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Indian Banking Industry`s Performance in the Global context

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Introduction

The paradigm shift is taking place in delivering banking services by the bankers in the 21st century to its customers. Due to globalization, it becomes mandatory to all bankers to adhere the Corporate Governance in accordance with the amended Act. Enhancing the investor's confidence and encouraging competition among the banking industry is must in the recent years. Banking industries are coming under the direct scrutiny of the Reserve Bank of India. Hence, all the banking organizations have to comply with the regulatory requirements, apart from meeting the local community needs. Due to heavy inflow of foreign direct investment (FDI) from across the world, it become necessary to all the banks have to adhere the Corporate Governance strictly as per prevalence of law. A good Corporate Governance mechanism improves the health of the banking sector, thus enhancing national competitiveness.

The economic reforms have also generated new and powerful customers (huge Indian middle class) and new mix of players (public sector units, private banks, and foreign banks). The emerging competition has generated new expectations from the existing and the new customers. There is an urgent need to introduce new products. Existing products need to be delivered in an innovative and cost-effective way by taking full advantage of emerging technologies. As a consequence of competition, the managerial challenges include market segmentation, product positioning, innovative delivery channels, cross-selling, etc.

Services constitute a major portion of India's GDP with a 57 per cent share in GDP at factor cost (at current prices) in 2013-14 — an increase of 6 percentage points over 2000-01. Including construction, the share is 64.8 per cent. The CAGR of services sector GDP at 8.5 per cent for the period 2000-01 to 2013-14 has been higher than the 7.1 per cent CAGR of overall GDP during the same period. In 2013-14 the growth rate of the services sector at 6.8 per cent is marginally lower than in 2012-13. This is due to deceleration in the growth rate of the combined category of trade, hotels, and restaurants and transport, storage, and communications to 3.0 per cent from 5.1 per cent in 2012-13, despite robust growth of financing, insurance, real estate, and business services at 12.9 per cent. Construction, a borderline services inclusion.

STATEMENT OF THE PROBLEM

Banking industry is undergoing the paradigm shift from existing style of delivering services to new ways to cater the customers. It becomes necessary to every banking sector to study the opportunities and challenges in the changing globalised scenario. The ever increasing high end demand from the customers, to retain existing customers and to attract new customers is the challenges to the banking sector nowadays. This paper tries to analysis the foreign direct investment with sector-wise, especially in the banking sector and their performance in the globalised context.

REVIEW OF LITERATURE:

N.J Saleena (2013) in her article on Impact of FDI on Services Export: Evidence from India, Blue Ocean Research Journals, concluded that FDI has positively influenced the growth of services export in the Indian economy, after the liberalization period. During the post liberalization period the trade policies undertaken by the government (like the Foreign Trade Policy (2004-2009), the National Telecom Policy (NTP) etc.), the changing attitude of the government towards foreign direct investment has increased export opportunities has induced foreign investors to take advantage of India's comparative advantage in the Service Sector. Since services export is largely driven by information and communication technology, rapid advancement in information and communication technology (ICT) in India is likely to generate significant scope for export oriented services.

Jairaj Purandare (2010) Financial Services, Destination Banking Opportunities: Entry Strategy and the Road Ahead, Price water house Coopers, concluded that Banking is one of the strongest performing sectors in India with advances and deposit growing more than 20% in the last five years. The Return on Equity for the banking sector has been around 13% in the last four years with top performing banks having 18-20% as Return on Equity (RoE).

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OBJECTIVES OF THE STUDY:

- To know country-wise and sector-wise flow of foreign direct investment to our country.
- To study the share of foreign banks, public sector banks and private sector banks in the development of service sector in India.
- To examine the India's GDP with other developing countries in the world.
- To understand Indian bank's performance in terms of its cost and profit.

METHODOLOGY:

The study is based on secondary data. The source of data was collected from news papers, journals, annual reports and various websites from the internet.

HYPOTHESIS TESTED:

"The performance of nationalized banks was improved in terms of cost and profit while compared to other sector banks in the global context"

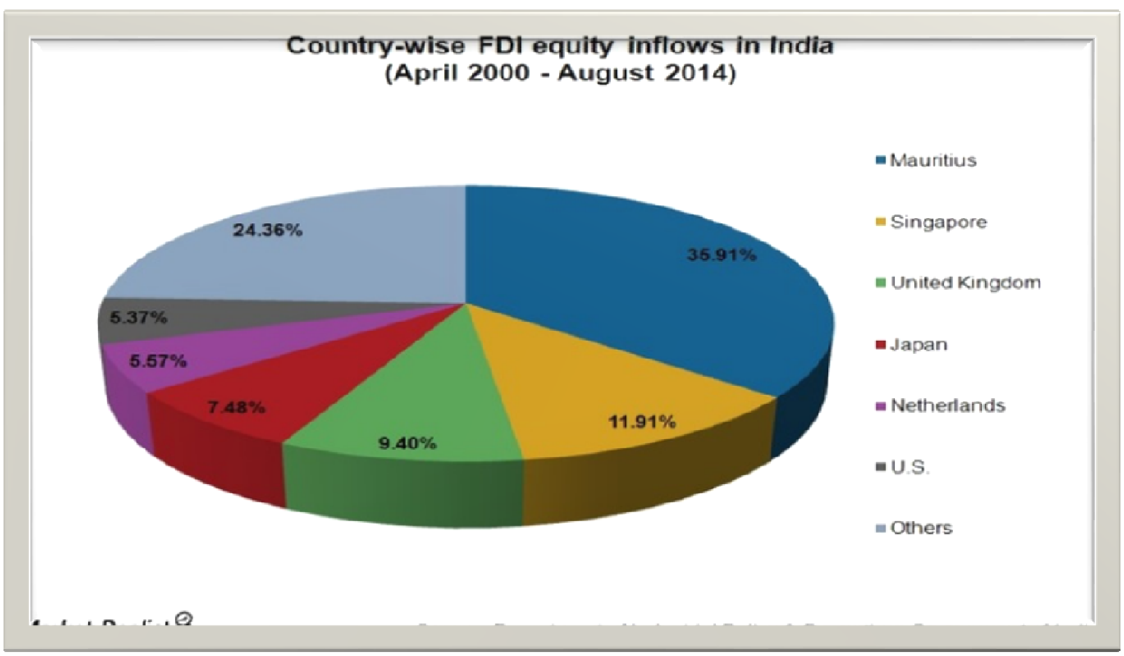
LIMITATIONS OF THE STUDY:

The study is based on secondary data. The study reveals about the performance of banking sector with respect to the flow of foreign direct investment from various countries. The area of the study is restricted to the performance of all banking sector in India.

OBSERVATIONS:

A healthy and developed country can easily attract more foreign direct investment across the world due to its economic soundness. Anybody in the world would definitely invest money by calculating the return from it. The return from the investment is little high in India compared to the other economy around the world.

Figure No.1 Country – Wise FDI Equity inflows in India (April 2000 – August 2014)

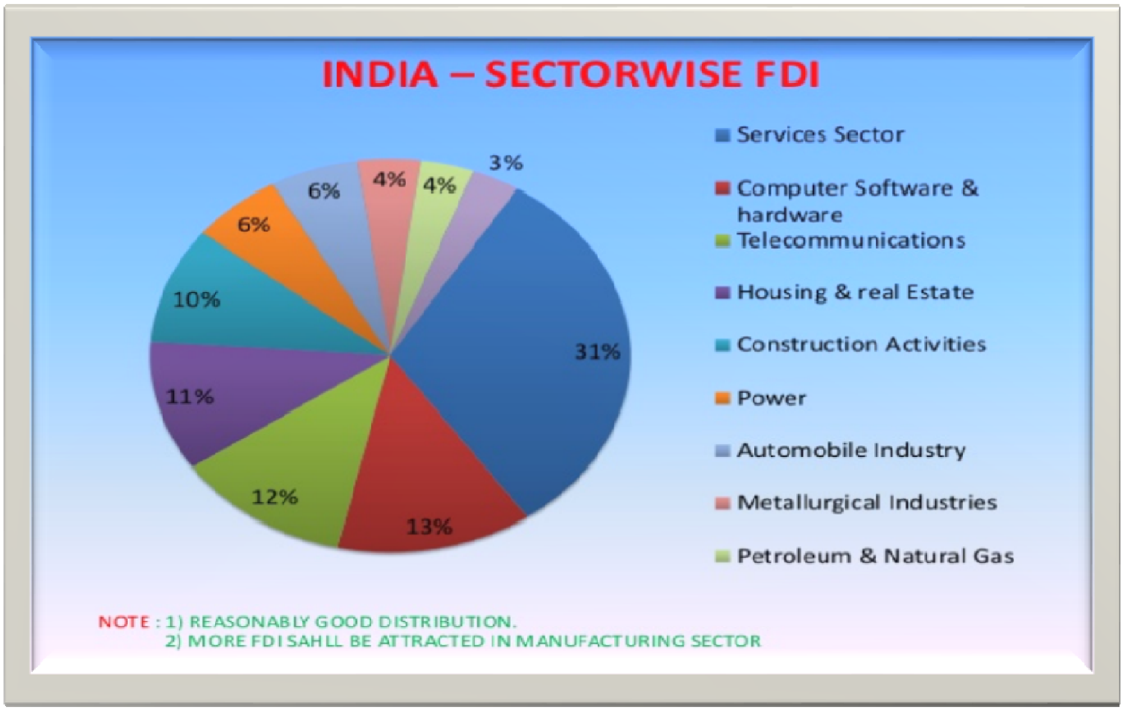


Source: Department of Industrial Policy & Promotion, Government of India

Figure no 1exhibits the flow of foreign direct investment over the years across the world. The analysis indicates that large part of FDI in India is contributed by fifteen countries which is. 185506.59 US $ million while remaining aprox. 11 per cent by rest of the world. Mauritius emerged as the most dominant source of FDI contributing 77,083.47 US$ million of the total investment in the country. It is because the

India has Double Taxation Avoidance Agreement (DTAA) with Mauritius. This (DTAA) type of taxation treaty has been made out with Singapore. So Singapore is second largest Investor of FDI inflow in India. The other major countries are U.K with a relative share 20,671.41 US$ million followed by Japan. While some countries like South Korea, Italy, Hong Kong has fewer shares in total FDI Inflow.

Figure No.2 Sector – Wise Flow of Foreign Direct Investment:



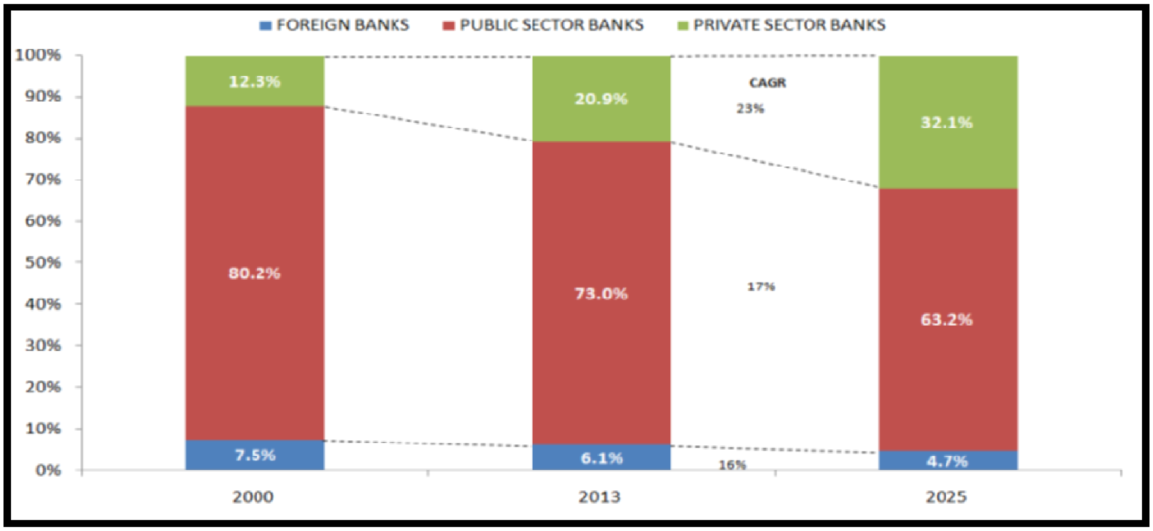
Source: http://theglobaljournals.com/gra/file.php?val=December_2013_1387275512_75066_11.pdf

Figure no2 depicts the inflow of foreign direct investment in India. From the above figure, it is noted that services sector has the highest inflows of foreign direct investment with 31 percent. Computer software & hardware with 13 percent, telecommunications with 12 percent, housing & real estate with 11 percent, construction activities with 10 percent, power sector with 6 percent, automobile sector with 6 percent and 4 percent each from metallurgical industries and petroleum and natural gas sector has the inflow of foreign direct investment in India. It shows that services sector has the potential to attract more foreign direct investment from abroad. Among the services sector banking industry is the top most priority to the foreign investors.

Market share of Indian Banking Sector:

Indian banking sector has undergone tremendous changes after nationalization and even in the post reform period. It is understood that, before nationalization, private sector banks and after nationalization, public sector banks were dominated in Indian economy. Since last two decades, the scenario has changed due to the policy adopted by the central governments. It leads to allow foreign banks as well as new private banks in the banking sector. Due to LPG, again the foreign players were started coming and doing more business along with the private sector banks in India.

Figure No.3.Estimates of market share based on linear projection



Source: Report of the Committee to Review Governance of Boards of Banks in India May 2014

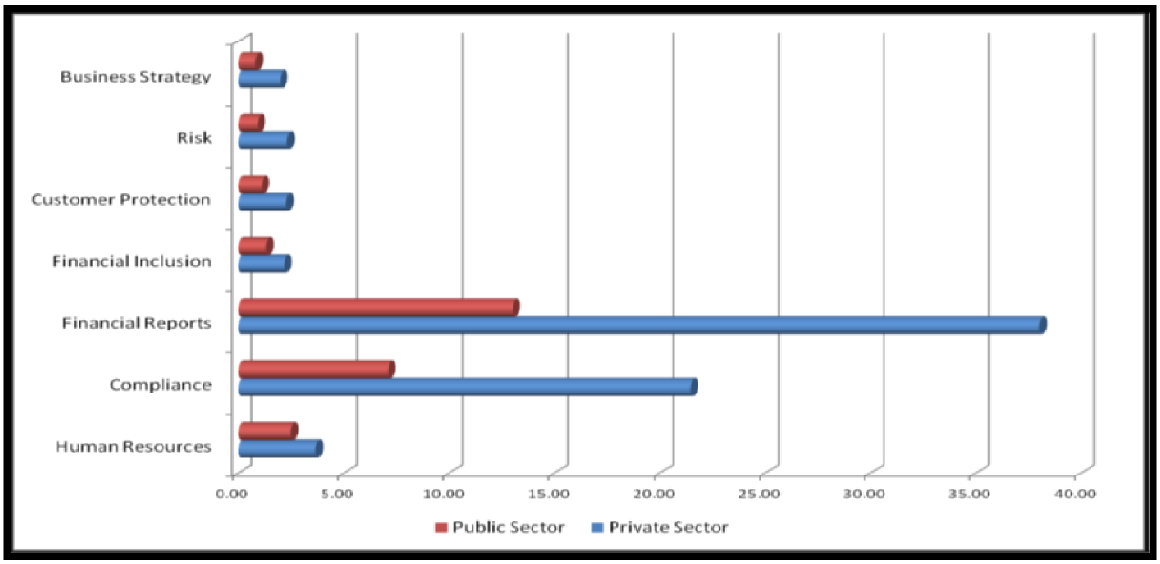
The above figure portrays the banking sector's market share in different period. Market share changes are visible on account of differences in the compounded annual growth rate (CAGR) in assets across these categories for the period 2000-13. It is projected in the year 2025, the market share of private sector banks (with comparison of CAGR) would be around 32.1 percent which is almost more than 260 percent growth from the year 2000 to 2025. At the same time the growth (CAGR) of public sector banks would be estimated to be 63.2 percent which is very less from the year 2013 (73.0%). Thus, in the coming years, it is to be proved that private banking sector would play vital role in the Indian economy. At the same period, foreign banks would be losing their market share at all time high.

There are seven critical themes which bank boards are typically concerned with: business strategy, risk mitigation, financial reports and their integrity, compliance, customer protection, financial inclusion, and human resource related issues. There are other important matters too which concern bank boards, such as operations. But it is arguable that asserting the competitive positioning of a public sector bank appears to require its board to provide greater focus on the seven critical themes listed.

Category	Description
Business Strategy	Bank and business strategy; development of new products; competitiveness of individual businesses; business reviews in relation to targets.
Risk	Policies concerning credit, operational, market, liquidity risks; assessing the independence of the risk function.
Financial Reports and their integrity	Detailed scrutiny of quarterly and annual financial results; NPA management and reported NPA and provisioning integrity.
Compliance	Regulatory requirements; adherence to RBI and SEBI norms; observations from the annual financial inspection by RBI, and from the Long Form Audit Report; review of decisions in previous minutes of meetings, and key decisions within subsidiaries; review of action taken reports; appointments to board committees.
Customer Protection	Mis-selling, particularly third-party products; laying down the appropriateness of products to different customer segments; understanding the broad trends

	and concentration in the growth of customer grievances and their resolution.
Financial Inclusion	Review of priority sector lending; payments for the disadvantaged; deposit mobilization from weaker sections; support to microfinance institutions; and other issues.
Human Resources	Appointments and approvals of directors, perks and perquisites for employees, incentive schemes for employees, promotion policies for employees, training and skill development of employees.

FigureNo.4. Average Number of Issues Tabled:



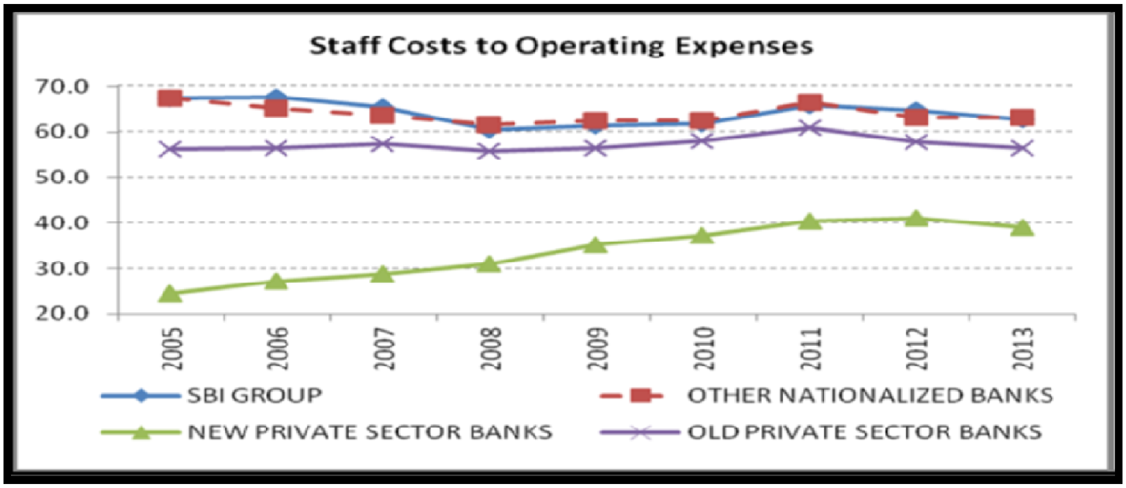
Source: Report of the Committee to Review Governance of Boards of Banks in India May 2014

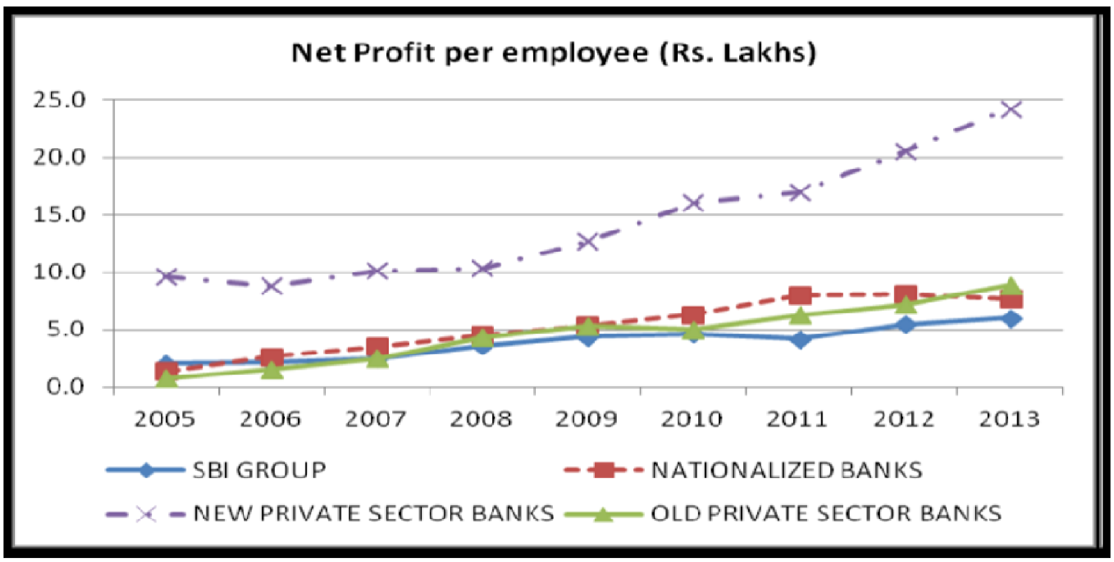
For banks, business strategy and risk mitigation are particularly crucial, and in terms of data furnished by the banks it appears that in both private sector and public sector bank board's there is (on average) inadequate focus on these compared to other issues. On average, both in private sector and public sector bank board's only 6 per cent of the issues tabled include those pertaining to business strategy and risk mitigation though private sector bank boards to do somewhat better with respect to the number of issues tabled in these two categories.

Because they are so highly leveraged, banks (more than non-financial enterprises) need to synchronies their focus on these two themes, with the balance between them varying in different phases of the business cycle. In business cycle downturns, particularly, risk mitigation also needs to be watchful of tail risks which could imperil bank solvency.

Figure no. 5 &6 expresses the performance of the banking sector in terms of cost and net profit over the period of time. It is observed from the figures that the staff cost to operating expenses and net profit per employee's point of view that, the new private banking sector playing very vital role in the Indian banking sector. There are other ways in which productivity differences are seen to be reflected in lower profitability. As far as productivity is concerned, the low cost per employee and the maximum profit per employee is greater with the new private sector banks. It is understood that the new private sector banks (corporate entities) would play very important role in the coming years.

Figure No.5&6. Banking Sector Performance (Operating cost and Profit)



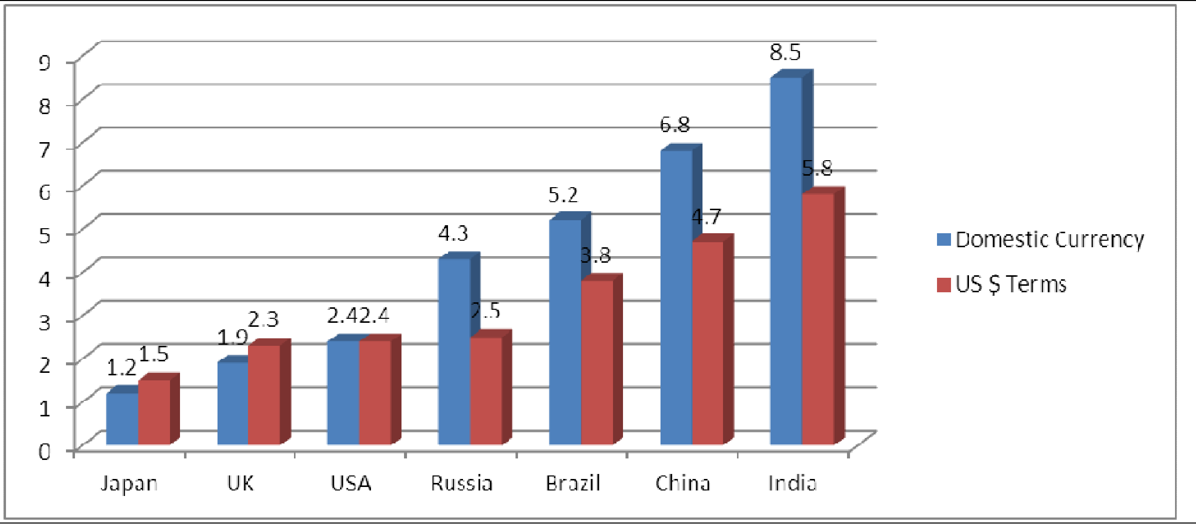


Source: http://rbi.org.in/Scripts/PublicationReportDetails.aspx?ID=784#CH6

OPPORTUNITIES:

The major opportunity for the Indian banking system today is the Indian consumer. Demographic shifts in terms of income levels and cultural shifts in terms of lifestyle aspirations are changing the profile of the Indian consumer. This is and will be a key driver of economic growth going forward. The Indian consumer now seeks to fulfill his lifestyle aspirations at a younger age with an optimal combination of equity and debt to finance consumption and asset creation. This has witnessed the growing demand for competitive, sophisticated retail banking services. The consumer represents a market for a wide range of products and services like housing finance ,vehicle finance, a credit card for ongoing purchases; a bank account; a long-term investment plan to finance his child's higher education; a pension plan for his retirement; a life insurance policy – the possibilities are endless. Hence, the level of awareness has increased in all the places like cities, towns, and villages. Marketers are already tapping this potential market with the help of tie-up between local banks in those regions to give the solution.

Figure No.7 Projected GDP growth 2007 - 2050



Source: PwC Research

Figure no 7.exhibits the projected growth of GDP between 2007-2-50. According to the research analysis, India's middle class segment is steadily rising and with 250-300 million people in this segment, it is expected to double in the next two decades. Compared to other economies, India has a relatively young population with around 35% of the population falling in this category. The median age of the Indian population is 25.5 years which indicates that India is in a good position to benefit from its demographic dividend. The Indian economy is opening up at a steady pace. The quantitative restrictions on imports ended in 2001, opening up the economy to foreign businesses, especially in consumer goods. Gradually, barriers to trade and investment are coming down. The peak customs duty rate was reduced to 10% in 2008 (for non-agricultural and other specified goods). In August 2009, India signed Free Trade Agreements with the Association of Southeast Asian Nations (ASEAN) nations and Korea, which is expected to boost trade.

Table No.1Financial Years Wise FDI Flow From 2000-01 to 2013-14

Financial Years 2000-01 to 2013-14 (up to November, 2013)			
Sr.No	Financial Year (April To March)	Total FDI flow in US$ Million	Total FDI Flows % Growth Over Previous
1	2000-01	4,029	-
2	2001-02	6,130	(+) 52 %
3	2002-03	5,035	(-) 18 %
4	2003-04	4,322	(-) 14 %
5	2004-05	6,051	(+) 40 %
6	2005-06	8,961	(+) 48 %
7	2006-07	22,826	(+) 146 %
8	2007-08	34,843	(+) 53 %
9	2008-09	41,873	(+) 20 %
10	2009-10	37,745	(-) 10 %
11	2010-11	34,847	(-) 08 %
12	2011-12	46,556	(+) 34 %
13	2012-13	36,860	(-) 21%
14	2013-14 (P) (Apr-Oct, 2013)	18,934	-
Cumulative total (April, 2000 to October, 2013)		309,012	-

Source: DIPP, Federal ministry of commerce and industry, Govt. of India

Table no 1 depicts that flows of FDI received in India during April 2000 to October 2013 i.e. 309,012 US$ million. From the year 2000 to 2002 FDI inflow in India has shown a increasing trend. This may be the result of Foreign Exchange Management Act (FEMA) which is introduced in 1999. Further it follow negative trend up to period 2003-2004. But from the year 2004-05 to 2008-09 investment into India once again start growing. The highest FDI inflows growth in the country in 2006-2007 year was 146%. Further, FDI inflows rose by 34 % to US$ 46,556 million during 2011-12. Last year April 2012-13 has shown negative growth rate i.e. -21% to US$ 36,860 million while the cumulative amount of FDI equity inflows from April 2000 to October 2013 stood at US$ 309,012 billion, according to the latest data released by the Department of Industrial Policy and Promotion (DIPP).

A key driver of growth is innovation that surprises and delights consumers with new, differentiated, and relevant benefits. India will shortly become home to the second largest number of elderly persons in the world. The population of our elderly, at present estimated at 76

Million, is expected to increase to 100 million in 2013. Therefore, banks should focus on unmet financial needs of the pensioners and senior citizens.

CHALLENGES:

- Technology is the weapon for growth of any sector in the present world. Without which no sector can survive and succeed. The clear indication is that the growth can happen with the help of technology only. This becomes the biggest challenge to the banking industry to bring the services to all needy people with simplest way.
- Changing needs of customers is the second biggest challenge to the banking industry. Due to ever changing needs of the customers, bankers have to have a continuous market research and to study changing behavior of the customers. .
- Coping with regulatory reforms is another challenge to the banking industry. Rules and regulations have been changing time to time. Bankers have to change the rules and make it transparent to their customers.
- Maintaining high quality assets become one of the great challenges to the banking industry. Maintaining the low non-performing assets is always a key driver for the growth of the banking industry.
- Sustaining healthy bottom lines and increasing shareholder value the structure of Indian banking system may be expected to undergo a transformation, the main drivers of which will be consolidation, convergence, and technology. This will also reduce overcapacity in the Indian banking system and result in banking concentration. The changes in structure would also impact on the banking strategy.
- Banks would grow out of their narrow focus on banking services to become financial service providers.
- The one-stop-shop approach would enable them to provide, besides banking services, a host of other financial products, both to the retail as well as corporate customers.
- The other key challenges for the Indian economy are: Inflation, Inclusive growth, infrastructure development, withdrawal of stimulus.

HYPOTHESIS TESTING:

From the study, it is been concluded that the estimates of market share based on linear projection is concerned, (figure no 3) private sector would play vital role in the Indian economy. Also, figure no 5 & 6 shows that the new private sector bank's productivity is higher than that of other banks. Thus, the hypothesis is that "The performance of nationalized banks was improved in terms of cost and profit while compared to other sector banks in the global context" is rejected.

As mentioned earlier in this paper, the public sector has to focus in the areas of business strategy, risk, financial reports and their integrity, compliance, customer protection, financial inclusion and human resources to overcome the present difficulties and to retain the position in the banking sector in India.

CONCLUDING REMARK:

The research is exploratory and analytical. It is observed from the study is that the country – wise FDI equity inflows in India from Mauritius was higher than other countries in the world. With respect to sector – wise inflow of FDI is concerned; services sector has received 31 percent, which is the highest in India. As for as performance of nationalized banks in respect of market share and the cost benefit analysis are

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concerned, nationalized banks have been consistently decreasing and other hand new private sector banks have been increasing over the period of time. The study also proved that the cost and profit analysis is concerned, new private sector bank's productivity is better than other banks. As far as the projected growth is concerned, India would become the number one position with 8.5 in terms of Domestic currency and 5.8 in terms of US $ in the year 2050.

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Work - Life Balance of Woman Employees in IT Sector

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INTRODUCTION

Work and family are the two most important domains in a person's life and their interface has been the object of study for researchers world-wide. There is a felt need to balance and integrate family needs and career requirements (Sturges & Guest, 2004) and research in the field of work family interface has increased dramatically in the past two decades (Frone, Yardley, & Markel, 1997). The changing social structures arising out of dual career couples, single parent families, an increasing number of parents with dependent care responsibilities for children, and ageing parents have all contributed to increasing research in the area of worklife balance.

In a transitioning society like India, where the traditional roles of women as homemakers and caretakers are deeply entrenched, the work-family balance becomes a challenge for women and their employers. Over the last decade, Indian society has witnessed a surge in the participation of women in the workforce, especially in the software industry. The growing number of women in the Indian IT workforce has led to an increasing interest from academia and practitioners in the topic of worklife balance, specifically of working women in the IT industry. In the light of the increasing number of women in the IT industry, there is a need to examine the phenomenon of the worklife balance of Indian women IT professionals in greater depth.

Organizations are continuously looking for new ways of doing business in order to meet the challenges of today's dynamic business environment. Given the amount of time and energy people expend at the workplace, it is important for employees to be satisfied about their life at work. Time pressure is a serious problem in today's workforce, with ever-increasing numbers of workers bearing major responsibilities at home and meeting higher job expectations and heavier demands at work (Glass & Finley, 2002; Van der Lippe, 2007). A mismatch between family and work roles can be disadvantageous for both employees and employers.

In fact as early as 1960's researchers had begun to study and connect the dots between work and family. Numerous works on work life thereafter proved that what happened in the workplace have significant impact on individuals and their families (Greenhaus & Powell 2006, Kossek &Ozeki, 1998, Lewis & Cooper, 1987). The combination of a fluctuating work environment with competing job and family commitments has negatively affect employees in the form of lowered morale and motivation, reduced productivity, and increased burnout and turnover (Galinsky & Stein, 1990, Benedict & Taylor, 1995). Moreover the inability of employee to balance the equally challenging demands of their work and personal life has contributed to the escalating stress and conflict of today's workforce (Edwards & Rothbard, 2000). This in turn leads to significant rise in stress related health problem, which translates to financial cost both to the employer as well as the government (Johnson, Duxbury & Higgins, 1997, Frone, Russell, & Cooper, 1997).

Jenkins (2000) observes that issues like child rearing, the need to balance multiple roles etc. have consequences on health and family relationships. Securely attached individuals experienced positive spill-over in both work and family. These are pointers that there are gender differences in coping with work family issues. Work based support to women is positively associated with job satisfaction, organizational commitment and career accomplishment.

The work from home concept can lead to greater flexibility and independence, but it can make people work for longer periods of time, including weekends and evenings. Home working could be stressful, if young children have to be managed. Men feel more satisfied when they achieve more on the job even at the cost of ignoring the family. On the other hand, women emphasize that work and family are both equally important and both are the sources of their satisfaction. For them the former is more important. When work does not permit women to take care of their family, they feel unhappy, disappointed and

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frustrated. They draw tight boundaries between work and family and they do not like one crossing the other.

WORK-LIFE BALANCE

In the highly competitive global scenario, society and organizations are filled with conflicting commitment and responsibilities. Hence, work-life balance has become an important issue at workplace. This is further fuelled by the renewed interest in the personal life and family values. Work-life balance is a state of equilibrium in which the demands of both a person's job and personal life are equal. Over the years, there is a growing perception that the quality of an employee's personal life and family life impacts work quality and that it makes business sense to promote work and family integration (Lockwood, 2003). A conflict between work and family has real consequences and negatively affects the quality of family and career attainment of both men and women.

IMPACT OF GLOBALIZATION

Globalization is a process of interaction and integration among the people, companies, and governments of different nations, a process driven by international trade and investment and aided by information technology. This process has effects on the environment, on culture, on political systems, on economic development and prosperity, and on human physical wellbeing in societies around the world. India has enormous opportunities emerging from globalization and consequent lowering of tariff barriers. Information Technology has given India formidable brand equity in the global markets. Indian BPO companies have a unique distinction of providing efficient business solutions with cost and quality as an advantage by using state of art technology. Through joint efforts of Government and the Industry, software development and IT enabled services have emerged as niche opportunities for India in the global context. The Government has been making continuous efforts to make India a front-runner in the age of Information revolution.

REVIEW OF LITERATURE

In view of the substantial contribution of the ITES-BPO industry in the global economy, a number of studies have been conducted and documented over the past few years. Srikanth and Tyagi (2007) in their study have placed India at a strategic place in outsourcing market but say that ever growing rate of attrition is a hurdle for this sector. As given by them, an average Indian call center employee works with a company for 11 months where as an average UK call center employee stays in a company for three years.

Friedman and Greenhaus (2000) emphasized that the working adults learn to build networks of support at home, at work, and in the community. Family- friends firms have a significant impact on the lives and careers of business professionals who work in them (Friedman and Greenhaus, 2000).

Rosabeth Moss Kanter's seminal book (1977), Work and Family in the United States: A Critical Review and agenda for Research and Policy brought the issue of work-life balance to the forefront of research in organization. Initially, the issue typically focused on support for women and children. But very soon it came to be considered as less gender specific.

Past research has focused on job satisfaction as well as work-life balance from a dispositional (Arvey, Bouchard, Segal and Abraham, 1989; Ilies and Judge, 2003; Staw and Ross, 1985), situational perspective (Hackman and Oldham, 1975; Loher, Noe, Moeller and Fitzgerald, 1985) or inter-actionist perspective. All perspectives have received support in literature.

A study was conducted by Landauer, 1997, with focus on work- life programs with a number of clients (e.g., DuPont, Johnson and Johnson, Hoechst Celanese, IBM and others). At DuPont, for example, employees who used the company's work-life programs were 45% more likely to agree strongly that they will "go the extra mile" and are least likely to feel overwhelmed and burnt out (Landauer, 1997). Work-life balance primarily affects five key areas: employee time saved; employee retention; increased motivation and productivity; absenteeism; and decreased health care costs and stress- related illnesses (Parus, 2000).

Karatepe, Osman, and Mehmet (2006) found that work family conflict increased emotional exhaustion and decreased job satisfaction among the front-line bank employees; this finding is in consonance with past research(Boles et al.1997; Boles and Babin, 1996; Hyman and Summers, 2004; Babakus et al., 1999; Low et al., 2001). Work-family conflict and emotional exhaustion are among the two critical variables that have adverse effects on job outcomes of front-line employees (Babakus et al., 1999,Boles et al., 1997, Netemeyer et al., 2004).

A survey revealed that the pressure on employees to work longer hours under inflexible work schedules is ever increasing (Department of Trade and Industry, 2002). The literature also suggests that lack of balance between work and non-work activities is related to reduce psychological and physical well-being (Sparks et al., 1997; Frone et al., 1997; Thomas and Ganster, 1995; Martens etal., 1999).

A study by Hughes and Bozioneles (2007) on bus drivers indicated that work-life imbalance was not only a source of concern but also that it was the major source of dissatisfaction for the participants. Furthermore, the participants made a clear connection between problems with work-life balance and withdrawal behaviors, including turnover and no genuine sick absence.

According to Okpara (2004), job satisfaction in the IT sector can be predicted from personal variables, but not all variables contribute to the same degree of satisfaction as in earlier studies (Bigic, 1998; Brief and Aldag, 1975; Weaver, 1977). The findings of this study did not reveal clear gender differences in overall job satisfaction.

Studies related to gender and job satisfaction have reported inconsistent results. Studies indicating higher job satisfaction among women argue that women, compared to men, have lower expectations of the benefits they could receive from the labor market (Clark, 1997). On the other hand, other studies have shown that professional men have more job satisfaction than professional women (Chiu, 1998).

A recent study by Mishra, Chandargi and Hirevenkanagoudar (2007) of agriculture extension officers corroborated this study where the male officers had greater job satisfaction than the female officers. When work does not permit women to take care of their family, they feel frustrated. They draw tighter boundaries between work and family. A study by Valentine (2001) showed men perceive greater job responsibility in comparison to women. Research also shows that younger workers are consistently less satisfied with their jobs than older workers (Hall, 1994; Schultz, 1973).

Sharma (2007) has linked employee retention with a successful marriage. In both the relations it is important to maintain trust and faith, proper communication, feedback and motivation. Batra (2006) has also emphasized upon taking human capital building and sustaining as a major challenge for most of the BPO companies and as per him the solution lies in People Capability Maturity Model (People-CMM) developed by the Software Engineering Institute, USA. There is hardly any research on the different challenges faced by male and female employees with respect to work life balance in Indian call centers.

There is also a dearth of comprehensive studies linking odd working hours and work life balance in IT industry. After a comprehensive review of literature, it was found that there are very few studies which are addressing these very crucial issues pertaining to work life balance in IT industry.

Nature of the software services sector and its impact on the work–life balance

One of the significant changes witnessed in the labour markets in India in the last decade has been the entry of women professionals. The percentages of females in regular employment in urban India, increased from 25.8% in 1983 to 33.3% in 2000 and the labour force participation rates is projected to reach 361 per 1000 females in the year 2026 (McNay, Unni, & Cassen, 2004). In the organized sector, women workers constituted 18.4% as on March 31, 2003, of which about 49.68 lakh (4.96 million) women were employed in the public and private sectors (The Financial Express, 2006). In fact, the largest numbers of women employees are in the IT/ITES sector (Wakhlu, 2008). The 'phenomenon of Indian Women IT professionals is the term used to describe the enormous rise of women in the IT/BPO industry (The Indian programmer, 2000). Women accounted for 26.4% of the total India based workforce in the IT industry in 2007, up from 24% in 2005 and women comprise 25% of the employee strength of the major Indian IT companies (Ali, 2006). Women's participation in the IT workforce is seen as a critical enabling factor for the continued growth of the industry (The Economic Times, 2009).

The software industry in India is characterised by a project-oriented organisation and as the industry has matured, more complex and strategic projects have been outsourced to India. Software professionals are faced with an environment of uncertainty and instability with consequent pressures to work longer hours. This pressure is a result of two factors. First, the time differences with the West, US and Europe, necessitate employees to work at night in India. Furthermore, the concept of a 24-h knowledge factory the evolution of 24-7-365 help desk support requires software engineers to conduct team meetings and virtual work sessions, where team members need to adopt temporal flexibility, a more fluid approach to time whether holding conference calls outside the traditional 8 to 6 workday or fast-tracking a software project in shift. Second is the project based work with unpredictable workloads and the requirement to deliver projects consistently within the stipulated time and without critical bugs, often involving extensive travel. The project orientation of the industry with rapid technology changes that make skills quickly obsolete requires software professionals to frequently reskill. Consequently, software professionals need to put in extra training and educational hours to keep up with these changes.

Women who aspire to play a bigger role in technology need to maintain a consistently high learning curve. With the constant innovation happening in this arena, it is not enough to be a good worker in the IT industry; one must keep updating technological skills. No other industry sees such significant changes in technology from time to time. The time required for professional development will have to come out of the personal time of the employees. Long working hours, unpredictable workloads and the constant pressure of updating skills all have a strong impact on the work family balance of software professionals.

However, it must be recognized that in Indian society, where a woman's role in relation to herself, her family and society is being redefined, the new and expanded role of women with a strong occupational identity is putting a lot of pressure on women's time and energy. Indeed, balance was one of the commonly cited challenges of IT work in a study on women in IT (Adya, 2008).

In summary, it can be concluded that well educated, highly skilled women software professionals in India have entered a rapidly growing and very demanding sector in which they want to pursue careers. The nature of the industry and the fact that women software professionals are in the crucial phase in their lives, 23-38 years, where women are drawn into marriage and motherhood, puts increasing pressure on maintaining a worklife balance (Perrons, 2003 and Rajalakshmi, 2003).

It is evident that the nature of the sector and the changing aspirations and roles of women in Indian society create challenges for their work family balance, which this study puts under further scrutiny. The present study was designed to explore, document and analyze the factors that influence the work-family balance of women software professionals in India and also to understand the support they receive both in their personal and professional lives.

Worklife balance challenges and strategies

The nature of the IT industry emerged as a general category within the theme of the work family balance challenges, with the majority of women emphasizing that the projects with tight deadlines, extensive travelling and long and/or odd working hours, affected the work family balance. This is consistent with the findings from Teagarden et al.'s (2008) study that identified holding conference calls outside the traditional 8-6 workday or fast-tracking a software project in shifts. Additional working hours were at the expense of home time, while high work intensity or work pressure may result in fatigue, anxiety or other adverse psycho physiological consequences that can affect the quality of home and family life.

Women also had their strategies to cope with the challenges to achieve the work-family balance. This evolved primarily around prioritising commitments and personal self-management. One of the coping mechanisms used by the women IT professionals was to prioritise commitments within the work and family domains, in the short term and the long term. Other women clearly prioritised their families over work and accepted that they would have to put their career aspirations on hold. These strategies enabled the women to achieve their desired work family balance. An emerging category was personal self-management, which appeared to be a strategy to achieve the work family balance. To achieve the work-family balance requires what Ibarra (2004, p. 15) calls 'reinvention': reconsidering not only the kind of work one wants to do but also the kind of person one wants to be and the sacrifices one is prepared to make to grow into that new self.

Organisation policies and practices

Employee morale, satisfaction, and performance are improved among employees who have received work/life programs such as onsite child care, time for elder care, opportunity to study, opportunities for telecommuting as these reduce the level and intensity of stress that employees experience (Bruck, et al., 2002; Harmon, 2001; Garvey, 2001; Gibson et al.,2006). Consequently, organizations are paying more attention to work and personal/family life friendly programs, and are developing other benefits and activities that may help alleviate workplace stress and conflict between work-life. Thompson (2002) classified these work-life initiatives into five (5) categories namely,

(1) Time-based strategies like flexi-time, telecommuting and job sharing.

(2) Information-based strategies like relocation assistance, elder care resources, company work/life balance intranet;

(3) Money-based strategies like leave with pay, scholarships for dependents;
(4) Direct services like onsite childcare, concierge services and takeout dinners; and
(5) Culture-change strategies like training or focus on employee's performance not office face time.
Women reported the existence of work-family friendly policies and programmes that facilitated work-family balance: flexitime; work from home policy; leave of absence policy; one month leave a year; maternity leave; childcare facilities and sabbatical. These work-family friendly policies enabled women to attend to dependent care responsibilities, household activities or to pursue higher studies. Policies and programmes that are specifically aimed at enabling women to combine work and personal lives are also labeled as work family friendly policies.

CONCLUDING REMARK

Indian women IT professionals can achieve the work-family balance by setting priorities in their work and personal lives and by having support systems both at work, formally through HR policies and programmes. Work-life programs have the potential to significantly improve employee morale, reduce absenteeism, and retain organizational knowledge particularly during the difficult economic times. In today's global marketplace, as ITES firms aim to reduce cost, it is necessary to understand the critical issue of work-life balance and to champion work-life programs. This would offer a win-win situation for employers and employees.

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Secondary Market Bench Impact on Mutual Fund Industry

*Dr. A Kotishwar

Introduction

Performance evaluation theory stresses the importance of using good benchmarks (Holmstrom, 1979). For example, when determining an airline CEO's bonus, comparing the firm's performance to that of other airlines can improve efficiency by helping to filter out common stocks that are beyond the CEO's control. It would be less efficient to use railroads as the benchmark instead because shocks to the two industries are not perfectly correlated, yet the CEO has an incentive to encourage the use of a railroad benchmark if he believes that airlines are likely to outperform railroads. Of course, the attempt is unlikely to succeed in this setting because a knowledge- able corporate board of directors will realize that railroads are not the best benchmark. The financial services landscape is transforming, with a plethora of changes taking place on the regulatory front. Against this backdrop, asset management companies (AMCs) realise that they need to re-structure their businesses in order to meet the evolving needs of their clients and provide them with complete investment solutions. Although emerging markets such as India provide a wide range of opportunities, it is important to tap into these avenues to fuel the growth of the mutual fund industry.

Review of Literature

Berk A. Sensoy (2009) studies almost one-third of actively managed, diversified U.S. equity mutual funds specify a size and value/growth benchmark index in the fund prospectus that does not match the fund's actual style.

Rupeet Kaur (2012) the study on the return analysis reveals that growth schemes performed better as compared to dividend schemes when evaluate to the benchmark. Whereas the dividend schemes are more volatile as compared to the growth schemes. It is found that only 44 percent growth schemes performed better according to Sharpe, Treynor and Jensen measures. On the basis of R2, the schemes are well diversified which reduced the unsystematic risk. However, the funds are found to be poor in earning better returns either adopting marketing or in selecting under priced securities

Shalini Sharma Arti Gaur and Nancy Arora (2014) Under this study To evaluate the return with risk associated in the mutual fund and compares the performance of various mutual fund schemes on the basis of benchmark index so as to bring out whether the scheme is outperforming or underperforming the benchmark is measured by using secondary data Sharpe's and Treynor's portfolio performance measure is used to find the risk premium of portfolio relative to the total amount of risk in the portfolio. The reveals that in India almost every sector is likely to witness a huge growth going forward.

Objective of the study

1.To measure the correlation between number of schemes with benchmarks and assets under management.
2.To measure the impact of benchmarks of equity and debt on number of schemes.
3.To measure the benchmark impact on asset under management of equity and debt market.
4.To measure the impact of number of schemes on asset under management.

Research Methodology:

Nifty – NSE India
Composite bond index – NSE India
No. of schemes of both debt and equity,
Total assets under management of debt and equity

Pearson bi-variate correlation formula:-

$$r = \frac{\sum fuv - \frac{(\sum fu)(\sum fv)}{n}}{\sqrt{\sum fu^2 - \frac{(\sum fu)^2}{n}} \times \sqrt{\sum fv^2 - \frac{(\sum fv)^2}{n}}}$$

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Pearson's correlation coefficient between two variables is defined as the covariance of the two variables divided by the product of their standard deviation. The form of the definition involves a "product moment", that is, the mean (the first moment about the origin) of the product of the mean-adjusted random variables; hence the modifier *product-moment* in the name.

ANOVA Formula:-

$$SS_{total} = \sum_{j=1}^{p} \sum_{i=1}^{n_j} (x_{ij} - \overline{x})^2$$

$$SS_{between} = \sum_{j=1}^{p} n_j (\overline{x}_j - \overline{x})^2$$

$$SS_{within} = \sum_{j=1}^{p} \sum_{i=1}^{n_j} (x_{ij} - \overline{x}_j)^2$$

Analysis of variance is a method for decomposing variance in a measured outcome in to variance that can be explained, such as by a regression model or an experimental treatment assignment, and variance which cannot be explained, which is often attributable to random error.

The Granger causality test: It is a statistical hypothesis test for ascertaining whether one time series can be used for forecasting another time series. It is originally considered that regressions reflect "mere" correlations, but Clive Granger on the other hand argued that causality in economics could be reflected by measuring the ability of predicting the future values of a time series using historical values of another.

$$\mathbb{P}[Y(t+1) \in A \mid \mathcal{I}(t)] \neq \mathbb{P}[Y(t+1) \in A \mid \mathcal{I}_{-X}(t)]$$

Johansen test: It is used for co integration that allows for more than one co integrating relationship i.e. large data samples. Therefore this test is more generally applicable than the Engle–Granger test which is based on the Dickey–Fuller (or the augmented) test for unit roots.

$$X_t = \mu + \Phi D_t + \Pi_p X_{t-p} + \cdots + \Pi_1 X_{t-1} + \epsilon_t, \quad t = 1, \ldots, T$$

SCOPE: The study has been emphasized on 15 years data (2000-14) asset under management of equity , and debt has been considered of 46 mutual funds asset management companies from national stock exchange, Equity and debt benchmarks are considered.

1. **Objective:**

		EquitySchemes	Nifty	CBI	EquityAUM	DebtAUM	DebtSchemes
EquitySchemes	Pearson Correlation	1	.704**	-0.476	.644*	.647*	.801**
	Sig. (2-tailed)		0.005	0.086	0.013	0.012	0.001
	N	14	14	14	14	14	14
Nifty	Pearson Correlation	.704**	1	-.856**	.967**	.861**	.886**
	Sig. (2-tailed)	0.005		0	0	0	0
	N	14	14	14	14	14	14
CBI	Pearson Correlation	-0.476	-.856**	1	-.878**	-.616*	-.574*
	Sig. (2-tailed)	0.086	0		0	0.019	0.032
	N	14	14	14	14	14	14
EquityAUM	Pearson Correlation	.644*	.967**	-.878**	1	.837**	.823**
	Sig. (2-tailed)	0.013	0	0		0	0
	N	14	14	14	14	14	14
DebtAUM	Pearson Correlation	.647*	.861**	-.616*	.837**	1	.901**
	Sig. (2-tailed)	0.012	0	0.019	0		0
	N	14	14	14	14	14	14
DebtSchemes	Pearson Correlation	.801**	.886**	-.574*	.823**	.901**	1
	Sig. (2-tailed)	0.001	0	0.032	0	0	
	N	14	14	14	14	14	14

Interpretation: Bi variant correlation has been applied on equity and debt benchmarks, with asset under management and schemes .this result indicates that CBI is negatively correlated with nifty and equity schemes. Asset under management of debt and schemes were also moderately negatively correlated with that debt benchmark, Equity benchmark is having strong correlation with rest of the variables during the study period.

2. To measure the impact of benchmarks of equity and debt on number of schemes.

Co integration test:

LL RANK VALUES	Data Trend:	None	None	Linear	Linear	Quadratic		
	Rank or	No Interce	Intercept	Intercept	Intercept	Intercept	**A I C**	**SIC**
	No. of CEs	No Trend	No Trend	No Trend	Trend	Trend		
NIFTY vs. schemes	0	-158.266	-158.266	-157.503	-157.503	-156.328	29.50297	29.64766
	1	-156.058	-152.194	-151.534	-151.127	-149.989	29.82877	30.11815
	2	-155.907	-151.505	-151.505	-148.686	-148.686	30.52849	30.96256
CBI vs. schemes	0	-102.695	-102.695	-102.594	-102.594	-101.493	19.39903	19.54371
	1	-94.6677	-91.7272	-91.643	-90.789	-89.9615	18.66685	18.95623
	2	-93.5384	-86.0409	-86.0409	-84.3262	-84.3262	19.18881	19.62288

Interpretation: Johansson co integration test has been applied between nifty and CBI to number of schemes. The result unveils that log likelihood rank values were in decreasing trend in both non and linear model along with the quadratic AIC and SIC criteria's were also satisfied in all trend models this analysis indicates that data is co integrated between CBI and no. of schemes of equity and debt markets.

Granger causality test:

Null Hypothesis:	Obs	F-Statistic	Prob.
EBTSCHEMES does not Granger Cause CBI	11	0.47242	0.6449
CBI does not Granger Cause DEBTSCHEMES		3.07796	0.1203

Interpretation: The granger causality test has been applied to measure the nifty benchmark on number of equity schemes ,the probability value of granger 0.71>0.5 indicates that null hypothesis is rejected and accept the alternative hypothesis .Hence this probability depicts that equity schemes were influenced by the equity benchmark.

3. To measure the benchmark impact on asset under management of equity and debt market.

Model Summary	
Multiple R	0.9
R Square	0.81
Adjusted R Square	0.775
Std. Error of the Estimate	0.025
Log-likelihood Function Value	-34.484

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	0.03	2	**0.015**	23.446	0
Residual	0.007	11	**0.001**		
Total	0.037	13			

Coefficients	ndardized Coeffi	Standardized Coefficients				
	B	Std. Error	Beta	Std. Error	T	Sig.
(Constant)	133.796	1.622			82.487	0
EquityAUM	0	0	**-1.205**	0.234	-5.152	0
DebtAUM	1.32E-05	0	**0.404**	0.234	1.727	0.112

Interpretation: Regression weight estimation has been applied to measure the nifty benchmark impact on equity and debt mutual fund assets, the R^2 is 95%>60, which indicates that the relation is highly stronger probability value is found to be significant. This analysis indicates that equity benchmark influence is observed on both the segments of mutual fund assets that is equity and debt.

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4. To measure the impact of number of schemes on asset under management.

LL rank values	Rank or No. of CEs	No Intercept No Trend	Intercept No Trend	Intercept No Trend	Intercept Trend	Intercept Trend	AIC	SIC
	0	-212.4936	-212.494	-212.489	-212.489	-212.404	43.29873	43.41976
	1	-203.9965	-202.644	-202.643	-202.559	-202.548	42.39930	42.64137
	2	-200.3882	-198.883	-198.883	-198.498	-198.498	42.47764	42.84074

Null Hypothesis:	Obs	F-Statistic	Prob.
ASSETUNDERMGT does not Granger Cause SCHEMES	10	1.95328	0.2361
SCHEMES does not Granger Cause ASSETUNDERMGT		0.13022	0.8808

Interpretation: The above analysis of Johansson co integration test has been applied on the stationary data between number of schemes and asset under management of equity and debt market and The result shows that log likelihood rank values were observed in decreasing trend in both linear and quadratic model.log with the alpha level, this indicates that data is co integrated between these two variables

The above analysis of granger analysis test result unveils that null hypothesis (h0) is rejected because the probability value 0.88>0.5 and accepts the alternative hypothesis, this test shows that number of schemes of equity and debt are causing the assets under management in mutual fund segment.

Findings of the study

1. Debt schemes were strongly correlated with nifty equity schemes. Equity asset under management and debt asset under management but it is negatively correlated with debt benchmark.
2. Equity schemes were caused by the nifty but debt schemes were not caused by the debt benchmark composite index.
3. Equity and debt benchmarks are impacting the asset under management in both the segments.
4. Debt schemes are causing the debt asset under management during the study period.

Conclusion:

We conclude the analysis of benchmark impact on equity and debt mutual funds. In this study, we had considered composite bond index of NSE as the benchmark for the debt instruments. Nifty has been considered equity benchmark. Asset under management companies which were approved by the SEBI has been considered to measure the benchmark impact on mutual funds, which indicates that no, of schemes and asset under management of equity and debt market .The analysis had proven that asset under management were impacted by the benchmark. The no. of schemes of equity are affected by the nifty but composite bond index failed to influence the new debt schemes. Hence there is a scope to do research in this area, by considering various economic factors, which influence the mutual fund asset performance.

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An Empirical Evidence of Hedging Performance in Indian Commodity Derivatives Market

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Introduction:

The volatile financial market today has taken financial risk as centre point in every sphere of economic activity. Therefore, hedging of risk has become a very important concern worldwide. However, hedging is still an underutilized tool. International practices for hedging against commodity price risk involve both static and dynamic hedging techniques. In a static hedge, the physical commodity price is locked in by hedging in Futures market. This is irrespective of whether the commodity price increases or decreases, the underlying objective being protection against market risk. In a dynamic hedge, judgmental positions are taken in Futures markets, based on specific presumptions on possible price movements in the physical market. This may depend on fundamental factors of demand and supply that impact commodity prices. Dynamic hedge involves greater risk as compared with a static hedge.

Hedging using Futures Contracts involves identification and quantification of the hedge ratio (the ratio of the number of Futures contracts, each on one unit of the underlying asset to be hedged, as compared with one unit of the cash asset that needs to be hedged). The extent of volatility in Futures contract prices as compared with the volatility in cash market prices needs to be ascertained along with the correlation between the cash price and Futures price. The calculation of the hedge ratio is all the more important because of the threat of being under-hedged or over-hedged. A crucial input in the hedging of risk is the optimal hedge ratio. Numerous studies point out that the expected relationship between economic or financial variables may be better captured by a time varying parameter model rather than a fixed coefficient model. So the optimal hedge ratio can be a time varying rather than constant.

Thus, the role of hedging while using multiple risky assets, using Futures market for minimizing the risk of Spot market fluctuation has attracted considerable attention. The focus of current empirical financial research is on effective use of Futures contract in making hedging decisions and there is considerable amount of research being carried out to find optimal hedge ratio and improve the hedging effectiveness.

Literature Review:

The relationship between the Futures and Spot prices is of great significance to those who wish to hedge the price risk using Futures contracts. (M Ajoy Kumar & M R Shollapur, 2015) There is long-term equilibrium relationship between the Futures and Spot prices of all Commodities. The long-run causality flows from Futures market to the Spot market and not in the opposite direction in all Commodities. The Futures markets are able to meet their intended objectives of price discovery and hence aid in price risk hedging. As the price discovery process becomes more efficient, the hedgers in agricultural Commodities would start deriving greater benefits while managing the price risk.

The Optimal hedge ratio and hedging effectiveness provided by Futures contract has been researched extensively. Various estimation techniques have been developed for estimation of constant as well as dynamic hedge ratio, which is based on conditional distribution of covariance of Spot and Futures returns and conditional variances. Traditionally, the hedge ratio was considered to be '-1', i.e., taking a position in Futures market which is equal in magnitude and opposite in sign to Spot market. If the movement of changes in Spot prices and Futures prices is same, then such a strategy eliminates the price risk. Such a perfect correlation between Spot and Futures prices is rarely observed in markets and hence there was a need felt for a better approach. Johnson (1960) came up with an approach called 'minimum variance hedge ratio (MVHR)'. The main objective of minimizing the risk was kept intact but the concept of utility maximization (mean) was also brought. Risk was defined as the variance of return on a two-asset hedged position. Hedging effectiveness of Futures markets is one of the important determinants of success of Futures contracts (Silber, 1985; Pennings&Meulenberg, 1997).

The Minimum-Variance Hedge Ratio (Benninga, et al., 1983) has been suggested as slope coefficient of the OLS regression, for changes in Spot prices on changes in Futures prices. Many authors defined

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hedging effectiveness as the reduction in variances and considered utility function as risk minimization problem (Johnson, 1960, Ederington, 1979). However, Rolfo (1980) and Anderson and Danthine (1981) calculated optimal hedge ratio by maximizing traders' expected utility, which is determined by both expected return and variance of portfolio.

The use of regression for calculating the hedge ratio and hedging effectiveness has been criticized on mainly two grounds (Brajesh Kumar, Priyanka Singh, Ajay Pandey, 2008). First, it is based on unconditional second moments, whereas the covariance and variance should be conditional because hedging decision made by any trader is based on all the information available at that time. Second, the estimates based on OLS regression is time invariant but the joint distribution of Spot and Futures prices may be time variant. In most of the markets, Spot and Futures prices are co-integrated in long-run (which is a necessary condition of market efficiency) application of vector autoregressive model (VAR) is also not appropriate. Estimation of constant hedge ratio through Vector Error Correction (VECM) Model, which considers the long run co-integration between Spot and Futures, is therefore widely used.

Objectives:

1) To identify long term and short term Co-integration in Spot and Future prices of selected Commodities.
2) To estimate the hedge ratio and hedging effectiveness for select actively traded Indian commodity Futures using selected models.

Research Methodology:

Scope of the study:

This paper investigates optimal hedge ratio and hedging effectiveness of 4 Non-agricultural (Crude Oil, Natural Gas, Gold, Nickel) Futures Contracts traded on Multi Commodity Exchange (MCX) in India using VECM Model. The data period considered in the analysis is from January 2010 to December 2014.

Data Sources:

The study is based on secondary data i.e. Spot and Future prices of Crude oil, Natural gas, Copper, Nickel, Gold and Silver and has been collected from **www.mcx.com** and using Bloomberg database and for a period of 5 years from January 2010 to December 2014. The Commodities are selected based on most actively traded Commodities in terms of Volume. One month, two month and three months contract where trading volume is high are analysed.

Tools for analysis:

Model for Estimating Hedging Effectiveness and Hedge Ratio

Several models are used to estimate constant hedge ratio. The OLS, VAR and VECM models estimate constant hedge ratio. In this study, only VECM is used to estimate hedge ratio as many critics contradict the efficiency of OLS and VAR.

Test of Unit Root and Co Integration

Augmented Dickey Fuller model is used to test the presence of unit root. A unit root test helps in determining whether a time series data variable is stationary. The Augmented Dickey Fuller test is a well – known test that is used to check if the data points are stationary and as such has been used on the Spot and Future prices of Commodities. The data points were found to be stationary at first difference. In order to test the co-integration between Spot and Future prices, we used the Johansen's co-integration test. Johansen Co–integration is a statistical tool used to analyse time – series variables. Co-integration signifies when time series data points exhibit a similar or common stochastic drift. The study has tried to analyse the long term co integration in movement of Spot prices and Future prices of selected Commodities.

Vector Error Correction Model (VECM)

When Futures and Spot prices are co-integrated, return dynamics of the both prices can be modelled through vector error correction model. Vector error correction model specifications allow a long-run equilibrium error correction in prices in the conditional mean equations (Engle and Granger, 1987). Similar approach has been used to model short run relationship of co-integrated variables (Harris et al. 1995; Cheung and Fung, 1997; Ghosh, Saidi and Johnson, 1999).

Results and Interpretation:

Descriptive Statistics

Table 1: Descriptive Statistics for Spot and one month Future Contracts

	Crude Oil		Natural Gas		Gold		Nickel	
	Spot	Future	Spot	Future	Spot	Future	Spot	Future
Mean	0.003452	0.00314	0.002195	0.00204	0.0005	0.0005	0.025395	0.024329
Median	0.000196	0.00027	0.000659	4.46E-05	0.0004	0.0005	0.011733	0.01348
Maximum	0.2687	0.2519	0.385242	0.394968	0.0324	0.0335	23.0173	22.16193
Minimum	-0.09259	-0.09403	-0.3397	-0.28618	-0.0355	-0.0454	-16.3689	-14.9753
Std. Dev.	0.03547	0.03344	0.058699	0.054876	0.0097	0.0100	3.255496	3.056098
Skewness	4.3011	4.321989	1.016078	2.341932	-0.1347	-0.8444	1.607557	2.102048
Kurtosis	35.37	37.1361	30.86103	34.82341	6.0635	11.0914	35.23704	36.6337
Jarque-Bera	6502.37	7164.483	5298.746	6405.708	85.8267	1000.67	6675.66	7129.461
Probability	0	0	0	0	0.0498	0.1610	0	0

Table 2: Descriptive Statistics for Spot and two month Future Contracts

	Crude Oil		Natural Gas		Gold		Nickel	
	Spot	Future	Spot	Future	Spot	Future	Spot	Future
Mean	0.17582	0.1566	0.000809	0.000669	0.000444	0.0004	0.044709	0.040793
Median	0.02561	0.021273	0.000152	-0.00015	0.000292	0.0005	0.025204	0.045305
Maximum	26.058	26.1383	0.331948	0.345217	0.040278	0.0358	12.17752	13.28402
Minimum	-7.582	-7.4778	-0.29251	-0.22558	-0.05571	-0.051	-8.37365	-6.38391
Std. Dev.	2.645	2.5798	0.042685	0.036663	0.010142	0.0098	2.335191	2.244512
Skewness	4.926	5.803	1.020373	2.964102	-0.74642	-0.673	0.866248	1.728623
Kurtosis	50.596	61.766	38.82247	48.74259	12.61827	9.612	15.34908	18.20246
Jarque-Bera	29628.07	41780	19053.09	29483.75	2393.326	935.88	1226.76	1769.578
Probability	0	0	0	0.000533	0.000119	0	0.007185	0.002425

Table 3: Descriptive Statistics for Spot and three month Future Contracts

	Crude Oil		Natural Gas		Gold		Nickel	
	Spot	Future	Spot	Future	Spot	Future	Spot	Future
Mean	0.1135	0.1037	0.055046	0.022714	0.122684	0.123335	0.019018	0.016766
Median	0.0217	0.0206	0.00165	-0.03691	0.088468	0.046548	0.03879	0.003805
Maximum	27.316	29.375	29.52681	34.14643	12.29389	12.36259	22.01703	22.56442
Minimum	-7.605	-6.347	-29.5122	-20.5879	-7.68823	-6.79429	-12.708	-10.0261
Std. Dev.	2.369	2.351	3.56333	3.131357	1.348193	1.321575	2.228827	2.095848
Skewness	5.151	7.278	0.176191	3.37096	2.32022	2.486481	2.450123	3.626574
Kurtosis	59.897	90.1799	49.99521	60.4322	41.97161	42.79101	44.77182	52.70145
Jarque-Bera	57552.8	13625.2	49088.18	63270.79	36809.23	41746.96	34159.47	45618.06
Probability	0	0	0	0	0.166184	0.073339	0	0

Summary statistics of contract wise Spot and Future prices of four Commodities are provided in table numbers' 1 to 3. The rate of return as given by the mean is greater for the Spot markets than compared with Futures market under each category of contract except in the case of gold for three month Future contract.

The volatility as given by the standard deviation is higher for far away contracts as compared to near month contracts. Natural gas and Crude oil have a highly volatile Future and Spot market as compared to other commodity. The measure of Skewness indicates that none of the data points are symmetric with the exception of Natural Gas one month and two month Spot where in the data points lie within +/- 1 and are moderately skewed. The kurtosis data points for all data series lies above three which indicates leptokurtic behaviour of the data series featuring sharper peaks longer and fatter tails on both the ends.

The Jarque - Bera test is used to test the normality of the data series. The null hypothesis for the test is given as H_0 = all the data series are normally distributed. As it can be observed from the above tables and it reject the null hypothesis. Hence, indicating that the data series aren't normally distributed.

1. Unit root test

A unit root test helps in determining whether a time series data variable is stationary. The Augmented Dickey Fuller test is a well – known test that is used to check if the data points are stationary and as such has been used on the closing prices of all the indexes. It is found that for all the Commodities, Spot prices, one month Future prices, two month Future prices and three month Future price series have unit root and return series are stationary. That means the data points were found to be stationary at first difference.

2. Johansen test for co-integration

The Johansen test for co-integration tries to establish the presence of co integrating relationship between contract wise Spot and Future prices. The contract wise results of the test are summarized in table 3. This tries to find the number of co integrating equations. Here the test is try to determine the long term association and causal relationship between the Spot and Future markets.

Table 3: Johansen test for Co integration (Spot and Futures), One month contract

Commodity	Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	Critical Value	Probability**
Crude Oil	None *	0.330986	78.044	15.49471	0
	At most 1 *	0.1915	26.997	3.084	0
Natural Gas	None *	0.351427	76.487	15.49471	0
	At most 1 *	0.175135	23.462	3.841466	0
Nickel	None *	0.313668	67.767	15.49471	0
	At most 1 *	0.163369	21.771	3.841466	0
Gold	None *	0.310485	51.927	15.49471	0
	At most 1 *	0.138546	14.923	3.841466	0.0085

*Note: * denotes rejection of hypothesis at 5 percent significance*

Table 4: Johansen test for Co integration (Spot and Futures), Two month contract

Commodity	Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	Critical Value	Prob.**
Crude Oil	None *	0.323669	141.3246	15.49471	0.0001
	At most 1 *	0.166754	44.8332	3.841466	0
Natural Gas	None *	0.279661	119.8107	15.49471	0.00009
	At most 1 *	0.148006	39.20443	3.841466	0
Nickel	None *	0.380126	64.71961	15.49471	0
	At most 1 *	0.175527	18.58603	3.841466	0.00012
Gold	None *	0.297444	107.4023	15.49471	0.00006

	At most 1 *	0.123537	29.29105	3.841466	0.0008
*Note: * denotes rejection of hypothesis at 5 percent significance*					

Table 5: Johansen test for co integration (Spot and Futures), Three month contract					
Commodity	Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	Critical Value	Prob.**
Crude Oil	None *	0.326959	212.4607	15.49471	0.0001
	At most 1 *	0.166332	66.8438	3.841466	0
Natural Gas	None *	0.29546	183.164	15.49471	0.0001
	At most 1 *	0.166791	62.18652	3.841466	0
Nickel	None *	0.328546	210.4688	15.49471	0.0001
	At most 1 *	0.164384	65.41891	3.841466	0
Gold	None *	0.344774	148.0757	15.49471	6.25E-05
	At most 1 *	0.15269	44.32186	3.841466	0.00025
*Note: * denotes rejection of hypothesis at 5 percent significance*					

The above tables' highlight that the prices of Spot and Future for one month contract, two month contract and three month contract for all the four Commodities are co-integrated and hence exhibit a long term equilibrium and causal relationship. It is a very important characteristic that when prices are trending either upward or downward they exhibit a co related movement in their prices. It can also be noted that irrespective of the duration of the contract the prices move in a co integrated and manner. If such a relationship isn't observed among both the data series, the efficiency of Futures market in providing a hedging platform decreases.

The presence of co integrating equations also supports the fact that there exists a causal relationship between both the markets throughout different contract durations. A strong association and causal relationship between Spot and Future market also facilitates better and efficient hedging opportunities.

3. Vector error correction model

The Johansen test helps us in understanding the association and long term trends in movement among both the markets. The Vector error correction model helps in analysing the short run causality between both the markets. It explains the direction and significance of long run and short run causality that each market can have on one another. The error correction mechanism between both the markets helps in maintaining the prices of both the markets at equilibrium.

Table 6: Estimates of Vector Correction Model- One month contract				
Commodity	**Crude Oil**	**Natural Gas**	**Gold**	**Nickel**
Cs	-0.77072*	-1.49003*	-1.70665*	-1.10137*
$s_{,t-1}$	-0.04265	0.032577	0.228172	-0.2154
$S_{,t-2}$	-0.04796	-0.08225	-0.03294	-0.18839
$f_{,t-1}$	0.170745*	-0.76845*	-0.70411*	-0.47897*
$f_{,t-2}$	-0.00526*	-0.26785*	-0.22496*	-0.12961*
constant	-2.3218	-0.00046	-0.000005	0.008362

*Note: * indicates rejection of null hypothesis at 5 percent.*

Table 7: Estimates of Vector Correction Model - Two Month Contract

Commodity	Crude Oil	Natural Gas	Gold	Nickel
Cs	-0.98052*	-1.14382*	-1.73951*	-1.75144*
$s_{,t-1}$	-0.07245	-0.15046	0.221629	0.240022
$S_{,t-2}$	-0.04154	-0.16519	-0.03149	0.003672
$f_{,t-1}$	0.1778*	-0.50856*	-0.74357*	-0.81562*
$f_{,t-2}$	-0.0153*	-0.17103*	-0.23314*	-0.25992
constant	-2.711	0.0176	-0.00034	0.028782

*Note: * indicates rejection of null hypothesis at 5 percent.*

Table 8: Estimates of Vector Correction Model - Three Month Contract

Commodity	Crude Oil	Natural Gas	Gold	Nickel
Cs	-0.77072*	-0.164898*	-1.71334*	-1.51355*
$S_{,t-1}$	-0.04265	0.120651	0.222702	0.078529
$S_{,t-2}$	-0.04796	0.063554	-0.08265	-0.09386
$f_{,t-1}$	0.170745*	0.143312*	-0.78534*	-0.73547*
$f_{,t-2}$	-0.00526*	0.084349*	-0.23269*	-0.20762
constant	-2.3218	0.180127	0.003224	0.005095

*Note: * indicates rejection of null hypothesis at 5 percent.*

The above tables explain the co-efficient of VECM model with the Future market as dependant variable and the Spot market as explanatory variable. Hedging always takes place in the Futures market with perspective from the Spot market hence we are trying to understand the causality between both the markets.

It can be observed from the table that the error co-efficient is negatively significant for all the Commodities across all contracts. This shows that is long term error correction flowing from the Spot market to the Futures market. This finding further substantiates our findings from the co-integration test that there must be at least one long term causal relationship in one direction. Here the long term causal relationship is flowing from the Spot markets to the Futures market.

The following error correction variables are explained as:

$S_{,t-1}$	: Spot one day lag
$S_{,t-2}$	: Spot two day lag
$f_{,t-1}$	: Future one day lag
$f_{,t-2}$	: Future two day lag

Table 9: Hedge ratio and hedging effectiveness – Two month contract

	Covariance (Spot, Future)	Variance (Spot)	Variance (Future)	Hedge Ratio	Variance (Hedged)	Variance (Unhedged)	Hedging Effectiveness
Crude oil	0.336638	2.775959	1.763409	0.17995	2.658298	2.775959	0.03777
Natural Gas	0.300303	7.541847	4.129521	0.14384	7.783651	7.541847	-0.00554
Gold	0.371437	0.986537	1.055268	0.31678	0.8883	0.986923	0.099664
Nickel	1.200637	2.615323	2.122996	0.78445	2.467592	2.615323	0.154863

The table shows that S_{t-1} and S_{t-2} is not significant for any of the Commodities across all the contracts, which signifies that there exist no short run causal relationship between the Spot and Future prices. It implies that Future prices in the short run move independently of Spot prices. In such cases the hedging of risks and volatilities from Spot market to Future market is very difficult as it is not possible to establish any short run causal relationship between both the markets and hence the hedging won't be effective or provide for optimal risk coverage. It can be observed that F_{t-1} is significant across all the Commodities for all the contracts which explain that Future one lag returns influence the present day Future prices. Similarly it can also be observed that F_{t-2} is significant for all the Commodities except for nickel in two month and three month contract.

In can be summarized that exist a strong unidirectional causality flowing from the Spot markets to the Future markets in the long run. However there exists no causality between Spot and Futures in the short run. It can also be inferred that Spot markets factor in new information and pass on the same to the Futures market in the long, however Futures market in the short run are affected by its own previous movements. It can also be observed that the long run causality as captured by Crude oil contracts gets stronger in the near month and then weakens in the far away month.

The optimal hedge ratio and hedge effectiveness for all Commodities for next to near month contract are presented in table 10. Two month contracts have optimal hedge ratios in the range of 0.14 to 0.78, the lowest being of Natural gas and the highest being of Nickel. It can be observed that Natural Gas doesn't provide an optimal hedging opportunity in the short run given the volatility in global crude oil prices. Nickel however provides a hedging effectiveness of 15 percent followed by gold at 9 percent.

Table 10: Hedge ratio and hedging effectiveness – Three month contract

	Covariance (Spot, Future)	Variance (Spot)	Variance (Future)	Hedge Ratio	Variance (Hedged)	Variance (Unhedged)	Hedging Effectiveness
Crude oil	0.237432	2.722838	1.728795	0.170482	2.637196	2.722838	0.032569
Natural Gas	0.302222	6.755116	4.029318	0.147866	6.852202	6.755116	-0.00167
Gold	0.386854	1.048446	1.076329	0.33316	0.932025	1.048446	0.108233
Nickel	1.221142	2.696146	2.216407	0.784862	2.468582	2.696146	0.148708

The optimal hedge ratio and hedge effectiveness for all Commodities for far away contract are presented in table 4c. Three month contracts have an optimal hedge ratio in the range of 0.14 to 0.78, the lowest being of Natural gas and the highest being of Nickel. It can be observed that Natural Gas doesn't provide an optimal hedging opportunity in the short run given the volatility in global crude oil prices. Nickel however provides a hedging effectiveness of 14 percent followed by gold at 10 percent.

Conclusions:

The inherent purpose of structured products aims in mitigating risk, transferring risk, efficient price discovery among others. This paper has tried to study the linkages and co-integrated movement in commodity prices and its implications on the hedge ratio and hedging efficiency comprising of four Commodities. The findings indicate a strong co-integration in the movement of Spot and Future prices indicating a long run synchronized movement in prices. The paper also identifies a long term equilibrium relationship between Future and Spot prices. In the short run there exists uni-directional causality among different Commodities.

It is also found that Indian commodity derivatives market serves the purpose of risk transfer by aiding in efficient hedging opportunities. The efficient hedge ratio is found to be in the range of 0.14 to 0.78. It was also found that crude oil could provide an efficient hedging ratio which can be attributed to the volatility in global crude oil prices. Nickel provided a hedging efficiency of 14 percent across different contracts.

India has witnessed a tremendous growth path in organized Commodities market, however still a lot more needs to be done.

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Employee`s Training: Catalyst To Good Quality Of Work Life

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INTRODUCTION

Today Entry level jobs [1] now demand workers with new and different kinds of skills. Even simple clerical work now requires computer knowledge bank tellers need more knowledge of financial transactions and sale techniques, and foreign competition and sale techniques for foreign competition means that assembly line workers need more sophisticated understanding of mathematics and better reading and reasoning skills in order to cut cost and improve quality. This gives rise to imparting training to the employees. This study attempted to assess the training needs of line workers' working in the manufacturing industries of Aurangabad region. The present study focuses on importance of training and development. By identifying the performance problems that can be improved by training, will allow the manufacturing industries to focus on the real training needs of the organizations.

OBJECTIVES OF THE STUDY

1) To study the importance of training for line workers' working in the manufacturing industries of Aurangabad region.
2) To assess the training needs of line workers' working in the manufacturing industries of Aurangabad region.
3) To understand the factors that influence and decide the quality of training programs.
4) To examine how training and development programs help to improve QWL.
5) To find out more prospects for improving training programs in the specified region.

RESEARCH METHODOLOGY

The present study focuses on importance of training and development. Questions for Interview were developed and administered to the line workers face to face. Questions were designed as such that they determine common performance problems of the employees that can be addressed by training. By identifying the performance problems that can be improved by training, will allow the manufacturing industries to focus on the real training needs of the organizations. All the findings and conclusions obtained were based on survey. The representative sample was selected of the whole group. The Research design adopted to complete this research study was a **Descriptive Research design**. The data was produced with the help of the nominated sample of 30 Line Workers from manufacturing industries of Aurangabad region which were considered representative of the whole universe. The Sampling procedure adopted was **Convenience Random Sampling.** The primary data was coin from the employees of total selected employees. The method of data collection was **survey** method for which **structured Questionnaire** was prepared. Secondary data was collected from relevant national journals, report, magazines & books from libraries, published & unpublished thesis and websites.

LITERATURE REVIEW

One investigation[2] reported the following returns on investment (ROI) for various types of training .training evaluation shows that the potential returns from well conducted training programs can be substantial, there is often considerable variability in the effectiveness with which any given training method or content area is implemented. As we have seen Considerable planning through needs analysis and follow up program evaluation efforts are necessary in order to realize these returns.

George V Haythorne (1963)[3] in his study examined what can employers and government do to help out workers in improving productivity and what can workers themselves do. In his view the productivity improvement can best take place in the context of economic growth. The study revealed that many workers face the problems of change and insecurity. This can be overcome by training and retraining programs and adequate provision of workers to move to other work within the same industry. He opined that the productivity can only be achieved through effective teamwork and the fruits of increased productivity should be shared fairly among employers, workers and the public generally.

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Rathod (1982)[4] pointed out that the success and efficient functioning of the District Central Co operative Banks depended on the qualifications, training, motivation and ability of the Human Resource of that Organization. He revealed that employee participation and motivation, observed that, the participation of employees motivates them to bring out the best from them.

Varandhani (1987)[5] in his work on "Workers Participation in Management with Special Reference to India" observed that the Indian workers were not having a sense of commitment with the organization. He found that they were suffering from poverty & Deficiency, living on the edge of living standard, poorly educated and insufficiently trained & developed. These conditions reflected themselves in low productivity, poor performance, a high percentage of absenteeism and obvious indiscipline.

Manilal (1989)[6] in a research study commented strongly on the employee training and Productivity, that the operators, technicians and supervisors should be given sufficient & technical job training from time to time in order to cope with the changes in the technology and machinery which would lead to sustainable development of the business and at the same time measures are to be adopted for reducing administrative overhead.

Ghosh (1990)[7] argued that besides investment in plants, equipment, machinery and an organization could invest in its own human capital as well, in the form of training for the staff and the development of managers.

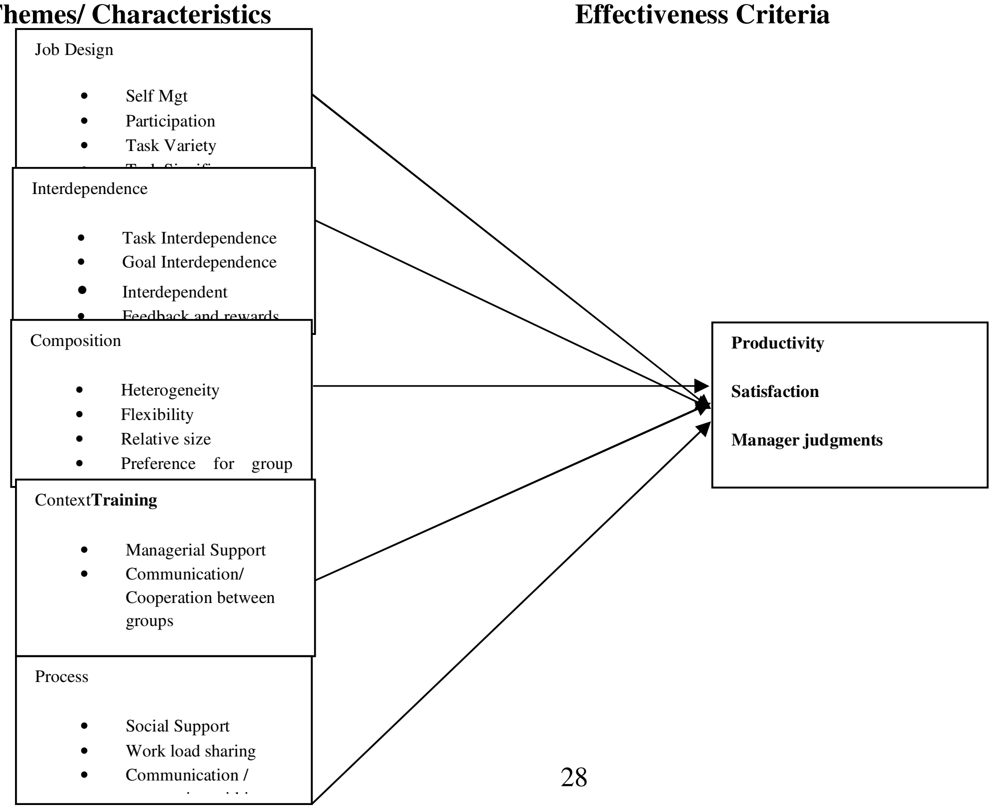
Venkata Rantna & Srivastava (1991)[8] perceived that the idea of training, is the consequence of change in the behavior of employees to convene the present and future supplies of their everyday jobs and roles. From the organizational point of view, training shortens the time required for employees to hit the highest point of efficiency levels. Training contributes significantly on increasing the quality and quantity of work processed and reducing idle time by way of increasing the productivity of the employee.

Michael A.,Gina (1993)[9] derived five common themes like Job design, Interdependance, composition, context and process for effective work groups and characteristics representing the themes like Productivity, employee satisfaction and manager judgements related to effectiveness criteria which is shown in Figure 1.2. The results cliam that all three effectiveness criteria were predicted by the charateristics and nearly all characteristics predicted some of the effectivenes criteria.

Figure 1.2

Michael A.Model: Themes & characteristics related to Work Group Effectiveness

Themes/ Characteristics **Effectiveness Criteria**



Source : Michael A.,Gina;Characteristics and effectiveness: Implications for designing effective Work gropus; Personnel Psychology; 1993,46.

Figure 1.2 represents the Michael A.,Gina, Characteristics and effectiveness: Implications for designing effective Work gropus such as job design like self mgt, participation, task variety, task significance, interdependence like task interdependence, goal interdependence, interdependence ,feedback and rewards, composition like heterogeneity, flexibility, relative size & preference for group, context like **training**, managerial support , communication & cooperation between groups, and process like social support, work load sharing & communication / cooperation within groups

Mathew (1992)[10] attempted a study on the personnel management practices with the aim of evaluating the degree of application of modern personnel management thought. He originate that even though employees were fairly compensated, the level of their job satisfaction was moderate. He found that there was a scope for improving personnel management practices in fields such as recruitment and selection, training, co-operative education, employer-employee relations, employees participation in decision making, performance appraisal system, personnel research, professionalization of management, communication system, & strengthening of personnel department.

Raghunathan (1994)[11] in his work on TQM and Work Culture disclose that continuous quality development relies on the most excellent utilization of talents and abilities of a company's workforce. To achieve world-class quality, it is crucial that a company empowers its Human Resource. Companies must develop and comprehend the full potential contribution for personal and organizational growth. This can be achieved through training to the employees, employee participation and involvement in decision making in that particular organization.

Gabriel Simon (1996)[12] suggested that management must treat training and development as a necessity rather than a luxury. All training programs should begin with carrier planning and identification of training needs. Workers participation in management can be a reality only when workers are capable and willing to do so. Management attitude should be reflected in the scheme so that workers are made true participants. He also made it clear that continuous service in the organization need not be on account of job satisfaction but on account of the absence of another alternative. He suggested for a serious study on the impact of the continuous service of an unsatisfied work force.

CONCLUSION

During the study it has been revealed that there has been tremendous increase in the business competition which demands for the highly skilled human resource working in the manufacturing sector which increases the demands for training at a regular basis. The study focused on measure having good Quality of work life through training experienced by the line workers working in manufacturing industries in Aurangabad region. This was an attempt to contribute some solutions for improving the quality of work life of the employees by way of analyzing training needs.

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Management of University Education system in India and Yemen

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INTRODUCTION

The administration had occupied an important position in the state of developed and developing countries and especially in the last decades of the twentieth century because of its significant role in the development of universities. And the universities have a big role in their communities as the leading sectors of society in the development and growth, as institutions and scientific research. The interests focused and since the beginning of the sixties to provide an information system that supports the decision-maker and private departments, colleges and universities, it has issued several studies about the importance of information and the growing need for information systems contributing to the development of the university administration for the purpose of achieving efficiency resource , and also to achieve efficiency and contribute to in the development of building the relationship between the university and the community.

Most of those models have characterized in its movement, and they raised comprehensive information systems for colleges and universities, especially in the United States of America, and discussed the need for management with regard to human resources, and students and faculty staff and workers, as well as assets of all kinds finance and society in which it operates. The seventies and eighties witnessed fast development in this area; the management didn't just look for statement and information only but extended even further, especially in how to get to achieve efficiency and effectiveness in university work.

The university administration began looking for new concept frames, not limited to the traditional patterns as the principle of the effectiveness of the costs and other. It seems that the totality of these changes were behind the problems and motives pushing for development to be resolved, especially after those fiscal problems reflected on the scientific and educational process, which the institutions of higher education have suffered from it so that led to a decline in the qualitative nature of the output and the increasing need for financing. **(Al-abadi, 2008, p 73).**

The concept of organizational effectiveness contemporary from which to evaluate and measure the degree of administrative organizations success in its functions and activities and to achieve their goals given posed by higher education institutions and private colleges and management of the economy, the importance of learning and the dissemination of scientific research and advancement of knowledge and the development and expansion of the national base, and industry knowledge and transfer to the new generations, In addition to providing human resources capable of developing and leadership development programs.

Based on this, all these efforts summed up to contribute to the measure and determine the outputs of university education and the goals of universities and try to measure the cost of Degree and the cost of time learning and the cost of graduate student and the cost of scientific research, and all these indicators has become guide rational management of the university.

There are two types of universities, one composed colleges which includes sections of the terms of reference includes science colleges, for example, or an integrated colleges branches of medicine. The second type consists of sections associated with the university President or Director. In both types it has to have the Chairman or the Director of the Council who achieved the independence of the university and its corporate status. The first type is common in Britain and America and many Arab countries, including Iraq. The second type is known in Central and Eastern Europe.

In fact, the leading positions in universities as in the head of the university, and deans and head of the department are no longer administrative positions, but is also a scientific position. The head section is not exercised as pursuant significant administrative, and tasks entrusted to him are mostly scientific. As well as the functions of the Dean and President of the University, and that the increased administrative tasks whenever went up the peace university. And universities cannot dispense with the councils, as well as colleges and departments, and not lose the nature of scientific education and turn into centers or institutions that shall charge the first responsibility of everything.

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The university has been known in the countries where the modern university system gives autonomy to divisions and colleges so that these sections and scientific units have top planning and oversight rather than an executive. It is known that the mission of the university and the college and the section is not limited to education only, and it does not come out as a specialist in various fields of science and applied morphological or humanity, but to have another task on a large part of a serious and important scientific research**.(AL-tai, 2008,p75).** And the professor on this campus has these two tasks as well as a third task is the supervision of graduate students and research students. Those who look to universities from abroad do not realize only one aspect of these aspects, and therefore traveling to be a quorum of eight lectures teaching professor who arrived to the rank of professor, they do not know that these quotas need eight to three times more time to prepare.
What is the optimal system to be able to University of performance goals with less effort and a shorter time? That it is not in the transfer of powers to the minister, dean or to anyone else, because that, if possible, to achieve in other state institutions for he is due to the extra episodes that separates between the Minister and the Director-General.
Can it be done in the universities? It is intended that you could abolish the post of President of the University, for example? This of course is not possible, because we would cancel the same university. Could we abolish the position of Dean? This is not possible at the present time. That means we are unprepared to it scientifically and administratively and psychologically.
The best is to enhance the work of the team in any university support boards, universities and colleges and departments. If given some powers of the minister of the Council of the university, and some of the powers of the President of the University to the College Board, and some of the powers of the Dean's Council of the section, much of the time and effort will be saved, and will remain a scientific goal is prevailing, and will get rid of many of the procedures and loops excess that impede the work and delay it. Without it the university cannot lead its mission as required.
The universities cannot flourish and be successful only if its relative independence in its management affairs and this does not mean that every university is going to follow suite, if it does not have to be there controls show the path that is used by the public. And here comes the role of the ministry in coordination, supervision and planning. These are not easy tasks, and there is a large risk. That the Ministry of Higher Education should remain a reality visible, which is being Ministry planning supervisory coordination, which is so different from other ministries that are line ministries. And I would like to point out here that most of the politicians divide the ministries to sovereign and other non-sovereign and this is a wrong notion as implementing higher education being the Ministry is sovereign and this logic is incorrect because the development of any country depends on the extent of possession of scientists is this ministry is the factory which manufactures various cadres of political, economic, military, technological and other. There are many countries that have changed their rulers because of the attitudes of learners and their role in the process leading social combined. **(AL-Asadi, 2008, p76).**

University Administration in Yemen

The development of university education and to improve the level and raise its efficiency and control cost and good investment has become the key issues raised in the present time in response to the challenges of the rapidly changing aspects of social and economic life, and the influx of knowledge in various fields as a result of scientific progress and its application technologic, And the issue of development of university education is not an issue as far as how much is the issue of education and the essence of its content and the content and methods and adequacy.
Perhaps the most important factors governing the development of university education of those that relate to the pattern of his administration, and due to the fact that the university administration is how it is administered by a system of higher education, according to the ideology of the society in which they live, and conditions of economic and social, political and cultural surroundings, Even achieved the objectives sought by the community of this type of education and in the context of a climate where there are not necessarily human relations intact, and that increase the effectiveness and adequacy of the university administration, and therefore the development of university education is not without change and the development and modernization of the university administration. **(Al-Mikhlafi, 2007.p12).**
And from here it was for universities and institutions of higher education and scientific centers and research main role in advancing the overall development, from the perspective that these universities and

institutions and scientific centers and research, but are stationed where capacities and energies and qualified human resources and trained and capable leadership development process and development, And so it became necessary to take the initiative of developing countries to develop institutions and universities and scientific and research centers so that they can play this role efficiently and effectively, **(AL-Khatib, 2001.p304).**

University Administration in India

Indian higher education currently the third largest in the world, is likely to surpass the US in the next five years and China in the next 15 years to be the largest system of higher education in the world. Indian higher education has a complex structure riddled with many contradictions, still has great possibilities.

By 2030, India will be amongst the youngest nations in the world. With nearly 140 million people in the college-going age group, one in every four graduates in the world will be a product of the Indian education system. Higher education in India has recorded impressive growth since Independence. University Grants Commission (UGC), by designing programs and implementing various schemes through academic, administrative and financial support, has contributed in the growth and development of Indian higher education. In the changing landscape, entrance of private universities is a game changer. Many new institutions of medicine, science, technology and others have been introduced. We have gross enrollment ratio of about 17.9% now, while an ambitious target of 25.2% has been envisaged by the end of 12th Plan. **(SharadJaipuria, 2014).**

Higher education in India has grown large since the country's independence in 1947. Starting from small base, the pace of growth was initially rapid. Initially, the pace of growth was rapid. Enrolments grew by 13 to 14 per cent per annum during the 1950s and 1960s. Over the past few decades, the growth rate has declined noticeably. Since then it has remained stable between 4 and 5 per cent. The nature of growth over the past two decades is, however, strikingly different from the growth in the previous period.

The present system of higher education dates back to mountstuartElphinstone's minutes of 1823, which stressed on the need for establishing schools for teaching English and the European sciences. Subsequently, the universities of Calcutta, Bombay and Madras were set up in 1857, followed by the University of Allahabad in 1887.

The first attempt to formulate a national system of education in India came in 1944, with the report of the Central Advisory Board of Education on Post War Educational Development in India, which recommended the formation of a University Grants Committee, which was formed in 1945 to oversee the work of the three Central Universities of Aligarh, Banaras and Delhi. After independence, a full-fledged Ministry of Education was established on 29th August 1947.

In 1952, the Union Government decided that all cases pertaining to the allocation of grants-in-aid from public funds to the central Universities and other Universities and Institutions of higher learning might be referred to the University Grants Commission (UGC). **(Purba Das, 2009, p1).**

RESEARCH METHODOLOGY

SOURCES OF DATA

Secondary data:-

Secondary data are those which already been passed through the statistical data and differ since primary data to be originally collected work is merely that of competition. And data will be collected through Books, Journals, Websites, Papers, etc.

HYPOTHESES TESTED

1. Yemeni university system lacks proper Administrations, Management, Training and Development Facilities.
2. Approach of Yemeni universities lack community Service, Scientific Research and Methods as compared to universities in India.

CONCLUSIONS

There is a difference entirely in university administration between Yemen and India and this big difference not only in the university administration, but also in the organizational structure of the universities and the number and the role of private universities in rehabilitation, and also the most important of what has been observed in this research enormous development in university education Indian in terms of the development of scientific positions and the huge number of universities and private colleges and private universities, which accommodate a large number of faculty, administrative and also the vast amount of students in universities assimilated.

And primary education in India Fulbright grants at an early age the student is connected to another scientific collection (PhD) at an early age but also in Yemen Fulbright grants primary education at a late age and that the role of the student reaches a certain age and he/she has not completed higher education and because of this the student feels frustrated and lag behind on the performance cycle in the community, and of the conclusions reached in this research**:**

1. Having Yemeni universities of human elements and materials for sufficient and appropriate infrastructure for the implementation of administrative and professional development programs when they were invested and exploited properly, which refers to poor resource management and the weakness of use and abuse of the infrastructure available to the university for the benefit of professional development and development programs and modernization.
2. Obsolescence of legislation and regulations and laws and the weakness of its support to the requirements of modernization and development and thus failing to achieve professional development for administrators and all members of the university.
3. The challenges that hinder the development of professional and academic leadership of the university is an important part of the challenges of university education in general, and therefore attempt to overcome these obstacles and may contribute directly to overcome the challenges of higher education in general.
4. Sensing academic leaders to the extent they need management skills and leadership abilities to keep pace with the tremendous development in management science in general and university administration in particular.
5. The absence of a comprehensive strategic planning and management development programs, which is a reflection of the lack of overall strategic planning for university education, as well as uncertainty in the vision and mission and goals of the university.
6. Keen academic leaders to gain more knowledge and modern skills in the areas of teaching and scientific research, and that they have a good experience in these areas, but they still consider the importance of job teaching and scientific research, and thus the importance of development to meet the professional needs contained in the field of academic activity.
7. The absence of the third function of the university and of community service, and not to exercise their academics to the community, resulting in poor or near-absence of the relationship between the university and the community, and therefore not to accept the idea of community participation assess the performance of the University
8. Inadequate attention to the philosophy of total quality management and the ambiguity of some of the concepts associated with some members of the community such as study the concept of the beneficiary and the client and others.
9. Lack of public universities and their role in serving the community and with this increase in students graduated to the community and not to take advantage of them.
10. There are not enough universities in remote cities through which students who dwell there can join them.
11. Allocation of Universities and which plays an important role in higher education and high student enrolment of these private universities.
12. Few universities in the Republic of Yemen compared to India do not encourage state and government to these universities and through which will improve the learning efficiency in higher education.

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Mechanism of E-business model: An Overview

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Introduction

Information technology has revolutionized the way business is conducted. IT plays a major role in the effective running of business. E-business is derived from "e-mail" and "e-commerce," and is the conduct of business on the Internet, not only buying and selling but also servicing customers and collaborating with business partners. It was firstly used by IBM, in October, 1997, and also launched a thematic campaign built around the term. Companies are using the Web to buy parts and supplies from other companies, to find new avenues for their growth. Exploiting the convenience, availability, and world-wide reach of the Internet, companies, are trying to discover how to use the Internet successfully. e-business is what happens when you connect your critical business systems directly to customers, employees, vendors and suppliers - via intranets, extranets and over the Web. Combining the resources of traditional information systems with the vast reach of the Web.

E-business constitutes the ability of a firm to electronically connect, in multiple ways, many organizations, both internal and external, for many different purposes. It allows an organization to execute electronic transactions with any individual entity along the value chain—suppliers, logistics providers, wholesalers, distributors, service providers, and end customers. Today's browsers and with digital certificates now available for individuals and companies from Verisign, a certificate issuer, much of the early concern about the security of business transaction on the Web has abated and e-business is accelerating. Thousands of businesses are using e-business by establishing a Web site and publishing information electronically which is simple and relatively cheap however the impact on the business in limited. There are "self service" Web sites - where customers can check their account status or trace a package. This is hard to implement, but the return is great. Also e-business is moving to transactions - not just buying and selling, but all processes that require a dynamic and interactive flow of information.

Distinctiveness of E-Business

1) Consumers can now buy books, food, clothing, and a lot of other goods over the Internet in ways that allow distinct forms of customization.

2) Fourth, e-business requires firms to refocus and reconfigure almost every type of tangible and intangible *asset.*

3) Fifth, e-business is dramatically reshaping every traditional *business process*: from developing new products and managing customer relationships to acquiring human resources and procuring raw materials and components.

4) e-business offers the platform for new forms of marketplace strategy models—a significant element of any firm's business model—that will change the competitive rules of the game.

Mechanism of E-business model:

1) Value proposition: It defines how a company's product or service fulfills the need of customers. Example. Kozmo.com provides these facilities.

2) Revenue model: It describes how the firm will earn revenue, produce profits and produce a superior return on invested capital.

3) Advertising revenue model: In which a web site offers its users content, services and products also provides a forum for advertisements and receives fees advertisers.

4) Subscription revenue model: In which company offers its users content or services and charges a subscription fee for access to some or all of its offerings.

5) Transaction fee revenue model: In which a company receives a fee for enabling or executing a transaction. For example E-Trade.com is an online stockbroker receives transaction fees to execute a stock transaction on behalf of a customer.

6) Sales revenue model: In which a company derives revenue by selling goods information or services. Example-Doubleclick.net gathers information about online users and then sells it to other company.

7) Affiliate revenue model: In which company steers business to an affiliate and receives a referral fee or percentage of the revenue from any resulting sales.

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Application Software for E-Business

There are various software being used for E-business. One of the common software used is. NET

* NET: - MachroTech's approach to business integration with Microsoft. NET is introduced as a solution for developing the enterprise and its existing information systems in order to develop new technologies like the Web.

* NET is software that connects information, people, systems, and devices through the use of XML Web services. And is also an Internet centric architecture and technology offering that defines how different applications, sources of data, or devices can integrate with and share information with each other.. NET is not a new type of user interface or piece of business application that a user needs to learn or worry about. Even though there are some user interface components to. NET for the most part,. NET is a technology layer that sits "under the hood" of the application and enables it to exchange information with other XML Web Services ready applications over a Web-based communications layer. In this Web services environment — which the technologists would define as a rich, loosely coupled model of distributed computing and Web services information can be made available to any application or device type. These types of application-to-application transactions are called "Web services," meaning that they are conducted over a Web- or Internet-based communication link either within the business or outside of the business..NET can improve business by increasing operating profits; decrease costs, and connect with customers, partners and employees.

According to a McKinsey-Nasscom report, the e-commerce transactions in India are expected to reach $100 billion by the 2008. Although, as compared to the western countries, India is still in is its initial stage of development. E-Marketer forecasts that online sales will more than double by reaching $168.7 billion in 2011. Market share is moving toward Australia, India and especially China. China's share of regional B2C e-commerce will grow more than threefold from 4.1% in 2006 to 14.3% by 2011. At the low end, South Korea's B2C e-commerce sales will grow by 13.3% over the same period. Between 2006 and 2011, the aggregate CAGR for the five countries will be 23.3%.Sales of selected countries in Asia Pacific Online travel is the largest e-commerce sales category in most major countries. For the same group of five countries, plus New Zealand, online leisure and unmanaged business travel sales totaled about $17.7 billion in 2007 and are forecast to rise to $41.7 billion by 2011. E-Marketer forecasts that from 2006 to 2011 online travel sales will grow at a 24.8% annual rate, higher than the 23.3% rate for B2C e-commerce. This indicates that travel is one of the key drivers of e-commerce sales in the APAC region. In China and India, online-travel spending drives B2C e-commerce sales, and it accounts for a majority of total sales.

Consumers are less wary of buying services like train or airline tickets online, and sellers can avoid the logistics and delivery problems associated with physical goods. Jeffrey Grau, senior analyst at e-Marketer, said that such preferences underscore how e-commerce in the region has a vast amount of growth ahead. E-commerce in these markets will have come of age when consumers start buying more expensive, high-touch categories such as apparel, home furnishings and jewellery.

Table No: - 1.1

Growth of e-commerce in India

Year	Total E-Commerce Transactions (in Million $)
1998-99	3138
1999-00	103.84
2007-08	1750.00
2008-09	3015.00
2009-10	4230.00
2010-11	6790.00
2011-12	10000.00

Source: - A report of Internet and Mobile Association of India (2012)

A description by the Internet and Mobile Association of India has exposed that India's e-commerce market is mounting at an average rate of 70 percent annually and has grown over 500 percent since 2007. The current estimate of US$ 6.79 billion for year 2010 is way ahead of the market size in the year 2007 at

$1.75 billion. Apparently, more online users in India are willing to make purchases through the Internet. Overall e-commerce industry is poised to experience a high growth in the next couple of years. The 70 percent year on year growth is expected to continue and India's e-commerce market has reach a whopping $US 10 billion in the year 2011-12.

Table No: - 1.2

Market Share of Ecommerce in India, 2012

E-commerce sectors	Market share (%)
On line travel	80 %
E-Tailing	6.48 %
Financial Services	6.31%
Other on line services	5.09 %
Digital download	2.12 %

Source: A report of Internet and Mobile Association of India. (2012)

E-Tailing and digital downloads are expected to grow at a faster rate, while online travel will continue to rule the major proportion of market share. Due to increased e-commerce initiatives and awareness by brands, e-Tailing has experienced decent growth. Home Internet usage in India grew 19% from April 2006 to April 2007. In April 2007 it became 30.32 million and the e-Marketer accepts that there will be 71 million total Internet users in India by 2011. India is showing tremendous growth in the e-commerce. Rival tradeindia.com has 700,000 registered buyers and it has the growth rate of 35% every year which is doubled in the year 2008. *Indiamart.com* claims revenues of Rs. 38 crores and has a growing rate of 50 every year. It receives around 500,000 enquiries per month.

Undoubtedly, with the middle class of 288 million people, online shopping shows unlimited potential in India. The real estate costs are touching the sky. The travel portals' share in the online business contributed to 50% of Rs 4800 crore online market in 2007-08. The travel portal *MakeMyTrip.com* has attained Rs 1000 crores of turn-over which is around 20% of total e-commerce market in India. Further an annual growth of 65% has been anticipated annually in the travel portals alone.

Table No:-1.3

Top 10 E-commerce Companies in India

S.No	Site Name
1.	Flipkart.com
2.	Snapdeal.com
3.	Fashionandyou.com
4.	Myntra.com
5.	Inkfruit.com
6.	Dealsandyou.com
7.	eBay
8.	Homeshop18.com
9.	Infibeam.com
10.	99labels.com
As on 02/07/2012	

Source:-www.bestindiansites.com

<u>Flipkart.com:</u>

Started in the year 2007, Flipkart is one of the leading online shopping sites in India. One can buy products of various categories such as music, games, cameras, computers, healthcare and personal products through this site. It has over 3 million registered users and sell more than 30,000 products in a day to its customers. The various add-on services offered by the site such as free shipping, cash-on-delivery, EMI and 30 day replacement policy make it a favorite shopping destination among people.

Snapdeal.com:

Get discounted deals on almost every product on this India's fastest growing e-commerce website. By February 2012 snap deal had more than 15,000,000 registered users and more than 50,000 featured merchants.

Fashionandyou.com:

It is an invitation only online website that showcases best Indian and International designer brands for men, women, children and your home. They start a sale at 10 AM each day that lasts for 3 days on an average. You have to become their member to get alerts for the sale.

Myntra.com:

It is a leading online fashion store in India where you can find fashionable and trendy clothes for men, women and kids. You can buy apparels of different brands and avail discounts on their offers.

Inkfruit.com:

Buy apparels for guys and girls, accessories and footwear on this e-commerce website on this Asia's largest e-commerce website. They have the selective designs and give their customers the best things.

Dealsandyou.com:

This site offers various kinds of deals be it holidays, shirts etc. Also this site gives heavy discounts on regular basis that cab be profitable for the shoppers. Browse this site for more.

eBay:

eBay India is one of the largest online marketing site that offers diverse products. In most of electronic products EMI for 3 or 6 months is available with HDFC. They offer deals of the week with good discounts.

Homeshop18:

Homeshop18 is one of the largest electronic retailing companies of India which sells its products through Internet, TV and mobile. If offers a diverse range of products including apparels, jewelry, books, home appliances, toys and electronic items. It has a customer base of over 5 million and delivers products to more than 50 cities in India. With its highly user-friendly website, it provides a completely hassle free shopping experience.

Infibeam.com:

Infibeam is an e-commerce website that sells almost everything online. You can search for books, mobiles, gifts, computers, games, watches, movies, electronics, home and lifestyle and much more. Also Info beam offers hot deals on many products, so you can save a lot by ordering it through this site. You can also shop on EMI. Check out their magic box to know the deal of the day.

99labels.com:

This site offers many fashion and luxury brands at good prices. Check this site for more brands.

Conclusion:-

The e-business is to explore the association between the level of e-business planning and business performance. Information technology (IT) has long been used as a change agent leading to greater efficiency and effectiveness. The growth of the Internet and the opportunities this offers for e-business represent the latest phase in the application of IT. e-business initiatives including existing infrastructure and technologies helps to identify new e-business opportunities and create short, medium and long-term action plans to support the strategic vision, improvement to infrastructure and technology, better decision-making power to the managers to support effective business transformation. E-Business transformation has become a critical imperative for most organizations today. However these transformations require specific skills, capital, information, technology, access to markets, and core resources that many traditional firms lack.

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Global recession and emerging challenges for human resource Management in India

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INTRODUCTION

a) Meaning of Global Recession

A recession is a decline in a country's Gross Domestic Product (GDP) growth for two or more consecutive quarters of a year. A recession is also preceded by several quarters of slowing down. An economy, which grows over of period of time, tends to slow down the growth as a part of the normal economic cycle. An economy typically expands for 6-10 years and tends to go into a recession for about six months to 2 years. A recession normally takes place when consumers lose confidence in the growth of the economy and spend less. These leads to a decreased demand for goods and services, which in turn leads to a decrease in production, lay-offs and a sharp rise in unemployment. Investors spend less; as they fear stocks values will fall and thus stock markets fall on negative sentiment. Risk aversion, deleveraging and frozen money markets and reduced investor interest adversely affect t capital and financial flows, import - export and overall GDP of an economy. This is what exactly what happened in US and as a result of contagion effect spread all over the world due to high integration in the global economy.

b) Meaning of HRM

Humans are an organization's greatest assets; without them, everyday business functions such as managing cash flow, making business transactions, communicating through all forms of media, and dealing with customers could not be completed. Humans and the potential they possess drive an organization. Today's organizations are continuously changing. Organizational change impacts not only the business but also its employees. In order to maximize organizational effectiveness, human potential—individuals' capabilities, time, and talents—must be managed. Human resource management works to ensure that employees are able to meet the organization's goals. Human resource management is responsible for how people are treated in organizations. It is responsible for bringing people into the organization, helping them perform their work, compensating them for their labors, and solving problems that arise. There are seven management functions of a human resources (HR) department that will be specifically addressed: staffing, performance appraisals, compensation and benefits, training and development, employee and labor relations, safety and health, and human resource research.

c). **Global Recession and HRM**

The financial downturn is impacting developed as well as developing economies are likely to get worse as the European countries, the US and others go into a deeper depression due to the increase in job losses which often follows recession. The slump in the market and increased job losses will have some important implications for the changing task of human resource professionals. As the unemployment continues to increase, HR professionals are likely to be dealing with more stressed employees who are the sole wage earners in their families.

As recession is becoming the part of the normal cycle of business. Therefore it makes just as much sense to plan for recession or downturns as it does to plan for good, economic times.

OBJECTIVES

This economic downfall has affected all the major sectors in India including IT, aviation, banking, industries, real estate, tourism, outsourcing, telecommunication, etc with its consequence mainly on the HR policies of these industries.

This article discusses

1. Impact of economic slowdown on employment in India.
2. The emerging challenges of human resource management in the global recession situation.
3. The strategy adopted by HR personnel to deal with these challenges.

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HYPOTHESES

I. Global recession has raised various emerging challenges for Human Resources Managers

II. HR needs to be proactive & innovative and try to come up with early interventions as for any organization to survive during recession.

REVIEW OF LITERATURE

a) C.B.Mamoria and S.V.Gankar (2008). During the last ten years vast changes have taken place in the economic conditions of India. It has also done away with the bureaucratic restrictive practices, controls on industry and business. The review of literature on the subject matter provided in the books shows that Human Resource management is increasingly getting integrated with the strategic management at corporate level. Human resource management in the corporate sector has assumed great importance. Human resource management has become a driving force in the success of an enterprise.

b) L.M.Prasad (2006). The Author has added new and latest concepts. Some relevant issues are: strategic human resource management, implications of systems and contingency approach in managing human resources, different models of managing human resource and their implications , environment influences on human resource management , relevance of human resource department computerized human resource information system role analysis , selection tests, training and development culture ,knowledge management , time management, self-management, career planning and development, people capability maturity model, performance appraisal ,planning creating motivational environmental, human resource counselling etc.

c) Luis R.Gomez-Mejia, David B. Balkin, Robert L. Cardy. (2004)_ stated that organizations need to be more flexible than ever before to deal with a rapidly changing competitive landscape where global forces play a key role. Many transitional HR programmes designed for a stable, predictable context (for instance carefully defined jobs, which were often used as the basis for setting pay and selecting workers) may actually become a hindrance in contemporary volatile business environment.

d) Michael Armstrong (2001)_has talked about the new concept of HRM in Industry and the strategic HRM concept, intellectual capital and its practical implications, and the contribution made by HR to organizational performance, knowledge management practices, and the organizational learning and the learning organization, new development in reward management, especially in play structure is explained very clearly with changing industrial relation scene.

RESEARCH METHODOLOGY

A) Primary Data: -

1. Primary data includes Personal interview of Top leaders and employees of Organizations and Institutions in an around industries in selected area.
2. Sample questionnaire administered to the leaders in the selected Companies.
3. Personal observations and situational analysis by the author.
4. The survey was conducted through a combination of the following –

Personal meetings, E-mail, Posting on Yahoo Groups, Posting on Google Groups.

B) **Secondary Data collected from various sources like**

* Economic & Political weekly, * HRM Journals, * ILO Reports, * Ministry of Labour & Employment Labour Bureau

ANALYSIS & INTERPRETATION

a. Impact of economic slowdown on employment in India.

The Ministry of Labour has been continuously watching the effect on employment situation due to global financial crisis and economic slowdown in India since September 2008. The current survey to assess the impact of economic slowdown on employment in India is the Eleventh in the series of “Quarterly Quick Employment Surveys in Affected Sectors” covering the period April to June 2011 conducted by Labour Bureau.

In the eleventh quick employment survey, the sample establishments covered in the pervious survey have been revisited to assess the changes in employment. During the survey, the information has been collected from 2,289 units / establishments by covering 21 centres spread across eleven States.

The results about effect on employment in the eight selected sectors i.e. Textiles including Apparels, Leather, Metals, Automobiles, Gems &Jewellery, Transport, IT/BPO and Handloom/Powerloom are briefly summarized as below:-

* It may be observed from the enclosed statement that the upward trend in employment has been continuously observed since July 2009. During the quarter April to June 2011, the employment has increased in respect of all sectors except Textiles including Apparels and Transport and the overall employment has increased by 2.15 lakh during the quarter.

* At the sectoral level, the maximum increase of 1.64 lakh in employment during the period June, 2011 over March, 2011 is in IT/BPO sector, followed by increase of 0.53 lakh in Metals, 0.18 lakh in Automobiles, 0.13 lakh in Gems &Jewellery, 0.01 lakh in Leather and 0.01 lakh in Handloom/Powerloom sector.

* The maximum increase in overall employment by 1.90 lakh is seen in the direct category of workers as compared to 0.25 lakh in the contract category of workers at overall level during the period June, 2011 over March, 2011.

* In the export oriented units, the employment at the overall level has increased by 0.67 lakh whereas in the non-exporting units, it has increased by 1.48 lakh during the period June, 2011 over March, 2011.

* While comparing the results of the last four quarterly surveys conducted during 2010-11 i.e. June 2011 over June 2010, the overall employment has increased by 10.31 lakh, with highest increase in IT/BPO (7.00 lakh) followed by 1.31 lakh in Textiles including Apparels, 0.96 lakh in Metals, 0.78 lakh in Automobiles, 0.16 lakh in Transport and 0.13 lakh in Leather during the period.

b. The emerging challenges of Human Resource Management in the times global recession

The role of the Human Resource Manager is evolving with the change in competitive market environment and the realization that Human Resource Management must play a more strategic role in the success of an organization. Organizations that do not put their emphasis on attracting and retaining talents may find themselves in dire consequences, as their competitors may be outplaying them in the strategic employment of their human resources

Problem of Recruitment.

1. Managing downsizing program appropriately.
2. Talent management.
3. Stress Management.
4. The Return on Recognition in a Recession.

Finding opportunities during recession

i. **Build employer brand**: Despite the fact that many companies have put a freeze on hiring, both hiring talented people and retaining them will continue to be a challenge for HR. Hence, keeping the employer brand intact and re-building the same could have a cascading impact later.

ii. **Communicate and build trust and morale:** Communicating with employees not only remains one of the greatest needs of HR, but is also an opportunity to build the trust and morale of people during tough times. It is vital for HR to see that the morale of employees does not sag while the organization is sailing through rough waters.

iii. **Consolidate workforce:** Workforce consolidation is a huge opportunity that any organization has nowadays. This is not only in terms of having a leaner workforce, but also in redeployment of the workforce to improve utilization and efficiency.

iv. **Review and restructure policies**: The mad pace of hiring, training and appraising seems to have come to a screeching halt. And if not to a complete full stop, the rate is low and slow. This also gives HR the time to revisit its policies, compare them with the best-in-class practices and restructure them for maximum effectiveness in the present and the future.

v. Streamline salaries: For the past few years most industries have seen above-normal salary hikes due to the pressure of retention. In fact, India Inc recorded the steepest salary hikes in Asia for seven years running till 2008, according to Hewitt Associates. But the recession has changed things dramatically. Salary freezes and pay cuts have suddenly become the order of the day. The 13th annual Salary Increase Survey conducted across 480 companies by Hewitt Associates shows that salary increase projections for

2009 in India have dipped to 8.2 per cent from an actual increase of 13.3 per cent in 2008, but continue to be the higher in the Asia and among the highest globally.

HRM Innovations in Recession

The HRM Innovation during the recession has to focus on the following topics:

a) Reduce the number of employees in the organization
b) Strategic initiatives to increase the productivity and efficiency of the whole organization
c) Redesign of the compensation scheme
d) Cancellation of several benefit schemes

CONCLUSION

Human Resource Management must be able to address the right kind of demands related to Human Resource functions during the recession. Human Resource Management must play a highly proactive role in managing the issues of global recession by helping organization to enhance their abilities to learn and collaborates, manage diversity, ambiguity and complexity. Human Resource Management is responsible to manage the human resource of the corporate to maximize the productivity, efficiency at minimal cost and maximize profit. During this global recession, Human Resource Management is facing the many challenges and changes in organizational level, workplace and HR department level itself. The challenges can be faced by HR Managers effectively if proper strategies are implemented. The recession is the temporary economic climate of the business world. It will be changed through more productivity at minimal cost and maximize profit at moderate price of products in business.

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Industrial law and entrepreneurship development

*Qasem Omar Qasem Al-Harsh

INTRODUCTION

The law in the economic world became the most important element in this field because its roll to organise the need and the responsibility of the business policy and the market, it parallel the needs of the government policy of the economic and it is very important to every new or old business to develop its environment.

The economic analysis of law has been influential in the United States as well as elsewhere. Judicial opinions use economic analysis and the theories of law and economics with some regularity, in the US but also, increasingly, in Commonwealth countries and in Europe. The influence of law and economics has also been felt in legal education, with graduate programs in the subject being offered in a number of countries. The influence of law and economics in civil law countries may be gauged from the availability of textbooks of law and economics, in English as well as in other European languages. Many law schools in North America, Europe, and Asia have faculty members with a graduate degree in economics. In addition, many professional economists now study and write on the relationship between economics and legal doctrines. Anthony Kronman, former dean of Yale Law School, has written that "the intellectual movement that has had the greatest influence on American academic law in the past quarter-century [of the 20th Century]" is law and economics.

Concept of entrepreneurship

The concept of entrepreneurship has a wide range of meanings, on the one extreme an entrepreneur is a person of very high aptitude who pioneer change, possessing characteristics found in only a very small fraction of the population, on the other extreme of definitions, anyone who wants to work for himself or herself is considered to be an entrepreneur, the word entrepreneur originates from the French word, entrprendre, which means (to undertake). In a business context, it means to start a business. The Merriam-Webster Dictionary presents the definition of an entrepreneur as one who organises, manages, and assumes the risks of a business or enterprise.

- New products
- New production methods
- New market
- New forms of organisation

Relationship to other disciplines and approaches

As used by lawyers and legal scholars, the phrase "law and economics" refers to the application of microeconomic analysis to legal problems. Because of the overlap between legal systems and political systems, some of the issues in law and economics are also raised in political economy, constitutional economics and political science. Approaches to the same issues from Marxist and critical theory/Frankfurt School perspectives usually do not identify themselves as "law and economics". For example, research by members of the critical legal studies movement and the sociology of law considers many of the same fundamental issues as does work labelled "law and economics," though from a vastly different perspective.

The one wing that represents a non-neoclassical approach to "law and economics" is the Continental (mainly German) tradition that sees the concept starting out of the governance and public policy approach and the German Historical school of economics; this view is represented in the Elgar Companion to Law and Economics (2nd ed. 2005) and—though not exclusively—in the European Journal of Law and Economics. Here, consciously non-neoclassical approaches to economics are used for the analysis of legal (and administrative/governance) problems.

Positive and normative law and economics

Economic analysis of law is usually divided into two subfields: positive and normative.

Positive law and economics

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Positive law and economics uses economic analysis to predict the effects of various legal rules. So, for example, a positive economic analysis of tort law would predict the effects of a strict liability rule as opposed to the effects of a negligence rule. Positive law and economics has also at times purported to explain the development of legal rules, for example the common law of torts, in terms of their economic efficiency.

Normative law and economics

Normative law and economics goes one step further and makes policy recommendations based on the economic consequences of various policies. The key concept for normative economic analysis is efficiency, in particular, allocative efficiency.

A common concept of efficiency used by law and economics scholars is Pareto efficiency. A legal rule is Pareto efficient if it could not be changed so as to make one person better off without making another person worse off. A weaker conception of efficiency is Kaldor-Hicks efficiency. A legal rule is Kaldor-Hicks efficient if it could be made Pareto efficient by some parties compensating others as to offset their loss.

Important scholars

Important figures include the Nobel Prize–winning economists Ronald Coase and Gary Becker, U.S. Court of Appeals for the Seventh Circuit judges Frank Easterbrook and Richard Posner, Andrei Shleifer and other distinguished scholars such as Robert Cooter, Henry Manne, William Landes, and A. Mitchell Polinsky. Guido Calabresi, judge for the U.S. Court of Appeals for the Second Circuit, wrote in depth on this subject; his book The Costs of Accidents: A Legal and Economic Analysis (1970) has been cited as influential in its extensive treatment of the proper incentives and compensation required in accident situations, Calabresi took a different approach in Ideals, Beliefs, Attitudes, and the Law (1985), where he argued, "who is the cheapest avoider of a cost, depends on the valuations put on acts, activities and beliefs by the whole of our law and not on some objective or scientific notion".

Influence

The economic analysis of law has been influential in the United States as well as elsewhere. Judicial opinions use economic analysis and the theories of law and economics with some regularity, in the US but also, increasingly, in Commonwealth countries and in Europe. The influence of law and economics has also been felt in legal education, with graduate programs in the subject being offered in a number of countries. The influence of law and economics in civil law countries may be gauged from the availability of textbooks of law and economics, in English as well as in other European languages (Schäfer and Ott 2004; Mackaay 2013). Many law schools in North America, Europe, and Asia have faculty members with a graduate degree in economics. In addition, many professional economists now study and write on the relationship between economics and legal doctrines. Anthony Kronman, former dean of Yale Law School, has written that "the intellectual movement that has had the greatest influence on American academic law in the past quarter-century [of the 20th Century]" is law and economics.

Objective of the study

- To analyse the importance of the law and its role in the entrepreneurship development
- To anticipate the possibility of developing the entrepreneurship by the law.
- To educate the leaders and the entrepreneur to the importance of the law and the legal policy in the organisation
- To identify the originate of the entrepreneurship

Sources of Data

Secondary data are those which already been passed through the statistical data and differ since primary data to be originally collected work is merely that of competition. And data will be collected through Books, Journals, Websites, Papers, etc.

Concluding Remark

The role of the law in the entrepreneurship and economics is an important field and should be taken in a wide range in all the governments and organisations, and it has to be widely found as a explicate and required part of many fields in any business core curricula.

By merging the law and the economics together business curricula can incorporate both. Moreover given their parallel and convergent nature.

The entrepreneurs has played a phenomenal role throughout the world in increasing productivity of the economic. The fact cannot be denied that the most of the developed economies are very much relying on their small entrepreneurs as a locomotive of growth.

However, the law played a succeeded role in the economics because of the heavy initial investments that are required to break even with other fields in the life.

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Mentorship Program on the Employability, Participation & Academic Performance of Students in Management Domain in Marathwada & Pune Region

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**Ms. Ujgare Manisha Bhimrao

Introduction

Management Education has always been considered as the stepping stone for starting a career in the corporate sector. For the last so many years, a graduate from a management stream has always been looked upon as somebody who understands the needs of the corporate sector and has the ability to deliver the results in the shortest possible time. In India, ever since the Liberalization in 1991, the job opportunities have been on the increase. With the MNCs Coming into the country the requirement of qualified management graduates kept on increasing and boomed in the early 2000's.

Similarly, in the early 2000's the Indian economy was having an excellent run. The GDP was growing at an healthy average rate of above 7.5% and it was a real boom time. The Year on Year GDP growth rate are given in the Table below which will give an idea about the fast paced economy and the growth opportunity that were coming in. Also with the Inflation in control, the overall economic scenario was highly conducive to growth and opportunities.

Data for Indian Economy

TABLE NO-1.1

Year	GDP Growth Rate
2001-02	4.8
2002-03	3.8
2003-04	7.9
2004-05	9.3
2005-06	9.3
2006-07	9.8
2007-08	3.9
2008-09	8.5
2009-10	10.3
2010-11	6.6
2011-12	4.7
2012-13	

Source: http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?page=1/2/3

With this high paced growth and the need for managing the growth, the demand for Management Graduates went up and thus the salaries of these graduates. Sensing this as an opportunity and considering that this growth would remain linear, a lot many institutes were given the clearance by AICTE also to start up. Apart from the new Institutes opening up, in order to manage the estimated growth, the existing Institutes were also given increments in their existing intake capacities thereby almost increasing the intake capacities of management education in India by four times in the space of just 6 years. Similarly a look into the Engineering Institutes it is found that there has been a very high increase in the number of Engineering Institutes as well as their intake capacities. The Increase has been almost 3 fold and a growth volume in excess of 1 million engineers within a space of 6 years.

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Growth of MBA Institutions in the Country-Source AICTE Handbook Year 2013

TABLE NO-1.2

Year	Engineering	Management
2006-07	1511	1132
2007-08	1668	1149
2008-09	2388	1523
2009-10	2972	1940
2010-11	3222	2262
2011-12	3393	2385
2012-13	3495	2450

Growth of Intake in Management Institutes--Source AICTE Handbook Year 2013

Table NO.- 1.3

Year	Engineering	Management
2006-07	550986	94704
2007-08	653290	121867
2008-09	841018	149555
2009-10	1071896	179561
2010-11	1314594	277811
2011-12	1485894	352571
2012-13	1761976	385008

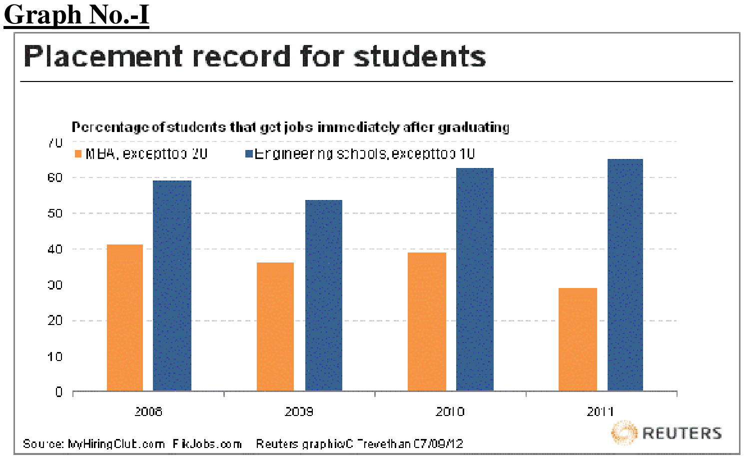
However, within a short period, and with the global slowdown as well as Indian political scenario becoming unstable, the economy started taking off somewhere around 2011. The GDP growth rates started dropping and came to an abysmally low figure of 4.5% in 2013-14. This growth rate was amongst the worst in India in the last decade.

If the Entire Above tables are put side by side, the following Table emerges:

Table NO.-1.4

	GDP	Management	Management
2006-07	9.8	1132	94704
2007-08	3.9	1149	121867
2008-09	8.5	1523	149555
2009-10	10.3	1940	179561
2010-11	6.6	2262	277811
2011-12	4.7	2385	352571
2012-13		2450	385008

Graph No.-I



The Above graph surmises the impact of the economy and the relation with the placements. As the Economy Registers Higher Growth, The Placement Scenario in the Next Year is Higher compared to the previous years. With the GDP degrowing, the Placement scenario has worsened in the last 3 years.

To compound to the worsening scenarios, the No. Of Institutes sanctioned by AICTE and their Intake Capacities have increased 3 times thereby getting into a situation of Over Supply of Management Graduates in a declining Economy. This Scenario has created a severe dent into MBA as a Degree. Student's enrollment has increased and yet they have been not able to get a Job. A Detailed Analysis reveals that though earlier the MBA's from almost any institute were able to get some kind of decent job, now only the top 100 Institutes are able to provide jobs to the students and that too not to the entire batch.

At the same time, the skill set requirement of the Industry has shifted. As the GDP has changed so has the requirement of the type of skill sets as well as the requirement of attitude of the students. Unfortunately, there has been no proper study or alignment of the same in most of the B-schools in India. This Shift of the Industry and the requirement is not being deciphered and thereby though there are almost 3 Lacs Management Graduates passing every year, the employment is not high. Almost all of the top Businessman and the Industrialists of India have expressed their concerns on the quality and the type of management graduates being churned out by Management Institutes in the country. They have been explicit in saying that these graduates are lacking in the requisite skills which are important in delivering their KRAs. It is this ironical situation which has prompted this researcher to study a methodology of bridging the gap between the requirement of the Corporate (the Customer) and the Management Institute (the Manufacturer) and its student (The Product). It is inevitable that the bridging of the gap has to move to the skill level and attitude level and not get restricted to the curriculum and subjects per se. Even the Corporate have clearly spelled out in their selection criteria that they put a lot of emphasis on skills and attitude apart from the knowledge and curriculum factor. The same has also been in some way been accepted by the Government and therefore their focus and initiative in the Skill Development Programs in the last 5 Years. It is thus imperative that we work out a mechanism which addresses the attitude and the skill part of the individual. This research is based absolutely on this rational and is an attempt to try and create a solution which is currently facing the Management Institutes, students, Corporate and India as a whole.

Objective of the study

The following are the objectives that have been formulated and targeted through this study

a. To come with a comprehensive model to ensure that the management student can be guided towards the corporate life effectively
b. To create a scientific platform which will be useful for any management institute to mentor the student in his areas of improvement
c. To understand the management student aspirations and concerns and accordingly provide a mentoring solution
d. To help the Management student to identify his areas of improvement and provide a step by step guide for improvement through mentoring
e. To create a scientific model which will work on the attitude aspect of the management student

Rational behind the study

The Study is highly important from the perspective of Management Institutes as well as the students from the following aspects:

a. Management Institutes can understand the basic style and model required for grooming the students. Therefore, research in this area will help them in their pedagogy and their performance
b. Students can understand the importance of the scientific approach towards understanding themselves. The research in this area will help in the students getting the requisite direction for self analysis.
c. This research is significant in the sense that it will be a first time model and a framework provision for the process of Mentorship and would not be dependent totally on the ability of an individual.
d. This research is an attempt to form a basic guideline which will become a process and will act as a guiding tool and not be dependent on any individual brilliance.

e. This study will benefit Management Institutes, Academicians, Corporate, Mentors and most importantly students.

Hypotheses tested

The Major Premise of the Hypotheses: The Mentorship has a significant and a direct correlation in the overall development of student.

From the Major Premise of the Hypothesis, the following minor or sub-hypotheses emerge:

Sub – hypothesis I: Mentorship has a direct correlation with the placement and salary of the student

Sub – hypothesis II: Mentorship has a direct correlation with the Academics and the percentage gained by the student in the semester exams.

Sub – hypothesis III: Mentorship has a direct correlation in the participation and performance of the student in various extracurricular activities.

Research Methodology

The following methodology has been followed, to cover the above-mentioned scope, and finally to achieve the objective of the study:

The entire research is based in three stages:

1. **Corporate Need Identification:** The first stage deals with the area of understanding the expectations of corporate from any management graduate when he joins the industry. This stage is critical to understand the skill set and the attitude perspective which is required to be successful in the corporate.
    a. The research study used both Primary and Secondary data collection.
        i. Primary Data: The Researcher in this study has used survey method and has used extensively the Questionnaire, Interviews and Observation as part of the data collection. The information given out in the questionnaire by different stakeholders has formed the basis of Primary Data
        ii. Secondary Data: Secondary Data sources have been identified as various Journals, Books, Reports, Magazines, Non Government and Government Publications which are related to the topic of research. Apart from these media, the researcher has used internet, e-media and other multimedia gadgets as further source of information. Both Qualitative and quantitative methods will be part of the data analysis.
2. **Management Graduate Current Scenario:** This Stage will deal with the assessment of the Management Graduate who has just entered any Management Institute on the various skill sets and their various Parameters. These Skill sets would be the ones which have been identified as necessary by the corporate individuals through our first stage of research. Having understood the requirement of the skills, the management graduates would be made to undergo these tests and a quantification of the skill sets would be done which will form the basis of further quantification research and measurements.
    a. The research study here again used both Primary and Secondary data collection .
        i. Primary Data: The Researcher in this study has used the Questionnaire method and given due weightages to get the various components of the skill sets and accordingly get the final score of the student. The information given out in the questionnaire by the student has formed the basis of Primary Data
        ii. Secondary Data: Secondary Data sources in this case would be the various tests on the identified skill sets that have been published in Books, Journals, Reports, Magazines, Non Government and Government Publications. Apart from these media, the researcher has used internet, e-media and other multimedia gadgets as further source of information and understanding the usage and analysis of the tests. The Faculties and the Mentors assigned have also given their qualitative Inputs. Both Qualitative and quantitative methods will be part of the data analysis.
3. **Mentoring Stage:** Mentors who have a desired profile would be shortlisted for the Mentorship Program. The Desired profile would include the ability to communicate with students effectively,

relevant work experience, passion for contributing to the life of students etc. Having understood the skill set required in an Management Graduate and the current stage of the student when he has joined the institute, the Students would be allotted to specific Mentors. Specific Slots would be allotted during the entire curriculum in a semester for the meeting of the Mentors and the Mentees. These Slots or interaction time would be not less than 30 Mts per Session and there would be minimum 3 sessions in a semester. Therefore, in the entire academic tenure of management education, the Mentors and Mentee would be meeting for not less than 12 times and spending not less than 6 hrs with each other in a formal setting. There would also be an informal mode of interaction available through phone calls, e-mails, and other digital Medias. Some of the sessions would also be recorded for the researcher to study the body language, interaction style, comfort and other qualitative behavioral factors between the mentor and the mentee.

a. The Mentees would be undergoing a Test designed separately on each skill set after the end of every semester thereby giving the quantitative data for checking the progress of the student after every semester. These data would be recorded and used for study and further evolving of the Mentorship Model.
b. Qualitative Inputs from both the mentor and mentee would also form the basis of the data for this stage. A lot of Observation and study of the video recordings and audio recordings will give insight in the research.

Tools and Techniques used

To Achieve the Objectives of the study, the researcher has prepared and developed a questionnaire in accordance with the following steps:

a. Reviewing of the Researches and Literature dealing with the corporate needs and the lack of specific skill sets in the current Management graduates.
b. Identifying the issues and the skill sets that the Corporate gives a lot of importance to
c. Differentiation between the functional and the behavioral skill sets requirement and the importance of the same
d. Adoption of method of distributing the questionnaire and collecting it directly by the researcher for the purpose of collecting proper data and avoid random or incomplete answers on the questionnaire as much as possible to achieve the best possible result.
e. Random Sampling has been followed. Snowballing Method has also been used.
f. Questionnaire with Closed Ended Questions have been framed.
g. The use of 5 Scale Lickert Scale has been done for preparing the Questionnaire with appropriate weights

To Test the content Validity of the questionnaire, the researcher has introduced the questionnaire on a group of specialists and academics and tested the reliability of the same through the test method.(Test-Retest), wherein he has distributed the questionnaire on a testing sample of 30 individuals in 10 corporate and re distributed the same questionnaire on the same sample after a gap of 2 weeks. Post that a correlation co-efficient for the responses in the two distributions was calculated which came toa high figure of (0.876) which thereby confirms that the answers are similar and thus the questionnaire was given a final shape.

The Sample Size of the Study:

The Sample of 120 Corporate individuals have been used especially of individuals are in the top hierarchy and instrumental in hiring decisions. This sample has been used for the research no. 1.

For the second Research, a Sample of 150 Students from Management Institutes has been selected on whom the Mentorship Program has been implemented. Similarly data of another 150 Students from similar environment has been taken who have not undergone this program.

Detailed Tests of all the 300 students at each interval will be available for the records.

Scope and Limitations of the study

The Scope of the Study encompasses all the Management Graduates across the country. It is not only restricted to the Institutes offering MBA/MMS but also Institutes which are offering PGDBM.

Limitation of the study

a. The level of Student Participation may differ and hence there is a possibility of different results.

b. The language of communication may differ from location to location and this may cause a barrier in getting similar sort of results
c. The Faculty Involvement in implementing the findings from the study may differ from location to location and institute to institute thereby causing deviation in results
d. The Budgets made available and the inclination of the Management Team of the Institutes will also play a role in defining the results.
e. Since this is a model based on the attitude of Management Graduates, their varied backgrounds and varied educations may provide varied results
f. As Attitude and Skills are qualitative and subjective, the attempt at quantificating the same may have its own set of doubters and the authenticity of the quantification may be subjective.

Further scope for the research

Currently, This study has been done with the Management Graduates in Pune and Marathwada Region in Maharashtra State. This study can be extended to the various other regions of Maharashtra State.

Also The Same Can be extended to the entire geography of the country.

Similarly, the researcher has tried to deal with the Management Graduates and their skill sets requirement. The same can be extended to various other educational streams and their skill sets requirement in the Industry like Engineering and Commerce.

Again, the skill sets that have been worked upon with have been from a survey of the corporate especially in Maharashtra State. A similar set of different skill sets may be needed by corporate of other geography. A detailed study can be done on the other skill sets too.

The Choice of Mentors has been considered with a certain requirement. The different Mentors Choice would give further scope of research in the same field.

Today's Competitive scenario needs that the student not only be qualified with the academic knowledge but also with the requisite skills needed for the Industry. As the Industry Scenario in India becomes more and more dynamic and is undergoing a continuous change, it is a herculean challenge to get the students polished and ready for the Corporate world within the 2 years of education.

Through its self designed scientific method of evaluation, the Mentorship program quantifies the quality parameters of the student and gives a starting point to the Mentors to work on their respective mentees.

At the same time the Mentor has the perfect quantitative evaluation of a Mentee's personality and skill sets. This helps the Mentor to not only understand his mentee but also his style of thinking and his attitude and his personality.

Accordingly by the Gap Analysis, he understands the shortfall or the limitations in his mentee. He then accordingly starts giving the requisite inputs and the direction through the strength areas of the Mentee.

This is one of the unique styles of mentoring which will combine the scientific method as well as the intellectual capabilities of the mentors. The entire mapping of the student in terms of his personality, IQ, EQ and the Various Intelligence parameters and strength area is done scientifically. Through this a target point (based on current Industry scenario) is chalked out and the qualified and experienced mentor then guides the mentee through the path to ultimately help him reach his target point.

Review of Literature:

Various Literature and Articles and Journals have been read and discussed by the researcher to try and come up with his own frame of work. The Specific articles and Literatures that have formed the basis of this entire research and have contributed significantly are the articles and models formed by Prof. Howard Gardener. The extensive work done by Prof. Dr. Howard in the area of Multiple Intelligence has intrigued the researcher and has even taken his MI test as one of the basis of understanding the student psyche.

The researcher would also like to mention the Literature and study of Prof. Fischer for the Process of Change. It has given huge insight to the researcher for the designing of the tests and the framing of the model. Apart from these, the Researcher has worked on Johari Window Model and other Tests that have been designed by various Tests to check out the personality of individuals. The Researcher has used internet extensively to understand the methodology of evaluating any tests.

Performance evaluation of students in selected Institutes across the state of Maharashtra

1) As soon as the student joins, A questionnaire which gives the details of the candidate is to be filled and kept ready. When the same is filled, the entire data acts as his personal file and a reference for the mentor about the choices and ambitions of the candidate.
2) Immediately after the same, a small psychometric test will be administered which will give an indicator about the personality of the students. This psychometric test is not the full & final authoritative indicator of the student but a strong guideline for us to follow up.
3) Similarly, the student undergoes a very small IQ test which is an indicator of his current state of IQ and the percentile of the student. This is in no way THE INDICATOR of his Actual Intelligence and cannot be considered as the final authoritative test of intelligence.
4) Every individual has multiple intelligences and will have at least 2 to 3 dominant facets of intelligences. It is these intelligence facets which appeal to the student and he relates to them very powerfully. Hence it is essential that as a mentor to try and use these facets in putting across your views.
5) A MI test to check the various intelligence levels will be given and a record for the same has to be kept with us. This will give the result of the students in terms of what works for him.
6) After the MI test, A test to check the level of skills would be done. This would give us a fair indicator as to the level of the skills of the students in the current status. Once the mentor is aware of the status of the student, then he can gradually give suggestions, ideas and divert the student to imbibe certain skills. To implement the same, the mentor will suggest the working through the strong facets of Intelligence domain and ensure that the student absorbs them.
7) Once a basic clarity of the individual is available with the mentor, the mentor will then have one-on-one sessions with a Mentee. The Mentor will keep this individual student beckoner handy with him for reference and accordingly discuss the issues with the mentee. The Discussion would revolve around the Meeting Plan.
8) In the entire meeting the discussion has to revolve around skill & attitude, specifically where the mentee feels he is lagging and how he can improve. Similarly, the mentee has the opportunity to discuss the practical reality of the corporate world. He should be encouraged to share, discuss and gather insights to ensure that he is ready for the challenges of the corporate. Similarly, the Mentor should be sharing his experience, know how, ideas and guidance to make the mentee a success in his life.
9) The Mentor & Mentee interaction has to be taken by mature and smart (Not necessarily high IQ) Mentors who can understand and guide the emotions of the student. The student needs to be molded and channelized into a direction more to the line of readiness for the corporate world.

Since we are talking of Attitude shift and balancing- element of emotions and hitting the right chord of the students is paramount. Only when the mentee understands and internalizes the need for attitude shift will he start shifting and therefore the only way to connect to him would be through the learning intelligence of the student. (When we say emotions-it does not mean sentimental stuff or crying stuff. It means going at a level where he starts understanding from heart and not head alone.)

Data Collection and Analysis

The Entire data would be collected in the form of tests at the beginning of the semester i.e. when the student joins any management institute. Post that, in each session a recording data sheet would be provided to the Mentor and Mentee who would be recording their areas of working and the action plans. Some of the sessions would also be Video recorded which will help in qualitative analysis.

After each session the session data sheet would be feeded in software and the same would be recorded. Post the end of the semester, a similar test with similar weightage on the same skill sets would be administered to the student and his progress would again be recorded.

By Comparing the Session Data sheets during the semester and the Test results post the semester, a framework can be formed which will give insight as to how the entire model is working and how it impacts the performance of the students.

At the end of the Fourth Semester, the Students selection in Campus Placement, His salary, His designation and his academic achievements as well as extra curricular achievements will be recorded and the detailed comparison of all the students would give the final impetus to the research and the objective of this study.

Concluding Remark

Based on the above research, it is expected that the researcher would be able to form a specific model and program for any Management Institute which it can administer to its students. This research expects that there would be a lot of insight into the thought process of today's management students and their expectations and ability. Similarly there would be an indepth insight about the importance of the behavioural and functional skills that the industry expects any management graduate to have. It is expected that the detailed one on one sessions and the session data analysis would yield insight into the methodology of effective communication between the mentor and mentee. At the end of the research it is expected that a model framework with various relevant tests and quantification of various skills can be created and based on the same a detailed process designed for effective mentoring.

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Growth, Challenges and opportunities in Higher Education:India`s vision 2025

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INTRODUCTION

Knowledge has always been a distinguishingcharacteristic of human beings in view of their uniquecapacity to formulate and continuously transmitknowledge one generation and location to anotherKnowledge Society- has gained prominence due toadvances in Technology and related Applications.Knowledge Societies have to address issues about howinformation and ideas are to be created and, thereafter,adopted at an accelerating speed in the form of economic growth improves quality of Life and sustainable for long time. Over the next 20 years the demand for higher education willdefinitely outstrip the capacity of some countries to meetdomestic need. The Global Student Mobility 2025 Report, prepared by IDP Education Australia, predicts the demand forinternational education will increase from 1.8 million internationalstudents in 2000 to 7.2 million in 2025.By all accounts these staggering figures present enormouschallenges and opportunities. As students continue moving toother countries to pursue their studies, they will remain animportant part of the international dimension of higher education.But student mobility cannot satisfy the hunger for highereducation within densely populated countries wanting to buildhuman capacity and thus fully participate in the knowledge

Society, hence the emergence and exponential growth ofcross-border education programs and providers. These newtypes of providers, forms of delivery, and models of collaborationwill offer students education programs in their homecountries.

OBJECTIVES OF THE STUDY

Objectives of the present study are as follows:

1. To understand necessity of the vision of higher education in India for vision of 2025.
2. To present the structure and growth of higher education in Indiafor vision of 2025.
3. To examine opportunities and challenges of higher education in India.

RESEARCH METHODOLOGY

The data for study has been collected from secondary sources. The secondary data has been collected through various journals, newspapers, magazines and websites and the data for study is in real and accurate form.

STRUCTURE AND GROWTH IN HIGHER EDUCATION FOR VISION OF 2025

In India the institutional framework consists of Universities established by an Act of Parliament (Central Universities) or of a State Legislature (State Universities), Deemed Universities (institutions which have been accorded the status of a university with authority to award their own degrees through central government notification), Institutes of National Importance (prestigious institutions awarded the said status by Parliament), and Institutions established by State Legislative Act and colleges affiliated with the University (both government-aided and unaided). Universities and its constituent colleges are the main institutes of higher education in India. The education may be of the nature of General, Vocational, Professional or Technical education. Technical education includes 65 centrally funded institutions like Indian Institutes ofTechnology (IITs), Indian Institutes of Management (IIMs), National Institutes of Technology (NITs), Indian Institute of Science (IISc), etc. along with number of engineering colleges set up by State Governments. All India Council for Technical Education (AICTE) approves and regulates these institutions in engineering/technology, architecture, hotel management & catering technology, management studies, computer applications and applied arts & crafts. Vocational Education is another stream of higher education in India. For this a network of public and private polytechnics and vocational institutions exists and they are controlled and supervised by the Councils specializing in respective discipline. India has also developed an Open University system to encourage distance learning. Indira Gandhi National Open University (IGNOU) was the pioneer and now there are 14 open universities in -----

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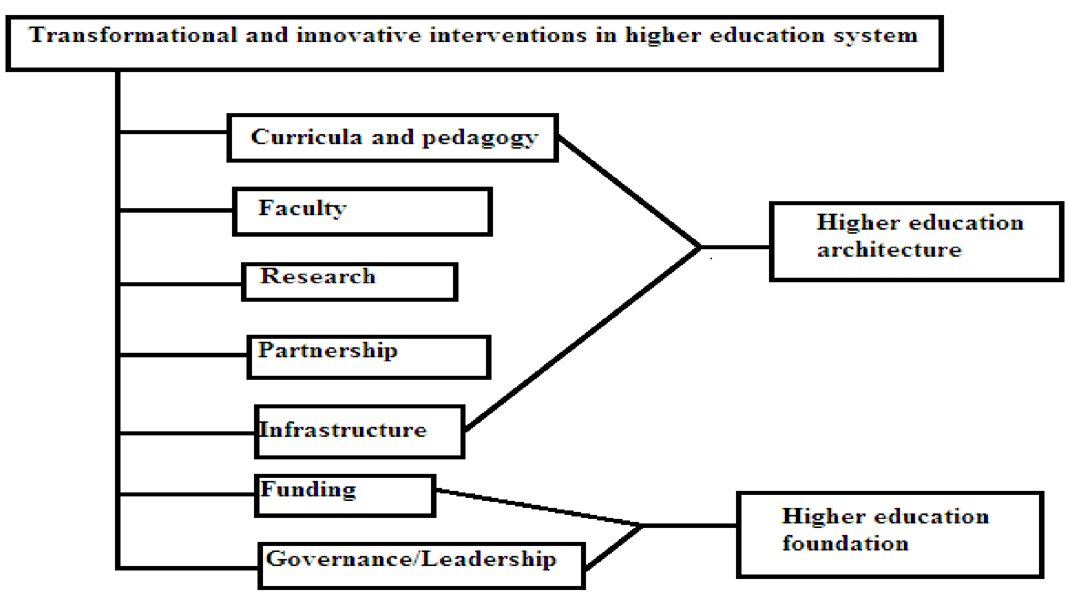
India. The Distance Education Council of India (DEC), New Delhi regulates these universities, maintains the standards, encourages and organizes the activities of Open and Distance learning (ODL) in the country. Higher education sector has expanded due to distance mode of education supported by new information and communication technology (ICT) as it costs 66 per cent less and the students need not leave their homes or profession. The internet and satellite technology are being put to use to further the cause of distance education. The Higher Education sector ensures the quality of the educational process with the help of accreditation agencies established for the purpose. The main agency which accredits universities and colleges in general education is the National Assessment and Accreditation Council (NAAC) established by the UGC in 1994, whereas a similar function is done for technical education by the National Board of Accreditation (NBA) set up by AICTE in 1994, and for agricultural education by the Accreditation Board (AB) set up by ICAR in 1996. NAAC proposes to introduce the India Education Index (IEI) for ranking institutes based on academic, research performance and other parameters. The outcome will help in the international comparison of institutes. NAAC has entered into an MOU with higher learning institutes of the United States, Taiwan, Norway, and Kuwait and with the Commonwealth of Learning (COL) to facilitate collaborative work on quality assurance in higher education institutions.

Table 1:Innovative trends in variety of courses and career oriented programs have emerged across different streams

Courses	**Innovative trends in variety of courses and career oriented programs have emerged across different streams**
Science	Emergence of applied science courses such as actuarial science, clinical optometry, drug regulatory affairs, biotech dietetics and applied nutrition.
Commerce and Management	Sector focused programs such as family business, retail, finance, real estate and urban or rural infrastructure.
Arts	New courses structure such as four years research focused on liberal arts programs.
Engineering	Rapid growth of niche specialization, e.g. bioinformatics, environmental, thermal power and energy systems.

Source: MHRD Annual report

Figure 1: Transformational and innovations in higher education system



Source: MHRD Annual Report

Table 2: Number of higher education institutions in India

Higher education institutions	Number of universities in India
Universities and university-level institutions	504
State Universities	243
State Private Universities	53
Central Universities	40
Deemed Universities	130
Institutions of national importanceestablished under Acts of Parliament	33
Institutions established under various State legislations	5

Source: www.ugc.in.

Table 2 describes the number of universities and institutions for higher education in India. In India, at present there are 504 universities and university-level institutions, 243 state universities, 53 state private universities, 40 central universities, 130 deemed universities, 33 institutions of national importance established under acts of parliament and 5institutions established under variousstate legislations for promoting higher education for greater involvement of students in higher education.

CHALLENGES AND OPPORTUNITIES IN HIGHER EDUCATION

Following are the challenges and opportunities in higher education:

Curriculum Design/Alignment

The expectation of society is different nowadays. The authorities who decide upon the policies shouldtake a note of the situation. To be competent and to be at par with global competitors, the H.E.institutions should provide interdisciplinary programs to the students to meet the 21st century'shigher education demands (Rae, 2007). H.E. institutions require reorganizing courses, programs, andstructures to suit the aspirations and needs of the students (Hanna, 2003). So H.E. Institutions requireto redesign or align their curriculum to support today's' students to fit globally (Hirsch and Weber,1999). Bridges (2000) also state the importance of curriculum design in today's higher education.

Student Employability

Employability is a very important aspect of H.E. system. Students seek educational opportunitiesto enter the world of jobs (West, 1999). According to Bridges (2000) the real requirement today is toDelhi Business Review, Vol. 14, No. 2 (July - December 2013)take into serious consideration the student placement, and in this process inculcate the requisiteskills and habits viz. original analytical thinking, communication skills, superior presentationskills, working in teams, and information technology. This will help in aligning the students withthe industry. Therefore, H.E. Institutions should make their curriculum more practical and industryoriented instead of traditional methods being followed. Singh and Sharma (2008) have emphasizedthe emerging role the industry could play in the Indian context, in ushering collaboration with theeducation sector; they recommend that industry could play a vital role in increasing the growthprospects of educational institutions. They also emphasized the role of government, industryassociations, R&D institutions, and universities in order to strengthen the interface betweenindustry – R&D – academia.

Quality of Learning and Teaching

The way out to compete with smart people across the globe is to ensure smart learning and qualityteaching. If the H.E. institutions co-ordinate with the industry and other H.E. institutions, then itcan foster towards improved and required set of skills, learning, and teaching (Tiropanis et al.,2009). Therefore, the beneficiaries will be the students who will have more access and informationabout the latest developments across the industry and the teachers will be acquainted with thevalid facets of their subjects (Hirsch and Weber, 1999; Hanna, 2003). Singh and Sahi (2012) validatethe significant relationship between active experimentation learning style and preference for facilitatorinstruction approach, which could help the teachers to improve the quality of learning and teaching.Quality of ResearchThe dire need for today's H.E. institutions is to strengthen their research capacity. In order toachieve this challenge H.E. Institutions require to initiate multiple disciplines (centres) under oneroof. This would help integrating varied areas of expertise and building relationships among differentteams along with industry experts to establish their research capacity. It has also been acknowledgedthat pruning and nurturing of high quality research is one of the most important tasks carved andfor the H.E. institutions (Hirsch and Weber, 1999; Hanna, 2003).

Compete and Collaborating Globally in Research and Talent

There is a global competition for talent in top students, researchers, & lecturers. Institutions needto compete at a world-class level in teaching & research. H.E. institutions should set a bar forhighest standard of research; this would lead to international recognition which could furtherbring in higher quality and higher standard of research (Hirsch and Weber, 1999).

Adopting Emerging Technology

A varied range of tools which aid H.E. are available these days, thanks to the revolutionary development of information technology (Fox, 1998; Hanna, 2003). The recent technological aids forH.E., offer mobility and access from anywhere and at anytime (Fox, 1998). Technologies like internetand its associated technologies can increase the capacity of an educator more quickly, easily andmore scalable to help students make connections to content, context, and community – resulting inmore powerful learning experience (West, 1999). Gupta, Singh, Malhotra, and Rastogi (2003)advocated the role of information Technology (IT) in teaching and education system, they furtherassert that the IT industry could play a direct role in IT education in particular and education ingeneral. Developing direct linkages with IT industry would strengthen the quality education onone hand and also meet the needs of the IT industry on the other (Gupta et al., 2003).

Assessment

Assessment is a key process in Higher Education. According to Macdonald and Carroll (2006), theH.E. institutions in order to tackle the irregularities in assessment should create effective mechanisms. Assessment should be made student friendly, so that a student never suffers in the pretext of the errors committed by the evaluator or the assimilator.New Generation of Staff

The best-organized institution is worth nothing, if it does not have a qualified teaching staff; unqualifiedstaffs means poor teaching and unimaginative research (Hirsch and Weber, 1999). As per Bridges (2000), to teach the curriculum including employability skills successfully, universities need todevelop the new capacities among their traditional teaching staff and new approaches to theirteaching. H.E. institutions will need to develop faculty and staff dedicated to engaging a diversityof learners with more complex learning needs.

Integration of Knowledge Capital and Cross-Curricular Initiatives

To support better learning and teaching activities, integration of H.E. knowledge capital like researchoutput, learning and teaching materials, etc., is essential (Tiropanis et al., 2009). Also cross-curricularactivity in learning and teaching is essential to improve the standard of the H.E. institutions.According to Tiropaniset. al., (2009), cross-curricular activities in emerging areas by matchingteachers to new programme and module definitely enhance the quality of learning and teaching inH.E. Institutions. Hence, it becomes one of the most important targets of today's demanding anddiverse H.E. (Bridges, 2000).

Higher Education Governance and Management

Higher education institutions' governing bodies are responsible for ensuring the effectivemanagement of the institution and for planning its future development. They are ultimatelyresponsible for all the affairs of the institutions. Generally, they are responsible for approving institutional mission and the strategic plan, financial solvency, resourcing policy, employment andHuman Resource (HR) policy and strategy, estates policy, senior appointments and remuneration,audit, legal compliance, determining educational character and mission, and so on. They are facingchallenges to effectively manage the institutions hence become one of the crucial challenges in H.E.(Hirsch and Weber, 1999). To cope with this challenge, institutions need better leadership who willbe able to provide academic freedom to enable them to make collective decisions with the newrequirements that is the necessity to make and implement important and often unpopular decisionsin a timely manner (Hirsch and Weber, 1999; Hanna, 2003).

CONCLUSION

Although there have been challenges to higher education in the past, these most recent calls for reform may provoke a fundamental change in higher education. This change may not occur as a direct response to calls for greater transparency and accountability, but rather because of the opportunity to reflect on the purpose of higher education, the role of colleges and universities in the new millennium, and emerging scientific research on how people learn. These disparate literatures have not been tied together in a way that would examine the impact of fundamental change from the policy level to the institutional level and to the everyday lives of college and university administrators, faculty and students. Now the time has come to create a second wave of institution building and of excellence in the fields of education, research and capability building. We need higher educated people who are skilled and who can drive our economy forward. When India can provide skilled people to the outside world then we can transfer our country from a developing nation to a developed nation very easily and quickly.

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HR Practices: Important aspect for Retention

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INTRODUCTION:

In the world of Globalization, every organization strives to sustain into the competitionand expand the business. Organization has to concentrate on differentinternal and external factors of environment along with proper utilization of resources for increasing productivity of it. Human resource is a key player for the organization. As Manpower is strength of the organization, it may be become threat for the same. If organization does not understand need and requirement of manpower, manpower do not functionalize properly for the betterment of organization. Now-a-days Human resource department plays vital role to perform the various functions from Recruitment to Retirement. But, among the several functions of human resource management,Retain or Sustainmanpower into the organization is very essential. Human resource manager retain the employees by understanding their essential need and requirement and fulfill it by solving the various problems of them. Human resource management uses different HR practice for increase job satisfaction, efficiency and competency of the workforce. HR practices contribute to employee improvement and growth of firm. HR practices such as- job security, selective hiring, self-managed teams, compensation policy, extensive training, information sharing, learning orientation and Innovativeness uses in different organization as per need. The purpose of this paper is to develop an understanding of HRM Practices to examine the impact of HR practices on manpower to retain in the organization for increasing profitability and productivity.

HUMAN RESOURCE MANAGEMENT:

"Human Resource Management" is the term essentially refers to the philosophy, policies, procedure and practices relating to the management of people within organizations. Human resource management is an approach to the management of people, based on four fundamental principles:

1) Human resources are the most important asset of an organization and their effective management is the key to its success.

2) HRM is concerned with integration-getting all the members of the organization involved and working together with a sense of common purpose.

3) Corporate culture and the values, organizational environment and managerial behavior influence on the achievement of excellence.

4) Success will be there, if the personal policies and procedures of the organization are closely linked to achievement of corporate objectives and strategic plans.

HRM is more comprehensive and deep-rooted than all the functions of other approaches of management. Its approach is multi-disciplinary from the beginning to the end. It is scientific process of continuously enabling the employees to improve their competency and capability to play their present as well as future expected roles so that the goals of the organization are achieved more fully and at the same time the needs of the employees are also met to an adequate extent.

Concept of Human Resource Management:

- According to Flippo,

  "Human Resource Management is the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and reproduction of human resources to the end that individual, organizational and societal objectives are accomplished".

- According to Ivancevich and Glucck,

  "Human Resource Management is the function performed in organizations that facilitates the most effective use of people (employees) to achieve organizational goals".

RETENTION

Employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Employee retention is beneficial

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for the organization as well as the employee. It is a systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having policies and practices in place that address their diverse needs. A strong retention strategy becomes a powerful recruitment tool.

Employee retention matters as organizational issues such as training time and investment; lost knowledge; insecure employees and a costly candidate search are involved. Hence failing to retain a key employee is a costly proposition for an organization. Intelligent employers always realise the importance of retaining the best talent. Employee retention strategies go a long way in motivating the employees so that they stick to the organization for the maximum time and contribute effectively. Sincere efforts must be taken to ensure growth and learning for the employees in their current assignments and for them to enjoy their work.

Employee retention involves five **major things**:

- Compensation
- Environment
- Growth
- Relationship
- support

Importance of retention:

- Hiring new employees requires good amount of time and money.
- There is always a risk if the new employee selected will adjust to the new environment.
- Resignations are quite infectious.
- There is loss of company knowledge
- Interruption of customer services
- The cost of turnover
- Relationship with customers is affected.
- higher retention rate helps to build goodwill of the company
- regaining efficiency

To keep employees and keep satisfaction high, you need to implement each of thethree Rs of employee retention: Respect, Recognition, and Rewards

- **Respect** is esteem, special regard, or particular consideration given to people. As the pyramid shows, respect is the foundation of keeping your employees. Recognition and rewards will have little effect if you don't respect employees.
- **Recognition** is defined as "special notice or attention" and "the act of perceiving clearly." Many problems with retention and morale occur because management is not paying attention to people's needs and reactions.
- **Rewards** are the extra perks you offer beyond the basics of respect and recognition that make it worth people's while to work hard, to care, to go beyond the call of duty. While rewards represent the smallest portion of the retention equation, they are still an important one.

HR PRACTICES:

"WE CAN'T STOP EMPLOYEES FROM LEAVING UNLESS WE HAVE A PLAN TO MAKE THEM STAY"

HR practices build competencies and capabilities for superior and winning performances today and simultaneously create long term fertility for innovation of business ideas and strategies for future.

As the trend changes, firms means management is facing various challenges to manage people. To sustain in competition organizations today must grapple with revolutionary trends accelerating product and technological change, globalizes competition, deregulation, demographic changes and trends towards a service society and the information. These trends have dramatically increased the degree of competition in virtually all industries, while forcing firms to cope with unprecedented product innovation and technological change. Companies in such an environment either become competitive high performers or they die.

The global recession had continued well past its fourth year bringing with it continued uncertainties and cost pressures. Every global organization therefore is trying to move its talent and business towards areas of growth, cut costs and unnecessary flab and improve the engagement, retention and performance of its

workforce. These strategic imperatives are often at cross-purposes with each other – which leaves HR dealing with several paradoxes.
HR Practices are required in order to win the competition. So we can title under the phrase i.e.
"War of Talent"
If the manpower is satisfy with his work, working environment, policies and practices of organization, not a single employee think to retrench the company. But, at the same time management not following ethics while implementing the various practices of organization under the title of HR practices then there will be risk created to retain the employee into organization. In a work place where employees are not able to use their full potential and not heard and valued, they are likely to leave because of stress and frustration and the ratio of labor turnover will increase. HR department included different concepts into existing HR practices to improve moral, motivation, satisfaction, self actualization and self esteem of manpower. The advanced concepts of HR practices are as follows:

Organizational design	Employee and Organizational Development
Rewards and Compliance system	HR strategy
Change management	HR service delivery
Industrial relationship	Capability building
E-recruitment system	Capacity building
Performance management system	Employee engagement framework
Employer branding	Evolution of employee survey

1) Organizational Design
• The organization should formalize how work is to be accomplished through a set of standardized operating procedures, formal chains of command, extensive rules and regulations, and detailed job descriptions.
• The different organizational units maintain their independence and responsiveness to their unique market niches while integrating their work with other organizational units through liaison teams, matrix organizations, etc.
• The processes used to shape the organizational structure (e.g. HR Audit, HR Accountability, Job Evaluation, Job Assignment, Job Rotation, Job Designetc).
2) Employee and Organizational Development
• Desired outcomes of development (e.g. conceptual understanding, skill building, attitude change, team building, problem solving).
• Types of participants in developmental programs (e.g. new employees, first-line supervisors, middle-level managers, top executives).
• The nature of the content built into developmental programs, and how programs are integrated with the strategic direction of firms.
• Delivery of training programs (e.g. internal vs. external facilities, use of line managers).
• Evaluation of programs to assess changes in employee or organizational performance.
• Alternatives to development used to create organizational competencies (e.g. cross-functional career moves, special assignments).
3) Performance Management
• Types of standards set for employees or units (e.g. behavior-focused vs. outcome-focused, short-term vs. long-term, explicit vs. implicit, linked to individual vs. strategic performance and plans).
• Types of performance review feedback sessions offered (e.g. frequency, nature of feedback, monitoring of feedback sessions, forms used, formal reporting systems in existence, managerial accountability).
• Processes used to ensure that feedback occurs continually (e.g. quarterly reviews).
• Sources of data for measurement and criterion development (e.g. clients, customers, peers, subordinates).
4) Reward Systems, Benefits & Compliance

- Types of financial incentives existing (e.g. short-term vs. long-term, base vs. incentive pay, pay for performance vs. seniority).
- The extents to which reward systems are linked to strategic plans and encourage employees to work toward accomplishing business needs and meeting customer requirements.
- The extent to which rewards are based on individual vs. group or corporate performance.
- Structure of non-financial rewards (e.g. recognition programs, titles, informal status symbols).

5) Industrial Relationship

- Types of information presented to employees, manner of presentation (e.g. confidential vs. public, public meetings, management forums for discussion, videos, written communications, bulletins)
- Types of communication channels; dissemination of information inside and outside the organization; opinion of surveys; open door policies.
- Types of techniques to solve issues of employees (e.g. employee discipline, grievance handling, collective bargaining, negotiation, conflict management)

6) Employee engagement framework

- People /Culture (e.g. senior leadership, immediate manager)
- Work (e.g. Work activities, resources)
- Compensation (e.g. pay scale, benefits, recognition, incentives, rewards)
- Opportunities (e.g. career opportunities, learning & development)
- Company practices (e.g. policies, performance appraisal, communication)
- Quality of life (e.g. work life balance, physical work environment)

RESEARCH METHODOLOGY:

❖ The study is descriptive in nature.

❖ Secondary data is used.i.e.internet, journals, articles, etc.

CONCLUSION

Retention is generally characterized by satisfaction in terms of monetary, personnel, social factor, career etc. It is most important that each organization conduct frequent study to understand the requirement of the employees and satisfy them to the maximum extent.

In order to retain employees and reduce turnover, managers must meet the goals of employees without losing sight of the organization's goals, thereby creating a "win-win" situation.The main purpose behind this project is to know about the effective measures taken by the company to retain their employees through HR practices.

If you haven't got all of this in place, it may be because you haven't paid enough attention to your people practices and we suspect that HR is not at the strategy table. Our research has led us to the conclusion that specialty businesses are, well, special. Your HR practices must be as well.

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Communication Strategy for Rural Markets: A Study on India

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INTRODUCTION

The census of India defines rural as any habitation with a population density of less than 400 per sq.km., where at least 75 per cent of male working population is engaged in agriculture and where there exists no municipality or board. Of the nearly 6.4 lakh villages in India, only 20,000 villages have populations more than 5,000.Leaving aside Hindustan Lever and ITC, most companies in the FMCG sector would define rural as any place with a population up to 20,000.Similarly,durable and agri-input companies would consider any town with a population below 50,000 as rural.

Companies face many challenges in tackling the rural markets, some of the more critical being: understanding rural consumers, reaching products and services to remote rural locations and communicating with vastly heterogeneous rural audiences. Sadly, not many companies have invested sufficient effort and money in research and nor have they spent enough time in the field to understand rural consumers, their values, aspirations, needs and usages habits. Marketing is all about 'getting to know your customer', but having largely ignored this cardinal principle, most corporate in rural markets find that success has eluded them.

COMMUNICATION STRATEGY

Advertising goes hand in hand with economic growth. With economic liberalization and increasing rural prosperity, marketers are keen to inform villagers about the benefits of buying and consuming their products and services. Prior to the introduction of economic liberalization in 1990s, there was little incentive for marketers to advertise their products and services, as rural markets were predominantly a seller's market.

The influence of the electronic media, in particular television, video and the Hindi film industry, is contributing to the growth of rural aspirations, which are being manifested in rural India in the form of increasing consumerism.

The rural environment is different from the urban and therefore communication to potential customers in a proper and effective manner is a major challenge for corporate marketers. The majority of advertisements designed by corporate marketers, are largely urban oriented and extend themselves to rural areas without any consideration to the values and sensitivities of the rural audience, which are often in striking contrast to those of their urban counterparts. This has led to a negative perception in the minds of villagers, about urban media planners and advertisers.

Rural communication is not a 'peripheral activity'. It does not, for instance, involve taking an audio-visual van to a village and assuming that this step is enough to reach out to customers. It requires an entirely different mindset, which demands getting rid of many mental barriers. Companies have to realize that rural is a long-haul market, as gains in the short term are neither immediate nor large.

CHALLENGES IN RURAL COMMUNICATION

There are many challenges to communication in rural. Low literacy level; poor media reach and exposure and vast, heterogeneous and diversely spread rural audiences characterized by variations in language, culture and lifestyle-all these factors pose multiple challenges to marketers looking to take their messages to the largely media-dark or media-grey areas, of rural markets.

Heterogeneity and spread

The communication pattern in any society is a part of its culture. No communication medium can exist in a cultural vacuum. Communicating the message to rural consumers ha posed enormous challenges to the rural marketer, because of the large numbers of consumers scatters across the country. The problem is further compounded by the heterogeneous nature of consumers there are 16 scheduled languages and 114 local vernaculars. For example, the dialect used in the Vidharbha region ,in konkan region, in costal Maharastra.

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Limited Media Reach

The limited reach of the mass media imposes limitations on universal communication to rural consumers. These factors lead to poor message comprehension and negligible impact, which fail to translate into consumer awareness and hence fail in generating consumer pull.

Understanding the Rural Audience

It is not sufficient to understand rural communication challenges as stated above: rather, what is equally crucial is the need to understand the behavioral and psychographic characteristics of the rural audience, in order to develop an effective rural communication strategy.

CREATING ADVERTISEMENTS FOR RURAL AUDIENCES

Communication experts need to keep the following factors in mind when creating advertisements for rural audiences.

* Understanding the mindset of potential customers, including their hopes, fears, aspirations and apprehension conducting a qualitative study among the target audience would help in better understanding of the consumer mindset.

* Pick up 'gems' in the form of idioms, expressions, words, etc. in relation to the product category for later use in the creative.

* Tricky, clever, gimmicky, or even suggestive advertising does not work with rural audiences. 'Flicks' using very expensive computer graphics without any human presence go over the heads of rural audiences.

* Combining education with 'entertainment is a good route to take when targeting rural audiences. Using locally popular film stars or even featuring religious events (melas) popular in the region, helps strike a chord with rural audiences. According to a study, it is Govinda and Sharukh Khan who is most popular among rural folk in north India.

* 'Quickies' (short television commercials) do not register well with rural audiences. Advertising agencies need to provide for ample time and space to communicate a message properly and effectively to the intended audience. This is seen for instance, in the popularity of the two-minute theatre commercials screened in rural cinemas.

* **RURAL MEDIA**

* Rural media can be classified broadly into conventional mass, non-conventional media and personalized media. The various media vehicles are as follows:

CONVENTIONAL MASS MEDIA	NON-CONVENTIONAL MEDIA	PERSONALIZED MEDIA
Television	Haat and mela	Direct mailer
Radio	Folk media (puppet show, magic show)	Point of sale(demonstration, leaflet)
Press	Video van	Word of mouth
Cinema	Mandi	Interpersonal communication
Outdoor: wall painting, hoarding		Animator

INOVATIVE MEDIA

OUTDOOR MEDIA: WALL PAINTING

* This medium is the most widespread form of advertising and is the favorite of the Indian rural masses, as they can view it at their leisure. Wall paintings are important because they constantly remind rural people about name and logos in addition to highlighting the key brand promise. They also reflect the vibrant economic and social life of the area.

Characteristics of wall paintings

* They are economical as compared to other traditional media forms, as the manpower and infrastructure requirements are low.

* They can easily be customized in accordance with regional language variations without this impacting their artistic content.

* Audience recall rates are high.

Limitations

* The lack of availability of wall space at prominent locations is an issue.
* The quality of the wall space available is not always satisfactory. The base of rural wall structures is generally not smooth and this impacts the final output.
* No exclusive wall rights are given to the company. It may happen that a company gets a wall painted and after sometimes when the company executive passes through, he finds that the painting has been replaced by the advertisement of some other company.
* The quality of the painters available is also low. Companies prefer hiring painters locally as they are familiar with the area and the cost of hiring them is lower when compared to the cost of hiring painters from outside.

FOLK MEDIA

* Folk media consist of folk songs, folk dances and other theatrical forms, including puppetry, street theatre and magic shows, which are an intrinsic part of the culture and heritage of the land.
* They are capable of communicating message about contemporary issues, topics and concerns as per the needs and demands of a changing society.
* They are a face-to-face and personal form of communication.
* The essential characteristics of folk media are that are interactive, repetitive and narrative

Kinds of Folk Media

* Folk theatre
* Magic show
* Puppet shows
* Interactive games
* Folk Theatre

Folk theatre, interspersed with folk song and dance, is a simple and entertaining form of communication. It can also be informative and educational. In the past, folk theatre has been used to arose public opinion against the British Raj, to draw attention to atrocities against the girl child and raise public consciousness about other socially relevant issues.

* Folk songs

Folk songs are basically simple and direct compositions that are usually transmitted orally from one generation to the next and not through the written word. The structure of the folk song is characterized by simplicity and uniformity in rhythm. The songs consist of many stanzas sung in more or less the same tune. Each region and state has its own particular traditions of folk songs and ballads.

* Folk Dances

Folk dances are basically simple and rhythmic and mostly religious in nature. Communication takes place through dramatic gestures and the accompanying music. Folk dances are visually very arresting, attracting audiences with their elaborate costumes and stage settings.

* Magic shows

Magic shows are another very entertaining form of folk entertainment and draw large crowds, particularly because of the curiosity factor and the use of hypnotic effects.

* Puppet Shows

The kathputli puppet performance is the most common form of this folk tradition.The origin of puppet theatre is closely linked to the performance of religious ceremonies. The connection between rituals and the use of puppets is found in almost all the states in India.

Traditional puppeteers were mostly itinerant performers who depended on royal patronage for their survival. Even today tales of chivalrous kings like Prithiviraj C hauhan and Amar Singh Rathor are narrated through puppet performances in the villages and towns of Rajasthan.

The different forms of traditional puppetry are glove, rod, string-rod and shadow puppets. The differences exist not only in name but also in form, structure, manipulation techniques and geographical origin spread.

CONCLUSION

To sum up, it is clear that in any form of rural communication, while we may have a national strategy, we have to think and act locally. The need for focused communication aimed at the rural market, should not be underestimated. This calls for innovation and substantive changes in marketing strategies and

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approaches. The innovation should be carried out within the framework of what can best be characterized as the 4-R principle:
* Relevance
* Reliability
* Reach
* Reincarnate innovation

If the Indian advertising industry is to reach out to rural India in an effective and efficient manner, it has to be grounded firmly in rural perceptions, value and traditions. It has to immerse itself in local colours, customs and modes of communication in order to make itself relevant to the needs and desires of rural society. It has to gain the trust of the masses by undercutting its own excessive dependency on western styles of advertising, on the one hand and on its use of deceptive and manipulative claims, on the other. It has to reach out to rural consumers and relate to them at an appropriate level, so that it can bring about the desired behavioral changes. Finally, it has to find ways to reincarnate innovation. The four components are not mutually exclusive; they share an interdependent relationship.

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Industrial Finance Corporation of India and Its Financial Resources

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Introduction:

At the time of independence in 1947, India's capital market was relatively under-developed. Although there was significant demand for new capital, there was a dearth of providers. Merchant bankers and underwriting firms were almost non-existent.Also commercial banks were not equipped to provide long-term industrial finance in any significant manner. It is against this backdrop that the government established The Industrial Finance Corporation of India (IFCI) on July 1st, 1948, as the first Developing Financial Institution in the country to cater to the long-term finance needs of the industrial sector. The newly-established DFI was provided access to low-cost funds through the central bank's Statutory Liquidity Ratio (SLR) which in turn enabled it to provide loans and advances to corporate borrowers at concessional rates. Financial institutions like IFCI have been experiencing considerable difficulties in recovering loans and enforcement of securities charge with them.

Financial Resources:

Financial institution, as stated earlier is primarily concerned with mobilization of resources and channelization of the pooled resources in productive outlets. IFCI main dependence for funds has been borrowing both with in the country and outside. Institution may also meet their financial requirements by resorting to state and institutional borrowings to meet their growing demand of funds from up and coming enterprises. The principal source of rupees borrowing has been the bond issued by IFCI carrying government guarantees. Such bonds were eligible for subscription by commercial banks under the statutory liquidity requirements. The authorized Share capital of IFCI is Rs 1500 crore divided into equity shares of Rs 10 each in31 march 2005. IFCI placed a heavy responsibility on it to fill in this gap consequently; it became equally important that it be also equipped with the adequate resources for meeting the rising demand for industrial finance in the country. Sources of funds of financial institution may be either domestic or foreign or partly domestic and partly foreign, the same may be derived from both equity and loans. The Corporation came out with public issue of its shares in 1993. Thus, they need burgeoning funds to dispense financial support to up and coming industrial projects of national priority. After the conversion of IFCI into a company, it has raised funds in the capital market on market related terms by way of certificates of deposits, bonds, fixed deposits and other borrowings. The IFCI has been evincing greater interest in raising funds through short-term deposits and placing greater reliance on generation of internal resources to meet its growing funds requirements. Industrial Finance Corporation, Industrial Credit and Investment Corporation of India, State Financial Corporations and Refinance Corporation of India sought to serve the increasing financial needs for industrial growth in the private sector. The financial mechanism adopted by the bank and its networking play a significant role in raising funds from the savers. Equity capital may be taken up by the central government, central bank and domestic private investors, institutional or individual commercial banks and insurance companies are the usual subscribers of initial share of capital as in the case of IFCI and ICICI. IFCI also borrows fund from government of India in terms of KFW agreement for interest differential fund. Since these institutions are supposed to fund capital expenditure projects through investment in and underwriting of securities and extend term loans to these projects, their fund requirements tend to be of permanent or long-term nature. However it felt that in relation to the investment needs which were likely to arise for industrial development in future financial institution role goes more important. The Government provides subsidized financial assistance to the financial institutions so as to help develop priority sector industries particularly in backward regions of the country. The success of the Industrial finance corporation of India, or of any other institution depends largely upon the total resources at its disposal as also the different sources of funds available for augmenting its resources. The authorized Share capital of IFCI is Rs 1000 crore divided into equity shares of Rs 10 each at the annual general meeting 1996 ,10 percent of this amount (100 crore) has been converted into cumulative redeemable preference shares of the face value of

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Rs 10 each. The principal forms in which financial institution may raise long-term resources from outside are issue of equity shares, preference shares and debentures, long-term deposits and long-term borrowings. The Corporation was earlier empowered to accept deposits for a period of 5 years; but the amount of deposits can in no case exceed Rs. 10 crores. Besides capital and reserves, the Bank is empowered to raise funds by Borrowing from the Central Government interest free loans on terms and conditions as may be agreed upon, Borrowing from such other authority, organization or institution in India as may be generally or specially approved by the central Government.

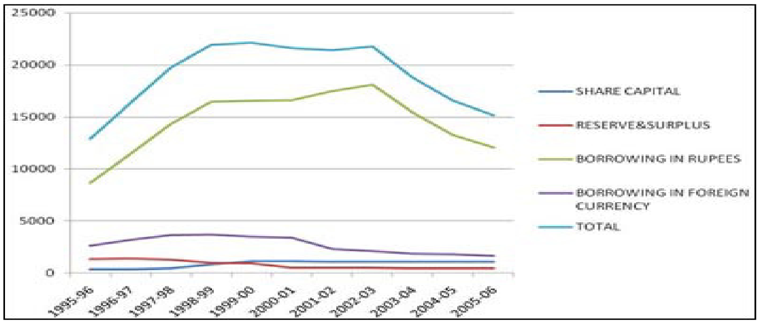
The recommendations of the Narsimham Committee, the financial institutions including IFCI, ICICI and IDBI have, of late, been permitted to raise funds from the open market. The IFCI Act was amended in July, 1993 to convert the Industrial Finance Corporation into a public limited company so as to enable the IFCI to access the capital market and to reduce its dependence on Government guaranteed funds. This Fund is intended to assist, with the prior approval of the Central Government, specially deserving projects to which banks and other financial institutions are not likely to provide the requisite finance in the ordinary course of business for various reasons. Recently, the Government has allowed these financial institutions to raise foreign currency loans with a maturity of 10 years and above without any ceiling from external commercial borrowing. The Fund comprises amounts received by way of loans, gifts, grants, donations etc. from the Central Government or any other source. The financial position of the Corporation with debt-equity ratio ranging between 5.7:1 and 10:1 is quite satisfactory as per the international norm of the World Bank. This leads us to suggest that the IFCI has the potential for resorting to long-term borrowings subject to its availability at reasonable cost. The resources of the corporation have been further augmented by issuing debentures/bonds in India and commercial markets abroad. The profits and losses arising out of the operations of the Fund are respectively credited or charged to the Fund. During 1999-2000, the IFCI raised equity share capital of Rs. 86 crore. As a result, relative share of paid up capital soared to over 4 per cent as on 31st March 2000 from 2.56 per cent in 1996. The resources of the IFCI initially comprised share capital, interest-free loan from Government of India.

Borrowings

For meeting the foreign exchange requirements of its client IFCI raises foreign currency loans through the following two ways firstly, lines of credit(from KFW Asian development bank and other foreign banks)secondly, commercial borrowings through syndicated loans. Recently, the Corporation has been allowed to raise money by way of term money, certificate of deposits, term deposits and inter-corporate deposits under an umbrella limit equal to their net owned funds for a period of 1 to 5 years. Act empowers the Central Government may, after due appropriation made by parliament by law in this behalf, advance to the Bank an interest free loan repayable in installments, and such further amounts of money by way of loan on such terms and conditions as may be agreed upon. As per the Government Policy, the Corporation can borrow up to 10 times its paid-up capital and reserves in the form of bonds, debentures, loans, etc. Institution was also to reduce significantly the cost of borrowings during the Financial Year 2004-05 by Rs.378 crore to Rs.958 crore, compared with Rs.1,336 crore in the Financial Year 2003-04. Repayment of assistance by Borrowers is one of the important sources of finance for the Industrial finance corporation of India.

IFCI also borrows fund from government of India in terms of KFW agreement for interest differential fund. The amount of Repayment by Borrowers has increased not only in absolute terms but also in relative terms. It can borrow resources in foreign currency. It can also borrow from the RBI for a period of 90 days against Government securities and/or for a period of 18 months against its own bonds. Since the Industrial finance corporation of India was set-up in 1948 and started advancing financial assistance to industrial concerns in that year, it is but natural that the Repayment amount would be lower in the initial years. Amount received From Government of India under Interest Differential Fund (IDF) is of a capital nature and to be utilized for specified purposes for promotional activities of Industrial Development. So far as the trends in the relative share of various sources in the total financing is concerned, Repayment by Borrowers, Reserves and 'others' showed a rising trend over the years. After economic reforms during the period of 1995-96, being in the business of providing finance to industries as well as the service sector, it has to constantly raise resources. During the year, liquidity in the money market remained under pressure. Yet, IFCI was able to mobilize need-based resources through private placement of bonds, Certificates of Deposits, Fixed Deposits and other borrowings.

Variation in financial resources



the total of financial resources is 12905 crore in 1996 which was lowest in comparison to period of 1995 to 2006, share capital of IFCI was Rs 353 crore , reserve and surplus was 1282 crore, borrowing in rupees was 8658 crore and borrowing in foreign currency is Rs 2612 crore. In 1996-97 the share capital amount was Rs 352.8 crore is almost constant in comparison to previous year but borrowing in rupees raised to 11441 crore ,where borrowing in foreign currency was 3197.5 crore and reserve and surplus 13508 crore only. During the period of 1997-98, Corporation raised Rupee resources and Foreign Currency resources by way of syndicated loan, lead arranged by Bank of Tokyo-Mitsubishi. Corporation has made significant provision towards bad and doubtful debts as required in terms of RBI's guidelines. This affected the profitability adversely. IFCI financial position is going stronger so its share capital is increased to near about 452.9 crore, reserve and surplus was 1293.9 crore and borrowing in rupees was 14362.3 crore with borrowing in foreign currency of Rs 3655.6 crore. In 1998-99 borrowing were increased continuously due to strong position of IFCI, at that time share capital was increased to 790.4 crore and reserve and surplus was Rs 936.1 crore where borrowing in rupees was 16459.8 crore ,borrowing in foreign currency was Rs 3713.3 crore. Corporation made a "Golden Move" in the Golden Jubilee year with the shifting of all its departments in the Corporate Office located in various rented premises to the newly built "IFCI Tower" at Nehru Place, New Delhi in October, 1997. From the period of 2000 to 2006, the overall economic environment in 1999-2000 was thus mostly favorable. As a consequence of the financial-sector reforms in recent years, IFCI has been mobilizing domestic resources from the market through the issuance of public /privately placed bonds /debentures, certificate of deposits (CDs), inter-corporate deposits (ICDs) and institutional /term-money borrowings, subject to the guidelines of the Reserve Bank of India. Share capital performance is constant and it varies minutely from 1096.4 crore to 1067.9 crore. Where reserve and surplus also start decrease from 2000 amounted to Rs 906.7 crore, borrowing in rupees and borrowing in foreign currency are respectively 16577crore and 3515.2 crore.

TABLE

SOURCES OF FUNDS (1995-96 TO 2005-06)					
YEAR	SHARE CAPITAL	RESERVE&SURPLUS	BORROWING IN RUPEES	BORROWING IN FOREIGN CURRENCY	TOTAL
1995-96	353.0	1282.0	8658	2612.0	12905
1996-97	352.8	1350.8	11441.8	3197.5	16342.9
1997-98	452.9	1243.9	14362.3	3655.6	19714.7
1998-99	790.4	936.14	16459.8	3713.3	21899.6
1999-00	1096.4	906.7	16577.1	3515.2	22095.4
2000-01	1087.9	505.1	16593.2	3373.5	21559.7
2001-02	1067.9	497.6	17489.2	2299.4	21354.1
2002-03	1067.9	469.7	18113.2	2089.7	21740.5
2003-04	1067.9	454.9	15408.1	1822.0	18752.9
2004-05	1067.9	447.4	13256.8	1768.1	16540.2

2005-06	1067.9	442.9	12066.7	1611.4	15188.9

Source: report on IDBI.

The total of financial resources are highest in this year is 22095.4 crore. After recording a turn-around during 1999-2000, industrial sector has again shown poor performance during 2000-01. The cost of borrowings was lower at 10.57% per annum as compared with 11.86% per annum for the previous year. Your company's resource rising during the year was adversely affected because of down gradation of credit rating. the Government of India approved a package of capital infusion liquidity support of Rs. 10 billion, of which Rs. 4 billion cash-neutral support was provided by Government by way of 20-year convertible bonds. Out of the balance Rs.6 billion, which was to be contributed by major shareholders, Rs.2 billion was provided by LIC by way of 20-year convertible bonds, Rs.2 billion by SBI as short-term loan and Rs.1 billion by IDBI by way of Deep Discount Bonds with maturity value of Rs.2 billion. Year 2002 shows decline trend in comparison to 2001, share capital goes down to 1067.9 crore in comparison to 1087.9 in 2001.reserve and surplus also decrease from 505.1 crore to 497.6 crore, borrowing in foreign currency drastically decreased to 2299.4 crore in comparison to 3373.5 crore on 2001.IFCI's performance during the 2003, Company was able to mobilize resources during the year actually by way of roll-overs and reinvestments of maturing liabilities.

CONCLUSION:

From the above study, it is evident that IFCI is one of the best financial institutions so it is also conscious of its responsibility in matter of raising financial resources for assistance to different sectors. IFCI is able to manage financial resources for project financing for modernization, new establishment, diversification, rehabilitation. Above study shows that there is drastic variation in financial resources of IFCI but management of the institution is so efficient that it handles all the problems effectively. All these measures help IFCI institution for comeback and also get success through improvement in industrial development. It can be said that IFCI will be also to strengthen the steps further by having more rigorous follow up of the existing measures and also search for more effective ways for dealing with the problem of financial resources. IFCI should also enforce a satisfactory proportion of equity capital while sanctioning financial assistance to projects.

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Technological Change & Financial Innovation in Banking

*Mr. Khauja Sarfaraz

Introduction

The commercial banking business has changed dramatically over the past 25 years, due in large part to technological change. Advances in telecommunications, information technology, and financial theory and practice have jointly transformed many of the relationship focused intermediaries of yesteryear into data-intensive risk management operations of today. Consistent with this, we now find may commercial banks embedded as part of global financial institutions that engage in a wide variety of financial activities.

To be more specific, technological changes relating to telecommunications and data processing have spurred financial innovations that have altered bank products and services and production processes. For example, the ability to use applied statistics cost-effectively (via software and computing power) has markedly altered the process of financial intermediation. Retail loan applications are now routinely evaluated using credit scoring tools, rather than using human judgement. Such an approach makes underwriting much more transparent to third parties and hence facilities secondary markets for retail credits (e.g., mortgages and credit card receivables) via securitisation. Statistically based risk measurement tools are also used to measure and manage other types of credit risks- as well as interest rate risks-on an ongoing basis across entire portfolios. Indeed, tools like value-at-risk are even used to determine the appropriate allocation of risk-based capital for actively managed portfolios.

It will describe how technological change has spurred financial innovations that have driven the aforementioned changes in commercial banking over the past 25 years. In this respect, the analysis distinguishes itself by reviewing the literature on a large number of new banking technologies and synthesizing these studies in the context of the broader economics literature on innovation.

The various innovations in banking and financial sector are ECS, RTGS, EFT, NEFT, ATM, Retail Banking, Debit & Credit cards, free advisory services, implementation of standing instructions of customers, payments of utility bills, fund transfers, internet banking, telephone banking, mobile banking, selling insurance products, issue of free cheque books, travel cheques and many more value added services.

The Role of Finance and Financial Innovation

The primary function of a financial system is to facilitate the allocation and deployment of economic resources, both spatially and across time, in an uncertain environment. This function encompasses a payments system with a medium of exchange; the transfer of resources from savers to borrowers; the gathering of savings for pure time transformation and the reduction of risk through insurance and diversification.

The operation of a financial system involves real resource costs employed by financial intermediaries and by financial facilitators (e.g., mortgage brokers). Much of these resources are expended in the data collection and analyses in which financial market participants engage, so as to deal with problems of asymmetric information. There are also uncertainties about future states of the world that generate risks, which for risk-averse individuals represent costs. In this environment, new production process or new organisational forms.

Hence, a Financial Innovation as something new that reduces costs, reduce risks or provides an improved product/service/instrument that better satisfies financial system participants demands. Financial innovations can be grouped as new products (e.g., subprime mortgage) or services (e.g., Internet banking) or new organisational forms (e.g., Internet-only banks).

The Centrality of finance in an economy and its importance for economic growth naturally raises the importance of financial innovation – and its diffusion. Since finance is a facilitator of virtually all production activity and much consumption activity, improvements in the financial sector will have direct positive ramifications throughout an economy. Further, since better finance can encourage more saving and investment and can also encourage more productive investment decisions, these indirect positive effects from financial innovation and further to its value for an economy.

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Given its importance, an understanding of the conditions that encourage innovation would appear to be worthwhile. After all, observed streams of innovations are clearly not uniform across all enterprises, across all industries or across all time periods. The general innovation literature in economics has sought to uncover the environmental conditions that affect the stream of innovations-focusing on hypotheses concerning roughly five structural conditions: **the market power of enterprises, the size of enterprises, technological opportunity, appropriability and product market demand conditions.** Of course, when environmental changes occur, we expect to observe an initial wave of financial innovations followed by a new equilibrium flow consistent with the new environmental conditions. Over the past 25 years, each of these above environmental conditions was markedly altered – resulting in substantial changes to the commercial banking industry.

Financial Innovation and Banking

The literature pertaining to several specific financial innovations appearing over the past 25 years or so that were specifically driven by technological change. The major discussion is focusing on the lines of: new products & services, new production process and new organisational forms.

A1. Products:

Mortgage loans are one suite of products that have experienced a great deal of change over the past 25 years in the United States. In 1980, long-term fully amortizing fixed-rate mortgages were the norm and this product was offered primarily by thrift institutions. Moreover, these loans required substantial down payments and a good credit history and the accumulated equity was relatively illiquid.

These characteristics have markedly evolved. The first big change occurred in the early 1980s with the widespread introduction of various types of adjustable-rate mortgages (ARMs), which had previously been banned by federal regulators. The Tax Reform Act of 1986, which ended federal income tax deductions for non-mortgage consumer debt, spurred substantial growth in home equity lending. One mortgage innovation more directly tied to technological change is subprime lending, which was originally predicated on the use of statistics for better risk measurement and risk-based pricing to compensate for these higher risks. However, the subprime mortgage crisis has uncovered significant shortcomings in the underlying statistical models.

* ***Subprime Mortgages:*** Subprime mortgage lending, broadly defined, relates to borrowers with poor credit histories or high leverage as measured by either debt/income or loan-to-value. This market grew rapidly in the U.S during the first decade of the twenty-first century – averaging about 20% of residential mortgage orginations between 2004 and 2006. At the end of 2007, subprime mortgages outstanding stood at $940 billion; down from over $1.2 trillion outstanding the previous year (Inside Mortgage Finance 2008).

Since the onset of the subprime mortgage crisis, research has attempted to identify various sources of the problem. Mayer, Pence and Scherlund (forthcoming) provide an overview of the attributes of subprime mortgages outstanding during this time and investigate why delinquencies and defaults increases so substantially. These authors, as will as Gerarbi, Lehnert, Sherlund, and Willen (forthcoming), point to significant increase in borrower leverage during the mid-2000s, as measured by combined loan-to-value (CLTV) ratios, which was soon followed by falling house prices.

A2. Services:

Recent service innovations primarily relate to enhanced account access and new methods of payment-each of which better meets consumer demands for convenience and ease. Automated Teller Machines (ATMs), which were introduced in the early 1970s and diffused rapidly through the 1980s, significantly enhanced retail bank account access and value by providing customers with around the clock access to funds. ATM cards were then largely replaced through the 1980s and 1990s by debit cards, which bundle ATM access with the ability to make payment from a bank account at the point of sale. Over the past decade, remote access has migrated from the telephone to the personal computer. Online banking, which allows customers to monitor accounts and originate payments using "electronic bill payment," is now widely used. Stored-value, or prepaid, cards have also become ubiquitous.

* **Debit Cards**: Debit cards are essentially "pay-now" instruments linked to a checking account whereby transactions can happen either instantaneously using online (PIN based) methods or in the near future with offline (signature based) methods. Consumers typically have the choice of using online or offline methods, and their selection often hinges on the respective benefits. Online debit allows the cardholder

also to withdraw cash at the point-of-sale, and offline provides float. According to ATM & Debit News (2007), there were approximately 26.5 billion debit transactions in the U.S. during 2006. This is up from 6.5 billion transactions in 1999 – a four-fold increase.

* **Online Banking**: As households and firms rapidly adopted internet access during the late-1990s, commercial banks established an online presence. According to De Young (2005), the first bank websites were launched in 1995: and by 2002 nearly one-half of all U.S. banks and thrifts operated transactional websites. As of 2007, bank call report data suggests that 77.0 percent of commercial banks offer transactional websites (and these banks control 96.8 percent of commercial bank deposits).

The primary line of research relating to online banking has been aimed at understanding the determinants of bank adoption and how the technology has affected bank performance. In terms of online adoption. Furst, Lang, and Nolle (2002) find that U.S. national banks (by the end of the third quarter of 1999) were more likely to offer transactional websites if they were: larger, younger, affiliated with a holding company, located in an urban area, and had higher fixed expenses and non-interested income. Turning to online bank performance, De Young, Lang, and Nolle (2007) report that internet adoption improved U.S. community bank profitability – primarily through deposit-related charges. In a related study, Hernando and Nieto (2007) find that, over time, online banking was associated with lower costs and higher profitability for a sample of Spanish banks. Both papers conclude that the internet channel is a complement to – rather than a substitute for – physical bank branches.

* **Prepaid cards**: As the name implies, prepaid cards are instruments whereby cardholders "pay early" and set aside funds in advance for future purchases of goods and services. (By contrast, debit cards are "pay-now", and credit cards are "pay later"). The monetary value of the prepaid card resides either of the card or at a remote database. According to Mercator Advisory Group, prepaid cards accounted for over $180 billion in transaction volume in 2006.

Prepaid cards can be generally delineated as either "closes" systems (e.g., a retailer-specific gift card, like Macy's or Best Buy) or "open" systems (e.g., a payment-network branded card, like Visa or MasterCard). Closed-system prepaid cards have been effective as a cash substitute on university campuses, as well as for mass transit systems and retailers.

A3. Production Processes

The past 25 years have witnessed important changes in banks production processes. The use of electronic transmission of bank-to-bank retail payments, which had modest beginnings in the 1970s, has exploded owing to greater retail acceptance, online banking and check conversion. In terms of intermediation, there has been a steady movement toward a reliance on statistical models. For example, credit scoring has been increasingly used to substitute for manual underwriting – and has been extended even into relationship-oriented products like small business loans. Similar credit risk measurement models are also used when creating structured financial products through "securitization". Statistical modelling has also become central in the overall risk management processes at banks through portfolio stress testing and value-at-risk models – each of which is geared primarily to evaluating portfolio value in the face of significant changes in financial asset returns.

* ***Asset Securitization***: Asset securitization refers to the process by which non traded assets are transformed into the U.S., securitization is widely used by large originators of retail credit – specifically mortgages, credit cards and automobile loans. As of year-end 2007, federally sponsored mortgage pools and privately arranged ABS issues (including private-label mortgage-backed securities) totalled almost $9.0 trillion in U.S. credit market debt outstanding.

By contrast, as of year-end 1990, these figures were $1.3 trillion, respectively. One recent innovation in the structured finance/securitization area is the introduction of collateralized debt obligations (CDOs). According to Longstaff and Rajan (2006) these instruments, which were first introduced in the mid-1990s, are now in excess of $1.5 trillion. Like ABS, CDOs are also liabilities issued by financial-institution-sponsored trusts, which essentially pool and restructure the priority of cash flows associated with other types of risky financial assets, including senior and mezzanine ABS, high-yield corporate bonds and bank loans.

* ***Risk Management:*** Advances in information technology (both hardware and software) and financial theory spurred a revolution in bank risk management over the past two decades. Two popular approaches to measuring and managing financial risks are stress-testing and value-at-risk (VaR). In either case, the

idea is to identify the level of capital required for the bank to remain solvent in the face of unlikely adverse environments.

* ***Organisational Forms****:* new bank organizational forms have emerged in the United States over the past few decades. Securities affiliates (so-called "section 20" subsidiaries or the creation of "financial holding companies") for very large banks and Subchapter S status for very small banks, were the by product of regulatory/legal evolution. Indeed, only one new organizational form, the internet-only bank, arose from technological change. These institutions, which quickly emerged and disappeared, may represent an interesting laboratory for the study of "failed" financial innovations. We believe that understanding such experimental failures may hold important insights for understanding the keys to successful innovations.

Conclusion

Over the last three decades the role of banking in the process of financial intermediation has been undergoing a profound transformation, owing to changes in the global financial system. It is now clear that a thriving and vibrant banking system requires a well developed financial structure with multiple intermediaries operating in markets with different risk profiles. Taking the banking industry to the heights of international excellence will require a combination of new technologies, better processes of credit and risk appraisal, treasury management, product diversification, internal control and external regulations and not the least, human resources. Fortunately, we have a comparative advantage in almost all these areas. Our professionals are at the forefront of technological change and financial developments all over the world. It is time to harness these resources for development of Indian banking in the new century.

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An overview of Organized retail industry in India

*Dr.M.A.Raffey

INTRODUCTION:

Retailing is the activity of selling goods and services to final consumers for their own personal use. It is a sale of product to the public in small quantities and retailing includes all activities incident to selling to the ultimate consumer.

Retail has played a major role world over in increasing productivity across a wide range of consumer goods and services. The impact can be best seen in countries like U.S.A., U.K., Mexico, Thailand and more recently China. Retail is the second largest industry in the United States both in number of establishments and number of employees. The retail industry employs more than 22 million Americans and generates more than $ 3 trillion in retail sale annually.

DEFINITION OF RETAILING:

In 2004 the high court of Delhi defined, "the term retail as a sale for final consumption in contrast to a sale for future sale or processing (i.e. wholesale) A sale to the ultimate consumer".[1]

A dealer or trader who sells goods in small quantities or more pedantically "one who repeats or relates, retailers interact with the final customer in a supply network, but they are both buyers and sellers of goods and services in that they also need to acquire the products they offer and in this will negotiate with suppliers of such items".[2]

Thus, retailing can be said to be the interface between the producer and the individual consumer buying for personal consumption. A retailer is involved in the act of selling goods to the individual consumer at a margin of profit.

RETAILING IN INDIA:

Retailing is one of the prime movers of an economy. Retailing is India's largest industries accounting for 14 to 15 percent of its GDP and around 8 percent of the employment. The size of India's retail sector is currently estimated at around $450 billion and organized retail accounts for around 5 percent of the total market. The retail trade sector of India occupies important place in the socio-economic growth strategy of the country. Nearly 40 million people earn their live hood from retailing business and majority of them are small traders, Kirana Shop's owner etc.

The foregoing analysis quoting CN and A.T. Kearney's study groups report reveals that India's retail trade could touch US $42 billion representing 5 percent of total trade from its current share of merely 2 percent by the year 2010.[3] In the developed countries the retail industry has developed in a full-fledged industry where more than three fourths of the total retail trade is done by organized sector. Wall-mart, Sears, K. Mart, Mc. Donald's etc. have now replaced the individual small stores.

STRUCTURE OF RETAIL INDUSTRY:

The retail industry are divided into following two types

1) Organized retailing 2) Unorganized retailing

Organized retailing refers to trading activities undertaken by licensed retailers that those who are registered for sales tax, income tax etc. These include the corporate - backed hypermarket and retail chains and also the privately owned large retail business.

On the other hand, refers to the traditional formats of low-cost retailing, for example - Local Kirana Shops, owner manned general stores etc. The Indian retail sector is highly fragmented with 97% of its business being run by the unorganized retailers.[4]

FDI POLICY FOR RETAIL SECTOR IN INDIA:

The government (led by Dr. Manmohan Sing) announced prospective reform in retail sector, India

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allowed FDI in the multi-brand retail up to 51 percent and in single brand retail up to 100 percent. The retailers both single and multi-brand will have to sources at least 30 percent of their goods from small and medium sized Indian Suppliers. All retail stores can open up their operation in population having over 1 million out of approximately, 7935 town and cities in India, 55 suffice such criteria. Multi brand retailers must bring minimum investment of US $100 million, half of this must be invested in back end infrastructure facilities.[5]

SHARE OF ORGANIZED RETAIL SECTOR IN DIFFERENT COUNTRIES:

Under organized retail sector trading activities are undertaken by licensed retailers. This sector is still in the infant stage because its share in total retailing in India is as low as around 4 percent compared to other developing economies.

TABLE NO. 1

SHARE FOR ORGANIZED RETAIL SECTOR IN DIFFERENT COUNTRIES

(In 2011)

Sr. No.	Countries	Total retail sales (US $ billion)	Share of organized retail (%)
01	USA	2983	85
02	Japan	1182	66
03	China	785	20
04	United Kingdom	475	80
05	France	436	80
06	Germany	421	80
07	India	322	04

Source: Planet retail and techno-pak advisers Pvt. Ltd. 2011

Its share in USA is 85 percent, 20 percent in China, 80 percent in UK, France and Germany also. Table no. 1 is also reveals that total retail sale of USA is 2983 US $ bn was highest and the India's total retail sales is 322 US $ Bn which is as low as compared to other developing countries.

As far as employment is concerned this sector employs around 8% people which are very low when compared with employment in unorganized retails sector.[6]

TABLE NO. 2

SHARE OF EMPLOYMENT IN TOTAL RETAILING IN DIFFERENT COUNTRIES

Sr. No.	Country	Employment (%)
01	USA	16
02	Brazil	15
03	Poland	12
04	India	08
05	China	07

Source: The India Journal of commerce, vol. 60, No. 4, Oct. Dice. 2007, P. No. 71.

SOME OF THE KEY PLAYERS IN INDIAN RETAIL SECTOR:

There are as follows

Pantaloon Retail Ltd., Shoppers Stop Ltd., Spencer's Retail, RPG Enterprises, Life Style Retail, Landmark group venture

Other major domestic players in India are - Bharti Retail, Tata Trent, Globus, Aditya Birla, More and Reliance retail.

Some of the major foreign players who have entered the segment in India are

Carrefour - which opened its first cash and carry store in India in New Delhi.

- Germany based Metro cash and carry which opened six wholesale centers in the country.
- Wal-mart in a JV with 'Bharti Retail', owner of easy day store - plans to invest about US $ 2.5 billion over the next five years to add about 10 million sq. ft. of retails space in the country.
- British retailer Tesco PIC (TSCO) in 2008, signed an agreement with Trent Ltd. (TRENT) the retail arm.
- Marks & Spencers, have a JV with Reliance retail.[7]

CHALLENGES IN RETAIL BUSINESS IN INDIA:

There are several challenges that Indian retailing has to face there are follows:

1. Real estate issues: Due to high cost of real estate in most cities, it is difficult to find suitable properties in central locations for retail.
2. Capital availability is for business is another challenges faces by this sector.
3. Due to the absence of 'industry status' organized retail in India faces difficulties in procurement of organized financing and fiscal incentives.
4. Retail sector is faces the problems of skilled manpower.
5. Organized retails sector in India is managed by ministries of commerce and consumer affairs. There is need to govern retail operations through a single apex body.
6. Supply chain development and management is absence in retail sector.
7. Retail sector faces one more challenges of inadequate infrastructure facilities.
8. In global situation, the retail sector is still aloof from progressive and ostentatious development. This dismal situation of retail sector undoubtedly stems from the absence of an FDI encouraging policy in the Indian retail sector.

Conclusion:

Retail has played a major role world over in increasing productivity across a vide range of consumer, goods and services. Retailing is a sale for final consumption in contrast to a sale for future sale or processing. India allowed FDI in the multi-brand retail up to 51 percent and in single brand retail up to 100 percent. In India under the organized retail sector total share is only 4 percent share of employment in retailing is only 8% which was very low as compare to other developing economics. The high cost of real estate, lack of capital, availability inadequate infrastructure facilities etc. are challenges are faces by retailing sector in India.

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