upon documents for discussion and group work.

(I).Dealing with the Prescribed Portion of Study

(Course/Block/Unit/ Sub-Units) of the IGNOU Study Materials

Bearing in mind the objectives of the Course/Block/the Unit, find and draft answers to the following questions:

1. What is the broad subject matter being dealt with?
2. What are the sub-divisions of the broad subject matter?
3. What are the learning benefits that this study portion is expected to produce?
4. What are the major concepts, issues, and methods dealt with in each section?
5. What are the details of these concepts, issues and methods?
6. In what way and to what extent are the concepts, issues and methods dealt with in the various sub-sections relevant and important for a manager in the practice of management?

(II). Understanding and Using Management Concepts and Methods

With a view to developing a management way of understanding the nature and functioning of groups and organizations, do the following:

1. Learn to recognize groups and organizations at work in the society. E.g.:

- A football team;
- A school;
- A college;
- A university;
- A sales or distribution agency;
- A production or manufacturing unit;
- A manufacturing and marketing organization;
- A servicing or repairing agency, etc.

2. Observe keenly and define clearly:

- a. Who is doing what?
- b. How do the various actors do what they are doing?
- c. What are the results being aimed at?
- d. In what way is the result one action/actor related to those of the others?
- e. To what are the results connected? (What are the objectives beyond the results?)
- f. To what are the objectives connected? (What are the Goals beyond the objectives)
- g. To what are the goals connected? (What is the larger purpose or Mission, beyond the goals)
- h. To what is the larger purpose or Mission connected? (What is the dream or Vision that inspires the group or organization?)

- The above questions are relevant and important about any group or organization under observation.
- By raising and answering them an aspiring student of management can start understanding the most basic aspects of management as done in a group/organization.
- The group or organization is efficient to the extent that it does and accomplishes things at a minimum cost or expenditure of resources (or whatever is used as necessary for the action).
- The group or organization is effective to the extent it is doing and accomplishing what it is expected to do and accomplish.
- Understanding the way management is practiced and how it can be improved in terms of efficiency and effectiveness is the purpose of management study.

(III). Understanding and Analyzing Management Situations

A management situation is a venue or context of managerial action. Understanding a management situation can be useful to learn about how and why managerial actions take place in special venues or contexts. Such an understanding can be developed by focusing on the following:

1. What do you observe in a situation of managerial action?

E.g.: A football game; a class room at work; a political rally; a high way under construction; a cabinet meeting; the board meeting of a business corporation; a national or international sports event, etc.

2. What are the dynamics involved: E.g.:

- * Who is doing what?
- * Why does he / she do what is being done?
- * How does he/she do what he/she does?

3. What are the connections that are observable?

- Between those in action;
- Between the actions being done;
- Between the results being produced?
- Between the results and that to which the results are related;
- Between those in action and those who control them;
- Between their action and those who reward them;
- Between the rewards and those in action;

- Between the rewards and what the organization is concerned about
- Between the concerns of the organization and the society to which it is related or associated in some way.

4. Management is taking place all around us

- It is taking place all the time.
- But very little are we aware of it.
- Getting sensitized to become aware of the management situations and management process in the society is an important component of management education.
- The method of study proposed above is meant to make the students sensitive to the management phenomena in the society and to enable them to develop the ability to analyse the same to improve the outcome of management learning.
- Doing this kind of study will help the students also improve their skill in problem analysis and decision making.

The MBA programme will give adequate importance to this method of learning.

(IV). Understanding and Learning from Successful Managers of Eminence

For students of management, successful managers of eminence constitute a rich source for learning. This learning can be done in many ways. One is to interact with them, either in a one-to-one situation, or in group or class room situation, listening to them, asking them questions, and getting answers from them in a dialogue process. This will be one of the methods to be followed in this MBA programme. Another method is to analyse documentations from published sources, seeking to understand them from as many angles as possible and to learn from their styles of decision-making, problem solving, dealing with situations, dealing with people, and utilization of opportunities. Books, Journals, and the Internet constitute the major sources for such documents to be taken up for analysis.

Considerable amount of time will be devoted to the above forms of management study, in which students as individuals and groups will be given assignments to do. Given below is a framework with appropriate questions for analyzing such documents.

1. Why do you consider him/her a successful manager?
2. What do you consider as his/her major achievements?
3. What has been his/her process of evolution as a successful manager?

4. What were the major challenges or crisis situations that he/she had to face?
5. In what way did he/she cope with such situations of challenge or crisis?
6. What were the main resources (human, material, environmental, technological, personal energies including those of a physical, mental, emotional and spiritual nature) that he/ she made use of to deal with the situations of challenge or crisis?
7. What were the strategies or calculated moves employed by him/her to overcome the situation of challenge or crisis and to move ahead?
8. What were the objectives and priorities pursued by him/her in the management process?
9. What appears to be the Mission to which he/she was committed?
10. What appears to be the Vision that was energizing him/her for managerial actions in his/ her life?
11. What is it that you can learn from his/her management style, life and accomplishments?
12. What steps can you take to transform this learning into actions and results in your life?

Time for conducting the above mode of study will partially be set aside as a part of the class room work, while additional time will have to be found by the students outside the class room hours.

(V). Understanding and Acting upon Published Documents with Management issues in Focus.

Current publications such as newspapers, professional journals, and popular journals frequently contain articles or documented stories with management issues in focus. Students of management can learn a lot by analyzing such documents both as individuals and groups. Use of this method too will be one of the important methods of the MBA programme at the MAC. Given below is a framework for this form of study, with appropriate questions for discussion and discovery of answers for interactive learning.

1. What is this document about?
2. What are the main issues that the document deals with?
3. What are your general comments on what the document deals with?
4. What are the management issues (problems, concepts, methods, etc.) that are revealed in this document?
5. Are such issues or problems common in other situations or societies?

6. In what way are the issues, problems, concepts, methods related to the society in which they occurred?
7. What according to you are the root causes responsible for the occurrence or prevalence of such issues or problems?
8. Do such root causes exist in other situations or societies?
9. In what way can such root causes be dealt with to prevent them from causing major management issues?
10. In what way they are the issues, problems, concepts, methods etc. relevant for discussion in an MBA programme?
11. In what way can you improve your own understanding of and ability to deal with the kind of management issues, problems, concepts, methods etc. that you may encounter in other situations in which you may find yourself?

Documents to be used for this form of study can be identified by the teachers as well as by the students by scanning newspapers and journals. In fact it is desirable that each teacher and student builds up a document bank consisting of such documents gathered from different sources (indicating the name and date of the published source). Every day, as one is reading newspapers and journals, attention can be tuned to identify such items to be copied out or cut out for preservation for using as a material for this form of study. It will be amazing how fast one can build large collection of such useful materials. Collection and use of such materials is a method to supplement that officially prescribed study materials, and even to beat the obsolescence of such prescribed materials.

(VI). Using the Preliminary Question Method (PQM) for Learning, idea Generation and Creativity Building

In the context of assignments and discussions, one problem often faced by people is the difficulty in finding or generating ideas to contribute to the efforts of the group or to develop in to a theme at one's own level. To solve this problem, the Preliminary Questions Method, known as PQM, can be fruitfully employed. Given below is a framework for doing this.

No	Aspects	Dimensions
I	Who	1. Who is affected by the problem?
		2. Who else has it?
		3. Who says it is a problem?
		4. Who would like a solution?
		5. Who could prevent a solution?
		6. Who needs it solved more than you?
II	When	1. When does it occur?
		2. When does it not occur?

		3. When did it appear?
		4. When will it disappear?
		5. When do other people see it as a problem?
		6. When do other people not see it as a problem?
		7. When is the solution needed?
		8. When might it occur again?
		9. When will it get worse?
		10. When will it get better?
III	Where	1. Where is it most noticeable?
		2. Where is it least noticeable?
		3. Where is the best place to begin looking for solution?
		4. Where does it fit in the larger scheme of things?
		5. Where does it appear to be most critical?
		6. Where does it appear to be least critical?
		7. Where does it appear easiest to solve?
		8. Where does it appear most difficult to solve?
		9. Where does it appear most damaging?
		10. Where does it appear least damaging?
IV	Why	1. Why is this situation a problem?
		2. Why do you want to solve it?
		3. Why don't you want to solve it?
		4. Why doesn't it go away?
		5. Why would someone else want to solve it?
		6. Why wouldn't someone else want to solve it?
		7. Why is it easy to solve?
		8. Why is it hard to solve?
		9. Why others are interested in solving it?
		10. Why others are not interested in solving it?
V	What	1. What might change about it?
		2. What are its main weaknesses
		3. What do you like about it?
		4. What do you dislike about it?
		5. What can be changed about it?
		6. What can't be changed?
		7. What do you know about it?
		8. What do you not know about it?
		9. What will happen if it is solved?
		10. What will happen if it is not solved?

		11. What have you done in the past with similar problems?
		12. What principles underlie it?
		13. What values underlie it?
		14. What problem elements are related to one another?
		15. What assumptions are you making about it?
		16. What seems to be most important about it?
		17. What seems to be least important about it?
		18. What are the sub-problems of it?
		19. What do you lose if it is not solved?
		20. What do you gain if it is solved?
		21. What do others lose if it is not solved?
		22. What do others gain if it is solved?
		23. What are the reasons why others are interested in solving it?
		24. Reasons why others are not interested in solving it?
		25. What are your objectives in solving it?
		26. What more do you need to know about it?
		27. What can be the obstacles for solving it?
		28. What can be of help in solving it?
		29. What can cause its re-appearance?
		30. What can prevent its re-appearance?
VI	How	1. How did this come about?
		2. How did it last so far?
		3. How will it continue?
		4. How will it change?
		5. How will it affect me?
		6. How will it affect others?
		7. How will others react to it?
		8. How can I react to it?
		9. How can it be solved?
		10. How can I solve it?
		11. How can others solve it?
		12. How can I motivate others to solve it?
		13. How can I get the support of others to solve it?
		14. How will others help me to solve it?
		15. How will others refuse to deal with it?
		16. How can I deal with the resistance of others to deal with ?
		17. How will it help me?

		18. How will it hurt me?
		19. How will it help others?
		20. How will it hurt others?

(VII.) Sources For Learning

1. IGNOU Handbooks
2. Other Books on Management
3. 3 Journals
4. News Papers
5. Internet
6. The Society around where management is happening
7. The organisations around which are being managed
8. Living Professionals practising management
9. Group resourcefulness of the Class
10. Personal resourcefulness of oneself

(VIII). Methods for the Teaching-Learning Process

1. Lectures
2. Projects
3. Case Studies
4. Problem Solving Exercises
5. Surveys
6. Assignments
7. Group Work
8. Workshops
9. Book Reviews
10. Seminar Papers.

(IX). Data-Base for Monitoring Students' Performance

1. List and Profile of Students in the Class
2. Attendance Register
3. Time Table
4. Test and Examination Register
5. Progress Report
6. Anecdotal Report
7. Cumulative Record
8. Teacher's Diary
9. Correspondence and Communications
10. Teacher's Handbook

(Any other methods found useful can also be used)

Conclusion

The said course was run successfully from 2008-2013 using the optimum resources and achieving the goals of education to the under privileged sector because management education was an uphill task for the lower class as well as the upper lower class income society. Many batches achieved 100% results and recorded an enviable status in Campus Placements also. Sadly, because of the administrative issues in 2012, the Convergence Scheme has come to an abrupt end in 2012.

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Book Review

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Book Review: Kanjula Spandana's *Risk Management and Life Insurance: Human Life Value (HLV) Approach* (New Delhi: Atlantic Publishers & Distributors (P) Ltd, 2015), pp. 395.

Recognition of human capital as a value in theories of monetary economics gains importance against the background of the Quantum Theory, Darwin's Theory of Evolution, Freud's researches into the human unconscious, developments in modern science, and the two World Wars which have stressed the transience and impermanence of human life. Dr. Spandana's book *Risk Management: Human Life Value (HLV) Approach* places before us, rather graphically, the history of relevant economic and political theories through the centuries, as they gradually shift their focus from accumulated wealth and merchandise of a nation to "human capital." What is human capital? Spandana helps us navigate through a series of definitions from Adam Smith on, a daunting scholarly task indeed.

There is a distinguished history of the transition from a belief system that placed a premium on the monetary evaluation of life to the Judeo-Christian conception of the absolute value of man, which Spandana details in this book to showcase the significance of and the humanitarian need for the Human Life Value Approach (HLV). Humanistic insurance educators like Stephen Huebner and Harold Skipper supply the ideological framework for this book. Stephen Huebner, the founding father of the Human Life Value theory, emphasized that human life value was the key to the turning of all property into a productive force. He vigorously pursued the goal of wresting society from "the mercy of the laws of chance." HLV fills the yawning gap between humanitarian ethic and utilitarian economics and focuses on the sacralization of the human being, his emergence as the "holy of holies."

Historically speaking, the need for the HLV approach came in the context of the Industrial Revolution and the economic and political theories that aggressively supported it. Carlyle and Ruskin (*Unto This Last*), prophetic figures who fought against the doomsday philosophizing of nineteenth century industrialism, raised a hue and cry against dehumanization and man's reduction to the status of an automaton. They pleaded for

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a humane engendering in a stifling atmosphere of mill and mine and Malthusian economics. Adam Smith warned that a definition of wealth as built on a “vast mercantile edifice” was a folly. An offshoot of the human capital theory, the human life value concept, as Spandana points out, is based on the fact that every earning individual has a monetary value to those who are dependent on him. The depreciating human life value has to be augmented because human life is precious and it cannot be trifled with. Based on these principles, the HLV approach seeks to capitalize the earning capacity of an individual for the benefit of his dependents in the event of his disability or death.

The appeal of Spandana’s *Risk Management and Life Insurance: Human Life Value (HLV) Approach* lies in the fact that it raises some fundamental questions like what is the purpose and function of life insurance. Life insurance, from the HLV point of view, is not simply limited to indemnification for the loss of life and property. It is meant to ensure optimal protection as a value. It must address the productive purposes and goals of life in a welfare state. This in essence is Spandana’s thesis in this book. She refers in this context to an ideological issue. The anti-globalization movement raises an important question of disparity of value. It points out the obvious disparity between the value assigned to human life in developed nations and its value in developing nations as reflected in World Bank, WTO, and IMF accounts. Spandana questions the propriety of this differential values assignment and her thesis is that from a holistic perspective life insurance should provide optimized security to the individual and society.

Another objective of Spandana’s is to examine risk management in the context of the humanitarian value system at the core of her thesis. She gives an elaborate introduction to what is risk, its nature, categories of risk like credit risk, market risk, and so on, before it elaborates risk management as such. The history of risk, dating back to 3000 BC, is painstakingly traced here. One of the beauties of *Risk Management and Life Insurance: Human Life Value (HLV) Approach* is that it charts vividly something of a historiography of movements, trends, and tendencies associated with the concepts of insurance and risk. “Risk is like fire: if controlled it will help you; if uncontrolled it will rise up and destroy you” (Theodore Roosevelt). Even for such celebrated quotes Spandana unfailingly provided the references. She quotes extensively from relevant sources to argue that risk management paradigm is fast changing from indemnity to value creation. That risk is paradoxical in nature is illustrated through the citation of a poem by Janet Rand. “To laugh is to risk appearing the fool / To weep is to risk appearing sentimental / To reach out to others is to risk involvement.” For a student of literature there are several quotes in this book: from *Hamlet*, from *Merchant of Venice* (the paradox of the pound of flesh), from Ruskin’s *Unto This Last* on ethical value approximations and the “dismal science” of political economy, and so on. Risk with reference to “detrimental business environment,” which is a consequence of global financial crisis, risks consequent on globalization and the porosity of the borders, brand reputation risk, the kind Nestle faced, and such other factors are all sufficiently focused

on. There is also an elaborate account of personal risk. We may add the risk that a writer faces in a society where the world is sought to be “broken up into fragments / By narrow domestic walls.” The fatwa on Salman Rushdie and on Taslima Nasrin, author of *Lajja* and the impact of time and tide and the whirligig of taste on the rise and fall of writers’ reputations belong to this category. Spandana contemporizes her study by making a reference to some of the most recent and tragic of these like the attack on the World Trade Centre or the mysterious disappearance of the Malaysian Airlines flight MH370.

Risk analysis has become a routine procedure in assessing, evaluating, and managing factors that cause harm to human beings and the environment. The debate on the legitimate role of risk analysis for regulatory decision making centres round the appropriate handling of uncertainty in risk assessments and the legitimate role of science-based versus precaution-based management approaches. *Risk Management and Life Insurance: Human Life Value (HLV) Approach*, while outlining the development of the discipline of risk management including the various specialist areas and approaches, describes the key benefits of risk management in terms of compliance, assurance, decisions and efficiency / effectiveness / efficacy. Incidentally it also describes the key stages in the risk management process and the key features of the best-established risk management standards and protocols. What risk managers need is a concept for evaluation and management that ensures integration of social diversity and multidisciplinary approaches and allows for easy-to-implement protocols. Spandana details, by citing authorities, that there is a paradigm shift with the rise of holistic approaches like Enterprise Risk Management (ERM), which, according to her, is fast emerging as a powerful, proactive tool. She also refers to how financial deregulation, globalization, and the advent of the Internet in the past two decades have transformed our perception of risk creating new kinds of risk associated with e-commerce, environmental tensions, and so on. Risk modelling and recent insights into it have also been briefly touched upon.

In the ninth chapter, Spandana sums up how Human Life Value (HLV) Approach to Optimal Life Insurance measures the economic value of human life in an altogether different way. She makes a pertinent observation that human life value and its protection should be regarded as constituting the principal economic link between the present and the succeeding generations. Now finally, wherefrom does Spandana’s book derive its philosophical foundation? In her Acknowledgements, Spandana mentions the business historian Peter Bernstein’s book *Against the Gods: The Remarkable Story of Risk* as one of the shaping powers at work on her outlook. Reasoning out how man has not been able to avoid risk with the help of the gods and the laws of determinism, Bernstein substantiates how humanists have transformed our perception of risk “from fate and original design to sophisticated, probability-based forecasts of the future.”

Dr. Spandana’s *Risk Management and Life Insurance: Human Life Value (HLV) Approach* gives a wealth of

bibliography and copious notes at the end of each chapter. Many present day theses and books just make do with a mere citing of the sources and no more. But here in this book the notes are exhaustive: they annotate, comment upon, cross-reference, add to the information furnished in the body of the chapters, and illuminate an idea. Many researchers, on the Indian scene, have now lost touch with this habit of expressing

thought in the sidelines, probably because there is less of inquiry and research and more of the furrowing of the trodden path. Thus Spandana's book is a welcome addition to the scholarly repertoire in the field.

C. R. VISWESWARA RAO



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Book Review

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ABSTRACT

Books Review: **Interrogating Inclusive Growth: Poverty and Inequality in India** (Kannan, K.P. 2014. Routledge, New Delhi. ISBN: 978-1-138-79565-5. Hard Cover. Pp.310. Price: INR 795.) and **Growth, Inequality and Social Development in India: Is Inclusive Growth Possible?** (Nagaraj, R. 2012. Palgrave Macmillan for United Nations Research Institute for Social Development. ISBN: 9781137000767. Pp. 264 (Ebook, pdf). Price: INR 4088 (Kindle Edition).

This is a two-in-one brief book review about the rhetoric and reality of inclusive growth in relation to the Indian economy and society. The first book (by Kannan, a leading labour economist) is an ensemble of the author's contributions during the period 2008 to 2013, and is an attempt to understand the impact of the process of heightened economic growth in India since the initiation of neo-liberal economic reforms. And the second book (edited by Nagaraj, a sound empiricist labour and development economist) draws on the editor's contribution along with the contributions of noted scholars such as M. H. Suryanarayana, Gita Sen, D. Rajasekhar, P. S. Vijay Kumar, Mihir Shah, Vivek Chibber and Atul Kohli, and is a social democratic perspective about post independent India's economic growth and its impact.

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Business-school students are supposed to know the micro as also the macro management of the economy and the society. Both the books are relevant to them as they address critically the macro management of the Indian economy.

Both the books establish the proposition that inclusive growth in India is not inclusive and, moreover, according to the second book, it is not possible under the given class relations affecting the development process. The two books complement each other very well.

Consider the first book. Viewed essentially from the point of maximizing economic growth and its concomitant process of wealth creation, there is no gainsaying what India has achieved within a span of two decades since the early 1990s—although acceleration in economic growth started from the first half of the 1980s. However, the downside of this process of growth has been acutely felt in the employment sphere—either in terms of inadequate employment growth or in its quality that should have lifted the miserable existence of a vast mass of the laboring poor to a decent one. Concomitant to this is the snail's pace of progress in reducing absolute poverty and many other forms of deprivation. Such a process of growth has led to a situation of inequalising growth resulting in heightened socio-economic

inequality. Inequality-sensitive growth has not happened in the sense of the rate of growth in income of the poor being greater than that of the non-poor. A root cause of this has been that full employment of a decent kind, which is a powerful instrument for inclusion, has been conspicuous by its absence.

Jobless growth in manufacturing is associated with continuing decline in the share of wages and a corresponding increase in the share of capital, and a relative decline in the power of organized labour. But there has been a continuous rise in labour productivity. All this has amounted to wage as a share of value created by labour to be on the decline. As such the argument that labour market rigidity is a barrier to growth is mistaken. There has been widening dualism characterized by a division of labour between informal and formal sectors of the economy. While employment in agriculture has been declining, the movement of labour in recent times has been to non-agricultural sectors characterized by irregular employment and wages that may be above agricultural wages but far from any notion of fair wages. The informal sector is now pervasive both in rural and urban areas where nearly 84 per cent of the workers are trapped with low wages, low productivity and often miserable conditions of work. The inclusive growth of the reformed neoliberals sounds hollow in the face of an overwhelming majority of workers working and living and dying without any social security to meet such contingencies as sickness and accidents, and eventualities as old age and death.

Growth is inclusive according to reformed neoliberals (including the World Bank) when there is reduction in absolute poverty (monetarily defined). India has no doubt witnessed inclusive growth in this sense but there has been no inclusive growth in terms of a reduction in disparities between different groups. In the Indian context, reducing inequality is not merely a question of an economic one as between different income groups but also a social one given the entrenched social stratification which is very hierarchical. There has been an increase in inequality across different consumption groups or poverty bands as well as across social groups. Even within a given poverty group, there is an increase in social inequality as between the broad four social groups identified as SC/ST, OBC, Muslims and Others. This is not all. There are increases in regional as well as gender inequalities by taking the incidence of poverty and vulnerability. But among all inequalities the social inequality continues to overwhelm all other inequalities.

Thus, by rejecting a national development agenda that ought to focus on the various forms of disparities and deprivations and provide a broad-based content for growth by consciously taking into account the vast informal economy including the rural economy, a highly iniquitous outcome has come into existence heightening not just economic problems but also social and political problems as well. It is a pity that the neoliberal propaganda has shamelessly become blind even to the critical importance of basic human development in its exaggerated quest for growth at any cost.

This is the point of departure for considering the second book which, as pointed out earlier, is a more comprehensive

add-on to the first one. As regards the poverty status of the country, we come to know that after remaining stubbornly high at 50-60 percent of the population, absolute poverty (headcount ratio measured in money terms) has nearly halved during the last quarter of the 20th century, with modestly rising consumption levels even among the bottom deciles—though its pace has apparently wavered lately, after the neoliberal reforms were initiated in the 1990s. But, reduction in poverty has not lessened the nutritional deficiency proportionately, or improved the long-term health status as widespread food deprivation persists, especially among women and children.

Social sector outcomes are modest. While the educational accomplishments are still passable, perhaps the most damning neglect, is of public health—sanitation and drinking water. This clearly reflects the elitist approach to social development: emphasis on higher education and curative medicine, against primary and vocational education, and against preventive and public health.

The modest extension of some semblance of social security for sections of unorganized or informal workers probably represents the outcome of workers struggles and political responses in a deepening democracy. Some of these originated as components of national and regional anti-poverty programmes. However, for an underdeveloped administrative system that lacks identification of all its citizens, implementing welfare programmes becomes difficult, thereby inviting considerable corruption and delay.

The accelerating economic growth, with its modest effect on reducing absolute poverty and elitist social development strategy, has had a cumulative effect in widening economic inequalities, however measured. This is found to be true regardless of the policy regime in place (and its political rhetoric), though pace of increase in inequality seems to have accelerated after the neoliberal economic agenda was initiated.

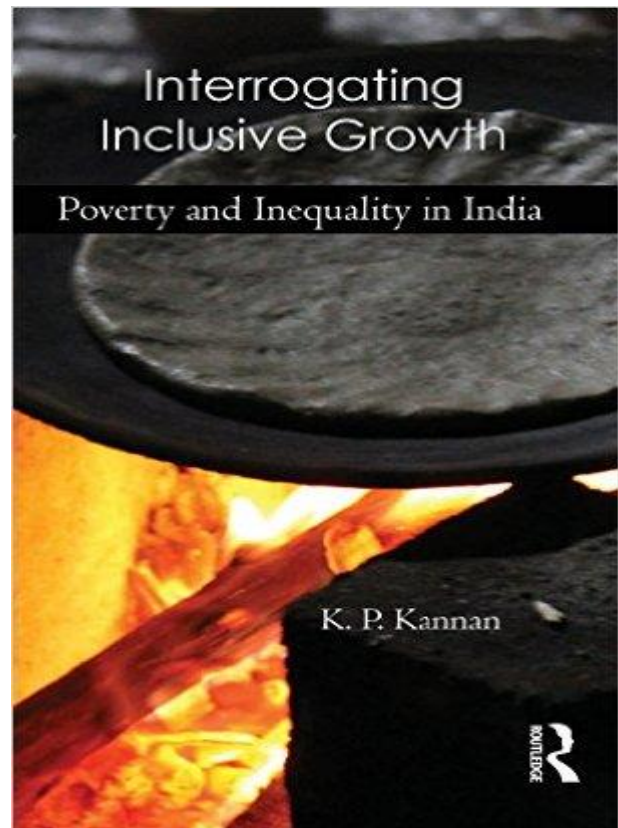
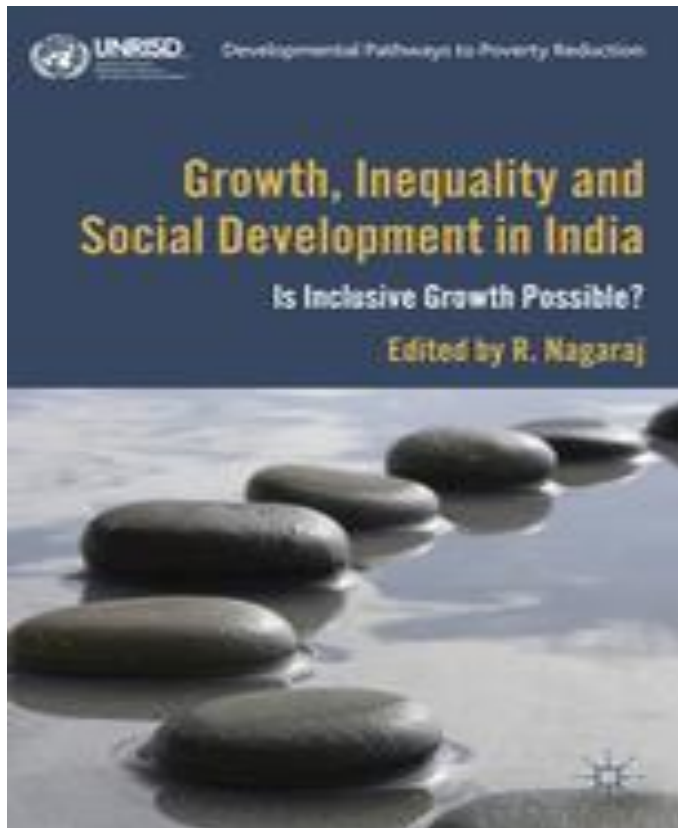
In a comparative perspective, however, economic inequality in India is moderate—lying somewhere between more equal East Asia and highly unequal America Latina. But considering that the growing economic inequalities are embedded in deeply stratified social inequalities, their cumulative effect is likely to be immense. The inability of the dominant classes of big business and rich farmers to sort out collective action problem, step up public investment and plug huge subsidies limits the state's action to augment pro-people welfare promoting economic growth. Indian social policy is pathetic, given the deeply class-based nature of politics and society. Labour in general and the labouring poor in particular have little political strength to compel the plundering dominant classes to spend more on welfare measures. This has been true right from independence, and perhaps has become more pronounced in the neoliberal era. There is really not much scope for radical redistributive policies, under the given circumstances. While the top echelons of the bureaucracy maintain high standards of efficiency, the lower levels of it lack capacity to deliver decent administration, though deepening democracy seems to test the limits of the class alliance.

Both the books reviewed here are based on sound empirical research, and are a must read for undergrad, postgrad and doctoral students of social sciences, especially economics. The downside of the books is that the writers in them, mostly economists, have nothing much to say about unmeasurable issues such as how economic power of corporations and state power, albeit using democratic ideology, bring about growing inequality (see Bhaduri, 2016) and/or what kinds of politics can effectively help to secure inclusion and how these can be promoted (see Hickey, 2014). OUP should bring out a cheap paperback edition of the first book. It is a pity that the very elite

publisher of the second book has not brought out an Indian edition, leave alone a cheaper paperback, for facilitating its larger access among the Indian readers, which is rather a shame indeed.

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