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Indira School of Business Studies

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INDIRA GROUP OF INSTITUTES, PUNE

Shree Chanakya Education Society (SCES), Pune, was established in 1994, with the explicit vision to provide sustainable impetus to the corporate and entrepreneurial abilities in the youth.

The realization that a robust framework of education is indispensable for the growth of global leaders, the visionary, Ms. Tarita Wakalkar Mehendale, Chairperson, Indira Group, integrated her pursuit of excellence and articulated educational institutions, known as Indira Group of Institutes (IGI), which imbibe human excellence and demonstrate strong social values, with a single minded pursuit of developing the youth to become business leaders.

Unrelenting initiatives by the management team at Indira led to adding of multi-disciplines such as Management, Information Technology, Pharmacy, Commerce, Science, Engineering and Mass Communication to the group. And growth has been as deep as it has been wide. With 14 institutions, IGI now offers education right from Kindergarten to Doctorate level studies .

IGI believes in the economic independence of individuals. In this endeavor we aim to inspire our post graduate students to create a niche for themselves in the Indian Economic order first, and then compete globally. We owe our gratitude to the Indian Industry for consistently collaborating with us in this endeavor. Renowned industrialists have visited us and tremendously enhanced the morale of our students by sharing their vast knowledge and experience about entrepreneurial opportunities and foster a spirit of entrepreneurship amongst students.

Having traversed the journey of twenty years we have ourselves made certain significant achievements which we are aware, are but the building blocks for achieving further heights.

- Indira is ranked amongst the top 2 B-schools in Pune, by the prestigious AIMA - IMJ.\
- The same journal gave us a top 30, all India ranking on the parameters of Industry interface.
- Our students have shown good academic results at the level of university ranking.
- The achievements of our students have enabled them to attract some of the best corporate recruiters.
- Indira Group of Institutes and our goodwill has enabled us to establish campus agreement with Microsoft for using different software.
- Our goodwill with Microsoft was further accentuated with Microsoft conducting workshops at Indira, for train the trainer modules.
- Business India has also ranked us amongst the top 3 in Pune for last 2 yrs.
- Our Institutes have received accreditation from various certifying bodies.
- Indira Institute of Management was the first management institute in Maharashtra to receive the accreditation from the NBA, New Delhi.
- We also have our audiovisual centers supported by Harvard Business School, Stanford, Pyramid Media and Tom Peters Company and we have a vast collection of titles.

Editorial

P. G. Vijairaghavan

The economic climate may not have changed dramatically in the last month, but the more important climate of hope and expectation has indeed made a dent in the overall gloom and depressed state in which the country had found itself of late. While there may not be much statistically, to substantiate this positivity yet, there are indications that things are set to improve. One of these is the way the world of business looks at the future. If any indicator were required to prove the optimism of India Inc. the behaviour of the Stock Exchange says a lot for the confidence that business establishments now evoke among investors. We can only say this is a good beginning, since achievements are only possible where confidence rules. Defeatist tendencies cannot dominate progress and development and one hopes this will signal the coming of good days for India's economy.

A look at India's securities and investment market seems timely and the movement of funds between investments is the subject of Dr Joshua Mulawi's study in this issue. And as the engine of growth the banking industry has to take the commanding view to lead and guide the country's growth prospects. N.Santosh Ranganath takes on an informed search of the banking industry's role in India's development history especially over the past 25 years; after the liberalisation process was set in motion.

Dovetailed with this article is a brief study by Dr G. P Bhandari, on the performance of RRBs in the North East, based on their results in 2010. The North East is a Region largely untouched by economic development for over 65 years. An interesting study on the role of time in work-life related conflict situations Aiswarya Ramasundaram makes some appropriate recommendations based on the quantitative and qualitative data obtained in the course of her research on the subject. Dr Manon Mani examines the efficient use of resources by industry and finds ways to get more productive results through higher exploitation of the resources leading to more growth in industry and the economy.

This issue features two extremely interesting book reviews. M. S. Rao writes on Managing People at Work by Julian Randall and Allan J Slim. While the book seems to be aimed at the student community, it is not necessarily restricted to academics of Human Resource Management, but contains great takeaways for the Manager at the workplace.
Shatabdi Das makes an informed analysis of the strengths of Insanely Simple : The Obsession that drives Apple's Success by Ken Segall, (2012, Penguin Books, USA). Keep it Simple is an axiom oft heard in corporate circles, but many brands have simply failed to live up to it; resulting in their biting the dust when otherwise they could have reaped a great harvest of returns. And Ken Segall attributes Apple's success to its ability to keep its strategies simple and devoid of clutter to be able to come good in the uncompromising entity that is the market; and Shatabdi Das seems to agree.

Measurement of Productive Efficiency - A Stochastic frontier production function approach to Indian Industries

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The efficiency term describes the maximum outputs attainable from utilizing the available inputs. A production is efficient if it cannot improve any of its inputs or outputs without worsening some of its other inputs or outputs. Efficiency can be increased by minimizing inputs while holding output constant or by maximizing output while holding inputs constant or a combination of both may increase efficiency (Alias Radam et al,2010). Productive efficiency (also known as technical efficiency) is defined as a situation in which the most production is achieved from the resources available to the producer It occurs when the economy is utilizing all of its resources efficiently, producing most output from least input.

Productive efficiency can be determined by estimating the best-practice production frontier and individual industries gives the measure of inefficiency. In view of the growing high production costs , productive efficiency and profitability will become increasingly important determinants of the future of Indian industries . In addition to developing and adopting new production technology , the industries can maintain their economic viability by improving efficiency of existing operation with a given level of technology.In other word the industries total costs can be reduced and the industries total output can be increased by making better use of available inputs and technology.

This study examined the industry level efficiency so as to identify the sources where improvement can be made. The study will provide vital information to help individual industries in using their resources more efficiently and to assist the industries in becoming more competitive and maintaining its long term survival. The determination of frontier technology and knowledge of productive efficiency and its relationship with firm size can provide important insights into future Indian industries. Further more,the relationship between efficiency levels and various industry- specific factors can provide useful policy –relevant information. A comparison of industry's frontier or " best practice" function and its average practice function will produce useful information about possible future structural adjustments for the industries.

Methodology

Net Value Added (NVA) was taken as output. Labour input (L) consisted of both workers directly involved in production and persons other than workers like supervisors, technicians, managers, clerks and similar type of employees. The invested capital (K)was taken into account as capital. Wages included renumeration paid to workers.The basic data source of the study was Annual Survey of Industries (ASI) published by Central Statistical Organisation (CSO), Government of India covering the period from1998-99 to 2010-11.All the referred variables were normalised by applying Gross Domestic Product (GDP) deflator. The GDP at current and constant prices were obtained by referring to Economic Survey, published by Government of India, Ministry of Finance and Economic Division, Delhi.

Tool of analysis- Stochastic frontier production function

A stochastic frontier production function as proposed by Battese and coelli (1992) is defined as :

$$\iota = f(X\iota\beta)\varepsilon_{ei}$$

Where Yi, is the output vector for the i[th] firm, X_i is a vector of inputs, β is a vector of parameter and $\varepsilon\iota$ is an error term. In this model, a production frontier defines output as a function of a given set of inputs, together with technical inefficiency effects. Furthermore, this model specifies that these inefficiency effects are modeled by other observable explanatory variables and all parameters are estimated simultaneously. The stochastic element of this model allows some observations to lie above the production function, which makes the model less vulnerable to the influence of outliers than with deterministic frontier models.

The stochastic frontier is also called composed error model, because it postulates the error term εi as two independent error components:

$$\varepsilon_i = v_i + u\iota$$

When a symmetric component is normally distributed, $v_i \sim (\mathrm{N}, \sigma_v^2)$ represents any stochastic factors that is beyond the firm's control affecting the ability to produce on the frontier such as luck or weather. It can also account for measurement error in Y or minoromitted variables. The asymmetric component, in this case distributed as a half- normal $u_i \sim (\mathrm{N}, \sigma_v^2), u_i > 0$ can be interpreted as pure technical inefficiency. This component has also been interpreted as an unobservable or latent variable ; usually representing managerial ability.

The parameters of v and u can estimated by maximizing the following log-likelihood function :

$$\ln(\mathrm{Y} \sim \beta, \lambda, \sigma^2 = \frac{N}{2}\ln\left[\frac{2}{\pi}\right] - \mathrm{Nin}\,\sigma + \textstyle\sum_{i-1}^{N} \mathit{In}\left[1 - \mathrm{F}(\varepsilon_i\lambda\sigma^{-1})\right] + \frac{1}{2\sigma^2}\textstyle\sum_{i=1}^{N} \varepsilon_1^2$$

Where,

$$\varepsilon_{\mathrm{I}} = \mathrm{Y}_1 - \mathrm{f}(\mathrm{X}_i, \beta)$$

$$\sigma^2 = \sigma_u^2 + \sigma_v^2$$

$$\lambda = \sigma_u / \sigma_v$$

F = the standard normal distribution function
N = Number of observation

Given the assumptions on the distribution of v and u, Jondrow et al. (982) showed that the conditional mean of u given ε is equal to

$$\mathrm{E}\,(u_i \setminus \varepsilon_i) = \frac{\sigma_u\,\sigma_v}{\sigma}\left[\frac{f\,(\varepsilon i\,\lambda\sigma)}{1 - f\,(\varepsilon i\,\lambda\sigma)} - \frac{\varepsilon i\,\lambda}{\sigma}\right.$$

Where f and F are the standard normal density and distribution functions evaluated at $\varepsilon_i\,\lambda/\sigma$

Measures of technical efficiency (TE) for each firm can be calculated

$$\mathrm{TE}_i = \exp(-\mathrm{E}[u_i / \varepsilon]) \text{ so that } 0 \leq \mathrm{TE} \leq 1$$

The Cobb- douglas stochastic frontier production function in logarithm form is as follows:

$$\mathrm{In\ VAi} = 1\mathrm{n}\ \beta_0 + \beta_1\,1\mathrm{n\ C} + \beta_2\ 1\mathrm{n}\ L_i + \beta_3\ 1\mathrm{n}\ E_i + \varepsilon_{\mathrm{I}}$$

Where VA represents Net value added per year. Independent variables are C (capital) and L (number of labourers). Parameters β_0 denotes the technical efficiency level and β_I is elasticities of the various inputs with respect to output level.

The productive efficiency of the firms were calculated by applying the Stochastic frontier production approach of 4.1c version. The results show the summary statistics of the variables, maximum likelihood estimates and technical efficiency for rural, urban and aggregate industries of India for the reference period under study.

a) Rural Industries

As for primary investigation the summary statistics results of the selected variables of rural industries are presented in the following table-1.

Table-1

Summary Statistics of variables Rural Industries

Variable	Mean	Std Deviation	Minimum	Maximum	C.V
Net Value Added (NVA)	2.2454	0.2395	2.00	2.67	10.67
Invested Capital (K)	2.1152	0.1417	1.99	2.40	6.70
Number of workers (L)	2.0393	0.0743	1.97	2.18	3.64

Source: calculations are based on ASI Data

Foot Note: C.V - co –efficient of variation

Mean values of input variables indicate that the industry's main factors of production were both capital and labour since there were not much differences in their mean values. The magnitude of variability (C.V) also substantiated this point since the co-efficients are less for both the inputs.

Table-2 show the maximum likelihood estimates of rural industries of India in the context of its productive efficiency.

Table-2

Maximum Likelihood estimated of stochastic frontier production function – Rural Industries

Variable	Co-efficient	Std-error	t – ratio
Intercept	-1.1175	1.5383	-0.7638
Ln K	1.3952 ***	0.7383	1.890
LnL	0.2565	1.5093	0.1699
σ^2	0.0009 ***	0.0005	1.8758
γ	0.9999	0.00002	.00004
μ	0.0167	0.0487	0.3436
η	0.1018**	0.0350	2.7879

Source : Calculations are based on ASI Data
Foot Note: ** - Significant at 5 % level
*** - Significant at 10 % level

The maximum likelihood estimates for productive efficiency of rural industries show that in single output case, parameters of capital input was positive and statistically significant. Hence capital is main input factor for these industries as its value was higher than labour. The co-efficients of σ^2 and γ were statistically significant though the sign of them differs. It reveals that estimated levels of output considerably differ from their potential levels due to factors, which are within the control of the industries. The estimated value of γ indicated the absence of efficiency gap that exists between the actual and potential level of performance which is mainly due to technical efficiency of the industries. The statistically insignificant co-efficient of μ term indicated that it followed a normal distribution and the positive and statistically significant co-efficient of η indicated that efficiency increases in getting production overtime. The summation of the elasticities of factors of production, indicated return to scale of 1.65. The value of return to scale greater than unity suggested that increasing returns to scale prevails. One percent increase in inputs (labour and capital) resulted in an increase 1.16 percent in output level for the stochastic frontier.

Table-3 presents the year-wise technical efficiency of rural industries during the period 1998-99 to 2010-11.

Table-3

Technical efficiency – Rural Industries

Year	Efficiency Scores
1998-99	0.879
1999-00	0.935
2000-01	0.922
2001-02	0.893
2002-03	0.962
2003-04	0.980
2004-05	0.999
2005-06	0.985
2006-07	0.989
2007-08	0.939
2008-09	0.995
2009-10	0.899
2010-11	0.968
Mean	**0.950**
Average inefficiency score	**.053**

Source: calculations are based on ASI data

Average technical inefficiency score=1-average efficiency/ average efficiency

In terms of technical efficiency, the rural industries recorded an average efficiency of 0.950 (95.0 percent). The table also reveals that the technical efficiency of rural industries have not shown any decline but showed mixed trend. The average technical inefficiency was observed as 0.053, which was negligible.

a) Urban Industries:

The following table-4 provides details regarding the summary statistics of variables selected for urban industries.

Table-4

Summary Statistics of variables – urban industries

Variables	Mean	Std Deviation	Minimum	Maximum	C.V
Net Value Added (NVA)	2.1293	0.1620	1.96	2.41	7.608
Invested Capital (K)	2.1525	0.1153	2.00	2.35	5.357
Number of workers (L)	2.0049	0.0324	1.97	2.06	1.616

Source: calculations are based on ASI Data

Foot Note : C.V- co –efficient of variation

It is clear from the table that the mean values of input variable both labour and capital were the main factors of production in urban industries. The co-efficient of variation figures showed that the magnitude or extent of variability in the growth of these variables were 5.35 percent and 1.616 percent respectively. This indicated that labour was the main factor without much variation in its contribution to the growth of net value added. In other words these industries, no doubt can rely more on labour force for the growth of its output.

Table -5 gives details regarding the maximum likelihood estimates for productive efficiency of urban industries.

Table-5

Maximum Likelihood Estimates of stochastic frontier production function – Urban industries

Variable	Co-efficient	Std-error	t – ratio
Intercept	-1.489*	1.1986	-1.2423
Ln K	0.8443**	0.3437	2.456
LnL	0.9348	0.9989	0.9850
σ^2	.0002	.0002	1.1634
γ	0.6599	0.0192	1.1356
μ	0.0218	0.01919	1.1355
η	0.228***	1.1129	2.0192

Source: Calculations are based on ASI Data
Foot Note: * - Significant at 1% level
** - Significant at 5 % level
*** - Significant at 10 % level

From the table it is clear that since the co-efficients of both labour and capital were positive, the urban industries can improve its productive efficiency by the combined influence of both labour and capital. In a single output case, parameter of capital input was positive and statistically singnificant. The co-efficient of σ^2 and γ were statistically insignificant. This revealed the fact that the estimated levels output considerably differed from their potential levels due to factors which were not with in the control of the industries. This is evident from the value of γ, which indicated the presence of efficiency gap existed between the actual and potential level of performance.

The co-efficient of η indicated that efficiency increases in getting production over time. The sum of the elasticities of labour and capital was 1.78. It indicated increasing returns to scale of 1.780. One percent change in input would bring about 1.78 percent change in output level for the stochastic frontier. Since the co-efficient of labour was more than capital ,these industries were labour- intensive.

Table-6 shows year-wise technical efficiency of urban industries during the period under study.

Table-6
Technical efficiency – urban industries

Year	Efficiency Score
1998-99	.932
1999-00	.901
2000-01	.865
2001-02	.865
2002-03	.897
2003-04	.949
2004-05	.987
2005-06	.966
2006-07	.962
2007-08	.982
2008-09	.986
2009-10	.933
2010-11	.956
Mean	**.937**
Average in efficiency score	**.068**

Source: calculations are based on ASI data

Foot note: Average technical inefficiency score=1-average efficiency/ average efficiency

Based on the efficiency scores it was observed that the average efficiency score was 0.937 (93.7 Percent). The average inefficiency score was estimated as 0.068. Which explains the fact that 0.68 percent of inefficiency prevails in these industries .

a) Aggregate Industries :

The summary statistics of variables selected for aggregate industries are presented in table-7

Table.7
Summary statistics – Aggregate industries

Variable	Mean	Std Deviation	Minimum	Maximum	C.V
Net Value Added (NVA)	2.1776	0.1955	2.00	2.52	8.98
Invested Capital (K)	2.1337	0.1285	2.00	2.38	6.02
Number of workers (L)	2.0185	0.0493	1.97	2.11	0.02

Source: calculations are based on ASI Data

Foot Note: C.V - co –efficient of variation

In the aggregate industries no doubt that both capital and labour are significant inputs equally since there was no much gap in the growth of their mean values. The extent of variation was estimated to be 6.02 and 0.02 percent respectively in capital and labour.

Table-8 below gives details on maximum likelihood estimates of aggregate industries.

Table-8

Maximum Likelihood Estimates of Stochastic frontier

Production function – Aggregate industries

Variable	Co-efficient	Std-error	t – ratio
Intercept	-1.695*	0.4699	-3.608
Ln K	1.270*	0.0799	15.88
LnL	0.5797	0.3619	1.602
σ^2	0.0008***	0.0004	1.865
γ	0.0048	0.0631	0.0760
μ	0.0009	0.0261	0.0339
η	0.2217	0.4688	0.4729

Source: calculations are based on ASI Data
Foot Note : * - Significant at 1% level
*** - Significant at 10 % level

The log likelihood estimates of stochastic frontier model show that the co-efficients of both labour and capital were positive. In a single output case, parameter of capital was statistically significant. Hence capital is the main, input factor for aggregate industries as its co-efficient was higher than labour input. The co-efficients of σ^2 and γ were positive revealing the fact that the estimated levels of output differ from their potential level due to factors which are with in the control of industries at the aggregate level. This is evident from the insignificant co-efficinent of μ. Statistically insignificant η indicated that efficiency may decline in getting desired level of output in due course. The sum of elasticities of both the inputs was more than one (1.849) indicating increasing returns to scale. Since the co-efficient of capital was more than labour the industries at the aggregate level is capital intensive.

Table - 9 explains the technical efficiency scores for the aggregate industries of India.

Table.9
Technical Efficiency – Aggregate Industries

Year	Efficiency Score
1998-99	0.987
1999-00	0.990
2000-01	0.990
2001-02	0.991
2002-03	0.994
2003-04	0.996
2004-05	0.997
2005-06	0.997
2006-07	0.998
2007-08	0.998
2008-09	0.997
2009-10	.978
2010-11	.993
Mean	**0.993**
Average inefficiency score	**.007**

Source: calculations are based on ASI data
Foot note: Average technical inefficiency score=1-average efficiency/ average efficiency

It is evident from the table that the mean technical efficiency of aggregate industries score was 0.993. It shows the maximum efficiency attained by these industries to the extent of 99.3 percent. The inefficiency score calculated was 0.07. It explained the fact that the inefficiency present in these industries was negligible.

Conclusion

Both urban and rural Industries were enjoying increasing returns to scale. This had no doubt made the aggregate industries also work under increasing returns to scale . The technical efficiency of rural industries have not shown any decline but showed mixed trend. The inefficiency present in aggregate industries was zero. But in as indicated earlier about their inefficiency in future , these industries can become more efficient by increasing output using the existing resources or by reducing costs given the current level of production. Labour was the main factor without much variation in its contribution to the growth of net value added in urban industries. Where as capital was the main input factor for aggregate industries. The main factors of production were both capital and labour in rural industries.

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An Appraisal of Security Investments by Indian Investors

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(A comparative analysis of public sector & private sector investors)

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Abstract

The Indian Security Investment Market is considered to be one of the earliest in Asia, which is in operation since 1875. Securities that are purchased in order to be held for investment. Investor "A person whose principal concern in the purchase of a security is the minimizing of risk, compared to the speculator who is prepared to accept calculated risk in the hope of making better-than-average profits, or the 'gambler' who is prepared to take even greater risks. More generally it refers to people who invest money in investment products." However, it remained largely outside the global integration process until 1991. A number of developing countries in association with the International Finance Corporation and the World Bank took steps to establish and revitalize their Security Investment Market s as an effective way of mobilizing and allocation of funds. In line with the global trend, reform of the Indian Security Investment Market also started with the establishment of Securities and Exchange Board of India (SEBI), although it became more effective after the Security Investment Market scam in 1991. An important feature of the development of stock market in India in the last 15 years has been the growing participation of Public and private investors, both foreign Public and private investors and the Indian mutual funds combined together, the total assets under their management amounts to almost 18% of the entire market capitalization. This paper examines the role of these investors in Indian stock markets and finds that the market movement can be explained using the direction of the funds flow from these investors.

Key Words: Public and Private Investors, Security Investment Markets, Stock Markets,

Introduction

This paper seeks to examine in this context whether reform in the Indian Security Investment Market has led to integration with the developed Security Investment Market s in the world. People buy goods and services in a place called market. The Indian Security Investment Market is considered to be one of the earliest in Asia, which is in operation since 1875. Historically, India had a bank-dominated financial system, which was supplemented by the development financial institutions (DFIs) to provide long- term project finance. However, the financial system has undergone a marked change during recent years. With the conversion of DFIs into banks, a gap has been created for long-term finance. Commercial banks, given the short-term nature of their liabilities, may not be able to fill the gap in long-term finance. In view of this, India's corporate sector requires long-term finance to supplement their resources. In this context, development of the corporate bond market would play a strategic role in the near future. The corporate debt market in India has been in existence since independence. Public limited companies have been raising capital by issuing debt securities. However, it remained largely outside the global integration process until 1991. The Security Investment Market is the place where the transactions relating to the buying and selling of securities take place. These securities may be shares, stocks, debentures, and the list goes on. Investment for starters is some of money that we can put in a bank in the farm of deposit or spend the money in buying securities issued by a company or any other financial institution. A large number of securities are bought and sold every minute in the online Security Investment Market**.** As such a lot of parties work together in a Security Investment Market every day. A stock exchange is the only place where securities are bought and sold. But that does not mean that securities can also be traded with the help of banks.

Banks provide these facilities, which enable a person to buy and sell securities without stepping in the Security Investment Market. A number of developing countries in association with the International Finance Corporation and the World Bank took steps to establish and revitalize their Security Investment Market s as an effective way of mobilizing and allocation of funds. In line with the global trend, reform of the Indian Security Investment Market also started with the establishment of Securities and Exchange Board of India (SEBI), although it became more effective after the Security Investment Market scam in 1991. With the establishment of SEBI and technological advancement Indian Security Investment Market has now reached the global standard. The major indicators of Security Investment Market development show that significant development has taken in the Indian Security Investment Market during the post-reform period. Recent global developments have considerably undermined the prospects of a self-sustaining recovery in India, as in other parts of the world. The growing linkages and integration of the Indian economy and its financial system with the world have meant that India has become more vulnerable to external developments. The sovereign debt crisis and prolonged slowdown in the Euro area and the US have begun to have their impact on India's growth prospects, the resilience of the Indian economy notwithstanding. The Indian securities markets have witnessed far- reaching reforms in the post-liberalization era in terms of market design, technological developments, settlement practices and introduction of new instruments. Security Investments are the purchased in order to be held for investment. This is in contrast to securities that are purchased by a broker-dealer or other intermediary for resale. Banks often purchase marketable securities to hold in their portfolios. Investment securities held by banks are usually one of two main sources of revenue, along with loans. Investment securities provide banks with a source of liquidity along with the profits from realized capital gains when they are sold.

An investment instrument, other than an insurance policy or fixed annuity, issued by a corporation, government, or other organization which offers evidence of debt or equity. However, when the people need to trade in stocks, shares, debentures etc. there is a specific place where one needs to go. One cannot deal with these items in a normal market place. Thus a place or a platform where the trading of these shares and stocks takes place is known as the Security Investment Market. The price of these shares and stocks is not considered by monopoly; rather it is the demand and supply forces of the market that determines the prices of these shares and stocks. In earlier times, the trading, that is, the buying and selling of shares and stocks takes place at a particular place known as stock exchange. Thus, the person needs to go at that particular platform if he or she needs to trade in the shares. However with the advancement of technology, this process has almost become redundant. Now, the trading of shares and stock can take place electronically. There is a tremendous reduction of paperwork as everything has gone online. Due to globalization, Security Investment Market has strived to enhance its securities markets performance to increase its investors' confidence and hence widen their pools of investment portfolios. Since Indian Security Investment Market is vast and attract investors as a hotspot of investment.

The Indian market is steadily growing and had allured domestic investors' community and foreign investors group in the past .the major part of investment in Indian market is attributed to Public and private investors among whom foreign investors are of primary importance. One eminent concern in the matter is whether these foreign investors (PP Investors) direct the Indian Security Investment Market. With rapid changes in the economy because of liberal economic policies and fast pace changes due to globalization, Indian market has become a focus point for foreign investors. Organizations tend to target for large volume of trade in this era of globalization. Trade flows are indeed one of the most visible aspects of globalization. International investment is a powerful source in propelling the world toward closure economic integration.PP Investors refers to the investment made by resident of one country in the financial capital and asset of another country It facilitates and persuades large productivity and help in shaping up balance of payments. PP Investors flows in India have continuously grown in importance. PP Investors, because of its short-term nature, can have bidirectional causation with the returns of other domestic financial markets such as money markets, Security Investment Market s, and foreign exchange markets.

Hence, understanding the determinants of PP Investors is very important for any emerging economy as PP Investors exerts a larger impact on the domestic financial markets in the short run and a real impact in the long run. Recent years have seen considerable attention devoted to the analysis of factors influencing investment decisions in different countries. Investor confidence, company financial health and statements, political factors, and the current state of the economy all affect the Security Investment Market.

Investors look for companies that have the potential to earn consistent profits, maintain them, and grow. Companies that hold lots of cash have sound management, and sizeable profits are usually the most attractive to investors. The more profits a company makes, the more investors that will want a piece if it. Buying stocks and receiving regular dividends satisfies this. Also, companies that do not violate regulations are also attractive. Companies that are in hot water with agencies are shied away by potential and current investors. Also, companies with lots of debt and lower profits are not attractive to investors. In the long run, it's all about profits. In the short term, it's all about speculation and where the "experts" see a company going according to their industry.

Objectives of Study

To achieve the targets the following research method to be followed:-

1. To find the most valuable & returnable security orders in order to get lesser risk factor.
2. To compare the securities in terms of risk, return, marketability, convenience & tax shelter.
3. To the India individual, the research will avail the perfect investment scheme.
4. To come on the knowledge of the spectrum of investment avenues available to investors in India.
5. Detailed tabular classification of tabular classification of Investment material as to assess safety levels, Rate of risk, earning levels, growth rate & other future benefits.
6. Analysis of above tables to obtain objectives.

Review of Literature

The work in this area can be classified into three broad strands: a) those dealing with functioning of securities markets and financial institutions operating in these markets, b) those pertaining to the investment decision making process of individuals, and c) empirical work on Indian Security markets. One of the early works on functioning of Security markets and financial institutions was by Simha, Hemalata and Balakrishnan (1979).

Bhole (1980) wrote a comprehensive book on the growth and changes in the structure of Indian capital markets and financial institutions. Several books have been written on security analysis and investment in Indian Security markets: Bhalla (1981); Jain (1981), Sahni (1981), These books are primarily written for initiating lay investors to techniques for security analysis and management of investment portfolios. Barua & Varma (19981) and Ramachandran (1981) have critically examined various facets of the great securities scam of 1981. Raghunathan (1981), Varma (1981), comment upon the Indian capital market in general and trading systems in the Security exchanges in particular and suggest that the systems therein are rather antiquated and inefficient, and suffer from major weaknesses and malpractices. According to most of these studies, significant reforms are required if the Security exchanges are to be geared up to the envisaged growth in the Indian capital market. They conclude that the risk perception of individuals is significantly influenced by the skewness of the return distribution. This implies that while taking investment decisions, investors are concerned about the possibility of maximum losses in addition to the variability of returns. Thus the mean variance framework does not fully explain the investment decision making process of individuals.

Gupta (1982) argues that designing a portfolio for a client is much more than merely picking up securities for investment. The portfolio manager needs to understand the psyche of his client while designing his portfolio. According to Gupta, investors in India regard equity debentures and company deposits as being in more or less the same risk category, and consider mutual funds, including all equity funds, almost as safe as bank deposits. Chandra (1982) discusses the mistakes made by individual investors in designing their portfolios and suggests suitable remedial measures. In his recent book, L.C. Gupta (1982) concludes that, a) Indian Security market is highly speculative; b) Indian investors are dissatisfied with the service provided to them by the brokers; c) margins levied by the Security exchanges are inadequate and d) liquidity in a large number of Security s in the Indian markets is very low. While evidently a painstaking work, the conclusions except `c' above seem to be built on wrong or questionable arguments.

Barua and Raghunathan (1983) examined empirically the hedge provided by Security and bullion against inflation. These studies found that while gold provided complete hedge against inflation, silver and Security were only partial hedges against inflation. Rao and Bhole (1983) arrive at a similar conclusion about Security s. However, as these works pertain to the period prior to the booming 1980's and 1990's, the conclusion that Security is not an inflation hedge is of doubtful validity today. A similar study covering the more recent years would be very useful as one may reach a very different conclusion. With a booming Security market since the second half of eighties and the stagnation in the international price of gold, such a study may find that Security s and not gold provide complete hedge against inflation. The issue of inflation hedge has also been researched in the context of Security.

Varma (1984) compares the BSE National Index (Natex) which comprises 100 scrips with the Sensitive Index (Sensex) comprising 30 scrips and concludes that the Natex is a sluggish index which responds too slowly to market conditions. Changes which are reflected in the Sensex on any day are completely reflected in the Natex only by the next day. He finds that Sensex is more volatile than Natex. He concludes for this and other reasons that those who follow the Natex because of its greater comprehensiveness and theoretical appeal may be mistaken. The Sensex needs to be taken more seriously as a sound market index. The observed deficiencies of the Natex raise several disturbing questions for finance theorists and researchers. Is the market for the less well traded securities in the market inefficient? Do the scrips constituting the Sensex lead the other scrips? If so, can this relationship be used to make extra normal returns? Does the Bombay market lead other exchanges which are also represented in the Natex? These issues call for further research, especially since such questions have been raised by many, including the SEBI of late. On whether SEBI has been successful in improving the functioning of Indian Security markets, the conclusions are mixed.

Francis (1984), Barua (1984)). Dhillon (1984), in his doctoral dissertation studies the regulatory policies of Bombay Security Exchange (BSE) over a four year period (July 1986 - June 1990). His findings show that regulatory authorities decide changes in their margin policy on the basis of market activity.

He finds that the margins are prompted by changes in settlement returns, price volatility, trading volume and open positions. Granger causality results show that there is limited causality in the reverse direction: margin changes do not affect returns, and have only a limited impact on price volatility, trading volume and open positions. Event study methodology applied to daily margins show similar results, except that daily margin on sellers do not appear to be affected by market variables. Further, there is also evidence of under margining leading to excessively levered positions, thereby increasing the insolvency risk. The above results reveal that regulations through these instrument have had only a marginal impact on the dual objectives of controlling market activity and insolvency risk.

Pandya (1985) observes that as a regulatory and development body, SEBI's efforts in the direction of investor protection are varied and unlimited. The measures brought in by SEBI broadly cover measures for allocative efficiency in the primary market with fair degree of transparency, reforms in the secondary market for visible and mutual funds, regulation of various market intermediaries and above all for the protection of the investing public. Venkateshwar (1985) explores the relationships of the Indian Security markets as reflected by the Bombay Security Exchange Index, vis-a-vis other prominent international Security markets. International Security indices are used over the period 1983-87. He concludes that there is practically no meaningful relationship between the BSE index and other international Security market indices, though the British and South Korean indices are inversely related to BSE.

Raghunathan and Varma (1985) point out that any comparison of the Indian Security market with that elsewhere must be carried out on a common currency base. They find that in dollar terms, the SENSEX return over the 1960-92 period is only about 0.5%, while during the same period the returns in the U.S. (based on the S & P Index) and the Japanese (based on the NIKEI index) are 6.1% and 11.4% per year respectively. Over the twelve year period 1980-92, the dollar returns for SENSEX, S & P and NIKEI indices turn out to be 6.5%, 10.65% and 13.6% respectively. For a shorter span of seven years, namely 1985-92, the returns for the three indices turn out to be quite comparable at 15%, 13% and 14% respectively. Very little theoretical work has been done in the field of equity valuation in the Indian context. Even when some work has been done, it is a mere extension of the well known works of Modigliani and Miller. For example, Raghunathan and Varma (1985) provide a reasonably comprehensive valuation model which captures most of the complexities and subtleties of real world. The model is capable of supporting both the Gordon and MM type assumptions about the investment policy of the firm. It allows for personal taxes with differential tax rates for dividends, interest, and capital gains. The model also takes into account flotation costs on debt and equity. Further, unlike other models which define capital gains as increase in the book value which in turn equals retained earnings, this model interprets capital gains as increase in the market value of the share. Finally, the model is modified to take into account the fact that inflation erodes the real value of the firm's assets, particularly the net monetary working capital.

Some of the other theoretical works on valuation pertain to the Indian debentures and bonds with unspecified conversion terms. These are discussed under the section on the valuation of bonds and debentures. There are several empirical works pertaining to the pricing of equities. Pandey (1986) examines the impact of leverage on equity prices and concludes that Modigliani-Miller hypothesis is not supported. However, the risk proxy used in the paper, namely, coefficient of variation of net operating income, is highly questionable. Zahir and Yakesh (1986) find the dividend per share to be the most important variable affecting the share price, followed by dividend yield, book value per share, dividend coverage and the return on investment, in that order. Balakrishnan (1986) also finds that the current dividend and book value per share are more important determinants of market price as compared to earnings per share and dividend coverage.

Bhaumik (2012), however, found evidence of market efficiency, although in a very limited framework of analysis. It may be noted that all these studies have mainly used the traditional tests in their efficiency studies and to that extent the scopes of these findings are rather limited. Two other studies on market efficiency in the Indian Security market are due to Basu and Morey (2012) and Kawakatsu and Morey (2012). Although their common objective was to find the effect of economic liberalization on the efficiency of Indian Security market, their analyses are relevant from the standpoint of market efficiency also. Applying variance ratio test on the monthly all-India share price index data spanning the period July 1987 to October 1996, Basu and Morey found that the aggregate equity prices show signs of being efficient since the mid-2012. Kawakatsu and Morey, on the other hand, found little evidence that liberalization has changed the behaviour of Indian Security indices. To the best of our knowledge, the most recent work on efficiency/predictability has been done by Poshakwale in 2000, by applying the BDS test (Brock et al . (2012)) for nonlinearity. Poshakwale (2012) has examined the random walk hypothesis by testing nonlinear dependence using both individual Security prices and equally weighted portfolio of 100 Security s for the period January 1, 1990 to November 30, 1998. The major finding of this study is that daily returns from the Indian Security markets do not follow random walk model.

Origin of the Indian Security Investment Market

The Indian Security Investment Market is not a new concept. It has a history of about 299 years old. It was in early 18th Century, the main PP Investors that is dealing in the trading of shares and stocks is the East India Company. Later by around 1830 s the main dealing in the shares and stocks (mainly in bank and cotton) was initiated in Bombay. However, the items in which the trading took place increased tremendously by the end of 1839.

There after the concept of broker business was started which show momentum in the mid 18th century. This concept has attracted nm\ember of people to indulge in the trading of items. By 1860, the number of brokers who are dealing in the trading of items goes up to 60 in number. Further, the number of brokers increased from 60 to 250 in around 1862-1863. However, around 1980-61 there is no supply of cotton from America as there was civil war that took place in America. Due to this, there is a concept of Share Mania that took place in India. This is the era of 1980 in which the Indian market had the initial flavor of the trading in items and the concept of Security Investment Market. Thereafter, it has shown significant changes both in the pre-independence era and post independence era. The Indian stock market has come of age and has substantially aligned itself with the international order. Over the last fifteen years the following developments have made the Indian stock markets almost on par with the global markets:

Screen based trading systems replaced the conventional open outcry system of trading and everyone acclaims the contribution of the screen based trading in developing the culture of equity investing.

The replacement of the fourteen-day account period settlement system give way to rolling settlements on T+2 basis has brought down the settlement risk substantially.

Dematerialization of securities

Demutualization of exchanges

Derivatives trading

There are some obvious parallels between the problems faced by the public and private sectors. Both sectors undertake projects that require making some initial investments and are expected to provide benefits over a number of years. Both sectors must choose between making these investments and returning the cash to be invested to their beneficiaries— the shareholders in the case of private-sector firms, and the citizenry in the case of governments— who can then invest the cash directly in the capital markets or spend it on current consumption. As all parties involved—private-sector firms, the government, shareholders, and the citizenry—have access to the same capital markets, the marginal opportunities forgone by making these investments— the opportunity cost of these investments—should be the same for both sectors. In neither case can the beneficiaries' wishes be ignored with impunity. Private-sector managers are monitored by boards of directors, who are elected by shareholders. Directors will replace managers if these prove to be incompetent, or run the risk of them being replaced. Similarly, citizens in a democracy are provided, through elections, with the regular opportunity to replace incompetent governments. They also elect representatives whose role is to monitor the government. At first blush, then, one might expect the investment criteria that are appropriate for private-sector firms to be fairly similar to those for government. That this need not lead to the same investment appraisal procedures is a consequence of the differing nature of the agency relationships in the public and private sectors, the differing intent of the contemplated investments, and the presence of distortions such as taxes.

Market among all the countries in the world. Along with these changes the market has also witnessed a growing trend of 'PP Investors that may be considered as a consequence of globalization. More precisely the growing might of the Public and private investors entities whose primary purpose is to invest their own assets or those entrusted to them by others and the most common among them are the mutual funds and portfolio investors. Today, giant PP Investors control huge sums of money which they move continuously. In European and Japanese markets, PP Investors dominate virtually all trading. In the US, retail investors still remain active participants. An important feature of the development of stock market in India in the last 15 years has been the growing participation of Public and private investors , both foreign Public and private investors and the Indian mutual funds (since the pension funds are still restricted to fully participate in the stock market otherwise pension funds are big investors all world over). With the accelerating trends of reforms Indian stock market will witness more and more of PP Investors and the increasing size of money under the control, this set of investors will play a major role in Indian equity markets. The importance of Public and private investors particularly foreign investors is very much evident as one of the routine reasons offered by market Pundits whenever the market rises it is attributed to foreign investors' money, no wonder we see headlines like "PP Investors Fuel Rally" etc., in the business press. This is not unusual with India alone as most developed economies of today might have seen a similar trend in the past. The increasing role of Public and private investors has brought both quantitative and qualitative developments in the stock market viz., expansion of securities business, increased depth and breadth of the market, and above all their dominant investment philosophy of emphasizing the fundamentals has rendered efficient pricing of the stocks. This paper sets out with the objective of examining whether the Public and private investors, with their war chests of money, set the direction to the market. The next section briefly outlines the growth of Public and private investors ' presence in Indian stock market followed by an explanation of the data and methodology employed by the study and finally we present the results and discussions.

Public and private investors on Indian Markets:

A Grave Balance of Payments situation forced the policymakers to take a relook at allowing foreign capital Into the country and the year of 1991 marked the announcement of some fiscal disciplinary measures along with reforms on the external sector made, it possible for the foreign capital to reach the shores of the country. As on 31st March 2005 there were 685 (ISMR 2004-05 NSE, Mumbai) registered foreign Public and private investors in the Indian stock market. As on that date the net cumulative investments made by PP Investors are around USD 35.9 billion representing around 6.55% of India's market capitalization. Ever since they were permitted to invest in India the investments made by them showed a gradual increase except in the 1998-99. The net inflows averaged around 1.1 b.n. per year and large net outflows are rare barring the year of 1998-99 where most South Asian countries were out of favour for a while. Foreign portfolio investment carries a sense of notoriety of its own because at the first sign of trouble this flows in reverse direction. The notoriety emanates from the very nature of PP investment - portfolio managers tend to restructure and rebalance their portfolios dynamically across the countries, their primary concern being their portfolio. Owing to their magnitude of flows, the direction of PP investment flows tends to make or break the fortunes of a market. PP Investments flows to India are less.

Table 1

Year	Net Investments by PP Investors (Rs)
2000-01	4.27
2001-02	5444.60
2002-03	4776.60
2003-04	6720.90
2004-05	7386.20
2005-06	5908.45-
2006-07	729.11
2007-08	9765.13
2008-09	9682.52
2009-10	8272.90
2010-11	2668.90
2011-12	44000.03
2012-13	41416.45
March	

Source: Chandra Prasanna (2013)

Since it is not statutorily binding on PP Investors to make public, the companies in which they are investing in, there is no publicly available information on this aspect. However, the overall investment that can be made by all PP Investors in any company's equity is monitored by Reserve Bank of India; it gives a caution notice, when the overall PP investment level reaches 22 percent in a company. Subsequently, all purchases have to be done by prior approval of Reserve Bank of India. From such monitoring reports it can be gauged that the PP Investors are market or not. Here, one has to note that most stocks that figure in Public and private investors ' portfolios are more or less those securities that comprise the nifty or Sensex indices hence, co-movements between index and the PP investments is likely. But, when we use Advances and Declines ratio (ADR hereafter) it captures the direction of entire market in unambiguous terms. Generally advances to declines ratio indicate the breadth of the market. Hence, we use ADR instead of Nifty or Sensex returns. In reality, it is not possible to isolate the actions of mutual funds and PP Investors on the stock market, since both the category of investors are acting simultaneously hence, the PP Investors activity is captured by taking the ratio of combined purchases of mutual funds and Fl Is to combined sales of mutual funds and PP Investors so if the ratio is >1 means PP Investors have pumped in money i.e., the market witnessed a net inflow of money while a ratio of <1 indicates there is an outflow of money from the market.

Results and Discussions:

My first question is whether PP Investors activity has an influence on the market or not and this is examined by running a simple regression with the advances to decline ratio as the dependent variable and the public and private purchases to sales as the independent variable. But, before we attempt to do the regression we have put to investigate whether the data is stationary or not and for this we used Augmented Dickey Fuller tests Hamilton, J. (1994). The unit root test results on the individual data series is given below in Table II.

Table II

Variable	Test Statistic	P Value
ADR	14.3039	0.0000
PP INVESTORS	14.2312	0.0000
MF	9.9388	0.0000
Public and Private Investors	12.8703	0.0000

Source: McKinnon critical values at 1% level of significance is 3.4385

The inferences about the stationary of the data series remain unchanged even when we used the Phillips- Perron tests. Since the data series is found to be stationary, the results from the standard OLS regression cannot be refuted. Now, we present the results of the linear regression in the following Table III

Table III

Variable	Coefficient	Std. error	t-statistic	P value
Public and Private Investors	0.925420	0.03056	30.28240	0.0000

We have also conducted another regression with Private and public investors and MF as the independent variables separately and the ADR as the dependent variable and the results are similar to the above regression these are presented below:

Table IV

Variable	Coefficient	Std. error	t-statistic	P value
PP INVESTORS	0.252056	0.031955	7.88774	0.0000
MF	0.753414	0.04279	17.60712	0.0000

So, it is clear that the PP Investors activity has an influence on the stock market and both mutual funds as well as PP Investors actions have significant impact on the market's direction. Does this imply that PP Investors activity because the stock market to rise/fall? This question is addressed by using Granger (1969) causality test assuming a one period lag we obtained the following results:

Table V

Null hypothesis	F-Statistic	P-value
PP INVESTORS does not Granger Cause ADR	3.15491	0.07595
ADR does not Granger Cause PP INVESTORS	0.65358	0.41899

The F statistics indicate that the null hypothesis ADR does not Granger Because PP Investors cannot be rejected and the null hypothesis PP does not Granger Cause ADR can be rejected. In other words there is statistical evidence that the forecasts about market direction can be improved by using the institutional activity as an independent variable. Then we examined whether the institutional activity is one sided meaning. Whether the PP Investors actions and mutual fund actions are correlated. Since both these type of investors are driven by teams of trained analysts; we can premise that their actions may be positively correlated. The correlation results indicate that there is a weak negative correlation over this period and the correlation coefficient is -0.06439. To further augment my analysis we conducted a Granger Causality test as to whether the direction of public and private investments can be predicted using previous day's information on mutual fund activity. The causality test results are shown below:

Table VIII

Null hypothesis	F-Statistic	P-value
MF does not Granger Cause PP Investors	4.36575	0.03687
PP Investors does not Granger Cause MF	0.06531	0.79834

From the above results we can infer that the null hypothesis MF does not Granger cause PP Investors can be rejected but the hypothesis PP Investors does not Granger cause MF cannot be rejected. In other words, the forecasts of PP Investors activity using mutual fund activity can be improved where as the reverse is not possible. This is a little bit surprising as well as interesting to note that the Indian mutual funds are leading the pack and are giving direction to the market and even PP Investors are following their direction, probably, because of the larger size of the funds under the management of the mutual funds and hence the statistics are showing accordingly. The growth of Public and private investors in the market is having its own advantages as well as its own share of problems on the brighter side almost always purchase stocks on the basis of fundamentals. And this means that it is essential to have information to evaluate, so research becomes important and this leads to increasing demands on companies to become more transparent and more disclosures. This will lead to reduction in information asymmetries that plagued the Indian markets for quite a while. Also, the increasing presence of this class of investors leads to reform of securities trading and transaction systems, nurturing of securities brokers, and liquid markets. On the flip side the increase of foreign investors in particular will bring a very welcome inflow of foreign capital, but there are always some dangers if certain limits are exceeded. Firstly, the foreign capital is free and unpredictable and is always on the lookout of profits PP Investors frequently move investments, and those swings can be expected to bring severe price fluctuations resulting in increasing volatility. Also, increased investment from overseas may shift control of domestic firms to foreign hands. But, in India there were limits to foreign ownership of shares in firms. If foreign investors reach the ownership limits, shares in those firms are restricted to trading by Public and private investors.

Conclusion:

Investors in developed markets are increasingly becoming convinced of the merits of investing in emerging markets. Indeed, a number of major investment banks in India have recommended that 5—10% of investors' portfolio be allocated to emerging markets. It is very easy to get cheated in the securities market. Investors in other countries don't think any differently. The survey found that investors around the globe have higher expectations from stocks in 2013. In emerging markets, 66% of the respondents expect their local stock market to improve (versus 58% in developed markets).

However, despite this optimism, 57% of those surveyed plan to follow a more conservative investment strategy this year. Surprisingly, younger investors (aged 25 to 34) will lead the charge toward "safer" havens. "Despite investors' overall positive outlook, it appears that avoiding loss, rather than achieving higher returns, is still a top priority," said Greg Johnson, President and Chief Executive Officer, Franklin Templeton Investments. "Clearly the market volatility over the past five years has reinforced a preference among investors for capital retention over investment gains. As seen in recent years, this risk avoidance has led many investors to remain on the sidelines, missing opportunities. Working with a financial advisor can be the best resource for evaluating all sides of the risk equation," he added.

Indian investors have the highest return expectations from stocks in the world: 15% in 2013 and 22% over the next 10 years. However, high inflation is clearly the top factor making investors reluctant to invest in the stock markets in India followed by the state of the global economy. Amongst the respondents (middle income Indian investors) exposure to mutual funds is a quarter of their total investments and they expect it to increase by one-third over the next five years. Indian investors overwhelmingly expect local equity and fixed income markets to outperform their global counterparts. Purchasing a new home is the top investment goal for investors in India for 2013. While retirement is one of the top three goals, compared to their global counterparts, Indian investors' focus on retirement as a goal is the lowest amongst all the countries surveyed. Interestingly, while 97% of Indian investors are confident about achieving their financial goals, a majority of them think they can do it without equity exposure. Another interesting finding is that respondents view professional financial advice as an important or very important factor for making investments - more than two-thirds (69%) of investors are willing to pay fees to their distributors/financial advisors for such advice.

Harshendu Bindal, President, Franklin Templeton India said, "The survey clearly shows the strong optimism in India about the growth prospects, albeit with near-term concerns. Also, it is heartening to note that contrary to popular belief, there is willingness to pay advisory fees for professional advice, especially amongst middle income investors. Given the ongoing changes in the distribution landscape, this willingness augurs well for financial planners and advisors". That is why we need proper education and knowledge about the ways of this market. There are many factors influencing price of a stock. We need to find out in which instruments to invest in, as there are a lot of investment opportunities in the market. Also we need to be careful about the rise and fall of Security Investment Market prices if we are investing in the Security Investment Market. The results showed that, while giving much higher returns than the trading method when the market is relatively stable, the rule of using 'overnight gains as a predictor of day gains' does not hold in a highly volatile market. Thus out-of-sample tests of market anomalies are essential before reaching conclusions about the efficiency of any financial market. Some directions for future research emerging from the study include investigating the phenomenon in the developed markets, which are expected to be more efficient; examining the behaviour of investors and fund managers to find out if they take the overnight shift in the stock prices into consideration in devising trading strategies for the following day; and developing an elaborate and more accurate model factoring in details like issue of ESOPs and issue of preferential shares. There are money brokers out there in the market who helps out people in the Security Investment Market by giving them advise when to invest and when not to. A real broker must be registered by the SEBI. A brokers works for a fee and is bound by rules imposed by the SEBI. The securities markets in India have witnessed several policy initiatives, which has refined the market micro-structure, modernized operations and broadened investment choices for the investors. In India however, corporate bond market is quite small compared to the size of the equity market. One of the main reasons for this is that a large part of corporate debt, being loan from financial intermediaries, is not securitized. One of the most important functions of the capital market is to channelize resources for productive use. It can perform this function effectively only if it is able to build up investors' confidence by ensuring that the expected return from an investment opportunity is commensurate with the risk associated with it, both in the primary as well as the secondary markets. The primary market is the market for fresh issue of securities directly from the companies to the investors. The secondary market is where investors trade in the securities after the initial issue in the primary market. A well-functioning secondary market is essential to attract household savings in the primary market. Amongst the respondents (middle income Indian investors) exposure to mutual funds is a quarter of their total investments and they expect it to increase by one-third over the next five years. Indian investors overwhelmingly expect local equity and fixed income markets to outperform their global counterparts.

According to most of this study, significant reforms are required if the Security exchanges are to be geared up to the envisaged growth in the Indian capital market. It is concluded that the risk perception of individuals are significantly influenced by the skewness of the return distribution. This implies that while taking investment decisions, investors are concerned about the possibility of maximum losses in addition to the variability of returns. Thus the mean variance framework does not fully explain the investment decision making process of individuals. The portfolio manager needs to understand the psyche of his client while designing his portfolio. The Indian stock markets have really come of age there were so many developments in the last 15 years that make the markets on par with the developed markets. The important feature of developed markets is the growing clout of Public and private investors and this paper sets out to find whether the markets have also being dominated by Public and private investors. The regression results show that the combined might of the PP Investors and mutual funds are a potent force, and they infact direction can forecast market direction using the direction of the flow of funds from PP Investors and mutual funds, the Granger causality test has showed that the mutual funds in fact lead the market rise or fall and PP Investors follow suit. This may actually raise questions on the market efficiency but on the contrary, markets become more efficient with the growing presence of Public and private investors who predominantly go by fundamentals. Noise trading on the part of Public and private investors will be less in Indian context since all their trades are delivery based only. He finds that the margins are prompted by changes in settlement returns, price volatility, trading volume and open positions. Granger causality results show that there is limited causality in the reverse direction: margin changes do not affect returns, and have only a limited impact on price volatility, trading volume and open positions. Event study methodology applied to daily margins show similar results, except that daily margin on sellers do not appear to be affected by market variables. Further, there is also evidence of under margining leading to excessively levered positions, thereby increasing the insolvency risk. The above results reveal that regulations through these instrument have had only a marginal impact on the dual objectives of controlling market activity and insolvency risk. Pandya (1992) observes that as a regulatory and development body, SEBI's efforts in the direction of investor protection are varied and unlimited. The measures brought in by SEBI broadly cover measures for allocative efficiency in the primary market with fair degree of transparency, reforms in the secondary market for visible and mutual funds, regulation of various market intermediaries and above all for the protection of the investing public.

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Banking Industry in India – Towards a Competitive Landscape

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Abstract:
The prognosis for Indian banks looks positive with the domestic credit as a percentage of the GDP having grown substantially over the last decade. This was primarily because the conventional policies of the RBI have worked well to limit India's exposure to the sub-prime crisis of 2008, which stemmed when regulators eased their grip on financial corporations, thereby leading to the high risk leveraging of assets. Though the government is working hard to control inflation rates, the industry expects full implementation of Basel III norms by March 2018. This will require a considerable credit raise, especially for public sector banks. This article analyses the current state of the banking industry, and its future growth potential. The article also highlights certain key challenges, such as controlling non performing assets and financial inclusion.

Keywords: Basel III, Liberalization, Financial inclusion, Economy, GDP growth.

Introduction

The Indian banking sector has seen unprecedented growth along with remarkable improvement in its quality of assets and efficiency since economic liberalization began in the early 1990s. From providing plain vanilla banking services, banks have gradually transformed themselves into universal banks. ATMs, Internet banking, mobile banking and social banking have made "anytime anywhere banking" the norm now. In 2011/12, non-cash payments comprised 91 per cent of total transactions in terms of value and 48 per cent in terms of volume. Within noncash payments, too, the share of payments through cheques has come down from 85 per cent to nine per cent in value, and 83 per cent to 52 per cent in volume between 2005/06 and 2011/12. Non-cash payments comprised 91 per cent of value and 48 per cent of volume of total transactions.

Banks have taken other measures to improve their functioning, too. As a result, there were 20 Indian banks in the UK-based Brand Finance's annual international ranking of top 500 in 2010, as compared to only six in 2007, according to a report in a leading financial daily. The growth is not restricted to the metropolitan or urban areas. Financial inclusion has been at the forefront of regulators and policy makers in India, a country where approximately half of the population still does not have access to banking services. There have been occasions when banks have acted beyond their role of finance providers. For example, a financial daily reported that Aryavart Gramin Bank, a regional rural bank sponsored by Bank of India, tied up with Tata BP Solar to finance "Solar Home Lighting System" for village homes in Uttar Pradesh. It extended finance of around Rs 10,000 with Rs 3,000 as margin money to be contributed by the beneficiary.

The equated monthly installment towards the repayment of the loan amount was less than the amount the villagers had to spend on kerosene requirements per month. The bank's initiative resulted in 20,000 houses getting solar power. It also meant an annual saving of about 192 tanker loads of kerosene. India's banking system was probably one of the few large banking systems which remained unscathed by the 2008 global financial crisis. However, there is a lot more to be done to make it a truly world class sector.

Key developments in the Banking Industry

- **Basel III**

India figures among the very few countries which have issued final guidelines on Basel III implementation so far. The Reserve Bank of India has given five years for the gradual achievement of Basel III global banking standard. But it seems a tall order for many banks. The challenges of implementing Basel III are further accentuated by the fact that the law mandates the Central government to hold a majority share in public sector banks (PSBs), which control more than 70 per cent of the banking business in India. Further, the high fiscal deficit is likely to limit the government's ability to infuse capital in the PSBs to meet Basel III guidelines, which will require approximately Rs 4.05 trillion to Rs 4.25 trillion over the next five to six years. (One trillion equals to Rs 100,000 crore.) The high capital requirement will also add pressure on return of equity of banks.

- **New banks:**

Banks of the future will need to understand the tech-savvy gen-y customers and design products accordingly. Although there has been little progress on the draft norms for issuing new banking licenses, the entry of new banks could have a significant impact on the Indian banking system. Given the huge unbanked population, there is surely a scope for more banks.

- **Foreign banks:**

RBI has been keen on allowing foreign banks a larger role in the Indian banking system since February 2005, when it first issued the road map for presence of foreign banks in India. In May 2012, the government also facilitated the process by proposing to exempt foreign banks from the 30 per cent tax on capital gains and stamp duty while converting branches into a new entity. RBI has also mandated foreign banks with 20 and more branches to achieve priority sector targets and sub-targets at par with their domestic counterparts.

- **Developing corporate bond markets:**

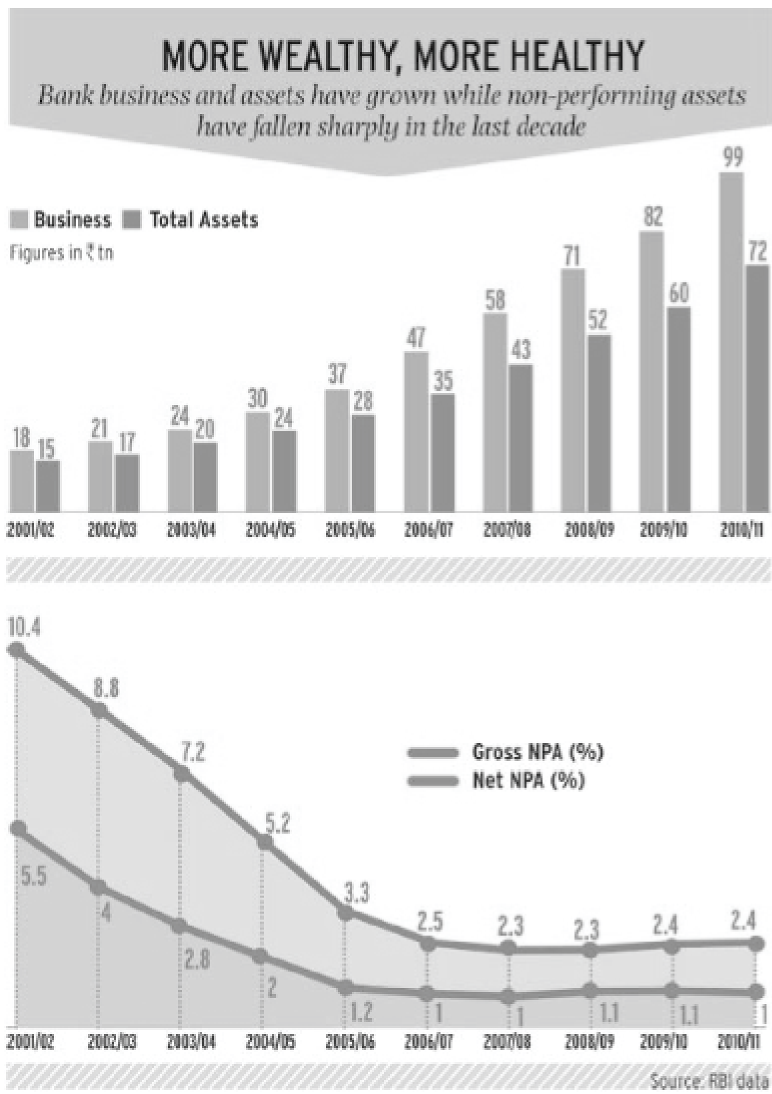
Developing corporate bond markets is an important link in a well developed financial market. Although the government has taken some steps in this direction, a lot more needs to be done.

- **Unique Identification (UID) project:**

Among the many initiatives, the government's UID project is likely to have significant impact. Given the numbers out of the reach of organised banking, it can prove to be transformational by giving banks an access to a large untapped customer base. The whole range of government payments - under subsidies and benefits of various welfare schemes - will be routed through banks.

▪ **Social media:**

This adds another dimension for banks to manage their relationship with customers. It already had over 45 million users in India in 2011, which is expected to grow to over 88 million by the next year with over 75 per cent under the age of 35, according to media reports. Although banks in India have been a little late in using social media, they have been making fast progress. With increasing volume and complexity of the banking business, it will be imperative for the regulator to move gradually towards more offsite monitoring than onsite. Technology will play a much larger role in the overall supervision of the banking system. There are likely to be transformational changes in the entire regulatory system for financial services.



The Indian banking landscape is expected to evolve to have regional as well as national players. Except for a few large banks having pan-India presence, many of the mid and small banks will specialise in certain functions/regions in diverse markets. Rather than every bank trying to carry out all the banking functions throughout the country, banks are likely to identify their core competencies and build on those. A bank that avoids "one-size-fits-all products", acts as a knowledge banker, provides all financial needs at a click, is fundamentally strong, manages risk and adheres to global regulations, harness iOS and Android platforms to the fullest, design better, faster and convenient delivery channels will no doubt be called a successful bank.

Indian Banking Industry - Emerging Economic Scene

The financial system is the lifeline of the economy. The changes in the economy get mirrored in the performance of the financial system, more so of the banking industry. The Committee, therefore felt, it would be desirable to look at the direction of growth of the economy while drawing the emerging contours of the financial system. The "India Vision 2020" prepared by the Planning Commission, Government of India, is an important document, which is likely to guide the policy makers, in the years to come. The Committee has taken into consideration the economic profile drawn in India Vision 2020 document while attempting to visualise the future landscape of banking Industry.

India Vision 2020 envisages improving the ranking of India from the present 11th to 4th among 207 countries given in the World Development Report in terms of the Gross Domestic Product (GDP). It also envisages moving the country from a low-income nation to an upper middle-income country. To achieve this objective, the India Vision aims to have an annual growth in the GDP of 8.5 per cent to 9 per cent over the next 20 years. Economic development of this magnitude would see quadrupling of real per capita income. When compared with the average growth in GDP of 4-6% in the recent past, this is an ambitious target. This would call for considerable investments in the infrastructure and meeting the funding requirements of a high magnitude would be a challenge to the banking and financial system.

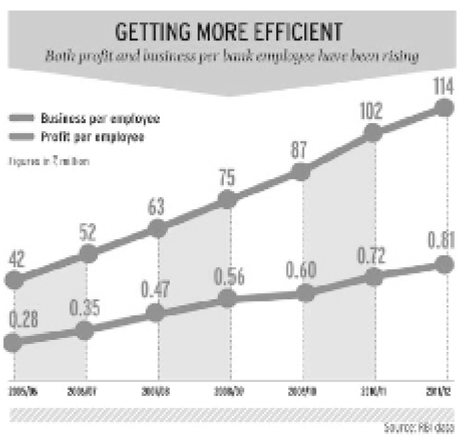
India Vision 2020 sees a nation of 1.3 billion people who are better educated, healthier, and more prosperous. Urban India would encompass 40% of the population as against 28 % now. With more urban conglomerations coming up, only 40% of population would be engaged in agricultural sector as against nearly two thirds of people depending on this sector for livelihood. Share of agriculture in the GDP will come down to 6% (down from 28%). Services sector would assume greater prominence in our economy. The shift in demographic profile and composition of GDP are significant for strategy planners in the banking sector.

Small and Medium Enterprises (SME) sector would emerge as a major contributor to employment generation in the country. Small Scale sector had received policy support from the Government in the past considering the employment generation and favourable capital-output ratio.

This segment had, however, remained vulnerable in many ways. Globalization and opening up of the economy to international competition has added to the woes of this sector making bankers wary of supporting the sector. It is expected that the SME sector will emerge as a vibrant sector, contributing significantly to the GDP growth and exports.

Future Landscape in Indian Banking

India's Rs 77 trillion (US$ 1.25 trillion)-banking industry is the backbone to the economy. The sector emerged strong from global financial turmoil and proved its mettle when the developed economies were shaking. India's banking sector is on a high-growth trajectory with around 3.5 ATMs and less than seven bank branches per 100,000 people, according to a World Bank report. The statistics are going to improve in near future as the Government aims to have maximum financial inclusion in the country. Policymakers are making all the efforts to provide a facilitating policy framework and infrastructure support to ensure meaningful financial inclusion. Apart from that, financial institutions are collaborating with other service providers (in the fields of telecom, technology and consumer product providers) to create an enabling environment.



Liberalization and de-regulation process started in 1991-92 has made a sea change in the banking system. From a totally regulated environment, we have gradually moved into a market driven competitive system. Our move towards global benchmarks has been, by and large, calibrated and regulator driven. The pace of changes gained momentum in the last few years. Globalization would gain greater speed in the coming years particularly on account of expected opening up of financial services under WTO. Four trends change the banking industry world over, viz.

1. Consolidation of players through mergers and acquisitions,
2. Globalization of operations,
3. Development of new technology and
4. Universalisation of banking.

With technology acting as a catalyst, we expect to see great changes in the banking scene in the coming years. The Committee has attempted to visualize the financial world 5-10 years from now. The picture that emerged is somewhat as discussed below. It entails emergence of an integrated and diversified financial system. The move towards universal banking has already begun. This will gather further momentum bringing non-banking financial institutions also, into an integrated financial system.

The traditional banking functions would give way to a system geared to meet all the financial needs of the customer. We could see emergence of highly varied financial products, which are tailored to meet specific needs of the customers in the retail as well as corporate segments. The advent of new technologies could see the emergence of new financial players doing financial intermediation. For example, we could see utility service providers offering say, bill payment services or supermarkets or retailers doing basic lending operations. The conventional definition of banking might undergo changes.

The competitive environment in the banking sector is likely to result in individual players working out differentiated strategies based on their strengths and market niches. For example, some players might emerge as specialists in mortgage products, credit cards etc. whereas some could choose to concentrate on particular segments of business system, while outsourcing all other functions. Some other banks may concentrate on SME segments or high net worth individuals by providing specially tailored services beyond traditional banking offerings to satisfy the needs of customers they understand better than a more generalist competitor.

International trade is an area where India's presence is expected to show appreciable increase. Presently, Indian share in the global trade is just about 0.8%. The long term projection for growth in international trade is placed at an average of 6% per annum. With the growth in IT sector and other IT Enabled Services, there is tremendous potential for business opportunities. Keeping in view the GDP growth forecast under India Vision 2020, Indian exports can be expected to grow at a sustainable rate of 15% per annum in the period ending with 2010. This again will offer enormous scope to Banks in India to increase their forex business and international presence. Globalization would provide opportunities for Indian corporate entities to expand their business in other countries. Banks in India wanting to increase their international presence could naturally be expected to follow these corporates and other trade flows in and out of India.

Competitive Landscape and Trends in the Indian Banking Industry

The fallout of the financial crisis and the impact of regulatory reform on business models and bottom lines have been dominant issues facing the banking sector for several years, both within the United States and elsewhere. Now, with many of the regulatory pieces in place, that period of regulatory uncertainty is giving way to a new set of challenges and opportunities. How banks are positioning themselves for the future was the focus of the Financial Services M&A Symposium in New York, organized by The Merger market Group. The banking industry has moved on to shift its focus from regulations, such as the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) and Basel II, to strategic imperatives on where they can compete and win in the coming years, in the face of narrow margins, increased capital requirements and a tighter consumer protection.

Many initiatives were put on hold as legislative and regulatory actions were promulgated. The refocus on core strategy will likely impact the kinds of M&A deals pursued by banks of all sizes. For the larger banks, what we expect to see is a manifestation of strategy toward divestitures, spinoffs and deleveraging, not big acquisitions, except at the lower end of the market. The emphasis on new strategies doesn't mean many of the old worries and uncertainties have gone away. Although there is evidence of a slow recovery in the U.S., it remains very regional. The big challenge in the U.S. is what happens in Washington. Europe and the future of the eurozone also continue to be issues, as well as challenges in global markets.

Banking assets in India play a crucial role in economic development. It is tightly regulated by the central bank that aims for growth through financial inclusion and priority sector lending. The Indian banking system is on an upward growth trajectory and is expected to be the third largest banking industry worldwide by 2020. However, this goal can only be achieved through liberalization norms as proposed by RBI that would focus on issuance of on tap banking licenses, specialized banking licenses, encouraging consolidation, improving operational performance of small banks and nationalized banks, complying with global regulations and increasing overseas presence.

The Indian banking system follows a universal banking model where bankers are present across all segments and serve all customers. Owing to the changing needs, demands and demographics of the Indian population, the business model of the banking system needs a shift to address specific and unique financial needs of the consumer. In addition, young consumers prefer banks that use multiple distribution channels that are more accessible and consume minimum time and effort. Online banking and mobile banking technology may prove to be disruptive for traditional banking methods, as it is gaining popularity among Indians.

Owing to conservative risk management practices adopted by the Central Bank of India, Indian banks stood strong during the global financial turmoil, while the banking industry in US and Europe collapsed. However, rising non-performing assets ratio is a growing cause of concern to the banking industry. Indian banks are stable in terms of capital adequacy ratio and might comply fully with Basel III regulations as scheduled in 2018.

Overall, changing regulatory landscape, strong fundamentals, conservative risk management, use of updated technology, multiple distribution channels, financial inclusion, and a strong focus on customer service is expected to fuel growth in the Indian banking industry. A comparison of the current universal banking model against emerging business models prompted by the changing regulatory and demographic landscape was needed now. Banking Mega Trends for 2020, market sizing, and market shares of companies in public, private, and foreign banking sectors, an overview of the financial performance of different sectors in the Indian banking industry have also been provided.

Conclusion

The economic growth of the country is an apt indicator for the growth of the banking sector. The Indian economy is projected to grow at a rate of 5-6 per cent and the country's banking industry is expected to reflect this growth. The onus for this lies in the capabilities of the Reserve Bank of India as an able central regulatory authority, whose policies have shielded Indian banks from excessive leveraging and making high risk investments. The competitive scenario in India is strong, with the landscape primarily dominated by government banks. Market entry at the country level is expected to be tough for new players due to the moderately consolidated nature of the industry and extremely high competition. The key challenges for the industry are to reduce NPAs, increase financial inclusion and raise capital for the Basel III compliance.

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The Impact of Time on The Role Conflict of Employed Women

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ABSTRACT

Conflict between work and non work life has become an important issue to investigate because many researchers have found significant deleterious effects of conflict between work and non work life. The main objective of this study is to examine the impact of the time dimension of role conflict on its consequences. A convenience sampling technique was used to select women respondents. Quantitative as well as qualitative data were obtained using structured questionnaire. Structural equation modelling technique was adopted to obtain the results. Finally, based on the key findings, some workable recommendations are given.

Key words: Work life conflict, women , working hours , Information technology sector.

Introduction

Work and family is defined "as a form of interrole conflict in which the role pressures from the work and family domains are mutually incompatible in some respect"(Greenhaus & Beutall,1985).The more time individuals allocate to one arena, the less they have to allocate to the other. When individuals feel that too many demands of one domain are unmet they experience work family conflict, which is consistent with a conflict

With changes in societal demographics including a growing number of dual career and single parent families ,there has been much discussion in the popular press about work family conflict. Even with a growing number of companies insisting in work life benefits very little.

An important issue facing our society is the changing work and family roles of Indian women. Because so many women occupy both work and family roles their experiences as paid workers wives, and mothers represent primary social contexts for examining women's lives (McBride,1990). With so many women engaged in multiple roles the effect that these social roles have on women's well being is worth examining (Repetti,1998a; Russo,1990)

Members of dual earner families and families with young children are more likely to experience work family conflict (Kelly and Voydanoff, 1985; Voydanoff, 1988) important shifts in family structure and accompanying demands needed to be considered. The vast majority of this research has focused on "family " in the domain of non work examining the specific types of work /non work conflict; work /family conflict work family occurs when work pressures and family pressures occur at the same time such that compliance with pressures in one domain (e.g., work) makes it more difficult to comply with pressures in another domain (e.g. family).

Literature

Work Life Conflict:

Work and family are two central domains in most adult's lives. In recent years research into the links between these two domains has grown tremendously because of changes in the demographic composition of the work force (Edwards & Rothband , 2000).

The popularity of this conflict perspective stress from the scarcity hypothesis , which assumes that individuals have limited time and energy . Therefore occupying multiple roles creates inter-role conflict and role overload which in turn proponents the hypothesis assure cause psychological distress and physical exhaustion (Marks, 1977).

Researchers in this area have distinguished between two types of work family conflict; work interfering with family (WIF) conflict and family interfering with work (FIW) conflict. While the best predictors of WIF conflict are work domain variable the best predictors of FIW conflict are mainly family domain variables (Kinnunen & Mauno, 1998). Greenhaus & Beutall (1985) identified three major types of work family conflict. The first is time based; Time spent on role performance in one domain often precludes time spent in the other domain. Time expanded on role performance may deplete energy or generate strain.

The second work family conflict strain based conflict arises when strain in one role affects ones performance in another role. The last type is behavior based conflict which refers to incompatibility between the behaviors patterns that are desirable\e in the two domains. Reported are important relationships between work family conflict and various constructs. First many studies have found relationships between work family conflict and health (mental and physical).

CONSEQUENCES

Job Stress

Lazzarns (1993) advocated that stress is viewed as an aspect of emotion that arises from demands that tax or exceed individual resources. Stress is also most prevalent today arguably reaching epidemic proportions. Work place health has become the subject of much academic research.

Researchers have found that work stress is related to work and family conflict. Major Klein and Ehrhart (2002) reported that the number of work hours was related to increased work family conflict decreased mental and physical health and decreased family functioning.

According to Allen et al., (2000) stress related outcomes include general psychological strain, somatic and physical symptoms complaints, depression, abuse, burn out, work related stress and family related stress (Adams, King and King, 1996).

Anger

Anger is an emotion that involves a strong uncomfortable and emotional response to a particular provocation. Researchers have considered this as one of the effects of individual's role conflicts (Mayer and Salovey, 1997). Anger is associated with tense, verbal and non verbal attachments.

Anger generates a physiological response of arousal under certain conditions (Hardy and Smith, 1988, Smith and Allred, 1989). It has been identified that workplaceis one of the highest form of interpersonally frustrating phenomenon that people generally encounter (Allcorn, 1994). However, empirical studies of anger related events at work (Skarlicki and Folger, 1997) have focused primarily on the perceptions of subordinates rather than co-workers or supervisors. Gender studies elucidated that it is very uncommon for a woman to get angry and this kind of behaviour is considered to be very inconsistent in a society.

Job Satisfaction

Job satisfaction is an internal state that is expressed by affectively and cognitively evaluating and experienced job with some degree of favour or disfavour (Brief, 1998). In another perspective, Spector (1997) called job satisfaction as a multidimensional variable that consisted of nine facets, communication, contingent rewards, co-workers, and fringe benefits, nature of work, operating procedures, pay, promotion and supervision.

The various facets of job satisfaction constitute namely those antecedents related to work conditions like self-supervisor, co-worker, subordinates, the company and its management. Researchers in particular argued that the most productive and satisfied workers were those who earned the highest possible income with the least amount of fatigue. In March and Simons (1958) classic model of job satisfaction they posited that job satisfaction was influenced by the compatibility of the work requirements with other roles.

A recent metaanalysis by Kossek and Ozeki (1998) has also shown work interference family conflict to have a stronger relationship with job satisfaction than does family interference work conflict. Work role attributes have been, perhaps, the most extensively studied job related antecedents of job satisfaction, namely role conflict, role ambiguity, role overload, role stress.

Although women work for less pay and in jobs that are less intrinsically rewarding, (Hodson, 1989) they do not appear to be any less satisfied with their jobs than men (Cleary and Mechanic, 1983). The level of support was more salient for the job satisfaction of employed women relative to men.

Researchers suggest that a substantial proportion of married women experience conflict between work and family roles (Greenglass, Pantony and Burke, 1989). More role related tensions and conflicts (Coverman, 1989; Kelly and Voydanoff, 1985) and higher subjective spillover (Crouter, 1984) among working mothers compared to other workers.

To the degree that alternative job opportunities are available job dissatisfaction and turnover intentions also remains positively correlated (Ronen, 1984).There have been many correlational studies that have linked physical or psychological health to job satisfaction (Begley and Czajka, 1993). The measure of job satisfaction has also been associated with higher levels of work involvement.

Depression

Depression is a biological-based mental illness that can have lasting emotional and physical effects (Johnson and Indvik, 1997). Work family conflict serves as one of the causes for depression among employees (Beatty, 1996). This depression has got both individual and work related consequences like absenteeism, decreased productivity, job turnover, cognitive difficulties, coronary heart disease and increased alcohol intake (Allen, Herst, Bruch and Sutton, 2000).

The finding that higher levels of positive spillover are related to lower levels of depression is consistent with Mark's (1977) enhancement hypothesis. The increase in positive affect associates with positive spill-over leads to increase in emotional health and decrease in depression tendencies. MacEwn and Barling (1994) found evidence of gender differences in the magnitude of the relationship of both types of work family conflict to depression and anxiety.

The depressed individual experiences increased dependence and anger especially with the spouse (Weissman and Paykel, 1974). Some of the predictors of depression identified in women include low education, lack of employment or employment in unrewarding work, youth and lower family income (Radloff, 1975).

In one study, (Warren and McEachern, 1983) depression is associated with lower perceived self-control, lower perceived accomplishment and lower social support. There are some factors that do seem to protect women from depression. These include positive early experiences, a confiding intimate and equal relationship, rewarding, satisfying paid work, and adequate support networks (Corob, 1987).

Self-esteem

Self-esteem according to which an employee has a positive perception of his or her value and worth as a member of the organization (Gardner and Pierce, 2001). It is proposed that an individual's self-esteem determines the relative impact of external pressures, role sender support and role salience on the decision to participate in a role activity.

Research has shown that high self-esteem can be an important personal resource at work one which is likely to foster positive attitudes such as job satisfaction or organizational commitment (Gardner and Pierce, 1998).

They also pursue work or family activities that are compatible with their self-identity. Low self-esteem persons tend to react to external cues in the environment because they are uncertain about the correctiveness of their actions have a high need for approval and are more susceptible to negative feedback (Riordan,Weatherly, Vanderberg, and Self, 2001).

His study developed an increased understanding of the effect of career interruptions had on a women's self-concept development. Work patterns and care taking played an enormous influence in the development of these women's identity self-efficacy and well-being. It is found that women who held multiple roles had lower levels of depression and higher levels of self-esteem than women and men who occupied fewer life roles (Barnett and Hyde, 2001).

Turnover Intension

Turnover intentions refer to an individual's own estimated subjective probability of permanently leaving the organizations at some point in the near future (Hamonds, 1996).Turnover bears detrimental effects on a firm's productivity and researches have attempted to uncover the underlying reasons and processes (Nollen, 1982). Workplace attributes have been shown to be important predictors of perceptions about the job and turnover (Oldham and Rotchford, 1983).

Speier and Venkatesh, (2002) found that person technology fit is negatively related to absenteeism and turnover. Mark and Simon stated satisfaction in Price's model interacts with opportunity for the alternative employment opportunities afforded by economic condition to produce a desire to separate from the organization (Kossek, Colquitt, and Noe, 2001).

However, when work interference family conflict is high, leaving the organization might reduce such interferences and subsequent conflict allowing the individual to meet family obligations (Frone, 2003).

Personal reasons also shape turnover, family demands such as marriage and number of dependent children is negatively related to turnover. Gender also bears an effect in that women are more likely to quit than men (Arnold and Feldman, 1982).

Research methodology

Research methodology is the frame work of any research work that explains as to the research design, the data used, sampling technique applied, tools used for analysis and so on.

Research design: The design applied in this study is conclusive type of descriptive research design. It is appropriate to use this method as this research describes the relationship between different variables and concludes as such. It tries to understand the behavioral differences of respondents.. Besides, the view of researcher is not having any role in the conclusion of the study.

Data: Both primary and secondary data are used in this study to attain the objectives. Structured questionnaire is used for gathering information from respondents that has been drawn on objectives of study and finally drafted based on pilot study. For testing the reliability, pilot study has been conducted by distributing questionnaires among 50 respondents. On the basis of their views and reliability of scales, questions have been modified and questionnaire has been so redrafted as to meet minimum value of reliability which has been tested further through survey among another 50 respondents.

Questionnaire: Set of questions pertaining to the objectives of the study is prepared with the help of previous studies conducted with reference to variables. Questionnaire consists of both qualitative and quantitative items. Moreover, apart from multiple choice questions, different types of scales are used to measure the respective variables.

Sampling : Since the population size is very large, sampling technique is applied to select sample unit. In this study, convenience sampling technique is adopted for selecting the various IT firms.. Sample unit of this study is only women both married and unmarried employed in IT industry in India.

Validity and Reliability: Reliability of scales is tested with cron bach alpha. The following are the alpha values for respective scales that have satisfied the minimum requirement of 0.7.**Work Family Conflict:0.923**

HYPHOTHESIS

H_1 - There is no significant impact of work life conflict time on job stress.
H_2- There is no significant impact of work life conflict time on anger.
H_3 - There is no significant impact of work life conflict time on job satisfaction.
H_4 - There is no significant impact of work life conflict time on depression.
H_5 - There is no significant impact of work life conflict time on self-esteem.
H_6 - There is no significant impact of work life conflict time on turnover intention.

Analysis and Interpretation

Structural Equation Modelling technique was administered to obtain the results.

The variables considered for the analysis is Work life conflict, and the consequences are Turn over intention , Self esteem, Depression, Job satisfaction , Anger .

Regression Weights

			Estimate	S.E.	C.R.	P
Turnover intention	<---	WFC Time	.144	.064	2.231	.026
Self-esteem	<---	WFC Time	.092	.038	2.433	.015
Depression	<---	WFC Time	.142	.047	3.030	.002
Jobsatisfaction	<---	WFC Time	-.207	.046	-4.472	***
Anger	<---	WFC Time	.235	.055	4.280	***
Job stress	<---	WFC Time	.523	.046	11.365	***

Variances

	Estimate	S.E.	C.R.	P
WFC Time	.644	.037	17.277	***
e1	.451	.026	17.277	***
e2	.641	.037	17.277	***
e3	.458	.027	17.277	***
e4	.466	.027	17.277	***
e5	.305	.018	17.277	***
e6	.885	.051	17.277	***

Co-variances

			Estimate	S.E.	C.R.	P
e1	<-->	e2	.068	.022	3.045	.002
e2	<-->	e3	-.056	.022	-2.500	.012
e3	<-->	e4	-.065	.019	-3.399	***
e4	<-->	e5	-.041	.016	-2.646	.008
e5	<-->	e6	.005	.021	.218	.827
e1	<-->	e3	-.034	.019	-1.844	.065
e1	<-->	e4	.108	.019	5.597	***
e1	<-->	e5	.009	.015	.576	.565
e1	<-->	e6	.079	.026	3.044	.002
e2	<-->	e4	.223	.024	9.243	***
e2	<-->	e5	-.045	.018	-2.470	.014
e2	<-->	e6	.114	.031	3.664	***
e3	<-->	e5	.103	.016	6.490	***
e3	<-->	e6	-.172	.027	-6.374	***
e4	<-->	e6	.111	.027	4.159	***

Goodness of Fit

Model	RMR	GFI	AGFI	PGFI
Default model	.000	1.000		
Saturated model	.000	1.000		
Independence model	.191	.571	.463	.456

The structural equation modeling is a statistical model that seeks to explain the relationship among multiple variables. It depicts all of the relationships and variables involved in the analysis.
With this model work family conflict is considered as the independent variable and all the consequences namely turnover intention, self-esteem, depression, job satisfaction, anger, job stress is the dependent variable. It is more convenient to portray a visual form know as the path diagram. The straight arrow depicts a dependence relationship, the impact of one variable on another variable causes or antecedents to the effect or outcomes.
The simple correlation is depicted with a two headed curved arrow to show the degree of association that gives rise to their relationships. With estimates for each path an interpretation can be made of each relationship represented in the model.
In the study, the work family conflict is categorized into three dimensions of time, strain, and behaviour as already discussed. The dependency of these variables together on work family conflict is represented with the help of regression weights.
Job stress is identified to have the highest value of estimate (0.523) followed by anger (0.235). Self-esteem is having the least impact (0.092). Whereas job satisfaction is having a negative relationship with work life conflict time (-0.207) which shows that as one increases the latter decreases.

With respect to work life conflict strain, job satisfaction as a variable is having the highest value of regression weights (0.319) followed by job stress (0.232). The least is contributed by anger having a positive relationship (0.074) self-esteem (-0.008) and turnover (-0.252) is negatively related to work life conflict strain.

Regression weights of the consequences on work family conflict - behaviour indicate that the highest value (0.129) is contributed by job stress, followed by turnover intention (0.114) and the least by self-esteem (0.023). The standard error for each estimate is presented in the table.

The probability values denote the significance of the relationship. Almost all the variables are significant except anger (work family conflict strain) self-esteem (work family conflict strain), and all the mentioned six consequences towards work life conflict behaviour).

The model that produces an estimated co-variance matrix that is within sampling variation of the observed co-variance matrix are generally thought of as good models and would be said to be fit. Then the co-variance among three dimensions of work life conflict is found to be significant.

The co-variance between work family conflict time and work family conflict-strain is the highest (0.444) followed by the co-variance work family strain and work family conflict behaviour (0.437). The least co-variance is between the work family conflict-time and work family conflict-behaviour (0.362).

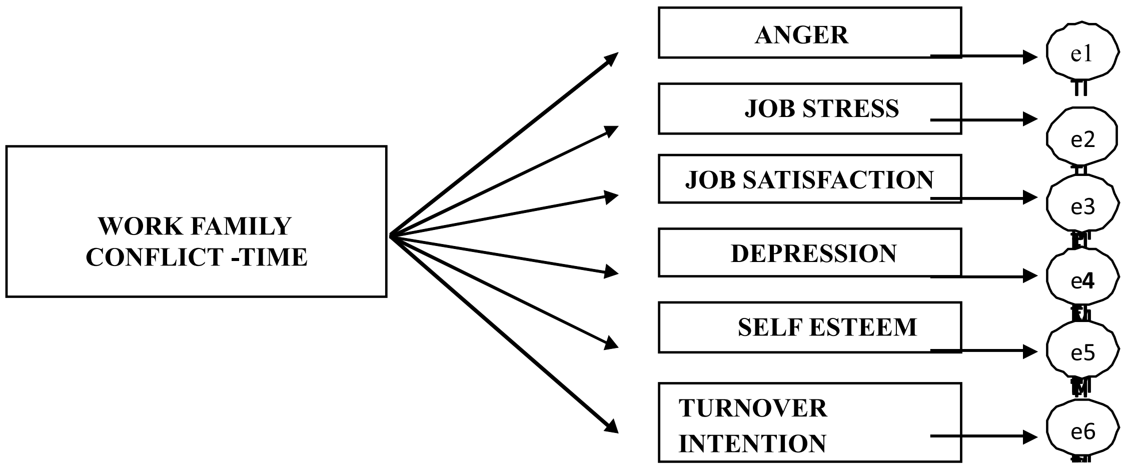
The standard errors are minimum and range from (0.030 - 0.034). The variance estimates of work family conflict strain is (0.781) higher than work family conflict-time (0.644) and the least by work family conflict-behaviour (0.621). All the three mentioned variances are highly significant.

Residual in structural equation model refers to how far away an estimated co-variance is from the observed co-variance for the two variables. The error in prediction for each co-variance term creates a residual. Goodness of fit indicates how well the specified model reproduces the co-variance matrix among the indicator items.

Goodness of fit index is a fit statistic and values of greater than 0.90 are typically considered good. The Goodness of fit value is (0.90) and coincides with the fit model criteria. The lower root means residual values represent better fit and higher values represent worse fit.

In the above model RMR value is estimated to be 0.000 and proves to be good fit. The root mean square error of approximation is another measure that attempts goodness of fit test.

It better represents how well a model fits a population not just a sample used for estimation. Lower RMSEA values indicate better fit and is estimated to be (0.265) in the proposed model.



Findings

There is no significant impact of work life conflict time on job stress.
There is no significant impact of work life conflict time on anger.
There is no significant impact of work life conflict time on job satisfaction.
There is no significant impact of work life conflict time on depression.
There is no significant impact of work life conflict time on self-esteem.
There is no significant impact of work life conflict time on turnover intention.

Job stress is found to be highly influenced by work life conflict time followed by anger. The factor that is least influenced by work life conflict time is self-esteem. Not only the degree of relationship between work life conflict and job satisfaction as a consequence plays an important role but also the direction and the nature of relationship do have a significant impact on the outcome. Job satisfaction and work life conflict time are having a negative relationship with each other which means that if work life conflict increases job satisfaction decreases and vice versa.

The work life conflict time is found to have insignificant relationship with turnover intention, self-esteem, and depression train and anger, and self-esteem are found to be insignificant.

CLASSIFICATION OF CONSEQUENCES BASED ON SIMILARITY.

Anger and depression both occur together as a consequence of work life conflict. Job satisfaction and stress, as a consequence, are closely associated with one another which interpret that the impact of work life conflict on the these two consequences will be similar. Job stress is also another outcome of conflict which occurs along with anger and depression

It can be inferred that one is responsible for the occurrence of another or an external factor including work life conflict may be responsible for the same.Self -esteem and anger both as a consequence do not have any relationship with each other and a similar pattern is observed between self-esteem and depression , which interprets that self-esteem through a consequence of work life conflict occurs distinctly and does not associate itself with any other consequence.

Anger and depression are identical in their relationship. The level of increase in the anger and depression results in the same level of decrease in the job satisfaction of the respondents. A similar kind of relationship is identified between self-esteem and turnover.A very close association is found between turnover and job stress. As one increase it leads to the increase in the other which interprets when job stress increases it will automatically leads to the increase in the turnover intention of the employees.

Turnover intention shows a similar association with depression and anger respectively. When depression increases, it will lead to increase in the turnover intention of the employees as is the case in anger also.

It is evident from the study that married women are subjected to more work life conflict than unmarried women. Hence, married women can be helped out through workshops and training programs in dealing with work family conflict in all three dimensions of time, strain and behaviour.

Conclusion

In summary, this study provides a comprehensive frame work of the time dimension of work life conflict on the consequences. This theoretical and empirical study of work and family conflict are in conformity with some of the previous research work conducted in different Industries and Countries. The findings derived from this research would help Organizations in general, to manage and reduce the work family conflicts among their employees, thereby they can increase their employees' efficiency. Moreover this research will pave way for future studies in the area of Work Family conflict.

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Recovery Performance and Non-Performing Assets of Regional Rural Banks in North East India

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Abstract:

The given study has focused on the recovery position of RRBs in the six regions of the country and put care to see frequency distribution of states recovery position in percentage basis. In the study it is also tried to see the magnitude of NPAs of RRBs and public sector banks in the country for various years. At the same time given research paper has also diagnosed asset classification of RRBs in the north-east and all India level along with overall recovery of bank advances. The entire study side by side provides a comparative picture of RRBs functioning in the various regions of the country besides associating with the all India level figures.

Key Words- RRBs, Recovery, Asset Classification, NPA, Public Sector Bank, North-East Region(NER).

Introduction: Regional Rural Banks (RRBs) have come up to grow the rural economy of India by providing banking services to the rural masses. In 1975 new systems of financial institution in the country was set up to provide the adequate means of financial service to the poor people particularly residing in the rural areas of the country. It was thought that the new institution would feel the pulse of local problems and would able to direct its business in the growth of backward areas with new outlook and also nourishes its own success. On 2nd October 1975 five RRBs were established whose number has increased to as high as 196 in 2003-04 and at present there are 81 numbers of RRBs operating in the country as a whole.

Review of Literature:

Some of the important past study done on credit, recovery performance and NPAs of RRBs in the country and the North-East level in particular are as follows:

Tarapore (1994) observed that there is a reasonable spread between cost of raising fund and the return of development of funds. He suggested that rural financial agencies like RRBs should not hesitate to finance large projects in rural areas strictly on commercial basis. Rangarajan (1996) in a study on the role of rural credit highlighted that the drive of Indian public policy towards rural credit to ensure that sufficient and timely credit at reasonable rates of interest. The study suggested that credit should be made available to a large segment of rural population to the possible extent. Pati (2005) in his study of Subansiri Gaonlia Bank in the Lakhimpur district of Assam suggested that credit appraisal should be properly taken care of to avoid incidence of NPA. In each branch at least one trained staff should be recruited. In this regard, the branches should go for rating the borrowers on a scientific basis rather than sanctioning loan on the need basis of the borrower. Further he suggested the bank can go for securitization of its loan assets and can transfer some of its bad loans to the Asset Reconstruction Company (ARC). Singh and Singh (2009) in their paper examined the recovery performance of Manipur Rural Bank. The study observed that the repayment of loans mainly depends on proper utilization of the loan amount, supply of quality assets, generation of sufficient income from schemes, availability of infrastructural and marketing facilities, willingness to repay, continuous supervision and follow-up visits etc.

Ghosh and Ghosh (2011) established that NPA is an important parameter in the analysis of financial performance of a bank as it results in decreasing margin and higher provisioning requirements for doubtful debts. Various banks from different categories together provide advances to different sectors like agriculture, Small Scale Industries, priority sector, public sector and others. These advances require pre-sanctioning appraisal and post-disbursement control to contain increasing NPAs in the Indian banking sector. The reduction of NPA is necessary to improve profitability of banks and comply with the capital adequacy norms as per the Basel Accord.

No special study has been done to know the recovery performance and the analysis of non-performing assets of RRBs in the North-East. Thus the given study attempts to know the recovery performance and the analytical evaluation on non-performing assets of RRBs of the North-East and RRBs in the country in general. In the study data referred is till 2010 as collected from the various available sources at current situation.

Recovery Performance of RRBs:

From table-1 it is revealed that the recovery performance of RRB was estimated at 80.03 per cent, as on 30 June 2010, as compared to 77.85 per cent as on 30 June 2008. It is also observed that the North-East Region has remained lower in terms of recovery percentage throughout the period under consideration. The RRBs have emerged as a strong intermediary for financial inclusion in rural areas by opening a large number of "No Frills" accounts and financing under General Credit Cards (GCC). RRB as a group in the northern and southern region registered a recovery performance above the national average throughout the entire period. Table -1 presents the region-wise recovery position of RRBs in India.

Table-1
Recovery Positions of RRBs As on March

(in Percentage)

Region	2004	2005	2008	2009	2010
1. North-Eastern	59.2	65.8	65.51	72.47	74.82
2. Eastern	68.8	71.5	68.10	74.58	73.10
3. Northern	85.9	88.3	85.01	85.69	88.70
4. Central	77.4	78.1	76.24	75.45	75.01
5. Western	74.9	75.5	77.85	76.64	77.36
6. Southern	80.0	82.8	81.51	82.83	81.40
All India	**77.7**	**79.8**	**77.85**	**80.09**	**80.03**

Source: NABARD Annual Report, Various Issues

Table- 2 shows frequency distribution of states according to the levels of recovery of RRBs. A recovery of above 80 per cent was achieved by 39 RRBs in the country, while 37 RRB had recovery levels ranging above 60 per cent but less than 80 per cent. Six RRB had recovery more than 40 per cent but below 60 per cent. None of the RRBs is having recovery of less than 40 per cent.

Table-2
Frequency Distribution of States According to Levels of Recovery of RRBs (As on 30 June, 2010)

Recovery percentage	Number of RRBs	States
Less than 40	0	Nil
Between 40 and 60	6	Bihar (1), Madhya Pradesh (1), Manipur (1), Odisha (1) , Jharkhand (1), Karnataka (1)
Between 60 and 80	37	Andhra Pradesh (3), Arunachal Pradesh (1), Assam (1), Bihar (2), Chhattisgarh (2), Gujarat (1), Jammu & Kashmir (1) , Jharkhand (1), Karnataka (2), Madhya Pradesh (5), Maharashtra (2), Meghalaya (1), Nagaland (1),Orissa (3), Tripura (1), Uttar Pradesh (7), West Bengal (3)
More than 80	39	Andhra Pradesh (2), Assam (1), Bihar (1), Chhattisgarh (1), Gujarat (2), Haryana (2), Himachal Pradesh (2), Jammu & Kashmir (1), Karnataka (3), Kerala (2), Madhya Pradesh (2), Maharashtra (1), Mizoram (1) , Orissa(1), Pondicherry (1), Punjab (3), Rajasthan (6), Tamil Nadu (2), Uttar Pradesh (3), Uttarakhand (2)

(Figures in parentheses against each state indicate number of RRBs)
Source: *NABARD Annual Report, 2010-11*

Magnitude of NPAs in RRBs:

The Indian banking system had acquired a large quantum of NPAs, which can be termed as legacy NPAs. The high level of NPA of the Indian financial sector reflects country's poor bankruptcy laws. The gross NPAs of scheduled commercial banks in absolute term reduced from Rs. 60,841 crores in March 2000 to Rs. 50,486 crores in March 2007 and thereafter started to increase and reached to 89, 017 crores in March 2011 (RBI, 2010-11). This has been largely possible because of the huge provisioning that most of these banks could make as a result of growth in treasury income and, therefore profits. The gross NPAs of RRBs in absolute term reduced from Rs. 3067 crores in 2001-02 to Rs. 3084 crores in 2009- 2010. It has been observed that the percentage of net NPAs to total advances of RRBs declined from 11.13 per cent in March 2001-02 to 3.19 per cent in 2007-08 and further to 1.80 per cent in 2009-10 (NABARD). The gross NPAs as per cent of total advances also declined to 3.72 per cent from 16.46 per cent during the same period. This significant reduction of NPAs may be due to the definitional changes of NPAs and appropriate strategy for controlling the fresh accretion of NPAs. The table -3 presents the gross and net NPAs of RRBs and PSBs in India.

Table-3
Gross and Net NPA of RRBs vs PSBs

Year	Regional Rural Bank		Public Sector Banks	
	Gross NPA to advances	Net NPA to advances	Gross NPA to advances	Net NPA to advances
2001-02	16.46	11.13	11.1	5.8
2002-03	14.44	9.51	9.4	4.5
2003-04	12.63	8.51	7.8	3.0
2004-05	8.53	4.84	5.4	2.1
2005-06	7.28	3.92	3.7	1.3
2006-07	6.55	3.46	2.7	1.1
2007-08	6.04	3.19	2.8	0.8
2008-09	4.13	1.98	3.1	0.7
2009-10	3.72	1.80	2.19	1.09

Source: *1. RRB Monitoring, Key Statistics of RRBs 2009-10 and Annual Report of NABARD, Various Issues*

1. Trend and progress of Banking in India, Various Issues

It is revealed that though NPAs maintaining a declining trend across all segments of banking sector, RRBs position are inferior as compared to PSBs. The reasons of decline of NPAs to total advances may be attributed to change in the composition of assets in favour of investment in government and other approved securities and the banks unwillingness or inability to assume higher exposure to small and medium enterprises and farm sector.

Asset Classification of RRBs:

The table-4 exhibits the asset classification of RRBs in the North-East and all India level. It is observed that in all India level the total amount of loan outstanding of the RRBs in March, 2010 was Rs.82,81,910. 28 lakhs.

Table-4

Asset Classification of RRBs in North-East and All India, March 2010

(Amount Rs. in Lakhs)

Banks	Total Loan	Standard Asset	Non-Performing Assets (NPA)				Total Assets
			Sub-standard Asset	Doubtful Asset	Loss Assets	Total NPA	
1. Arunachal Pradesh Rural Bank	4211.85	3492.41 (82.92)	328.27 (7.79)	243.31 (5.78)	147.86 (3.51)	719.44 (17.08)	4211.85
2. Assam GraminVikas Bank	161823.28	150740.24 (93.15)	3013.10 (1.86)	8069.94 (4.99)	0.00 (--)	11083.04 (6.85)	161823.28
3. LangpiDehangi Rural Bank	13422.04	12812.11 (95.46)	348.54 (2.60(	258.59 (1.93)	2.80 (0.02)	609.93 (4.54)	13422.04
4. Manipur Rural Bank	3080.76	1562.77 (50.73)	359.60 (11.67)	1156.51 (37.54)	1.88 (0.06)	1517.99 (49.27)	3080.76
5. Meghalaya Rural Bank	16048.69	14995.51 (93.44)	295.03 (1.84)	607.32 (3.78)	150.83 (0.94)	1053.18 (6.56)	16048.69
6. Mizoram Rural Bank	23452.67	21783.07 (92.88)	1208.93 (5.15)	415.17 (1.77)	45.50 (0.19)	1669.6 (7.12)	23452.67
7. Nagaland Rural Bank	871.62	729.39 (83.68(	69.85 (8.01)	72.38 (8.30)	0.00 (-)	142.23 (16.32)	871.62
8. Tripura Rural Bank	79964.76	77083.43 (96.40)	443.53 (0.55)	2400.80 (3.0)	37.0 (0.05)	2881.33 (3.60)	79964.76
All India RRBs	8281910.28	7973428.85 (96.28)	118175.44 (1.43)	171322.48 (2.07)	18983.51 (0.23)	308481.43 (3.72)	8281910.28
All RRBs in NE Region	302875.67	283198.93 (93.50)	6066.85 (2.0)	13224.02 (4.37)	385.87 (0.13)	19676.74 (6.50)	302875.67

(Figures in brackets indicate percentage to total loans and advances)

Source: *RRB Monitoring, Key Statistics of RRBs 2009-10 and Annual Report of NABARD, Various Issues*

Similarly it is also revealed that the NPA as per cent of advances of RRBs in NER was 6.50 per cent in March 2010 while the corresponding figure for RRBs of the country as a whole was 3.72 per cent. The foregoing analysis aptly demonstrates that the malady of high level of NPAs eroding the profitability of banks is not confined to RRBs alone, but it is severely present in the RRBs of NER also. The RBI in this respect proposed prompt corrective action (PCA) mechanism for arresting the menace of NPAs. On the other hand, RBI has introduced various measures like credit risk management models, Compromise Settlement methods, effective use of debt recovery tribunals (DRT's), Asset Reconstruction Companies (ARC) and Recovery of Debts, Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SRFAESI) Act-2002, Circulation of information on defaulters, Corporate Debt Restructuring (CDR), lok Adalats and so on. With a view to provide an additional option and developing a healthy secondary market for NPAs, the guideline relating to sale/ purchase of NPAs were issued in July 2005 covering the procedure for purchase/ sale of NPAs by banks valuation aspects, prudential norms. The guideline were partly modified in May 2007 whereby it was stipulated that at least 10 per cent of the estimated cash flows should be realized in the first year and at least 5 per cent in each half year thereafter subject to full recovery within three years.

Findings:

Some of the important findings of the study are-

1. It is found that in 2010 northern region RRBs have the highest recovery position of 88.70 per cent while the eastern region RRBs have the lowest position of 73.10 per cent of recovery in the country. In the same year recovery position for the RRBs in the country country as a whole is 80.03 per cent.

2. As on June, 2010 it is observed that out of 82 RRBs in the country, 39 RRBs have recovery percentage of more than 80 per cent while another 37 RRBs have recovery percentage between 60 to 80 per cent and remaining 6 RRBs have recovery percentage of 40 to 60 per cent.

3. Over the years of study as observed from table-3 it is found that NPA to advances of the RRBs in the country is continuously in declining trend. In 2001-02 the net NPA to advances was 11.13 per cent which sharply declined to 1.80 per cent in 2009-10.

4. It is also found that in terms of NPA to advances the performance of the public sector banks in the country is better than the performance of RRBs as a whole. In 2001-02 the net NPA to advances of the RRBs in the country was 11.13 per cent which declined to 1.80 per cent in 2009-10. On the other hand the net NPA of public sector banks in the country in 2001-02 was 5.8 per cent which declined to 1.09 per cent in 2009-10 per cent. It indicates that public sector banks are doing better than RRBs in managing the non-performing assets.

5. It is found that in March, 2010 Tripura Rural Bank has the NPA of 3.60 per cent which is the lowest in the North-Eastern Region and is better than the RRBs in the country as a whole of 3.72 per cent. During the same period the NPA of RRBs as a whole of the North-Eastern Region was 6.50 per cent. It indicates that RRBs in the North-Eastern Region in average are performing low in managing the NPA than the RRBs in national average.

Conclusion:

For the better sustainability of RRBs in the country and mainly in the north-east RRBs must have to improve its recovery of loans and advances by better managing the non-performing assets. They must need to learn from their parent banks and other public sector banks in regard to the rational management of non-performing assets. RRBs function more in backward regions as compared to other public sector banks and thus need to understand their own business viability and formulates products which are more suitable to the region in which they are operating. RRBs need healthier management of its non-performing assets with more rational and indigenous policies besides its legal ways of NPA management. RRBs necessitate to design in a better structure in all the states to provide effective solution for financial products to rural based population and to bring inclusive growth and development in the country. Better management of co-operative banks and RRBs in the country as whole is the only effective solution to develop the India's rural economy.

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Book Review **M. S. Rao***

Managing People at Work
Pp 416 (2013)
Publisher : Routledge

ISBN-13: 978-0415534390

*(*internationally recognised Leadership guru,*
prolific writer and speaker)

"In a society whose communication component is becoming more prominent day by day, both as a reality and as an issue, it is clear that language assumes a new importance." – Jean-Francois Lyotard

What are the Details of the Book?

If you want to acquire knowledge about human resources management, read this book. If you want to share knowledge on HRM to students of MBA and EMBA, read this book. If you want to manage and lead at the workplace to grow as a manager and leader, read this book. Julian Randall and Allan J. Sim's authored book *Managing People at Work* is divided into 12 chapters.

This book arises from the need of students who have little or no threshold knowledge of human resource management but who need to link it to their studies in other subjects. This book encourages readers to examine the underlying concepts that reach out beyond discrete disciplinary boundaries and require connection with theories from different disciplines and their common practice wherever it applies to people within a company. The book also addresses the need to understand and contribute to the strategic discussions which are expected in senior management forums.

The book describes the links between company strategy, human resource (HR) planning and implementation using cost--benefit analysis to illustrate the hard and soft approaches to HRM. It also looks at evaluating the results of HR in terms of both efficiency and effectiveness in the main management interventions that lie within the human resource development activities. Students are aided with their understanding by activities that lie at the end of each chapter. These exercises can be done individually or in tutor-led groups.

What is Inside?

It contains amazing case studies with diversified examples to ensure the HRM takeaways to the readers. For instance, a senor officer retired from the armed service and took up a position of chief executive of a local authority. His style was command and control and he tended to send memos and post notices that summoned managers to meetings and indicated that decisions had already been made. This approach was extremely uncongenial to senior members of his staff. After three months he lost the cooperation and good will of his colleagues and left the job. He then became managing director of a debt collecting company where his style was a perfect fit and went down well with his staff, many of whom were ex-service personnel themselves.

The book shares Charles Handy's inspiring story of his time as head of a business school. He was approached by a young millionaire who asked to be admitted to a student to one of the university's business degree courses. Handy expostulated with him that he already knew how to be successful as a businessman, so what need had he of studying further. The young millionaire answered, 'I want to discover why I was successful – otherwise I shall not be able to repeat it." Handy accepted him on the course.

The book unveils that Geert Hofstede is perhaps the most well-known researcher to devise what was to become part of the staple content of most courses on national cultures. His research into subjects in IBM, a company that at the time was spread throughout most countries in the world, enabled him to come up with his four basic dimensions of cultural difference between nations: power distance; individualism vs. collectivism; masculinity vs. feminity; and uncertainty avoidance. He came up with a fifth dimension that he initially called 'Confucian dynamism' but that he later changed to 'time orientation' (meaning long-term vs. short-term approach to life and work).

The book highlights various new concepts. For instance, it outlines about graduate attributes and explains the definition of Boden et al; 2000 as follows: "Graduate attributes are the qualities, skills and understandings a university community agrees its students should develop during their time with the institution. These attributes include but go beyond the disciplinary expertise or technical knowledge that has traditionally formed the core of most university courses. There are qualities that also prepare graduates as agents of social good in an unknown future." It describes the four main areas of graduate attributes as follows: academic excellence; critical thinking and communication; learning and personal development; and active citizenship and engagement in the wider world of work and society.

The book explains about Aristotle who taught about the essentialness of three presentation components as follows:

1. Ethos: The ability of the presenter to establish credibility with the audience.
2. Pathos: The ability of the presenter to display and arouse passion with the audience.
3. Logos: The ability of the presenter to exemplify the stature of an expert with the audience.

Looking at these very brief statements they raise some very interesting issues. Let's look at them one at a time. First is *Ethos* and it is really quite simple: why should I waste my time listening to you if you don't appear to be a credible person? In other words, if you don't seem secure in what you are saying why should I listen? Second, we must look at *Pathos*, why would we want to display and arouse passion? Aren't we meant to be being professional here? Well the answer is really simple, if you don't care about the topics why should the audience? One of the hardest parts of presenting is keeping the audience interested. Third, we have *Logos*, once again it is about why I should spend my precious time listening to you. If you don't appear to be expert in the field that you are presenting on then exactly why should I listen to you? So Aristotle's essentials may be old but they are relevant today.

The elements of presentation are purpose, audience, planning, design and implementation. When you close your presentation, you must consider the following aspects: know when to stop; bring all your points together; repeat them for the audience (repetition brings remembrance); and remind them what they mean.

It has been suggested that roughly 24 hours after hearing a presentation, the listener will forget at least 50 per cent of all the information presented. In 24 more hours, another 50 per cent will be forgotten. So if you want people to remember your key points then emphasize and repeat.

Approximately 80 per cent of what we learn is learned visually and only 20 per cent is learned aurally. That makes visual tools such as PowerPoint very useful in presentations. However, don't overload your audience's brains. Keep the information on each visual aid to a minimum and remember your time limit. You must give your audience time to look at and absorb the information. If every slide is up for five seconds they aren't going to be able to do that.

In conclusion, tell them what you are going to tell them; tell them it; tell them what you tell them (repetition brings remembrance); answer the questions (it will be easy because you are prepared).

HRM Takeaways

There has been an increasing focus in recent years on the rise in the numbers of knowledge workers. There are those who would say that jobs have always required knowledge to be conducted effectively. But we can probably accept that more jobs require knowledge, skill and experience prior to engaging with the work required and that though there are training paths initially for most occupations, for knowledge workers their expertise has often been developed through experience with clients in their field and continuing professional development in their working lives.

The four key roles of HR are: strategic partner; change agent; administrative expert; and employee champion.

Management is both an art and a science. The science can be learned from books or lectures. But the art can only be acquired by practicing the skills as closely as can be replicated to conditions in the workplace.

The common curriculum for L&D was divided into three core areas: working in the specific department, leadership and management development and core skills.

Being assertive is about expressing yourself. It is about making your personal rights and feelings clear to others. Assertiveness is an attitude and a way of acting in any situation where you are required to express your feelings, ask for what you want or say no to something you do not want. Assertiveness is about self-confidence. It is about having a positive attitude towards yourself and towards others. It is about standing up for your needs and interests in an open and direct way. Remember that being assertive in the workplace, just as elsewhere, doesn't mean trampling on others and it certainly doesn't mean letting others trample on you. You need to make your case without belittling the work of others but also without giving them undue credit for your success.

Humans have a requirement for a certain amount of space around their bodies in order to feel comfortable and not threatened. Distances vary with individuals and the cultures in which they were brought up. Violating this personal space can be seen as an aggressive action so try to avoid it.

Charity may begin at home but your career path is guided in the workplace. Learning to be assertive in the workplace is a vital part of being successful. In the workplace you will need not only to be aware of your achievements but also to have the ability to make others aware of them. If you can't do this you are likely to miss out on opportunities.

Finding the right people for business has always been a challenge and sometimes problem. At present more than 80 per cent of companies in the EU complain that they cannot find the people they need to staff their business effectively. This is in spite of the highest unemployment figures that have been seen in the EU countries since the great depression of the 1930s.

There are many trainers who are good at what they do, but have no sympathy with those who find they are struggling to understand something or need extra practice before they become familiar with new knowledge and skills development. Training for trainers is an important investment because people learn in different ways, and at different speeds.

Traditionally training can address three of the four headings of the personnel profile: knowledge, skills, experience and attitude. Most training requires both an element of underpinning knowledge and a level of skill to communicate that knowledge.

Theoretical knowledge may require formal, classroom style instructional technique, laid out in a way that interests the trainees and gives examples and exercises of theory in practice. Stories based on experience can be useful to trainees and are enhanced by trainers who are experienced and knowledge in the subjects they instruct in.

Skills development is usually hands-on and experiential. Role-play and filming of activities provide a useful opportunity to exercise the skills in the likely scenarios to be faced in business. Video recording can be used to capture and performance of those involved and allow group and tutor comment and feedback on what has been achieved.

The three steps that trainers must learn about imparting their knowledge and skills to others are: I hear-and I forget; I see-and I remember; and I do-and I understand.

Interactive training can achieve all three levels, because while knowledge or principles can be taught deductively, the supporting skills are taught and tested inductively. This gives the added advantage of developing knowledge and skill together in individuals and reinforcing group learning at the same time. Shared group preparation for interactive skill learning should give added confidence and more insightful feedback to the individual from the group and trainer.

It requires coaching skills (developing skills and knowledge) and sometimes counseling skills (encouraging self reflection and exploring feelings) and these cannot be assumed in many managers, however experienced they may be in their own job.

In the modern working environment it is more important than ever to be able to work as part of a team. The days of the gloriously isolated 'expert' have long gone. Globalization and technological change has made team working essential. Maybe you do hate people but then maybe you had better learn to get along with them. It is important to get along with your team members but you don't have to agree to be their best friend. Sometimes being overly friendly can have a negative impact on the effectiveness of a team. As part of a team you should strive to be professional but not necessarily become friends for life.

It may seem a kindness to let the quiet member contemplate and then come forth with their contribution when they are ready but it can be damaging. It may be that the team member is quiet not because they are considering but simply because they lack confidence or feel they have not had permission to speak. In a team every member's contribution adds a value.

In executive coaching, senior managers work with professional behavioral coaches to assist them to see clearly things they do that are effective as well as those that are ineffective.

Turning work experience into development and learning opportunities will be a lifelong occupation for most people in active work and will last throughout their careers.

Skill without knowledge is vacuous. Knowledge without skill is powerless. A combination of the two may well combine the benefits of both and encourage managers to continue in their search for best practice in managing their people at work more effectively.

What is the Recommendation?

This book is well researched and is written in a conversational tone. The book contains lots of stories and case studies in boxes. It serves as an academic and reference guide for the students of MBA and EMBA. It is useful for students, educators, learners and HR scholars and practitioners. Enjoy reading this book!

“If you want a happy ending that depends, of course, on where you stop your story.” – Orson Wells

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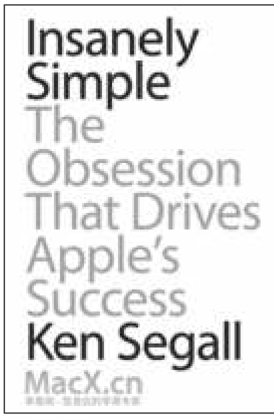
http://www.routledge.com/books/details/9780415534390/

Managing People at Work Julian Randall, Allan J. Sim (Routledge 2014)

Book Review

Shatabdi Das*



Insanely Simple : The Obsession that drives Apple's Success

Ken Segall, (2012, Penguin Books, USA)

(*Research Associate, ITM Business School, Navi Mumbai)

Ken Segall worked as an ad agency Creative director for NeXT and Apple. He was responsible for that little 'i' that's a part of Apple's most popular product, namely iMac. Segall has also served as a Creative Director for IBM, Intell, Dell and BMW.

This amazingly well-written book talks about the sole factor behind Apple's success, that is Simplicity. Ken mentions that leadership, vision, talent, imagination, and incredible hard work may have just a bit to do with Apple's success, but it's Simplicity that's burned deep into the company's DNA, and serves as a guide for legions of employees around the world. It seems, for Steve Jobs, Simplicity was a religion. The obsession with Simplicity is what separates Apple from other technology companies across the globe. It is because of Steve Job's uncompromising ways, we can see Simplicity in everything Apple does, the way it is structured, the way it innovates and the way it speaks to its customers. Inside Apple, Simplicity is a goal, a work style, and a measuring stick. So, all of this leads to a very good question: When Apple can benefit so much from adapting Simplicity, then why aren't other technology companies simply imitating apple's methods to achieve the same level of success? The answer is: it isn't that simple. Simplicity is not merely a layer that can be grafted onto a business, it is definitely not available in a pre-packaged version, it doesn't work with an on/off switch. Yet absolutely, anyone can take advantage of it, only if they have the determination and knowledge.

For a concept that's supposed to be obvious, Simplicity can be difficult to describe in word. Simplicity is the love child of two of the most powerful forces in business: brains and common sense. Since most people are endowed with both, we would think that simplicity would rule the world. But unfortunately, that's not happening. Over years of meeting with Steve and his marketing team, Ken Segall penned down notes when something memorable happened or a key decision was made. That's how Ken Segall emerged with ten core elements of Simplicity.

- First Element is Think Brutal – Brutal does not mean to be harsh or cruel, but just being honest, irrespective of the opinion being positive or negative.
- Think Small – Steve Jobs always believed that small groups of smart people deliver better results, higher efficiency, and improved morale.
- Think Minimal – Being minimal means, to concentrate or to focus on a single task at one time. Be careful if you are trying to communicate more than one thing at one time, because you are splintering the attention of those whom you are talking to, whether they are your customers or colleagues. But still, if you want to deliver multiple messages at one time, then find a common theme that unites them all, and try to push hard on the idea.

- Think Motion – Which means to keep things in motion at all times. With too much time in the schedule, you are just inviting more troubles and more opportunities to have your ideas nibbled to death. To explain this, the author has given an example between the work style of Apple and Dell on Pg No. 75.
- Think Iconic – Ken Segall believes that an iconic image plays a vital role in creating a good impression in the eyes of the public. He says, that whatever products you sell, or whomever you are trying to convince, never forget the power of an image that can galvanize your audience. Actually, it is very simple, you just have to find a conceptual image that captures the essence of your idea. So, over the period of time, the conceptual image gives people an easy way to identify your company, or idea or your product. (Pg No. 87,88 illustrates the idea more precisely.)
- Think Phrasal – This is an area where just about every business needs more work. Words are powerful, but more words are just confusing. The best way to make yourself or your company look smart is to express an idea simply and with more clarity. In simple words, it means, to use minimal words but powerful words, so that people can naturally associate with your product and your company.
- Think Casual – The author says, to do as Steve Jobs did, which is to operate in a small, less hierarchical company, which tends to break the barriers between people, so that they work closely together, so that there is no animosity between different grades of people, which increases their productivity. In this case, people don't present to each other but converse with each other, which builds strong inter-organization relations.
- Think Human – This is perhaps one of the greatest and most important learning from Apple, which is just Being Human. Sometimes, we just have to think beyond numbers and targets, and connect with human beings with a human voice. Just bear in mind, no target is more important than the human being, because human beings are the most precious assets of any organization in this world.
- Think Skeptic – Ken Segall believes that one should always be ready to face negative outcomes from people. He says it is not always feasible to try and please everyone around us. We should not get disheartened or de-motivated if our work is criticized or not being appreciated. We have to keep pushing ourselves, until and unless we achieve our goals and mission.
- Think War – The author says that in extreme situations we have to take extreme measures. We have to relentlessly keep trying hard, and not pull back from any situation. That is we have to prepare ourselves to think at war in difficult and demanding situations.

I believe that the author has done complete justice in writing this fantabulous book and dedicating the same to Steve Jobs, who happened to pass away, just before the release of the book. The book has too many amazing things to learn, which we can apply in our personal and professional lives, to make our life much more simpler and easier, rather than just complicating situations all the time. I would advise the youth and the audience in general to read this book, to understand the importance of simplicity and to learn to adopt simplicity in one's life.

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Paper or abstract submission: Deadline: July 31, 2014, but early submissions are encouraged. Full paper submission and registration deadline: October 31, 2014.

Electronic submissions may be emailed to kulkarnk@msudenver.edu, and /or to any other Track Chairs listed below:

Economics Track: Dr. Kishore G. Kulkarni, Distinguished Professor of Economics, Metropolitan State University of Denver, P. O. Box 173362, Campus Box 77, Denver, CO 80217-3362. Phone: 303-556-2675, E-mail: kulkarnk@msudenver.edu

Operations, Supply Chain and Information Systems Management Track: Dr. Vinod Lall, Professor of Operations and Supply Chain Management, School of Business, Minnesota State University-Moorhead, Moorhead, MN 56563. Phone: (218) 477-4648 (Office), (701) 388-9604 (Mobile) e-mail: lall@mnstate.edu

Marketing Track: Dr. Ruth Lumb, Professor of Marketing, School of Business, Minnesota State University-Moorhead, Moorhead, MN 56563. Phone: (218) 477 -4652 (Office) e-mail: lumb@mnstate.edu

Finance Track: Dr. Bansi Sawhney, The Harry Y. Wright Distinguished Research Professor of Economics, and Editor, Indian Journal of Economics and Business, Merrick School of Business, University of Baltimore, 1420 N. Charles St., Baltimore, MD 21201.
Phone: 410-837-5049 (Office) e-mail: bsawhney@ubalt.edu.

Management Track: Dr. Rajendra Khandekar, Professor of Management, Metropolitan Satte University of Denver and Online Editor, IJEB, Campus Box 78, P. O. Box 173362, Denver, CO 80217-3362.
Phone: 303-556-3242

Papers should follow the standard format for presentation consideration. Only those papers that are selected for the publication (after the conference) should follow guidelines listed on the journal website at www.ijeb.com.

Please send registration fees and inquiries to:

Dr. Kishore G. Kulkarni.
Distinguished Professor of Economics and Editor, Indian Journal of Economics and Business, (visit www.ijeb.com),
Campus Box 77, P. O. Box 173362
Metropolitan State University of Denver
Denver, CO 80217-3362, USA.
Tel: 303-556-2675. Fax: 303-556-3966

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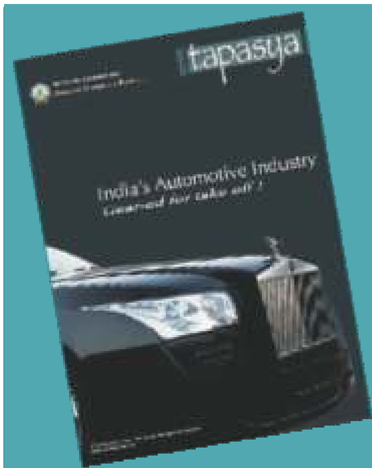

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