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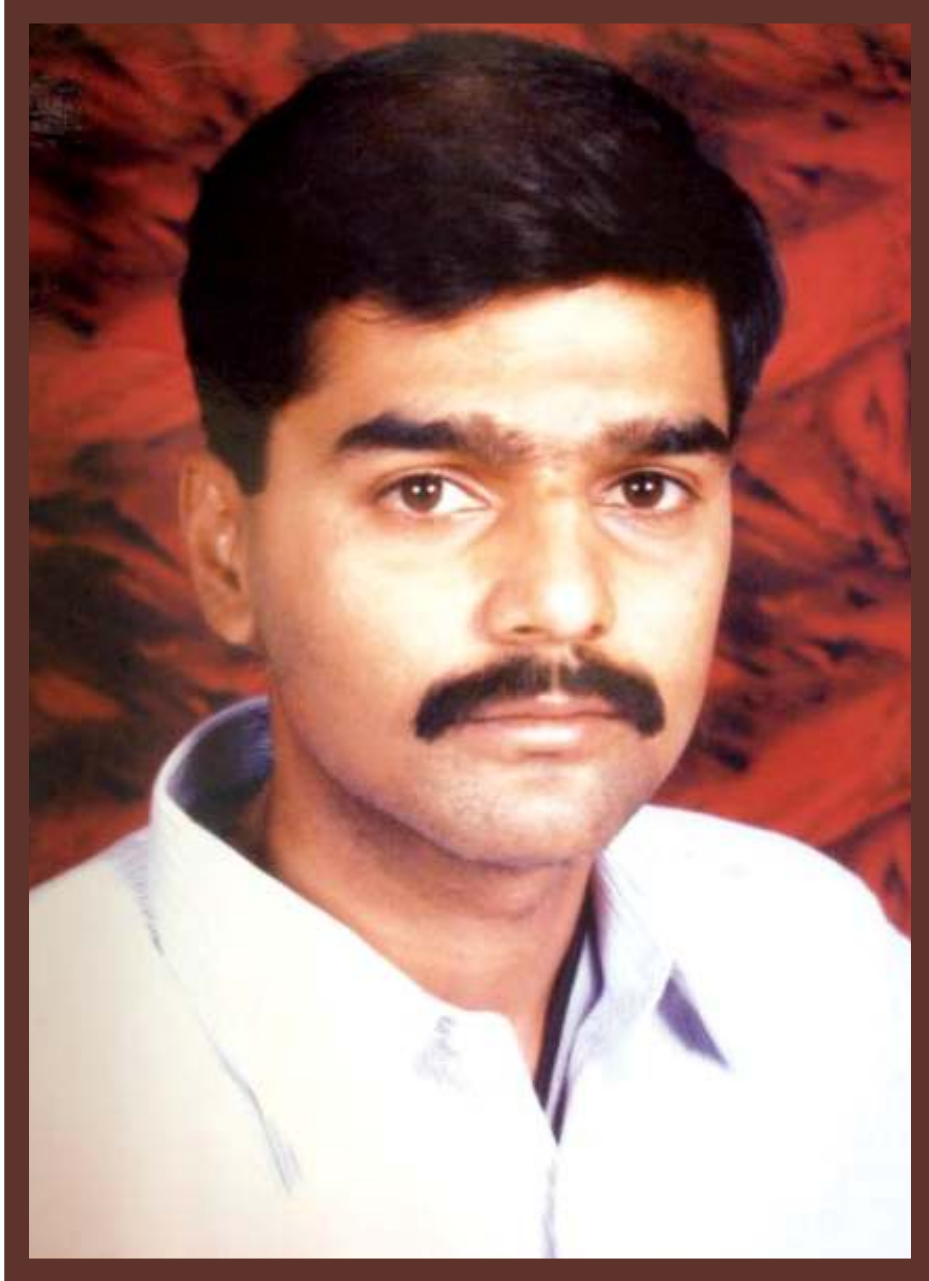
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References should be alphabetically arranged in the following form

- 1 Ahl, H.J., 2002, The Making of the Female Entrepreneur, JIBS Dissertation Series No 015, Jönköping International Business School, Sweden.
2. Davidsson, P., 2003, The Domain of Entrepreneurship Research: Some Suggestions, in Katz, J. & Shepherd, D. (eds.), Advances in Entrepreneurship, Firm Emergence and Growth, Vol 6, Greenwich, CT: JAI Press.
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A Critical Study of ICT Use in Generic HRM Activities with reference to Automobile Domain

Dr. Sachin Kadam¹ and Mr. Pravin Mane²

Abstract:

Use of ICT in Human Resource Management (HRM) domain helps to effectively manage people, processes and strategies to optimize human resource management while implementing best HRM practices. In the today's competitive business environment, use of appropriate ICT solution to manage HRM aspect may prove to be the differentiating factor amongst business entities. This paper presents a profile of various types of generic activities involved in HRM domain from automobile sector. Then it discusses the extent of ICT implementation involving these activities. It concludes with an empirical appraisal of respective extent of ICT use and priorities involved in this domain.

Keywords: Automobile Domain, HRM, Generic Activities, ICT

1: Introduction

The business environment spans various functional areas like: Product Lifecycle Management, Human Resource Management, Supply Chain Management, Customer Relationship Management, Accounting and Financial Management and so on. Amongst them Human Resource Management (HRM) domain is critical towards ICT use as it is more soft than the other functional domains ^[1]. Human Resource Management (HRM) is both an academic theory and a business practice. It is based on the notion that employees are firstly human, and secondly should not be treated as a basic business resource. HRM is also seen as an understanding of the

human aspect of a company and its strategic importance. HRM is seen a moving on from a simple personnel approach, because it is preventative of potential problems, and secondly it should be a major aspect of the company philosophy, in which all managers and employees are champions of HRM based policies and philosophy ^[2].

On one side HRM deals with the people and on the other side IT deals with more and more automation. On the surface these two seem to travel in opposite directions, posing themselves as alternative methodologies. But in reality they can coexists as complementary to each other to meet the business goals ^[3].

2: Generic HRM Activities Involved in Automobile Domain

Professionals involved in HRM process manage and lead an organization's people resources.

Some of the broader areas of HRM activities include ^[4]:

- Recruiting new employees for the organization
- Interviewing and hiring new workers for the organization
- Assessing employee performance
- Managing benefit plans for employees through competitive salary increases or other incentive programs

Following is an exhaustive listing of routine activities involved in HRM domain. This list was prepared based upon the secondary data collected from text books and research papers from HRM domain ^{[5][6][7]}. The activities are logically categorized according to their relevance.

2.1: Organizational Planning and Development

- Determine Organizational People Needs
- Design Organizational Structure
- Design and Develop Interpersonal Relationships

2.2: Staffing and Employment

- Manpower Planning
- Recruitment
- Selection
- Placement

- Induction
- Orientation
- Transfer
- Promotion
- Separation
 - Discharge
 - Dismissal
 - Retirement
 - Resignation

2.3: Training and Development

- Operative Training
- Executive Development

2.4: Wages and Salary Administration

- Job Evaluation
- Wage and Salary Programmes
- Maintenance of Payroll
- Incentive Compensation
- Performance Appraisal

2.5: Motivation

- Non-financial Incentives
- Satisfaction of Social and Psychological Needs

2.6: Employee Services and Benefits

- Safety
- Employee Counseling
- Medical Services
- Recreational and Welfare Services
- Benefits
 - Leaves
 - Pension
 - Gratuity
 - Provident Fund etc.

2.7: Employee Records

- Collection of Data
- Analysis of Data
- Developing Information For Decisions

2.8: Labor Relation

- Grievance Handling
- Implementation of Collective Labor Laws
- Collective Bargaining
- Discipline

2.9: Audit

- Moral Surveys
- Record Keeping
- Evaluation of HR Programmes

2.10: Research

- Identification of Changing Needs
- Development of More Appropriate Programmes

We can use IT as a tool to automate these routine activities involved in this domain. This will realize the required coexistence of HRM and IT.

3: Collection of Primary Data about the Extent of ICT Use in HRM Domain

A survey was conducted through organizations from automobile industry domain to collect empirical primary data. Its details are as follows:

3.1: Objective

Objective of this survey was to assess the extent of ICT use in HRM activities in automobile domain.

3.2: Scope of Study

Scope of this survey was organizations involved in automobile domain in the vicinity of Pune.

3.3: Sampling

Convenient sampling method was used. The proposed sample size was about 25 organizations involved in automobile domain in the vicinity of Pune.

3.4: Structure of the Survey Questionnaire

Sr. No.	Routine Activities Involved in HRM Domain		Write YES if Your Organization Uses IT to Perform this Activity	Year of Implementation	Status of Implementation (Scale: 1 to 5; where 1 stands for minimum level of implementation and 5 stands for maximum level of implementation)	Description (e.g. Name of the Software / Type or Category of the Software / Functionality of the Software etc.)
	Activity Category	Activity				

(Table 1: Structure of the Survey Questionnaire)

The objectives of the questions in questionnaire were as follows:

Question	Objective
Write YES if Your Organization Uses IT to Perform this Activity	To assess the level and breadth of ICT automation in the organization
Year of Implementation	To assess the automation priority of various activities involved in HRM domain
Status of Implementation (Scale: 1 to 5; where 1 stands for minimum level of implementation and 5 stands for maximum level of implementation)	To assess the depth of ICT automation in the organization
Description (e.g. Name of the Software / Type or Category of the Software / Functionality of the Software etc.)	To know about the ICT automation software used in various activities involved in HRM domain

(Table 2: Objectives of the Questions in Survey Questionnaire)

3.5: Primary Data Collection

The above questionnaire was circulated amongst HR managers of 25 organizations from automobile domain in the vicinity of Pune. Convenient sampling methodology was used for the circulation. Out of 25 participants in the survey 13 responded with complete response. These 13 were

used for further analysis as other respondents did not provide complete information.

3.6: Data Analysis

The primary data collected through the survey was organized in MS-Excel spreadsheet application. The data analysis features of MS-Excel were used to analyze this data further. Table 3 displays the outcome of this analysis.

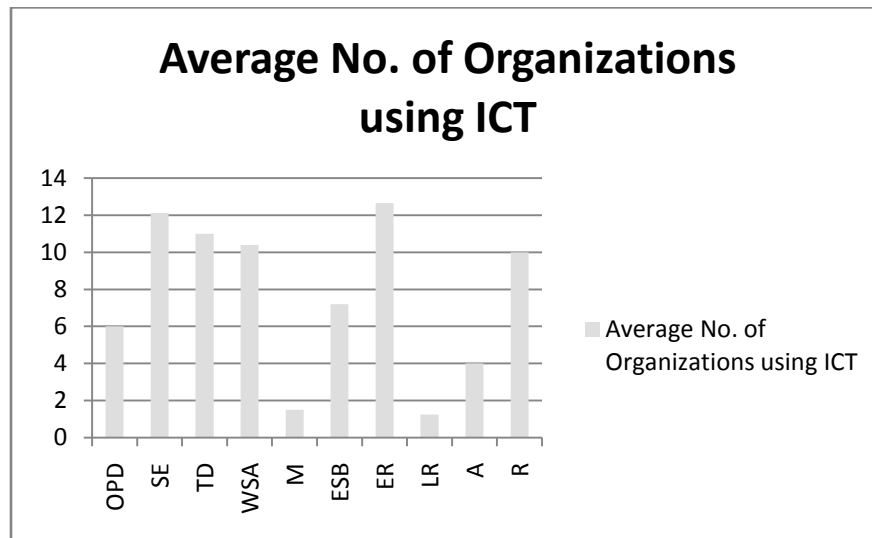
Category of the Activity	Title of the Activity	No. of Organizations using ICT for this Activity
Organizational Planning and Development (OPD)	Determine Organizational People Needs	6
	Design Organizational Structure	7
	Design and Develop Interpersonal Relationships	5
Staffing and Employment (SE)	Manpower Planning	13
	Recruitment	13
	Selection	13

	Placement	13
	Induction	13
	Orientation	13
	Transfer	12
	Promotion	12
	Separation	7
Training and Development (TD)	Operative Training	11
	Executive Development	11
Wages and Salary Administration (WSA)	Job Evaluation	8
	Wage and Salary Programmes	13
	Maintenance of Payroll	13
	Incentive Compensation	11
	Performance Appraisal	7
Motivation (M)	Non-financial Incentives	3
	Satisfaction of Social and Psychological Needs	0
Employee Services and Benefits (ESB)	Safety	5
	Employee Counseling	10
	Medical Services	5
	Recreational and Welfare Services	5
	Benefits	11
Employee Records (ER)	Collection of Data	13
	Analysis of Data	13
	Developing Information For Decisions	12
Labor Relation (LR)	Grievance Handling	1
	Implementation of Collective Labor Laws	2
	Collective Bargaining	1
	Discipline	1
Audit (A)	Moral Surveys	4
	Record Keeping	4
	Evaluation of HR Programmes	4
Research (R)	Identification of Changing Needs	11
	Development of More Appropriate Programmes	9

(Table 3: Use of ICT for Generic HRM Activities in Automobile Domain)

The tabulated data in Table 3 was then statistically analyzed to assess the extent of ICT use in

respective activity categories. Graph 1 represents this analysis pictorially as follows:



(Graph 1: Average No. of Organizations using ICT for Generic HRM Activities)

Category of the Activity	Extent of ICT Use
Organizational Planning and Development	Bellow Average
Staffing and Employment	Above Average
Training and Development	Above Average
Wages and Salary Administration	Above Average
Motivation	Bellow Average
Employee Services and Benefits	Average
Employee Records	Above Average
Labor Relation	Bellow Average
Audit	Bellow Average
Research	Above Average

(Table 4: Extent of ICT Use in Categories of Activities)

4: Conclusion

The analysis of the secondary data collected from resources like text books and research journals from the HRM domain revealed ten generic categories of activities involved in automobile sector. These generic categories were further expended to total 38 activities. A questionnaire was designed and survey was conducted to assess

the extent of ICT use in identified generic activities. The analysis of the primary data collected through the survey resulted in the following observations:

- Above Average Extent of ICT Use in Generic Activity Categories
 - Staffing and Employment
 - Training and Development

- Wages and Salary Administration
- Average and Bellow Average Extent of ICT Use in Generic Activity Categories
 - Organizational Planning and Development
 - Motivation
 - Employee Services and Benefits
 - Labor Relation
 - Audit

This reveals the ICT implementation gap in HRM departments from automobile domain. The activities having with better ICT implementation status also reveals the automation priorities in this domain. This research will be further extended to assess the depth and quality of ICT implementation in this domain.

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A Study of the Role of Emotional Intelligence in Organizational Effectiveness in the Post Globalized Era

Chetna Sinha¹

Abstract:

Among all other things that mark the business in the post globalized world, the most intense are an organizations' need to cope with massive rapid change, to manage huge amount of information, to increase customer loyalty, need for more creative and innovative workforce, need to maintain self-motivated and committed workforce, need of people working together as group, need to make better use of the special talents available in a diverse workforce, to identify potential leaders in its ranks and prepare them to make up, to identify and recommit top talent, need to make good decisions about new market products & strategic alliances and preparing people for overseas assignments. These needs are the greatest challenges that face all organizations today – both public and private sector.

On delving deeper into each of these needs we notice that achieving of all these needs directly depends on the consistent interaction with people and that too not necessarily of our choice. And when human beings are brought together to complete tasks, it becomes inevitable that emotions will play a role. “Don't bring your personal problems to work” is one of the alternatives of the argument that emotions are inappropriate in the workplace. But it is not always possible to base business decisions on information, logic, calm cool reason, with emotions kept on a minimum. Emotional neutrality may seem to be an ideal, but is unrealistic. To be more specific it is unrealistic to suppose that emotions should/can be checked at the door when one arrives at work because every single decision that one makes and every single action that one takes is sure to have some kind of emotional impact whether intentional or unintentional on oneself and others. Here it would not be out of place to state that people who try to keep feelings out of sight usually come across as rigid, detached and fearful and fail to participate fully in the life of the workplace and it is not at all good for the health of an organization for such people to move into any management roles. The same holds fair enough in case of people who emote excessively. So, an ideal situation for the modern organizations would be acknowledging that emotions are always present and doing something intelligent with them and this has been given a term – Emotional Intelligence (EI) – within Human Resource Departments and is making its way fast into the Executive Board Rooms. Against this backdrop this paper attempts to present the fact that EI is linked with outcomes and improvement and that the use of EI can lead to better work/life results for anyone who consciously applies it.

Keywords: Emotional Intelligence, Self-Awareness, Self-Regulation, Empathy.

Introduction

Liberalization, Privatization and Globalization have drastically changed the way business and industry function. The modern business scenario is intact by the phenomenon of joint ventures, mergers, acquisitions, trade pacts between nations, and strategic alliances in a significant manner and at a higher speed than ever before. Organizations are not any more enclosed within fixed boundaries; they are evolving continuously and are interacting with the external world more intensely than hitherto. Customers have become global, powerful, enlightened, discriminating and are aware of choices more than ever before. And the companies focus is on the importance of fixed costs, attracting and re-attracting employees, changing aspirations, technology up-gradation, feminization, speed response, and currency volatility. Due to the changing social aspects, information dissemination and changing aspirations transformation has taken place from a physical asset dominated economy to a service and information driven economy, in which intangible drive the market place due to which Human Capital has become the greatest single asset of an organization and employee competency has become the key factor for excellence.

Initially, breakfast meetings, customers, sales, targets, number crunching and deadlines seemed fun proposition. But, closely following at the heel of career growth; success and party time have come to the constant demands on mental and

emotional reserves, to the point of depletion, as companies run at top speed. The frenetic business moves of the corporate world have made a foray into both personal and professional lives demanding an ability to cope with the pace and the pressures. In this situation an emotional resilience has become the need of the hours as it is now crucial for professional success. And this resilience heavily draws from the core of Emotional Intelligence (EI) which are the intangible qualities and competencies that determine a persons' ability to fit into a particular structure or situation in an organization like a project team, a group discussion or a meeting because s/he has to get along with others, treat everyone with respect, accept responsibility for their actions, communicate ideas well in person and in writing, provide constructive feedback when others make mistakes, be willing to share their knowledge and coach others. Furthermore, s/he has to be even-tempered and well adjusted.

Carole Nicolaides, Founder and President of progressive Leadership Inc. says:

“These professionals need to know how to handle themselves at work and how to relate themselves at work and how to relate with their customers and peers. From showing empathy and optimism of knowing what's going on around them, these vital competencies are an integral part of a progressive or organizations.”

Of late even the Corporations around the world have begun to realize that the best financial

experts, most innovative design engineers, or savvy lawyers are incomplete with just knowledge and technical expertise.

As per the research of Turknett Leadership Group there is almost no difference in technical skill between the best leaders they have coached and those who are rated the lowest. The difference lies in their ability to facilitate teamwork, motivate others, and be an inspirational role model.

This fact contradicts widely held belief that intelligence or Intelligence Quotient (IQ) wholly determines professional success in life. History itself is replete with many examples of those who have made an indelible mark despite not having impressive intellectual credentials. It is surprising to note that people with high IQ fail to achieve what those with lesser IQ coupled with qualities like initiative, adaptability, drive for achievement, understanding for people, empathy etc., succeed.

It is worth mentioning at this point how Indra Nooyi; apparently termed as an average student of IIM-C raced her way to success to covet the enviable CEO position of PepsiCo. Dhirubhai Ambani, without any formal exposure to management education went on to be the architect of Reliance Empire by the sheer dint of hard work and excellent people management skills.

What sets apart Indra Nooyi or Dhirubhai Ambani or Jamshed Irani Tata from the brand of other managers with far more academic excellence lies in their ability to balance the qualities of head and heart. Thus at the base of every success story are

the qualities of emotional resilience which is popularly known as Emotional Intelligence (EI). Understanding of attitudes, perceptions, persuasion, intentions, emotional maturity, eagerness to learn, willingness to share one's knowledge with others, flexibility to new ideas, keenness to collaborate with the peers, empathy come under the umbrella of EI. And the organizations are increasingly looking at the possession of these qualities and hence the Emotional Intelligence in both current and prospective employees.

Origin of Emotional Intelligence

Though the term Emotional Intelligence (EI) is a recent coinage by modern academicians, the concept of "Sthitha-prajna" (emotional stability), similar to the concept of EI, can be traced in the second chapter of Srimad Bhagavad-Gita, one of the most profound renderings of Hindu view of human life written in approximately 900 B.C. It is a specific conversation between Lord Krishna and Arjuna (third Pandava) in the battlefield of Kurukshetra. Pandavas were fighting against their cousins, the Kauravas, to restore their kingdom from them. Before the battle started, Arjuna, was unwilling to fight against his close relatives, friends and respected 'Gurus' in enemy's side. To win the battle he had to kill them. He got confused about his rightful duty and he refused to join the battle. At this time, Lord Krishna who was driving Arjuna's chariot enlightened him about the eternal truth of life. According to Lord Krishna, Arjuna

suffered from this indecisiveness due to confusion and a false sense of insecurity. He advised Arjuna to become ‘Sthitha-prajna’ (steady-minded person). He explained that an individual achieved his/her goal only when the mind became steady, poised and balanced. Evidently, the concept of ‘Sthitha-prajna’ (steady-minded person) talked about a unique interdependence between ‘emotion’ and ‘intelligence’ for effective decision-making which was most essential in excelling in every sphere of life. Srimad Bhagavad-Gita, as a whole, advises all to balance between ‘emotion’ and ‘intelligence’. Even Mahatma Gandhi’s principle of non-violence lays great emphasis on controlling one’s emotions. The three monkey’s picture with closed eyes, ears and mouth indicates how an emotionally intelligent person should react to unprecedented situations. Thus, the importance of both emotion and intelligence in making decisions and achieving success in life was, therefore, well-accepted in ancient India.

The term Emotional Intelligence (EI), though made its sporadic appearance in the psychological literature during 1970’s and 1980’s, it is not all that new to even the western world. The Greek Philosopher Aristotle (384-322 BC) too reported to have made a reference to EI: “Those who are not angry at the things they should be angry at the thought to be fools, and so are those who are not angry in the right way, at the right time, or with the right persons; for such a man is thought not to feel things nor to be pained by them; and, since he

does not get angry, he is thought unlikely to defend himself . . .” Since then, intellectuals have been working on ‘feelings’ either to prove or disprove the importance of ‘emotions’. However, this was only after the publication of the work of Daniel Goleman in 1995 on EI in which he has presented a lot of interesting information on the brain, emotions and behavior that psychologists, management consultants, researchers, and educationists started taking interest in this concept and explored possibilities of its application in different spheres of human life.

What is Emotional Intelligence?

The conventional definition of this phenomenon talks about including the literary meanings of both the terms namely ‘emotion’ and ‘intelligence’. According to Webster’s New World Dictionary – “emotion is used to designate a state of consciousness having to do with the arousal of feelings” were in feeling refer to ‘any of the subjective reactions, pleasant or unpleasant’ that one may experience in a situation whereas “intelligence is the ability to acquire and retain knowledge”. Its possession implies the use of reason or intellect in solving problems and directing conduct. Hence, EI is the efficiency with which a person is able to control his or her emotions. This skill enables one to manage feelings and relate to the feelings of others. It helps in being dispassionate and objective, eliminating rage, depression and fear and thereby creating a positive environment. It is also required

for anger management, de-stressing, problem-solving, decision making, resolving conflicts and motivation and to be harmonious with the environment.

Consequently, EI can be defined as a person's ability to understand one's own emotions and those of others with whom s/he will be interacting on a daily basis and acting/reacting meaningfully using those emotions. Daniel Goleman, the internationally renowned author, psychologist and a corporate consultant, defined EI as an "ability to manage emotions at all times with components such as self-awareness, self management, social awareness and relationship management". He declares EI as the mightiest weapon in achieving success in a workplace.

He went on to set five elements of EI competencies that determine one's potential and have proven to contribute more to workplace achievement than technical skills, cognitive ability, and standard personality traits:

- Self-Awareness
- Self-Regulation
- Self-Motivation
- Empathy
- Social Skills
- **Self-Awareness:** Self-awareness has been defined 'being aware of both our mood and our thoughts about the mood'. Self-awareness guides an individual to fine-tune the on-the-job performance style to become more acceptable

and socially networked, which are the key factors for success in organizational context today. Goleman proposed the sub-components of Self-Awareness which are the vital foundation skill as – Emotional Awareness, Accurate-Self-Assessment, and Self-Confidence.

- **Self-Regulation:** An individual should try to regulate the feelings and the consequent reactions as per the situational requirements. Having higher level of self-regulation means that an individual does not dwindle under the negative emotional feelings and become depressed, agitated, angry and frustrated; rather s/he converts this feeling into a more positive one by justifying the cause and effect relationship existing in the situation. It needs to be understood that human beings have to suffer from emotional outbursts, but an individual's emotional intelligence, more specifically, the self-regulation component, helps him/her to activate the defense mechanism as soon as possible. Goleman proposed the sub-components of Self-Regulation which are the vital foundation skill – Self-control, Trustworthiness, Conscientiousness, Adaptability, and Innovation.
- **Self-Motivation**
Self-motivation in the context of EI basically stresses on the role of 'self' to get charged up for performance. The strength from within is

required to be mobilized enough, to get going. There is no point to worry about the things one cannot control i.e. about the external factors; rather one should concentrate to improve on one's own strengths i.e. the internal factors like self-motivation and be optimistic that their strength will help them to win against the external odds. Goleman proposed Achievement-drive, Commitment, Initiative and Optimism as the sub-components of Self-Motivation.

- **Empathy:**

The skill of empathy starts when an individual relates oneself with the other person and builds a relationship with him/her. In fact, Self-Awareness and Self-Regulation are the building blocks in the journey towards becoming empathetic towards others. People, who manage to communicate negative criticism with empathy and sensitivity, eventually manage to maintain their credentials as trusting, honest well-wishers. Goleman proposed Understanding Others, Service Orientation, Developing Others, Leveraging Diversity and Political Awareness as the vital sub-components of Empathy.

- **Social Skill:**

Social skill is the ability to handle another person's emotions artfully which underlies several competencies viz wielding effective tactics of persuasion, sending clear and convincing messages, negotiating and

resolving disagreements, inspiring and guiding, initiating, promoting or managing change. Goleman proposed the sub-components of Social Skill which are the vital foundation skill – Influence, Communication, Conflict Management, Leadership, and Change Catalysts.

Role-based Effectiveness of Emotional Intelligence

Top Executives:

The constant pressure to outperforming their own selves often leads to anxiety, fear, stress and even guilt and depression among the top executives who are at the helm of the strategic decision-making responsibilities. EI makes these executives not only aware of the emotional disturbances but also helps them to handle them positively and constructively. Furthermore, it helps these executives to demonstrate empathy and compassion, making them more acceptable to the followers.

Middle Level Managers and Supervisors:

They are the line managers, who have direct contact with the people at the organizational level. Naturally, the effectiveness of their behavior is directly related to the employees' level of satisfaction, motivation and retention. Therefore, they need to balance the top management's expectations and those of the lower level employees. They also need to constantly create harmony between concerns for tasks and people.

Hence they have a dual role, both as nurturing leaders as well as task-oriented managers. This definitely demands high EI which not only helps the managers to remain cool and calm in trying situations with their subordinates and bosses, but also facilitates to regulate their own emotions as and when required.

Team Leaders:

Team leaders are accountable for creating a positive work environment where all the team members work towards achieving the team goals which ultimately leads to achieving organizational goals. In the process, negative fall-out effects of task-obsessive behaviors, power relationships and sometimes, non-availability of sufficient resources, are required to be minimized. Failure to do so may result in frustration, anxiety, suspicion, resentment and/or dissention among the team members. EI helps Team Leaders to maintain a positive and stable attitude and optimism in trying situations. Moreover, by improving their own internal motivation and persistence, they motivate their teams to high levels of sustained performance and achievement.

Sales Professionals:

Sales people, working with the external stakeholders have to often work in difficult situations, given pricing and quality of the products, quantity and delivery schedule of the order, and sometimes face the customer dissatisfaction about the products and services.

These situations often lead to anxiety, fear, frustration, anger and depression. When sales decline, sales people are de-motivated and customers are dissatisfied. Enhancing EI skills allows the sales person to have more control over their emotions and, thus the adverse situation they may be in. They can stay mentally focused and remain optimistic despite intense pressure and adversities. Being able to empathize with the customer allows for faster, more effective problem-solving through timely initiation of concrete action and better communication. Developing strong relationships with customers, in trying situations, ensures relatively higher sales and better cooperation, even when if problem arise.

Self-managed Teams:

Self-managed teams are constantly under pressure to work smoothly when deadlines are tight, resources are scarce and when team structures are impermanent, tentative and flexible in nature. Often, the team members feel frustrated, annoyed and angry when one or some team members would fail to perform up to the mark, affecting the team performance. They feel agitated when they are required to meet the deadline despite a heavy resource crunch and may also feel uncomfortable with the new team members. EI can help in dealing with the emotional turmoil of the team members and help in promoting team cohesion and trust.

Customer Care Executives (CCEs):

These people have to deal with the customers (potential, satisfied, dissatisfied) and have the responsibility to protect the organization's reputation in public. While dealing with dissatisfied customers they often have to absorb verbal abuse, insult and even personal allegations. It can degenerate into tension, nervousness, anger and depression. If the representative cannot control his/her own emotions, the resultant interaction with a dissatisfied customer may upset both of them, or it may even cause the organization to lose that customer. EI helps the CCE's to manage their reactions, in tense situations, to manage angry customers, maintain a calm, polite and sincere attitude and conversation with customers, and also to empathize with the upset customer, leading to better effective problem-solving and protect future relationships of the company with the customers.

Technical Staff:

They mostly work with machines for long hours to complete projects within deadlines. These situations may lead to anxiety, frustration and high stress and sometimes agitation with little concern for human relationships. Communication is hampered, reducing their feeling levels and pushing them into an isolated existence. Use of EI can prevent eruption of such situations by helping them to be in touch with their own emotions and empathy for others.

Administrative Staff:

The administrative staff acts as the support system, with regard to implementing organizational policies, within the bounds of rules and

regulations, for ensuring performance of various functions. Constant pressure from all quarters of the organization that they meet their requirements at the earliest (even while remaining within the rules and policy framework) make them often feel overwhelmed, confused and irritated. Procrastination and willful indifference may become the convenient stance in such situations; errors and mistakes increase, and feelings like, as if they have no control, may also lead to a depressive state where complaining and absenteeism increases. Health, attitude and morale suffer. Enhanced EI skills enable such people to handle gracefully multiple demands, interruptions and meet tight deadlines. Processes, databases and projects run more smoothly, details do not fall through the cracks and professional staff is freed to focus on their work.

In the light of the above facts, it becomes evident that EI plays a significant role in coping with the organizational change, motivating workforce to perform better while also encouraging creativity and innovation, requiring the ability to perceive and understand the emotional impact of change on self and others. This becomes more relevant because it is said that 1% improvement in emotional climate creates 20% increase in revenues.

Suggestions to Improve Emotional Intelligence

- i. Try to be flexible and adapt quickly to the changing world
- ii. Be aware of your emotions; when feeling angry taking a 10 minute walk can clear the mind

- iii. Include humor and laughter at work.
- iv. Develop attitude of optimism which will certainly have positive impact on others.
- v. Express emotions, talk with friends. Don't keep things bottled inside
- vi. Good self-start with adequate sleep and nutrition and regular exercise or yoga.

Conclusion

To sum up, EI is all about managing negative emotion, frustration and depression and maintaining healthy relationship with colleagues which ultimately play a vital role in projecting a positive attitude towards work behaving in a more tactful manner and getting the work done efficiently along with winning hearts. Moreover, EI competencies, as discussed above, represents a set of attributes for monitoring self and others' feelings to help individual in taking affective measures and action in a given situation. Of late, both industry and academia have realized that over time knowledge and skill can be acquired through training, development and learning. But to improve performance, one has to increase not only his/her knowledge but also the understanding of how that knowledge may be applied or the skill to apply it.

In short, they have accepted the relevance and importance of these competencies for excellence in performance. And many of the organizations are exposing their employees to suitable training interventions with inputs which include both cognitive and behavioral knowledge to enhance their awareness and abilities through increased use of EI.

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An insight into Familiarity with Financial Planners among investors in Ahmednagar

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Abstract

As the job of retirement planning becomes less of an institutional and more of an individual responsibility the onus of congenial post retirement life shifts to an individual investor. The role of financial planner assumes crucial role as financial markets are inundated with more complex products which shall need a professional help. As the financial planning industry is still in its nascent stage in India, the study is an attempt to understand the form of financial advisors the investors are familiar with.

The common forms of financial advisor found in Indian context include Chartered Accountants, Insurance agents, Postal agents and tax planners. The familiarity with financial planner is inquired and four clusters are formed where the familiarity with different types of financial planners is associated with Income and Education strongly. Almost 83% investors have recorded their preference for Insurance agent as financial planner followed by Postal agent. Thus, if awareness towards financial planning and financial planners is to be disseminated to specific income, occupation group then financial planner who enjoy broad recognition across different social strata such as insurance agents can play a greater role on the financial planning horizon of the investors through systematic training. Insurance regulatory (IRDA) can think of orientation of these Insurance agents as financial planner who presently engages in selling of insurance products only.

Keywords: *familiarity, financial advisors, financial planning profession, financial planners.*

1.1 Introduction

The term 'financial planning' is the process that "involves taking stock of all your existing resources, developing a plan to utilize them, and systematically implementing the plan in order to achieve your short- and long-term goals" [Financial Planning Association (FPA), 2007a].

Financial planning is concerned with helping to establish context, a framework within which clients can explore the tradeoffs they face when

making decisions, tradeoffs that go beyond the financial dimension and incorporate the subjective, psychological, and humanistic dimensions as well. (Yeske, 2010). At a very minimum, it is widely accepted that financial planning is about developing multi-dimensional strategies by which to achieve life goals (Mittra, 1990).

In developed countries, financial planning services are being provided by chartered financial consultants, certified financial planners, credit

counselors, finance company loan officers, various tax shelter salesmen, stockbrokers, life insurance agents, mutual funds salesmen and even department stores (Thomas Eale,1984). With the advent and proliferation of financial institutes in rural India various forms of financial service provider are active in the financial markets. The study identifies the various forms of financial advisors the investors are familiar with. It goes further in investigating the association of this familiarity with financial planner and demographic attributes such as age, gender, income, occupation and education.

The outcomes from the study shall be useful for identification of sect of financial planners who are familiar to the under privileged sections of population. More ever many studies have found that the weaker sections of the society have been deceived more often as they lack basic information and knowledge about financial markets. The results from the present study shall help identify and orient the financial planners who are familiar to these sections of society to act in a larger interest. Also it can further contribute in government efforts to reach out these target sections for disseminating financial knowledge to increase financial literacy through proper channel.

1.2 Review of literature:

Financial Planning is strongly correlated with financial and political literacy and that the relationship between planning and wealth remains strong, even after controlling for many socio

demographic factors. Also it is planning that affects wealth rather than wealth affecting planning (Lusardi& Mitchell,2007).

Soberon-Ferrer and Dardis (1991) found that households with higher income, working spouse, higher educational attainment and those living in urban areas showed a greater preference for service consumption.

Bae and Sandager(1997) found that primary reasons for seeking financial advice were retirement planning, investment planning and tax planning. Also reasons such as complex investment alternatives, changes in investment environment were credited as primary drivers.

A large fraction of business owners explicitly state they will never retire completely (Hurst and Lusardi, 2007); since many business owners are self employed, it is accordingly difficult to characterize exactly what “retirement” might entail for this group (Lusardietal 2007).

Salter et.al. (2010) found that gender, education, wealth and debt to be all associated with use of financial advisors. Utilization of advisors was also associated with increased level of planning activities, awareness and confidence. The authors reported a linear relationship between education and having financial planners only at higher level of education. They also found a significant association between investable assets and use of financial planner but did not found a monotonic relationship between age, income and use of financial planner.

By using binary logistic regression Salter found that the odds of using financial planner increase with increase in education, debt and investable assets. Planning behavior such as having formal written plan and confidence of having enough funds for post-retirement were also found to be significant predictors of using financial planners. Various types of financial advisors such as certified planners, insurance agents, stock brokers, lawyers, employee benefit personals, are used by investors.

In India the concept of financial planner is in evolutionary stage. In few metropolitan cities, few of the individuals from affluent class are seems to consult to financial planners. The present article describes the awareness among the urban citizens about the familiarity with type of financial advisor and the predictors of association of familiarity and demographic traits.

1.3 Research Methodology:

The present study is aimed with following objectives:

1. To understand the familiarity of investors towards various personal financial planners.
2. To understand the association between demographic traits and familiarity towards financial planners.
3. To understand the predictors of familiarity towards financial planners

The study is also planned to test the following hypothesis:

H₀₁: The investors are not familiar with different types of financial planners.

H₀₂: There is no association between socio-economic status of an investor and familiarity towards financial planners.

Selection of Investors:

Based on the classification of Ahmednagar district according to the population size three broad strata as suggested by the District Statistical Authority are as follows

1. Ahmednagar Municipal Corporation
2. Talukas having Municipal Corporations include Rahuri, Shrirampur, Pathardi, Shrigondha, Sangamner, Kopergoan, Rahta..
3. Talukas not having Municipal Corporations Akola, Shevgoan, Parner, Karjat, Jamkhed, Newase.

A sample of 225 respondents was taken from two strata and 150(0.03%) was selected from the Ahmednagar city based on the connivance where by total sample size becomes 722.

In order to capture the variation in the perception regarding the topic under study, individuals of different profession (labors to doctors) were also included in the sample. It also assures the proper representation of various socio-economic groups from city. The structured questionnaire is used as instrument for data collection. The majority questions in the questionnaire were closed and with sufficient number of mutually exclusive and exhaustive options. The analysis of the collected data is carried out using SPSS and MINITAB software and the results are presented in tabular, graphical form.

1.4 Result and Discussion:

The exploratory data analysis using SPSS gives following results.

A1: Age: The age wise distribution of investors is given in Table 1

Table 1.Age wise distribution of investors

no	Age group	Frequency	Percent
1	18-25	0	0
2	25-35	64	0.8
3	35-45	145	1.8
4	45-55	90	1.1
5	55-65	384	53.2
6	Above65	39	0.5
	Total	722	100

Source: Primary Data

From table 1 it is seen that more than 50% investors belong to age group 55-65 years. The overall distribution of age is negatively skewed.

A2: Gender

The data on investment is collected both from male and female investors which is summarized in 2

Table: 2. Gender wise distribution of sampled investors

Gender	Frequency	Percent
Male	663	91.83
Female	59	8.17
Total	722	100

Source: Primary Data

Male dominance is seen in the above sample as prevalent in our social set up where male dominance is seen in financial decision making, income generation and other house hold decision making.

A3: Education

Education is one of the factors which may affect income level as well as investment decision making process. Therefore with a suitable set of options the question was set up in the questionnaire. The information on education level is given in table 3.

Table: 3. Education wise distributions of sampled respondents

Education	Frequency	Percent
Illiterate	52	7.20
Secondary school	196	27.14
Higher Secondary school	162	22.44
Industrial Training	20	2.77
Diploma	123	17.03
Computer education	3	0.41
Graduate or pg	166	22.99
Total	722	100

Source: Primary Data

From table 3 it can be seen that secondary school educated investors are majority (27%) followed by higher secondary (22.44%) and graduate or post graduate (22.99%) respectively. The illiterate class of sample respondent amounts to 7.2%. ITI holders and computer related education respondents are very meager in the sample.

A4: Occupation

As occupation is closely associated with income of an individual therefore the data collected from the investors through suitable options is presented in table 4.

Table 4: Occupation wise distribution of sampled respondents

Occupation	Frequency	Percent
Government service	106	14.7
Private service	177	24.5
Business	130	18.0
Labor	68	9.4
Self employed	8	1.1
Housewife	11	1.5
Farmer	184	25.5
Retired	13	1.8
Other	25	3.5
Total	722	100.0

Source: Primary Data

From table 4 it can be seen that occupation of 25.5% respondents is farming because the present data is collected from rural area. The respondents in the private service are 24.7% those performing

business is 18% whereas government servants are 14.7%. The retired investors are 1.8% and the respondents working on daily wages are 9.4%. Self-employed or house wives are also 1 to 2%.

A5) Gross Monthly Household Income

The response to income of family is tabulated in table 5.

Table 5: Income wise distribution of respondents

Income in Rupees	Frequency	Percent
No response	30	4.2
Up to 25000	400	55.4
25000-35000	157	21.7
35000-45000	76	10.5
45000-55000	34	4.7
Above 55000	25	3.5
Total	722	100

Source: Primary Data

From table 5. it can be observed that 55.4% respondents communicated that their gross monthly household income is less than Rs 25,000/- per month. According to 21.7% and 10.5%

respondents their gross monthly household income is between Rs 25,000-35,000 and Rs 35,000-45,000 per month respectively.

B1) Awareness about types of financial planner

The percentage of investors being aware of financial planners in different demographic factors is tabulated in table-6

Table 6: Demographic factors wise awareness about financial planners in investors.

Awareness about the financial planners	Demographic Factors				
	Age	Gender	Education	Occupation	Income
Yes	89.51 %	89.51%	89.51%	89.51%	89.51%

From table –6 it is seen that investors in different demographic groups are equally aware about the financial planners. The reason of this high level of awareness can be attributed that in Indian set up the new term ‘financial planners’ is not more familiar, in general chartered accountants, insurance

and postal agents and tax consultants are regarded as financial planners, being investors avail the necessary services from them. According to the definition of ‘financial planners’ the figures in table-1 indicates the misperception about it in the society.

B2) Financial Advisors or Planners in Market

The cluster analysis of the response by complete linkage method with 75% similarity generates four clusters

Table: 7 Cluster breakups of perceived financial advisors in market

Cluster number	Financial Advisors
I	Chartered Accountant and Tax consultants
II	Stock broker and Mutual Fund agent
III	Insurance Agent
IV	Postal Agent

Source: Factor analysis using SPSS

The cluster wise summary of response is as follows

Cluster I

❖ According to 18.84% respondents Chartered Accountant and Tax consultants are the present financial planners in market.

❖ The preference of 11.22% respondents goes to Chartered Accountant as financial planner where as that of 7.34% goes to tax consultant. 62.66% of respondents have not

communicated their response regarding planners included in cluster I

Cluster II

- ❖ According to 8.31% respondents Stock broker and Mutual fund agent both work as financial planner in market where as 4.29% and 2.63% respondents prefer Mutual fund agent and stock broker as financial planner respectively. 84.76% respondents have not conveyed any response regarding financial planners included in cluster II

Cluster III and IV

According to 69.39% respondent Insurance agent are present as financial planners in market.

- ❖ According to 49.03% respondents Postal Agents serve the consultancy of financial planners presently. In short major respondent

group prefers Insurance Agent as financial planner.

B3) Association of Age, Gender, Occupation and Gross Monthly Household Income (GMHI) with Familiarity of Financial Planner

As different types of financial planner exist in Indian financial markets the familiarity with a particular different types of financial planner may vary among investors. An attempt has been made to understand in this section whether such familiarity with type of financial planner is a result of differences in age, gender, occupation and GMHI. A chi-square test of association was conducted for familiarity with type of financial planner and above mentioned determinants and also the significant correlation coefficients are mentioned in the following table 8.

Table 8 : Association between demographic traits and familiarity with types of financial planner

Financial Planner	Age	Gender	Education	Occupation	Income
CA	0.203	0.707	0.000 (0.424)	0.000 (-0.347)	0.000 (0.286)
TC	0.696	0.480	0.000 (0.382)	0.000 (-0.332)	0.000 (0.206)
SB	0.629	0.818	0.000 (0.249)	0.000 (-0.163)	0.000 (0.168)
IA	0.000	0.000 (-0.175)	0.120	0.000	0.001 (-0.170)
MFA	0.309	0.843	0.000 (0.275)	0.000 (-0.211)	0.000 (0.223)
PA	0.000 (0.248)	0.031 (-0.080)	0.183	0.000 (-0.093)	0.358

Source: Chi square output using SPSS

From above table it can be observed that

1. Familiarity with Chartered Accountant (CA), Tax Consultant (TC) ,Stock Broker(SB) and

Mutual Fund agent (MFA) as financial planner is associated with Education, Occupation and Income. Moreover it is found that the

familiarity with CA is positively correlated with Education and Income and it can be safely concluded that investors having higher level of Education and Income prefer CA as financial planner.

2. The familiarity of financial planner is independent of age expect in case of Postal agents where it is found to be positively correlated with age. Hence it can be expected that elder investors may prefer Postal Agent as financial planner as investment in post offices is comparatively safer than nontraditional investments.
3. Expect for Insurance agent and Postal agent familiarity of investors with other types of financial planner is associated with Education showing significant positive correlation. It can be concluded with increase in level of education the familiarity with nontraditional type of financial planner increases.
4. The familiarity with type of financial planner is found to be associated with occupation for all types of financial planner.
5. The familiarity with type of financial planner is associated with Income expect for Postal agents with whom all income groups are equally familiar. Further it is observed that apart from Insurance agent familiarity with CA, TC, SB and MFA is positively correlated with Income which means that Investors in higher income group may not prefer Insurance agent as financial planner when compared to CA, SB, TC or MFA.

1.6 Conclusion

The term and business of financial planner is relatively new and evolutionary concept in the Indian society but investors have been availing

financial services from existing financial service providers such as CA, tax consultant and insurance agents. The reason of high level of awareness can be attributed that in Indian set up the new term 'financial planners' is not more familiar, in general chartered accountants, insurance and postal agents and tax consultants are regarded as financial planners, being investors avail the necessary services from them. Different demographic and social factor do play an important role in perception towards these planners. It is observed that perception about the financial planner in different age group is same. Moreover income and education show a high degree of association with perception towards type of financial planners. Also it is observed that under privileged sections of society who are having lesser Income and Education prefer Insurance agent as financial planner. Thus, if awareness towards financial planning and financial planners is to be disseminated to specific income, occupation group then financial planner who enjoy broad recognition across different social strata such as insurance agents can play a greater role on the financial planning horizon of the investors through systematic training. Insurance regulatory (IRDA) can think of orientation of these Insurance agents as financial planner who presently engages in selling of insurance products only.

1.7 Scope and limitations of study

The present study has been targeted at urban investors mostly populated in Ahmednagar city. Further the number of female respondents in the sample was limited. Moreover the perception toward type of financial planner and demographics may be affected due to other variables such as risk appetite and political literacy. Further

investigations such as frequency of association, expectations and satisfaction about role of financial planner along with financial literacy, behavior and risk appetite may be other areas of future studies. The study is limited to Ahmednagar and can be useful in identifying financial advisors and role played by financial advisors for further identification and development of financial planning profession.

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Determinants of Foreign Institutional Investment And Their Relationship Study

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Abstract :

Foreign investment plays an important role in the economic development of a country. In the wake of economic liberalisation policy initiated in 1991, the Government of India has taken several measures to encourage foreign investment, both direct and portfolio, in almost all sectors of the economy.

The flows if these FII in India has been the results of many factors operating at the domestic and global level. Some of the main domestic factors are economic reading of the Indian economy, risk in Indian share market, home biasness, credit rating, price-earnings ratio, infrastructure facility, country risk and other economic factors like (industrial growth, inflation, foreign exchange reserves etc.), politically and economically stable environment., potential for growth opportunities, supportive policies of the host government towards FIIs , orientation towards privatization, more congenial taxation policies, a supportive and enabling investment environment—such as good governance practices, an effective legal system, better Administrative machinery , a suitable regulatory regime and a positive investment climate. And some of the major global factors are performance of other countries, global liquidity, interest rates in global market, tax heaven countries, the drivers in the global market , global crisis, herding mentality in FIIs, and so on.

Keywords: *FIIs, Determinants, Indian stock market.*

1. Introduction:

The flow of foreign capital was restricted by many countries including India till the early 1990s and there was huge dependence upon external financial aid and official development assistance. Gradually, the economies of most of the developing countries were opened by way of dismantling the so called capital controls in order to attract foreign capital, accompanied by domestic capital to speed up the domestic growth, productivity and output. Since then, portfolio

flows from foreign institutional investors (FII) have emerged as a major source of capital for emerging market economies (EMEs) such as China, India, South Africa and Brazil.

Besides, this the substantial increase in foreign portfolio flows since early 1990s can also be attributed to the greater integration among global financial markets, more advancement in information technology and growing interest in EMEs among FIIs such as hedge fund and private equity funds in order to achieve the objective of

diversification in their international investment and also to reduce the risk.

Economic growth is a function of many things like investment, industrialization, capital formation and so on. As FII flows do not create any financial liability and are a source of non-debt capital for the economy, many Emerging

Market Economies have not only been competing with each other but also trying to attract as much flows of foreign capital as possible especially through flexible investment norms/regulations or by even offering fiscal advantages/sops. Further, a decent returns have been assured to foreign institutional investors on their invest thereby enabling them to make regular and sustainable investment flows.

Right from the time the FIIs introduction into the Indian economy, there have been regular discussions on the impact of FIIs flows on the country health esp. the capital market. On the one hand the FIIs flow enhances liquidity of the global capital market, on the other hand they bring down the cost of capital. In spite of all the good points, the FIIs have also been the victim of continuous criticism. The major negative points raised against the FIIs are due to their inherent nature like short term speculative benefits, hot money, herd mentality, return chasing behavior and their impact on the domestic policy making process.

In majority of the researches conducted upon the FIIs, the focus has been on the impact of FIIs flows upon the stock market or vice versa and very less work has been on the FIIs impact on other important economic variables of the Indian economy like foreign exchange market, exchange rate, inflation etc or vice. In the given light, the

relationship study on these variables has been taken with the support of empirical data.

2. Factors Affecting FII Flows in India

FII has been a great support to capital formation in India over the years. On the one hand they have supported domestic savings and on the other hand they have enhanced domestic investment without increasing the foreign debt of the country. However the concept of foreign institutional Investment has come into prominence only after the liberalization of Indian economy in post 1990s period as compared to FDI. And moreover its dynamic nature has also made it difficult to analyse the exact behaviour of FPI. This is one of the reasons that not many research studies have been undertaken on the same. The studies (which so ever) on FIIs have found that a large number of local and global factors have been affecting FII flows to developing countries including India (*Gordan and Gupta2003*).

These empirical studies classify these factors into two broad categories that is, pull (domestic factors) and push (global factors). Pull or domestic factors are those which attract FIIs whereas push or global factors are those which compel the FIIs to move around in with an object to invest its funds and earn better return.

The pull or domestic factors which have been effecting FIIs flows in India include return in Indian share market, exchange rate, economic reading of the Indian economy, risk in Indian share market, home biasness, credit rating, price-earnings ratio, infrastructure facility, country risk and other economic factors like (industrial growth, inflation, foreign exchange reserves etc.), politically and economically stable environment.,

potential for growth opportunities, supportive policies of the host government towards FIIs, orientation towards privatization, more congenial taxation policies, a supportive and enabling investment environment—such as good governance practices, an effective legal system, better Administrative machinery, a suitable regulatory regime and a positive investment climate.

The various push or global factors include performance of other countries, global liquidity, interest rates in global market, tax heaven countries, the drivers in the global market, global crisis, herding mentality in FIIs, and so on. It has also been observed that FII flows pulled by pull factors are more sustainable than the FIIs pushed by push factors; even in the earlier case, sustainability of FII inflows depends on the economic and political stability of the host country along with its continuous regime for reforms in foreign investment. These Push and Pull factors are discussed as follows:

2.2 Domestic Factors or Pull Issues:

Domestic factors are the pulling factors which attract more FIIs investment. Various domestic factors affecting FIIs flows have been discussed as below:

2.2.1 Return in Indian share Market:

This is one of the main factors which FIIs consider while investing. As the main purpose of FIIs is ensure and get the maximum returns on their investment, they always keep an eye on the stock market whose price movement (if estimated correctly) offers good return. A strong correlation (0.94) supporting the above fact was found

between MSCI India Index and FIIs flows in 2006 and 2012 (*Business line 4 May 2013*). Thus, as over the years, Indian stock market offered a good return as compared to other emerging markets, FIIs invested here substantially to earn better return and diversify their portfolio.

2.2.2 Exchange Rate:

It is also one of the most important factors which affect FIIs flows as the ultimate investment by FIIs has to get transacted through the rupee value only. As per the study conducted by *Raju 2010*, rupee appreciation with respect to dollar has had positive correlation with FII flows. The correlation was found to be 0.9 in the financial year 2007 and 2011. For example in the financial year 2011, there was a big loss of rupee depreciation and the result was quite negative in terms of FIIs flows and consequently sensex lost 24.6 percent. But in 2007, when rupee value remained more consistent, it resulted in heavy FIIs inflows into Indian capital market. This positive relationship is due to the fact that more FII inflows lead to more foreign exchange reserves, thereby better balance of payment position and thus affect the rupee value positively.

2.2.3 Economic Reading of the Indian Economy :

Generally FIIs read and study the economic fundamentals of an economy before investing. However some times, more importantly, they also analyse the growth potential of the economy in term of getting better returns and give higher weight to this fact more than the economic fundamentals. This is what which has happened in the Indian economy exactly for the last few years.

For example, in 2009 when the Indian economy showed features of stagnation (6.5 %) , industrial growth also decelerated 2.8 % and wholesale inflation was 8.45 percent as per *Economic Outlook 2010-11*. FIIs inflows (net investment) were as high as Rs 142658 cr. during 2009-10. The same story was repeated in 2011-12. When the India's GDP hovered around 6 to 4.5 percent and industrial production growth down to negative 0.5 percent, FIIs still brought in net Rs 93725 cr.

2.2.4 Risk in Indian Share Market

Another factor that affects FIIs flow in India is the risk perception of FIIs about India as a country and the security market in particular. As per one of the RBI research paper (*Mohan, 2008*), along with sustained momentum in domestic economic activity, positive investment climate, long term view of India as an investment destination and higher return have created a lower risk perception which has attracted more FII flows. It is the result of the same that FIIs net investment flows in India has increased from 7 \$ billion in 1990-91 to 45.8 \$ billion in 2006-07 and further 108 \$ billion in 2008-08. As the FIIs are risk averse they channelize their investment in such a manner that there is maximum return with minimum risk. Thus higher the risk perception less would be the FIIs flows or vice versa.

2.2.5 Home Biasness:

Globally, it has been witnessed that major portion the equity capital of the corporate houses is held by the domestic players. This phenomenon is

called home bias. There are many reasons for the home biasness namely different taxation policy and information asymmetry. Information asymmetry means that information do not float freely in term of time and availability and FIIs are at disadvantage. Under such situation, their (FIIs') investment decisions are guided more by other factors than the equity return. However in case of information symmetry (when information is freely available to domestic investors and foreign investors), FIIs' investment decisions are more guided by the equity returns. As per the *Working Group Report on Foreign Investment 2010*, the home bias of foreign investors against India started getting alleviated by the early 2000 after one decade of India opened its door for FIIs and FIIs flows. And now in the nearby absence of the same, FII have been investing Indian companies.

2.2.6 Credit Rating:

Now days, FIIs have start giving lot of importance to the credit rating given by various international credit rating agencies. As credit is the sign of credit worthiness and a country with high credit can attract more FIIs or vice versa. As per the *Economic Survey 2011-12 by The Ministry of India*, in the financial year of 2011-12, when majority of developed countries were struggling to maintain their credit ratings, two international credit rating agencies (DBRS and Moody's) upgraded the sovereign rating of India. In case of long term government bond the rating has gone up from Ba1 to Baa3 and in case of short term

government loan the rating has gone up from NP to P-3 by Moody's. And as a result FIIs have net invested Rs 30376 cr. till December 2011.

2.2.7 Price Earnings Ratio:

FIIs while investing their funds into a particular country also analyse its price earnings ratio. Normally higher the price earnings ratio of a country, there are more chances of growth of that country. It will also offer better returns which is the main objective of FIIs' investment. The overall price earnings ratio of Indian companies was 23.1 percentages as compared to 10 percent price earning of Brazil in 2005. And the net FIIs flows in India touched the figure of Rs 41663 cr. in that year. (Prasanna, 2005).

2.2.8 Infrastructure Facility:

It has been the experience that a country with better financial market infrastructure facilities namely legal mechanism and control, size of the market, degree of liquidity in the market, trading costs and information availability attract more foreign portfolio investment than otherwise. (Prakash 2012)

2.2.9 Country Risk

This is one another factor which may also have an impact on FII flows. Country risk means the totality of all types of risks existing in a country like political instability, bad economic conditions etc. However when the FIIs foresee a hidden growth potential in an economy, their flows may not get shrunk. (Chakrabarti-2001).

2.2.10 Macroeconomic Issues

In addition to the above mentioned factors there are many other macroeconomic factors which

strongly affect the FII investment strategy in a country including India. These variables are macro policies including capital liberalisation (Khanna, 2002), Industrial growth rate, Inflationary trends, Foreign Exchange Reserves and so on.

3 International factors or Push Issues:

In addition to the above mentioned "domestic factors or Pull Issue", there have been many global factors (also called Push Issues) which have been affecting the flows of FIIs in India. These factors are discussed as follows:

3.1 Performance of Other Countries:

Globally speaking, the flows of FIIs investment also depend upon the performance of various trading groups whose member India happen to be. For example there was a strong correlation found between the flows of FIIs into India and the performance of BRIC countries. As per *BRIC Markets Update of HSBC, Oct. 2010*. Underperformance of Russian and Brazilian capital markets could partly be held responsible for this. During April to Sep. 2010, Brazil GDP growth rate was 1.2 % and Russian equity market continued to under perform and India experienced a large flows of FIIs (Rs 32668 cr.) which boosted its market performance in Sep. 2010.

3.2 Global Liquidity:

This is another factor which has have an impact on FIIs flows in India. As reported by *The Wall Street Journal* (dated 5, 2012), the rise in global liquidity due to the quantitative easing by central banks in Europe and the US, the emerging markets including India has seen lot of money flowing in. Indian capital market received \$ 20 billion from

January to November 2012 which was the second highest since 1993.

3.3 Interest Rate in Global Market:

FII's investment flows in debt instruments depend upon the interest rate prevailing in the world. In order to ensure more borrowings from its country by FIIs, Bank of Japan maintained a low interest policy. For example, in India, the interest rate on 10-year central government bonds was 7.15 % on Oct. 3, 2005, while the same rate was just 4.39 % and 1.57 % in case of USA and Japan respectively (*Expert Group Report on FIIs Flows, GOI, 2005*). As a result a large number of FIIs have borrowed funds from Japan and invested in many growth potential countries like India. In the same manner as the central bank of America has lowered its interest rate, it has also resulted into dollar carry trade and thereby huge FIIs' inflows resulted from USA to India.

3.4 Tax Heaven Countries:

The FIIs flows from the tax heaven countries have been taking place in India esp. in the form of participatory notes. As per SEBI, almost 11 percent of the total investment by FIIs is in the form of participatory notes (P Notes) which are issued by FIIs to the entities outside India esp. in the tax heaven countries like Singapore, Switzerland, Luxemburg, Mauritius and Hong Kong. From Mauritius alone (which enjoys special double taxation avoidance tax treaty), the total AUC (assets under custody) stood at \$ 56 billion as on April 30, 2012. This was followed by \$ 25 billion AUC from Singapore and \$ 17 billion AUC from Luxemburg (*Financial Express, 28 May, 2012*). It is worth noting here that in February 2012, when GAAR (General Anti-Avoidance

Rules) was introduced in the union budget a sharp decline was witnessed in FIIs flows in India. This trend was reversed only the postponement of GAAR. This shows the importance of tax heaven countries in terms of FIIs flows emanating from there.

3.5 The Drivers in Global Market:

Sometimes it has also been observed that FIIs are more influenced by the timing of better economic growth in their domestic countries rather than the domestic fundamentals of the host countries. The reason for the above proposition can account for the fact that FIIs after earning good returns also prefer to diversify their investment and explore economies with hidden growth potential. For example, in 2010, the better flows from USA also coincide with the fact that during that year USA economy experienced a positive growth of 2.33 percent from the negative growth of - 3 percent in the previous year. The same trend was witnessed in 2012 in case of USA and Japan also. When USA experienced an increase of 0.4 percent in its growth rate and Japan experienced an increase of 2.5 percent. But at the same time, India's growth went down. However FIIs flows in the last year touched \$ 19 billion. (*Business line 4 May 2013*).

3.6 Global Crisis:

Global crisis is another factor which has affected FIIs flows in India. For example though the crisis of East Asian Currency affected the most five countries namely Malaysia, South Korea, Indonesia, Thailand and Philippines, its effects were also felt in India. On the same line the subprime crisis which originated in USA have had a big hit on the FIIs flows in India. During that

year sensex crumbled like anything, it lost 56 percent, from above 20873 on 8 January 2008 to 9093 on 28 November 2008. And there was \$ 55000 crore outflows by FIIs from Indian stock market in that year alone (*Joseh, 2009*)

4 Conclusions

For exploring the determinants of FIIs investment, FIIs net investment has been modelled by including, both financial and macro-economic variables operating at the national as well as global level. The flows of FIIs is not the results of few factors dominating the national and international environment rather FIIs flow depend on numerous factors which can be defined as pull and push factors. Amongst the pull or the domestic factors, return in Indian Stock market, unstable exchange rate, economic readings of the Indian economy by the potential FIIs, risks in the Indian stock market, home biasness, credit rating of the country by various credit rating agencies, price earnings ratio, infrastructure facilities available in the host country, country risk index and many other economic factors like corporate governance practices, macro level economic policies, industrial growth, inflationary trends, foreign exchange reserves are some of the prominent determinants affecting FIIs' flows. Amongst the push or global factors, performance of other countries, global liquidity scenario, interest rate flowing in the international market, countries being designated as tax heavens, various drivers in the global market and even the global crisis are

some of the main determinants affecting the flow of FII. As discussed above there are so many factors or determinants affecting FIIs flows, nothing substantial can be done about that, the government should ensure that FIIs do come, invest in the Indian economy and the investment made by them to be channelized in the right direction.

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Dimensions Of Total Quality Management: With Reference To Construction Workers In Larsen & Toburo Limited, Chennai

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Abstract

The paper highlighted Total Quality Management [TQM] in construction workers. It emphasis on respondents variations in total quality management. The researcher circulated 100 questionnaires randomly to the employees. The tool used for collecting data is a well-structured standard questionnaire. The data has been collected with this questionnaire by approaching directly the employees. The results revealed that responders differed in total quality management in construction field.

Keywords: *Total Quality Management [TQM], Employees, Labour Welfare, Company, Safety*

Introduction

The dictionary has many definitions of quality. A short definition that is widely accepted is: Quality is customer satisfaction. Quality is a relative term, generally used with reference to the end-use of a product. For example, the gear used in the sugarcane juice-extracting machine may not possess good surface finish, tolerance and accuracy as compared with the one used in the headstock of a lathe. Yet, it may be considered as having good quality. Quality should be aimed at the needs of the consumer, present and future (Edwards Deming). According to ISO 8402, quality is “the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs”. Quality management is the process of identifying and administering the activities needed to achieve the quality objectives of an organisation.

The most important thing the management looks for in a suggestion is whether it will improve any of the operations in the firm. If the employee's suggestion is found to be of direct value the value is a pay-off to the industry for operating the suggestion system and the suggestion awards a pay-off to the employee for his/her contribution. Besides these values, it is quite possible that the employee gets a stronger feeling of personal achievement, which is an excellent by product. The scheme helps the management to know of the bright, intelligent and alert employees and the department they are working in.

Earlier Studies

The study has undergone the appropriate reviews, they are; **R. Najeed (2009)** conducted a study on Labour Welfare measures in Tanjore Corporation Spinning mills Manalmedu. The main objective of his study is to identify the worker welfare

measures and to analyze the problems in the implementation of welfare measures be identified the need for improved working condition. The study concluded with the canteen, medical facility also not satisfactory. I recommend relating to better provision of First aid, Water supply, Crèches and canteen inside the factory establishment. A study on quality circle activities in Neyveli Lignite Corporation Ltd-Neyveli was conducted by **Thirunavukarasu (2010)**. The study gives a complete picture about the growth and development of quality circle movement in NLC Ltd. The size of the sample was 164 executives working in production and service with at various designation. They were all selected randomly. The collected data were analysed. The results shows that quality should be maintained by the efforts of creative and dedicated people involved.

Another study entitled on “A study on the quality assurance practices” of Madura Industrial Textiles. This study was conducted by **M.Ganeshkumar (2012)**. The study was conducted in the quality assurance department. Quota sampling technique was adapted. The size of the sample was 100 executives. The research analysis found that. The testing instruments which is one of the mean for quality assurance must be employed with the latest technology in innovation to derive maximum efficiency. Regarding the instruments, nearly most of them are very old and also some of them are outdated. Some of the instruments in place of the

existing ones, by gaining the knowledge from the other private mills. The study identifies that there is a gap on measures of labour welfare, technical knowledge, co-ordination issues and conscious in safety. Hence the study is undertaken.

Research Objectives

The following objectives are framed for the purpose of present study.

- To analyses the employees quality of conscious in labour welfare co-ordination with management and theoretical issues.
- To emphasis the employees quality of conscious in technical knowledge and in safety.

Research Methodology

In research methodology, we study the various steps that are generally adopted by a researcher in studying this research problem along with the logic behind them. The research study is done at the Larsen & Toburo Ltd., Refinery III expansion project in CPCL site at Manali, Chennai-68 .The objectives of the study have a wide scope. The results of the study may be effectively helpful in maintaining the quality of work in the organization. The study may be beneficial both to the employees and the management. The employees may get an idea of how to maintaining quality in different areas. They would better take preventive steps by wasting the raw materials and also avoiding the welding repairs. This will result in the overall performance of the company.

Need of the Study

The need of the study has a wide scope. The results of the study may be effective and helpful in maintaining the quality of the work in the organization. The study may be beneficial to both the employees and the management. The employees may get an idea of maintaining the quality in different areas. This will result in the overall performance of the company.

Method of Data Collection

The researcher has contacted each employee and collected the necessary data by employing a well-structured interview schedule. Respondents are encouraged and motivated to give a free and frank reply. Establishing a good rapport with the respondents has helped in carry out the data collection. The respondents have extended

full cooperation in successful data collection. The researcher circulated 100 questionnaires randomly to the employees. The period of data collection was held during May 2013 to July 2013.

Limitations of the study

1. The employee population was quite large and there was not much scope for getting the feedback personally.
2. There is also the constraint of time that made it impossible to make a keen and detailed study.
3. For this study certain key factors influencing the maintaining the quality at work place and limited personal factors were considered for analysis.
4. The response given by the employees might have been overlapped due to various related factors spread over the questionnaire.

Discussion and Results

Table 1: Inter correlation for employees' demographic variables and their overall quality conscious in TQM

Demographic variables	Overall quality conscious in TQM
Age	0.32**
Designation	0.39**
Monthly income	0.27*

Source: Computed from Primary Data.

**. Correlation is significant at the 0.01 level

*. Correlation is significant at the 0.05 level

Table 1 shows the correlation between employees demographic variables and Total quality Management. It is inferred from the above table

that employees age is positively and significantly correlated (0.32) and designation is also positively and significantly correlated (0.39) and monthly

income is positively and significantly correlated (0.27) with over all quality conscious in TQM. Among the variables, designation is highly

correlated. So designation is more influencing variables.

Table 2

Inter correlations between employees' age and quality of conscious in Labor welfare, co-ordination with management, Technical and Theoretical knowledge and safety

Quality conscious	Age
Labour welfare	-0.1190*
Co-ordination with management	0.1556*
Technical knowledge	-0.0239
Theoretical knowledge	-0.3157**
Safety	-0.3322**

Source: Computed from Primary Data.

**. Correlation is significant at the 0.01 level

*. Correlation is significant at the 0.05 level

It is evident from the Table 2, that age is positively correlated with conscious in co-ordination with management (0.1556) and labour Welfare is negatively correlated but significant (-0.1190). Technical knowledge is

negatively correlated and also non significant (-0.0239). Theoretical knowledge is negatively correlated but significant (-0.3157) and safety is negatively correlated but significant (-0.3322). Therefore, age is influenced with quality of conscious in safety and theoretical knowledge

Table 3

Inter correlations between employees' designation and quality of conscious in Labour welfare, co-ordination with management, Technical and Theoretical knowledge and safety

Quality conscious	Designation
Labour welfare	-0.3000*
Co-ordination with management	0.0904
Technical knowledge	0.0579
Theoretical knowledge	-0.1060
Safety	-0.3499*

Source: Computed from Primary Data.

*. Correlation is significant at the 0.05 level

The Table 3 infers that labour welfare is negatively correlated but significant (-0.3000) further designation is positively correlated with co-ordination with management (0.0904). Technical knowledge is positively correlated

(0.0579) but theoretical knowledge is negatively correlated but non-significant (-0.1060) safety is negatively correlated but significant (-0.3499). Therefore designation is influenced with quality of conscious in labour welfare and safety

Table 4

Inter correlations between employees' income and quality of conscious in Labour welfare, co-ordination with management, Technical and Theoretical knowledge and safety

Quality conscious	Income
Labour welfare	-0.0857
Co-ordination with management	-0.0091
Technical knowledge	0.2160*
Theoretical knowledge	-0.2292*
Safety	-0.2066*

Source: Computed from Primary Data.

*. Correlation is significant at the 0.05 level

Table 4 signifies that labour welfare is negatively correlated but non-significant (-0.0857) and co-ordination with management is negatively correlated (0.2160), Theoretical knowledge is negatively correlated but non significant (-0.0091). Technical knowledge is positively correlated (0.2160), Theoretical knowledge is negatively correlated but both are significant (-0.2292) safety is negatively correlated but significant (-0.2066). Therefore income influenced the quality conscious in technical, theoretical and safety.

Policy Implications

The following suggestions are arrived from the research findings. They are mentioned here. The

helper has little knowledge in technical as well as theory. So the organisation conduct special training program related to TQM. Further some of the employees are not aware of safety. So the organisation tries to conduct safety training program. This will helps to the employees to work without any accident. Regarding labour welfare few employees are not satisfied. Therefore the organisation try to provide and improve welfare measures further. This will motivate the employees to do their work efficiently. Thus quality of work is to be maintained. Further the higher authorities identify the employees need related with job and provide facility to improve them. The superiors' also proper appreciation to

the employees, so that it will motive the employees to do their work with quality.

Conclusion

To conclude that the present study aimed to know the employees opinion about total quality management related to job. The questionnaire is prepared and the same one is circulated to the employees. The sample size is 100. They are selected randomly. Some objectives and hypotheses are also framed by the researcher. To test the hypotheses, certain statistical tool correlation is applied. Therefore the research analysis found that few of the employees have not conscious with quality of labour welfare, co-ordination with management, safety, technical and theoretical knowledge.

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EVA – Is it the most potent platform for Planning and Performance Measurement?- A Critical Overview

Kingsuk Sengupta¹

Abstract

In Corporate Finance, Economic Value Added or EVA is an estimation of economic profit. The concept of EVA in other sense is nothing more than the conventional idea of "profit." Nevertheless, the utility of having a separate and more precisely defined term such as EVA or Residual Cash Flow is that it makes a clear separation from dubious accounting adjustments that have enabled businesses such as Enron to report profits while in fact being in the final approach to becoming insolvent. EVA can be measured as Net Operating Profit After Taxes (or NOPAT) less the money cost of capital. The amortization of goodwill or capitalization of brand advertising and other similar adjustments are the translations that can be made to Economic Profit to make it EVA. The EVA is a registered trademark by its developer, Stern Stewart & Co. It is a performance metric that calculates the creation of shareholder value. It distinguishes itself from traditional financial performance metrics such as net profit and EPS. EVA is the calculation of what profits remain after the costs of a company's capital - both debt and equity - are deducted from operating profit. The idea is simple but rigorous, true profit should account for the cost of capital. To understand the difference between EVA and net income, let's use an example based on a hypothetical company, Sanjay's Chinese Restaurant. Sanjay earned Rs.100,000 on a capital base of Rs.10,00,000. Traditional accounting metrics suggest that Sanjay is doing a good job. His company offers a return on capital of 10%. However, Sanjay has only been operating for a year, and the market for Chinese food still carries significant uncertainty and risk in a rural town where Sanjay operates. Debt obligations plus the required return that investors demand for having their money locked up in an early-stage venture add up to an investment cost of capital of 13%. That means that, although Ray's is enjoying accounting profits, the company lost 3% last year for its shareholders. Conversely, if Sanjay's capital is Rs.100 million - including debt and shareholder equity - and the cost of using that capital (interest on debt and the cost of underwriting the equity) is Rs.13 million a year, Sanjay will add economic value for his shareholders only when profits are more than Rs.13 million a year. If Sanjay earns Rs.20 million, the company's EVA will be Rs.7 million. The analysis also involves a study of implementation of EVA in NIIT, which was one of the early adopters of EVA in India.

Keywords: Minimum Profit; Net Operating Profit after Tax; Invested Capital; Cost of Capital; Market Value Added

I. Introduction:

Simply defined EVA is the economic profit that remains after deducting the cost of all the capital employed (both debt and equity capital) in the business to generate the operating profits. From a

commercial standpoint, Economic Value Added (EVA) is the most successful performance metric used by companies and their consultants. Although much of its popularity is a result of able marketing and deployment by Stern Stewart, owner of the

trademark, the metric is justified by financial theory and consistent with valuation principles, which are important to any investor's analysis of a company. Developed by the management consulting firm Stern Stewart, EVA really caught fire in the 1990s. Big corporations, including Coca-Cola, GE and AT&T, employ EVA internally to measure wealth creation performance. In turn, investors and analysts are now scrutinizing company EVA just as in the past they observed EPS and P/E ratios. Stern Stewart has gone so far as to trademark the concept. In India companies like Infosys, HUL, Tata, Dr. Reddy's Laboratories, BILT, Crompton Greaves, NIIT, Godrej Consumer Products Ltd etc. has made EVA a part of their annual reports.

II. What Does Economic Value Added (EVA) Mean?

A measure of a company's financial performance based on the residual wealth calculated by deducting cost of capital from its operating profit (adjusted for taxes on a cash basis). It is also referred to as "economic profit". The formula for calculating EVA is as follows:

$$= \text{NOPAT} - (\text{Invested Capital} \times \text{Cost of Capital})$$

Where,

NOPAT (Net Operating Profit After tax) refers to the earnings left over after deducting all operating expenses, including depreciation and taxes, but excluding interest.

Invested Capital is the money invested in the business and includes both fixed assets and net working capital required to manage the business.

The Cost of Capital is the weighted average of returns that lenders and shareholders would expect to receive each year if their money were invested elsewhere.

So, EVA can be defined as the rupee amount arrived by taking a business unit's net operating profit after taxes, minus a charge for the use of capital needed to generate that profit, hence a business unit creates value only when its profits exceed the charge for the capital it uses.

This measure was devised by Stern Stewart & Co. Economic value added attempts to capture the true economic profit of a company.

III. Illustrating the EVA concept – Restaurant Story

Suppose we have invested a sum of Rs. 3,00,000 to start a restaurant business. The return that we could have earned (Opportunity Cost) by investing in an investment fund is say 15% per annum. So, the annual income that we could have generated through the investment fund is Rs. 45,000 per year. Let us also assume that the annual income is exempted from taxes.

At the end of the year, our restaurant business shows the following results:

Particulars	Amount
Sales	Rs. 2,00,000
(Less) Operating Expenses	Rs. 1,50,000
Profit Before Tax	Rs. 50,000
Taxes @ 35%	Rs. 17,500
Profit After Tax	Rs. 32,500

Our Actual profit in the restaurant (after paying taxes) is Rs. 32,500. However, if we had kept our money in investment fund, we could have

expected to make Rs. 45,000 in profits. Since we expected to earn Rs.45,000 by keeping our money in the investment fund, we should require at least an equivalent sum of profit from the restaurant. This expectation is called Minimum Profit.

Therefore, the true profitability of the restaurant can be calculated as follows:

Actual Profit	Rs.	32,500
(Less) Minimum Profit	Rs.	45,000
= Our Economic Value Added	Rs.	-12,500

Going by the above illustration EVA can also be defined in following terms:

“The amount by which our actual profit exceeds or falls short of our minimum profit is our Economic Value Added or EVA.”

III. “Economic Value Added (EVA) Is a Performance Metric” -

A performance metric refers to a measure under company control, such as earnings or return on capital. A *wealth metric*, on the other hand, is a measure of value that - such as equity market capitalization or the price-to-earnings (P/E) multiple -depends on the stock market's collective and forward-looking view. Now, although these two types of metrics are distinct, they are related.

Below is a chart listing a few performance metrics and their corresponding wealth metrics. It can be noted that Economic Value Added (EVA)’s corresponding wealth metric is Market Value Added (MVA).

Performance metric	Wealth metric
Return on Equity (ROE), EPS growth	P/E Ratio
Return on Capital (ROC or ROIC), Operating Income Growth	Ratio of: Entity value ÷ EBITDA
Economic Value Added (EVA)	Market Value Added (MVA)
Free Cash Flow	Equity Market Capitalization (price x common shares outstanding)
Cash Flow Return on Investment (CFROI)	Total Shareholder Return (TSR)

Exhibit I: Performance metrics and their corresponding wealth metrics

IV. How is EVA superior to other measures of financial performance?

- As financial measure, EVA measures the value we create for our shareholders more reliably than other financial measures, such as Return on Equity (ROE) or Earning per Share (EPS).

While conventional measures have their uses, they also have their limitations:

- They provide little evidence of a consistent correlation to stock price.
- They are impacted significantly by company specific accounting policy.

- They fail to take into account all of the costs associated with obtaining with capital needed to operate and expand the business.
- The power of EVA comes from the fact that it marries both the income statement and the balance sheet and reflects the economic reality
- EVA vs. MVA

The true measure of wealth creation of a Company is Market Value Added (MVA). MVA can be calculated as:

$$\text{MVA} = ((\text{Outstanding Shares} \times \text{Share Price}) + \text{Market value of preferred stock} + \text{Market value of Debt}) - \text{Total Capital}$$

So, MVA is the difference between the capital put into business by the investor and the value of the business today. It tells us how much wealth has been created or destroyed by a company relative to the shareholder's investment.

However, MVA being an 'external' stock market based measure, is susceptible to the volatilities of the stock market. Also it does not provide any tangible link to the operations and fundamental drivers within the company that influence value creation.

Thus MVA is not a practical measurement criterion for period to period performance. This is where EVA enters to assist the operating managers to take the right decisions that create value. EVA tells us how much shareholder wealth the business has created or destroyed in a given time period (be it a quarter or year).

- EVA vs. Accounting Profit Measures

after eliminating accounting distortions. It helps managers to see the income statement and balance sheet tradeoffs and take decisions that lead to improving efficiency and value creating growth.

Conceptually, EVA is superior to accounting profits as a measure of value creation because:

- It recognises the cost of capital and, hence, the riskiness of a firm's operations.
 - Maximising EVA can be set as a target, while maximising any accounting rate of return leads to an undesired outcome.
 - EVA vs. Return on Capital Measures
- The variants of Return on Capital measures include Return on Investment (ROI), Return on Invested Capital (ROIC), Return on Asset (ROA) etc. The main shortcomings of all these rates of return are:
- They ignore the definite requirement that the rate of return should be at least as high as the cost of capital.
 - Secondly, these do not recognize that shareholder's wealth is not maximised when the rate of return is maximised. Shareholders want the firm to maximise the absolute return above the cost of capital and not to maximise percentages.

V. Example of EVA implementation in some of the Foreign and Indian Companies:

- Georgia Pacific: Atlanta based Georgia – Pacific is indulged in manufacturing and supplying tissue, packaging, paper, building products, pulp and related chemicals reintroduced EVA in 1995 after dropping it years ago.
- Albany International: Albany International supplies the worldwide pulp and paper industry as well as other industries with technologically sophisticated structured materials and related services adopted EVA in the 1990s.
- Tata Consultancy Services (TCS): TCS is the oldest and one of the most valued enterprise in India's IT pantheon. As it scales up to become one of the top 10 global IT firms, TCS's adoption of EVA is helping it to survive in this intensely competitive business.
- Godrej Consumer Products Ltd.: At GCPL, EVA is used not only as a financial tool but also a way of structuring performance-linked variable remuneration.
- NIIT: NIIT, which was amongst the first companies to introduce EVA, did so in 1997.

Implementation of EVA in NIIT:

- EVA was implemented in NIIT for two reasons:
 - First, key financial linkages between organisation and employees were lacking.

There was no correlation between an employee's contribution and the benefit to the company.

- Secondly, a need was felt to measure performance across countries.
- *How NIIT went about it:* The management realised that successful implementation needed all employees to be in the loop. They distributed brochures and newsletters on EVA, created web pages and made EVA FAQs. The program was implemented in four stages. In the first stage, a robust EVA measurement system was instituted which generated monthly reports across businesses and geographies. In second stage, NIIT introduced an EVA-based Investment Decision and Capital Budgeting framework. The third stage linked EVA with personnel compensation practices – contribution to the bottom-line would determine an employee's take-home salary. In the final stage, EVA was introduced into the company's planning and goal setting processes.
- Results:

The results of 'EVA at work' in its first year were staggering; productivity improvements and improved asset usage ratios culminating in a 114% improvement in EVA in 1997-98. NIIT's EVA has consistently risen except in 2001, when it dipped due to a major increase in its cost of capital.

Year Ending 30th September	1997	1998	1999	2000	2001
Capital Employed	279.30	350.30	401.30	450.40	654.00
NOPAT	77.00	117.90	133.00	155.10	235.00
ROCE (%)	21.30	28.50	30.40	34.40	36.00
COCE (%)	19.00	19.00	19.70	17.80	25.30
EVA	23.93	51.34	53.94	74.93	69.54

Exhibit II: Five years EVA of NIIT from its implementation

* Unless otherwise mentioned, all figures are in Rs. Crore

Source: BT-Stern Stewart and NIIT Annual Reports

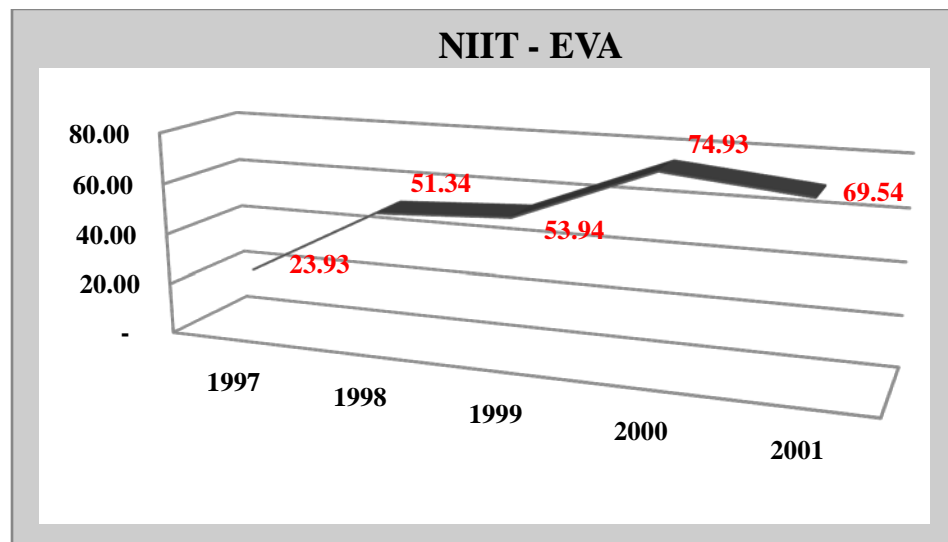


Fig. A: Five years EVA of NIIT from its implementation

Source: BT-Stern Stewart and NIIT Annual Reports

Capture and reporting of financial information have now penetrated deeply into the company. Budgeting and review processes now revolve around EVA. The idea of 'EVA drivers' was adopted; resulting in breaking down of the different processes into components and making an individual its owner. For example, the revenue generation process was broken down into several components, one of which was 'collection'. The manager owning this driver would be responsible for ensuring an efficient collection mechanism

thereby contributing to EVA. His compensation would depend on incremental EVA and be proportional to the results achieved and not efforts. NIIT's SAP system, gives it EVA per centre, enabling it to link the variable component of employee's salaries to EVA.

VI. Conclusions:

Economic Value Added (EVA) answers the key question: Is the company creating value for its shareholder? By focusing effort and resources on business opportunities that can earn a return

greater than the cost of capital, EVA enables a company to make decisions on how and where to allocate resources. Its acceptance by some leading companies whether it is an Indian or a foreign company and also its superiority to other measures of financial performance as revealed above, suggests EVA's potency as a platform for Planning and Performance Measurement. Following are enumeration of some additional aspects of EVA which further cements its position as an effective Planning, Performance Measurement and Incentive compensation tool:

- EVA answers the key question: Is the Company creating real value for its Shareholders? By focusing effort and resources on business opportunities that can earn a return greater than the cost of capital, EVA enables a company to make sound decisions on how and where to allocate resources.
- Measures the fundamental economic profitability from the owner's perspective:
 - Improves upon conventional measures of business performance like Earning Per Share (EPS), Return on Capital Employed (RoCE), etc.
 - Includes a benchmark for the required Return on Capital Employed in the business, which includes both debt and equity.
- Captures the four fundamental strategies to improve performance and create value:
 - Enhance Operational Efficiency to augment operating profits on existing capital deployed in the business.
 - Deploy capital where increased profits will be more than the cover charge for additional capital.
 - Rationalize investments in operations that cannot generate returns greater than the cost of capital.
 - Minimize the weighted average cost of capital through judicious financial strategies.
- Serves as a common focus, language and mission across our entire organisation for:
 - The EVA measure is simple and can be used as a 'common language' across the organisation.
 - Setting goals at Company, Functional and Individual level
 - Evaluating Strategies
 - Reviewing Capital Projects
 - Measuring and rewarding performance
- It challenges a company to closely examine its business operations with an eye towards increasing productivity, containing costs, eliminating waste, and channelizing investments into areas that can earn returns above the cost of capital.
- EVA captures the financial impact of all the decisions made within the organisation, hence by focusing on a singular goal of improving EVA over the long term, organisations can estimate whether they are on the track towards wealth creation. Whether the EVA is absolute positive or negative is not the most pertinent issue, what matters most is the improvement in EVA.

- It provides timely feedback to management to positively influence organisational behaviour and encourage value-based decision making in the company.
- If we had to rely on only one single performance number, EVA is probably the best because it contains so much information: EVA incorporates balance sheet data into an adjusted income statement metric.
- Economic profit works best for companies whose tangible assets (assets on the balance sheet) correlate with the market value of assets - as is often the case with mature industrial companies.

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Role of Empowered women in empowering women: Case of Udyogvardhini Solapur

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Abstract:

The research paper highlights the role of empowered women in empowering women. This option of women empowerment is not given enough attention. There are many empowered women in society who are helping other unprivileged women around them, and there are many empowered women who want to contribute their service for the cause of women reformation. But due to lack of sufficient motivation and guidance they are reluctant to initiate their efforts. This research paper will set the yardstick for the empowered women in India to come forward and involve themselves for the cause of women empowerment as per their capacity and ability. The research paper discusses the case study of Udyogvardhini, a NGO in Solapur city. This movement was started by Mrs. Chandrika Chouhan, who was very much determined to liberate women from poverty and hunger by creating different business opportunities. This organization is helping the unprivileged women in society from last 18 years. Till today more than 17000 women have been rehabilitated by this organization and they are successfully leading their lives through different self groups and further empowering other women in society. This research paper is tribute to Mrs. Chandrika Chouhan and other such women who sacrificed their life for women reformation.

Keywords:- Women empowerment, Empowered women, Government initiatives.

Introduction

On a day like 8th March, we always address ourselves into the various problems that the women face and what needs to be done so that they are able to fulfill some of the dreams and targets that they have set forth for themselves in the society's framework. There are many opportunities and source for women empowerment. *The list of such opportunities is too long to document but one major resource is the women who are*

empowered. The empowered women can truly understand the problems of the women and can concretely work for women empowerment. This research paper mainly highlights the issue of empowerment of women through empowered women. Many empowered women in India are working for the cause of Women empowerment. Few are known and popular and many are not even known to us because they are silently doing their work not for publicity but for cause.

This research paper talks about two such women from small cities of Maharashtra who are doing really appreciable work for women empowerment and not expecting anything out of it.

Women Empowerment

In the simplest of words it is basically the creation of an environment where women can make independent decisions on their personal development as well as shine as equals in society.

Women want to be treated as equals so much so that if a woman rises to the top of her field it

should be a commonplace occurrence that draws nothing more than a raised eyebrow at the gender. This can only happen if there is a channelized route for the empowerment of women.

Thus it is no real surprise that women empowerment in India is a hotly discussed topic with no real solution looming in the horizon except to doubly redouble our efforts and continue to target the sources of all the violence and ill-will towards women.

Crimes against Women

The crimes against women fly directly against orchestrating women empowerment in India. A report on the crimes against women by the National Crime Records Bureau comes up with some alarming statistics:-

Sr. No.	Crime Head	Year 2006	Year 2007	Year 2008	Year 2009	Year 2010	Year 2011	Year 2012	% Variation in 2012 over 2011
1	Rape (Sec. 376 IPC)	19,348	20,737	21,467	21,397	22,172	24,206	24,923	3.0
2	Kidnapping & Abduction (Sec. 363 to 373 IPC)	17,414	20,416	22,939	25,741	29,795	35,565	38,262	7.6
3	Dowry Death (Sec 302/304 IPC)	7,618	8,093	8,172	8,383	8,391	8,618	8,233	-4.5
4	Torture (Sec. 498-A IPC)	63,128	75,930	81,344	89,546	94,041	99,135	1,06,527	7.5

Sr. No.	Crime Head	Year 2006	Year 2007	Year 2008	Year 2009	Year 2010	Year 2011	Year 2012	% Variation in 2012 over 2011
5	Molestation (Sec. 354 IPC)	36,617	38,734	40,413	38,711	40,613	42,968	45,351	5.5
6	Sexual Harassment (Sec. 509 IPC)	9,966	10,950	12,214	11,009	9,961	8,570	9,173	7.0
7	Importation of Girls (Sec. 366-B IPC)	67	61	67	48	36	80	59	-26.3
8	Sati Prevention Act, 1987	0	0	1	0	0	1	0	-100.0
9	Immoral Traffic (Prevention) Act, 1956	4,541	3,568	2,659	2,474	2,499	2,435	2,563	5.3
10	Indecent Representation of Women (Prohibition) Act, 1986	1,562	1,200	1,025	845	895	453	141	-68.9
11	Dowry Prohibition Act, 1961	4,504	5,623	5,555	5,650	5,182	6,619	9,038	36.5
	Total	1,64,765	1,85,312	1,95,856	2,03,804	2,13,585	2,28,650	2,44,270	6.8

Government Initiatives to Empower Women

Ministry for Women & Child Development:-

The Ministry for Women & Child Development was established as a department of the Ministry of Human Resource Development in the year 1985 to drive the holistic development of women and

children in the country. In 2006 this department was given the status of a Ministry, with the powers to:-

Formulate plans, policies and programmes; enacts/ amends legislation, guiding and coordinating the efforts of both governmental and non-

governmental organisations working in the field of Women and Child Development.

It delivers such initiatives such as the Integrated Child Development Services (ICDS) which is a package of services such as supplementary nutrition, health check-ups and immunisation. As mentioned earlier, the empowerment of women begins with their safety and health and this Ministry is committed to providing them.

Swayamsidha Programme

Additionally, the Ministry is also implementing the [*Swayamsidha*](#) programme – an integrated scheme for the empowerment of women at a total cost of Rs. 116.30 Crores. Core to this programme will be the establishment of women's self-help groups which will empower women to have increased access to all kinds of resources that they are denied, in addition to increasing their awareness and skills. This programme will benefit about 9,30,000 women with the setting up of 53,000 self-help groups, 26,500 village societies and 650 block societies.

National Commission for Women

The National Commission for Women is a Department within the Ministry of Women and Child Development. It was set up exclusively to help women via the Constitution – by reviewing Legal and Constitutional safeguards for women, recommending remedial legislative measures, by facilitating quick redressal of grievances and by advising the Government of India on all policy matters affecting women.

The website allows for online submission of complaints and fast redressal exclusively for women. Additionally it is also a good resource of information for women and the Commission is committed to helping out women in need.

Udyogvardhini

Udyogvardhini has become a new hope for women in Solapur and is the only women's team efficient enough to extend all possible help required by any individual. Till date several domestic and other complicated issues have been addressed by Udyogvardhini, the intervention has helped fast resolution and relief.

Udyogvardhini started by one of the very common women of Solapur, Mrs. Chandrika Chouhan from a middle class Marwadi family of Solapur. She used to inspire women to get indulged into activities which will improve their standard of living and supported to implement various governmental schemes as well. Later on, this initiative created a huge impact upon society and many women got associated with Udyogvardhini for their own benefit. Today, more than 7000 women are associated with Udyogvardhini, and they have a feeling of having one family; a family that cares about everyone in the society.

Udyogvardhini' Discovering Entrepreneurship Talent among Women

Udyogvardhini comprehensively works for women's empowerment by encouraging the hidden entrepreneur in them by setting up self help groups. Udyogvardhini has become a new hope for women in Solapur and is the only women's team

efficient enough to extend all possible help required by any individual. Its aim is to help the women start their own small scale units so as to generate employment amongst the women. Till date several domestic and other complicated issues have been addressed by Udyogvardhini, the intervention has helped fast resolution and relief. Udyogvardhini had succeeded in supporting various individual women and self help groups to grow up as an entrepreneur. Cottage Industries which can be started within domestic resources are encouraged by Udyogvardhini. Training for various opportunities is organized on a regular basis. Support in terms of managing the activity along with further development and marketing is also extended. Till date, more than 700 SHG are running various business activities in Solapur.

Self Help Group

Self Help Group helps women to save money in their daily routine, which collectively acts as a sufficient resource to fund each other. Trifle financial requirement of these women can be fulfilled by SHG; else for any financial need they had to depend upon the moneylender which ultimately lands them up in a vicious cycle.

Small savings are collectively deposited in a bank account specially opened for SHG. Depending upon the collected funds and their financial transactions within group, these groups are then extended further financial and other support to venture any business activity. Many of the rural

women have gained a sense of achievement even by saving a small amount.

Micro Entrepreneurship

Udyogvardhini had succeeded in supporting various individual women and self help groups to grow up as an entrepreneur. Cottage Industries which can be started within domestic resources are encouraged by Udyogvardhini. Training for various opportunities is organized on a regular basis. Support in terms of managing the activity along with further development and marketing is also extended.

Till date, more than 600 women are running various business activities in Solapur. Lokmangal group which owns a chain of retail outlets and malls, support in terms of distribution of the products made by SHGs.

Economic Empowerment

Finance plays a vital role in today's fast moving world, especially for women who manage the whole family. Generally the sole bread earner in family is a male, but the domestic requirements are encountered by women. A woman has to play smart in terms of expenses by prioritizing things depending upon the nature.

Concurrently, if the woman has her own source of income which would add up to the family income, then it would definitely act as a supplement. Through various initiatives, Udyogvardhini has provided an opportunity for many women to earn some extra money by making use of skills and knowledge, in their spare time.

Support for deprived women

On various situations a women is found unaccompanied, isolated and challenged due to domestic and social problems. Udyogvardhini, with the help of Pakhar Sankul, which is a sister organization, extends all possible legal and other support to deprived women. Counseling and if required, even legal aid is provided by the organization.

Training

Self employment training is provided in trades such as beauty parlour, bhaakri making, book binding, catering, fire wood selling, grocery, tailoring, groundnut chutney making, gift items, handicrafts, etc. 25 women per batch get the training in quilt making, provided they should know basic tailoring work. A quilt measuring 6 ft x 6 ft is completed in 2 days, but the batch completes 45 quilts in just 45 days which is remarkable. All these quilts are exported to US and UK. Besides this, training is also provided in chalk making, incense sticks making, cookery, dress material, rangoli, etc.

Such stories of women empowerment inspire every empowered woman to come forward and contribute their efforts for women empowerment. What it needs is a sheer willpower to work for women around them. The empowered women can better understand the problems of women and therefore can truly do the empowerment of the women around them.

India as a country is still recovering from years of abuse in the time of the Raj and more years of

economic suffering at the hands of the License Raj. It is only now that globalisation, liberalisation and other socio-economic forces have given some respite to a large proportion of the population. However, there are still quite a few areas where women empowerment in India is largely lacking.

To truly understand what women empowerment is, there needs to be a sea-change in the mind-set of the people in the country. Not just the women themselves, but the men have to wake up to a world that is moving towards equality and equity. It is better that this is embraced earlier rather than later, for our own good.

Swami Vivekananda once said “arise away and stop not until the goal is reached”. Thus our country should thus be catapulted into the horizon of empowerment of women and revel in its glory.

We have a long way to go, but we will get there someday. We shall overcome.

Conclusion:-

The research paper mainly focuses the role of empowered women in the process of empowering women in India. Being a women, empowered women can best understand the problems of other women. Therefore their experiences, and expertise can be best Option which can be utilized for the endeavor of women empowerment. The case of Udyogvardhini is studied in this research paper. This is very good example how a empowered women can help other unprivileged women. This example of Mrs. Chandrika Chouhan has set the motivational example in front of all other women. Government should design policies and schemes

for motivating empowered women to contribute for women empowerment. This alternative of women empowerment would definitely bring the revolution and truly lead towards concrete women empowerment.

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Socio-Economic and Financial Status of Scheduled Tribes in Vizianagaram District Of Andhra Pradesh

Dr. D. Pulla Rao¹

Abstract

The Constitution of India seeks to secure for all its citizens, among other things, social and economic justice, equality of status and opportunity and assured the dignity of the individual. Several provisions have been incorporated in the constitution for safeguarding and promoting the interests of the scheduled tribes in various spheres so as to enable them to join the national mainstream.

This paper addresses the socio-economic status of the scheduled tribes in Vizianagaram District of Andhra Pradesh. In the sample, majority of the households are the tribe of Konda Dora. Majority of the sample households in the study area are Hindus and more than 60 per cent of the sample population are illiterate. Cultivation is primary occupation participated by the most heads of the sample households. Income from cultivation supports majority of the sample population. More than 55 per cent of the cultivators have farm income around rupees 2,000 to 5,000. Even though the wage laborers are more in the sample population, the share of income derived from that is less when compared to cultivation. There is a need to put more attention on educational aspects of scheduled tribes, where this only can motivate them for future life.

Introduction

In the traditional caste system, Indian society was divided into four groups on the basis of traditional occupations. They are 1) Brahmin 2) Kshatriya 3) Vaishya and 4) Sudra. But in the modern Indian social system there are two more marginalised caste groups namely, Scheduled castes and Scheduled tribes, who are living outside the main stream of the society because of their lower social status. The caste based stratification of the society adversely affected the

equality of opportunities to the disadvantage of these groups.

The scheduled tribes are the segregated and isolated communities and are concentrated in the states of Orissa, Bihar, Madhya Pradesh, Andhra Pradesh, Maharashtra, Gujarat and Rajasthan where they constitute about 80 percent of the Scheduled tribe population of India. In some of the North Eastern states also they form more than 80 percent of their population, and mostly live on the hillsides and forests. They are isolated from the rest of the society due to poor transportation and

communication facilities and have remained as educationally, culturally, economically and socially disadvantaged sections. Scheduled Tribes have been considered to be lowest in the social hierarchy. Being mostly illiterate, they have been subjected to all kinds of exploitation – social, economic and political. They comprised of 6.87, 6.82, 7.76, 8.08 and 8.60 percent of India's population in 1961, 1971, 1981, 1991 and 2001 census respectively.

Even today, widely pervasive reality in respect of tribal communities in India is that most of them are geographically isolated, economically weak, socially ignorant, politically indifferent, culturally rich, behaviourally simple, trustworthy and leading their life in the lap of nature. They are facing problems, which force them to lead a life at bare subsistence level. They are in the situation featured with poverty, deprivation, disadvantages which are difficult to be tackled effectively on their own and making the government in particular and society in general to intervene in a planned manner to solve the miseries of tribes and facilitate their development process. A large number of tribal communities continue to be extremely backward and some of them are still in the primitive food gathering stage, where as some others have progressed a little in terms of economic and educational advancement.

In Vizianagaram district, the growth rate of tribal population from 1981 to 2001 is 40 per cent. For Andhra Pradesh and India it is 58 and 63 percent respectively. This indicates that growth rate of tribal population in Vizianagaram is less

than that of state and national average respectively.

The Data and Methodology

The primary data comprise of collecting information from the selected sample tribal households in the tribal area of Vizianagaram district of Andhra Pradesh by way of canvassing a structured schedule among them. In addition, the secondary data are also taken from the Chief Planning Officer of Vizianagaram District. The primary data has been collected during the month of June and July of 2007. A sample of 200 households is selected for the study. A Multi-stage random sampling technique is employed to select the sample households. In the first stage, Vizianagaram district of Andhra Pradesh was selected for the study. Then, Pachipenta mandal was selected. In the third stage, four villages from the mandal were selected. In Vizianagaram District, the four villages were Bobbilivalasa, Ammavalasa, Pindrangivalasa and Pachipenta. In the fourth stage, all the tribal households in the sample villages were interviewed with a pre-prepared schedule.

This paper analyse the socio-economic status of the sample households taking into consideration like, heads of the households, educational qualifications, type of drinking water, specific classification of caste, type of occupation, and extent of land cultivated etc.

Table-1 describes the gender wise classification of the head of the household in the sample. Out of the sample of 200 in Vizianagaram

district, male head households are 164 and the remaining 36 are females. Here the male headed households are more as compared to the female headed households. In these communities only 18 per cent of the households are headed by females. The existence of the female-headed households

does not indicate the existence of matrilineal societies but in those particular households, the males are not alive. This may be because of the reduced level of the life expectancy and epidemics being on rampage in those particular areas.

Table-1: Head of the Household

Gender	No. of head of the households	Per cent
Male	164	82.00
Female	36	18.00
Total	200	100.00

Table-2 denotes the classifications of the educational qualifications of the head of the households in the total sample households. In the sample area, out of 200 households, the illiterate heads are 109 (54.50%). 67 heads of the households had primary and secondary

educational qualifications and 24 heads of the households had higher educational qualification in the sample area. The literacy rate in this district, with regard to the head of the households is 45.50 per cent and it is indicating the success of the efforts of the authorities in this area.

Table-2: Educational Qualifications of the Head of the Household

Educational Qualification	No. of households	Per cent
Illiterate	109	54.50
Primary	54	27.00
Secondary	13	6.50
Higher	24	12.00
Total	200	100.00

Table-3 shows the classification of the total sample households with regard to their specific

caste. Although this is not a predetermined one, only these types of tribes

have been come across in the selected sample villages. In the present analysis, we come across different tribes such as Konda Dora, Manne Dora, Nooka and Mooka Dora, Gadaba, Kotiya, Bagata, Yerakula and Valmiki. In the sample, majority of the households are of the tribe of Konda Dora of 41 per cent and the next majority are Gadaba who are of 32 percent.

Table-3: Distribution of sample households based on their Specific Caste

Specific Caste	No. of households	Per cent
Konda Dora	83	41.50
Manne Dora	23	11.50
Nooka & Mooka Dora	20	10.00
Gadaba	65	32.50
Kotiya	--	--
Bagata	--	--
Yerakula	9	4.50
Valmiki	--	--
Total	200	100.00

Table-4 shows the religion wise classification of the sample households. In the sampling process, as it is not a predetermined one, we have come across only two religions, Hinduism and the Christianity.

In the study area, out of 200 sample households, 194 (97%) belong to Hinduism, and to find Christianity in the far-flung places is quite interesting. As most of the areas were inaccessible, only some of helping minded Christians may be at their out reach in their problems and some are converting into Christianity, here it is not reasonable to discuss their own behavioural issues.

Table-4: Distribution of the sample households based on Religion

Religion	No. of households	Per cent
Hindu	194	97.00
Christian	6	3.00
Total	200	100.00

Table-5 brings out the educational qualifications of the total sample population. The levels of education are divided in to three categories. Primary level indicates the standard from first to fifth class, Secondary level indicates the standard from sixth to 10th class, and the higher educational level indicates the classes above 10th standard, this classification stands for this operational purpose.

In Vizianagaram District, out of eligible population of 778 persons, 407 are males and 371 are females. The male literacy rate is 45 percent, and that of the female literacy is 32.88 percent. In the case of literacy, the government is doing a lot but the actual picture expects more than that is being implemented till now.

Table-5: Distribution of sample population (more than 5 years of age group) according to their Educational Qualifications

Level of Education	Male	Percent	Female	Percent	Total	Percent
Illiterate	223	54.79	249	67.12	472	60.67
Primary	80	19.66	48	12.94	128	16.45
Secondary	55	13.51	44	11.86	99	12.72
Higher	49	12.04	30	8.09	79	10.15
Total	407	100.00	371	100.00	778	100.00
Literacy Rate %	45		32.88		39.33	

Table-6 brings out the classification of the sample households based on whether their children (6-11years) are in school or not. In the sample 3.50 per cent of the eligible children are not in school.

This is an indicator of backwardness in these regions. There is need to enhance the incomes of the parents so that they can send their children to school.

Table-6: Distribution of the sample households on whether their Children in School (6-11) Years

Expression	No. of households	Per cent
Yes	71	35.50
No	7	3.50
NA	122	61.00
Total	200	100.00

Table-7 brings out the classification of the sample households based on the type of the source of drinking water. This variable is considered because in the forest areas, lack of safe drinking water is the

main reason for high disease prevalence. In fact, these areas are like disease prone areas where they are the first to be affected in the country with any

type of disease. Nevertheless, this is only one of the reasons for the high rate of disease prevalence.

In the sample of 200 households, nearly 75 percent avail the facility of safe and protected

drinking water. Even though this is a good indicator, more than a quarter of the households do not have that facility. This indicates that a bit more action-oriented activities are needed in this part

Table-7: Distribution of sample households according to the availability of quality Drinking Water

Source	No. of households	Per cent
Protected	150	75.00
Un Protected	50	25.00
Total	200	100.00

Table-8 describes classification of the sample households based on the type of their house. Houses have been classified into three types. Pucca house is a type of house built by concrete and having some facilities like own toilet facility, separate rooms for persons and so on. Semi-Pucca house is a typical house in the tribal areas. The walls of the semi-pucca houses are built by brick; have large tiles on the top, provided through the

food for work programme. The thatched houses have mud walls and palm leaves as their roofs.

In the sample, out of 200 households, more than 65 percent have a typical semi-pucca tribal house. In addition, 18 per cent of them have thatched houses. Nearly 83 percent of the households do not have proper housing facilities in the sample area of this district.

Table-8: Distribution of sample households according to the Type of Dwelling

Type	No. of households	Per cent
Pucca	33	16.50
Semi-Pucca	131	65.50
Thatched	36	18.00
Total	200	100.00

Table-9 brings out classification of the households based on whether they have ration cards are not. The typical ration card is an indicator of the services provided by the government and the level

of economic status of the households in the government's records. The households with a White card are low-level income persons and are provided with essential commodities at subsidised

prices and other facilities. The households with a Pink card indicate high income of the households. No card indicates that none of the services are provided for them from the part of the government.

Out of the sample of 200 households, majority of the households (62.50) are below poverty line. It is interesting to see many a number of pink

cardholders indicating development in the levels of income in the face of government. Here also it is disheartening to see some no cardholders indicating inaction from the respective authorities. Here majority of the households are below poverty line and the people are in need of external help in the form of health, food and other basic amenities.

Table-9: Distribution of sample households according to the Possession of Type of Ration Card

Type	No. of households	Per cent
White	125	62.50
Pink	39	19.50
No card	36	18.00
Total	200	100.00

Table-10 shows the occupation wise classification of the sample heads of the households, out of the sample of 200 households, 149 (75%) are with Cultivation, and this sample area has a considerable number of employees, particularly

teachers. Here the agricultural cultivation, the main stay of the country, is playing the key role, by allowing this tribal people to practice settled cultivation.

Table-10: Distribution of the sample heads of the households on their Primary Occupation

Occupation	No. of households	Per cent
Cultivation	149	74.5
Wage Labour	11	5.50
Non-Agri Activities	9	4.50
Employee	16	8.00
House Wife	7	3.50
Others	8	4.00
Total	200	100.00

Table-11 depicts the occupational pattern practised in the study area. For operational purposes, they are taken as, persons practising cultivation, wage labour, non-agricultural activities, employees, students, and housewife. In the study area, 248 persons are cultivators, in which, males go for the lion's share but it is interesting to see some women (26 persons) are also depend on cultivation. It is also observed that both men and

women are wage labourers. But as the agricultural sector can provide only seasonal employment, the government should encourage the people who are willing to take up self-employment, and encourage small-scale industries in such areas that they should create employment for many a number of persons than the number of persons they displace. It is interesting to see that many women taking up different occupations.

Table-11: Distribution of the sample population according to the Occupational Structure

Occupation	Male	female	Total
Cultivation	222	26	248
Wage Labour	222	182	404
Non-Agricultural	25	3	28
Employee	17	8	25
Students	136	90	226
House Wife	NA	69	69

NA: Not Applicable.

Table-12 gives the classification of the sample households, who are practising other occupations of earning. Majority of the works are in agriculture, the government sponsors some other works, Bamboo work – basket weaving, and the other works stand for non- agricultural works.

In the study area, out of the sample of 200 households, 161 are wage labour and only 9 sample households practising bamboo work for

earning. It indicates that tribal people depend on the agricultural sector for their earning and for their survival.

In this respect, the government should take necessary steps to provide non-agricultural employment provision for the willing tribal people so that they can have other income generating alternative, so that they may come out from the clutches of starvation and poverty.

Table-12: Distribution of the sample household on their subsidiary Occupations of Earning

Occupation	No. of households	Per cent
Wage Labour	161	94.71
Bamboo Work	9	5.29
Others	0	0.00
Total	170	100.00

Table-13 brings out the classification of the sample households based on whether the houses are electrified or not. This electrification is a development indicator, because this plays a favourable role in improving their standard of living. In this regard, this area is very backward; the government should take more steps to provide the facility of electricity to these areas.

In the study area, out of the sample 200 households as many as 74 houses are electrified. However, many a number are not electrified. As the areas are far-flung, in thick forests the electrification is necessary for their safe existence. In this regard, this area is very backward; the government should take more steps to provide the facility of electricity to these areas.

Table-13: Distribution of the sample households on the Electrification of their house

Electrified	No. of households	Per cent
Yes	74	37.00
No	126	63.00
Total	200	100.00

Table-14 brings out the people's participation in public organizations. This is to bring out the knowledge of the people in this matter and their level of participation in these organizations. The main thrust was not only on DWCRA but also on PRIs and VSS. However, after field investigations, they opined that they did not have any knowledge about other organizations and about their functioning.

In the study area, many are members of the self-help group revolution which is on pace in the state. However, it is disheartening to see that only two households have a role to play in the Panchayat raj institutions where the decisions about the welfare are taken. With regard to the sample, the government should initiate many more steps to encourage the tribal people to participate in the decision-making process.

Table-14: Distribution of sample households based on their Participation in Public Organizations

Organization	No. of households	Per cent
DWCRA	159	79.50
Panchayat	2	1.00
VSS	0	0.00

Table-15 depicts the extent of land owned by the sample households and the same whether they are with ownership rights or not. As the terrain is inaccessible, although the tribal people own land, the land is less in size. It is taken in acres. For

practical purposes after the compilation of the data, the extent of land owned is divided into three categories 1) one acre or below 2) above one acre and below three acres 3) three acres and above.

Out of the sample of 200 households, 167 are own cultivable land. However, here majority of the households are small and marginal farmers and nearly 62.50 per cent of the farmers have

Table-15: Distribution of sample households according to Extent and Ownership of Land Cultivated

Having Ownership Rights				
Extent of Land Cultivated (in acres)	Ownership of land	Per cent	Total extent of land	Per cent
Below 1	55	72.37	76	100.00
1 to 3	62	78.48	79	100.00
above 3	8	66.67	12	100.00
NA	0	0.00	33	100.00
Total	125	62.50	200	100.00

ownership rights. The government should intervene in this matter to issue the much awaited ownership rights for the people.

The table-16 brings out the classification of the eligible sample based on the income derived from cultivation. As explained earlier most of the tribal farmers are doing with marginal land that too on the hill slopes, and it is very old type of cultivation. In the study area, even though majority are deriving less level of income, it is interesting to see that many a number of farmers are able to derive more level of income from cultivation. So much is expected from the government to increase their level of income from cultivation by educating them in using the cost effective modern implements and the high yielding varieties. In order to raise their standard of living the government should go for more pro-active steps to increase the productivity in agriculture.

Table-16: Distribution of the sample households on their Income from Cultivation for the year 2006

Income Range (in Rs.)	No. of households	Per cent
<1000	0	0.00
>1000 to < 2000	32	19.16
>2000 to <5000	93	55.69
>5000 & above	42	25.15
Total*	167	100.00

* The cultivable land having sample households.

Table-17 brings out the trends of the Sample with regard to the annual income through the wage labour and if any other occupations are being practised by the households in the study area. With regard to the study area, as described earlier, nearly 95 percent of the sample depends on wage

labour as a supplementary earning for their livelihood. However, as there is dearth of opportunities, many are able to derive only negligible income from the source of wage labour. Over the three years, the same trend is repeated.

This may be due to exploitation from the non-scheduled tribe people.

In this context, it has been suggested that the government should endeavour to provide as many days of wage employment in these areas so that the minimal amount is being derived from

cultivation can be supplemented through this wage labour. The government should concentrate on reducing the exploitation in the wage labour and in reducing the working hours. The government should try to implement the minimum wage laws strictly.

Table-17: Distribution of the sample households on their annual income through subsidiary occupations of earning for the year 2006

Income Ranges (in Rs.)	No. Of Households	Per cent
>1000 to <2000	100	58.82
>2001 to <5000	58	34.12
5001 & Above	12	7.06
Total	170	100.00

Table-18 indicates the classification of the sample households based on the level of their annual income for the year 2006. In the sample area, there is a mixed out come with regard to the level of annual income. It is quite sad to see some sample households with a level of income of below 3000

rupees for a year. It is worthy to note that nearly 75 per cent of the sample house holds in the three years lie and is still lying in the region of below 3000 to 10000 Rupees per a year. This denotes that the majority of the total sample itself exists in that particular region, where that amount is not sufficient for their survival.

Table-18: Distribution of the sample households on their Total Annual Income

Range (in Rs.)	No. of households	Per cent
Below 3000	4	2.00
3001 to 5000	55	27.50
5001 to 10000	95	47.50
10001 to 20000	21	10.50
Above 20001	25	12.50
Total Sample households	200	100.00

Conclusions

In the study area, 82 per cent of the total sample households are male headed and 18 percent of the

total sample households are female headed. This denotes the predominance of diseases leading to death in these areas. More than 54 percent of the

households are headed by illiterates and 24 percent of the households are headed by persons with higher education. This indicates more attention from the part of the government. There is a need to put more attention on educational aspect of scheduled tribes, where this only can motivate them for future life. The majority of the total sample households in the study area belong to Konda Dora and Gadaba communities in the scheduled tribes. More than 97 percent of the total sample households are of Hindu religion, and only 3 percent of the sample households are Christians. It is very sad to see that more than 60 percent of the total sample population are illiterate. As

majority of the heads of the households are illiterate their progeny are also illiterate. More than 67 percent of the female population are illiterate. 16.45 percent of the total sample population are having primary education. It is gruesome picture that 39.32 percent of the total sample is educated. Only 3.5 percent of the sample households have children not going to school. The households having availability of safe drinking water is 75 percent for the total sample households. Drinking of protected water reduces the disease prevalence, as most of the diseases are due to contaminated water. So to reduce the prevalence of diseases in these areas providing safe drinking is the first measure to be adopted.

The sample households with kutchha houses in the total sample are of 18 percent. It is interesting to

see that 19.50 percent of the sample households are having pink card. Most of the sample households are white card holders, indicating their backwardness as they are generally given to backward households. But there is need to improve efficiency in the services provided for these card holders and to provide cards for all the households as the no card holders in the sample households are 18 percent of the total sample.

Cultivation is primary occupation practised by the most heads of the sample households and the employee follows. However, there is a need to increase the employment generation activities in this areas as lack of sufficient income is the root cause for all the problems in any society. The wage labour is primary occupation for most of the sample population followed by cultivation. More than 94 percent of the eligible total sample households are having wage labour as their subsidiary occupation for their livelihood.

37 percent of the total sample households are electrified. More facilities are linked with electricity; a lot has to be done in providing this facility to the sample population in particular and the scheduled tribe community in general. The participation of scheduled tribes in the public service organisations makes them capable to decide some of their issues. More than 79 percent of the sample households are members of DWCRA. It is quite interesting to note here is that there exists a female president for a tribal panchayat in the study area.

More than 55 percent of the cultivators have farm income around rupees 2000 to 5000. Income from cultivation supports majority of the sample population. However, initiated measures should increase the levels of farm income for the scheduled tribes in the study area in the particular and all the farming community in general. It is quite interesting to see that only 7 percent of the sample households deriving more than rupees 5000 from subsidiary occupations. Even though the wage labourers are more in the total sample population, the share of income derived from that is less when compared to cultivation. This denotes the predominance of agriculture in the study area and of sample households. With regard to total annual income, there is definite change in the sample households as some households are moving from low-income range to high-income range. The incomes of the scheduled tribes are paltry when compared to the incomes of the general population. More than 47 percent of the sample households are having total income that is in the range of rupees 5000 to 10000. However, there is a change in the income levels of the sample households.

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- ▶ College of Physical Education, Pune
- ▶ College of Optometry, Pune
- ▶ Institute of Management and Entrepreneurship Development, Pune
- ▶ Poona College of Pharmacy, Pune
- ▶ New Law College, Pune
- ▶ Yashwantrao Chavan Institute of Social science studies and Research, Pune
- ▶ Interactive Research School for Health Affairs (IRSHA), Pune
- ▶ Research and Development Centre in Applied Chemistry, Pune
- ▶ Yashwantrao Mohite college of Arts, Science and Commerce, Pune
- ▶ Audiology and speech language Pathology at Medical College, Pune

NEW DELHI

- ▶ Institute of Management and research, New Delhi

NAVI MUMBAI

- ▶ Dental College and Hospital, Navi Mumbai
- ▶ College of Nursing, Navi Mumbai

SANGLI

- ▶ Medical College and Hospital, Sangli
- ▶ Dental College and Hospital, Sangli
- ▶ College of Nursing, Sangli
- ▶ Institute of Management and Rural Development Administration, Sangli

KOLHAPUR

- ▶ Institute of Management, Kolhapur

KARAD

- ▶ BVDU - Yashwantrao Mohite Institute of Management - Karad

SOLAPUR

- ▶ Abhijit Kadam Institute of Management and Social Sciences, Solapur
- ▶ Abhijit Kadam Institute of Management and Social Sciences (MSW), Solapur

RESEARCH INSTITUTES

- ▶ Interactive Research School in Health Affairs (IRSHA), Pune
- ▶ Research and Development Centre in Pharmaceutical Science and Applied Chemistry, Pune
- ▶ Yashwantrao Chavan Institute of Social Sciences, Studies and Research, Pune



About Institute

Abhijit Kadam Institute of Management and Social Sciences is a premier leading B-School in Western Maharashtra located in Solapur. The institute is approved by AICTE, recognized by UGC and is under the umbrella of Bharati Vidyapeeth University, Pune. It has a well-established history and prides itself for its academic reputation. Having been set up in 1981, AKIMSS has emerged as a citadel of learning and research with a symbiotic relationship with the worlds of business and industry.

We create an environment within which actionable learning takes place and thus provide the breeding ground for managerial leadership of the future.

We presently offer post graduate programmes MBA, MCA, MSW and undergraduate programmes BBA and BCA. The institute has excellent full time faculty with a proven track record and a slew of visiting faculty who bring the experience of the real world into the classroom. Specialist scholars come and deliver lectures enabling the student to expand their horizons of gyan (knowledge), buddhi (intelligence) and vivek (the consciousness to discern). The result is that our product is so good that their placement takes place with minimal effort.

BHARATI VIDYAPEETH UNIVERSITY, PUNE (INDIA)
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