

JIM QUEST

Journal of Management and Technology

A Bi-annual Referred Research Journal of Jaipuria Institute of Management, Indirapuram, Ghaziabad

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From the Desk of the Chief Editor

It gives me immense pleasure to present before you the latest issue of the JIM QUEST; a bi-annual referred research journal for disseminating the knowledge between academics and management practitioners regarding theories, methods and applications related with new perspectives in the field of management and technology.

Large number of research papers were received from various disciplines for publication and we thank each one of the authors personally for soliciting the journal. In this issue, we are pleased to present articles that demonstrates new capabilities for sustainable growth, planning and management. This issue also offers the impact of GST on Indian market. Contribution is also made on influence of TV Ads on Children from Mothers' Viewpoint which is very relevant topic in current scenario. An article on comparative analysis of customer's perception regarding services of Jammu region will give the readers a new insight.

We also extend our heartfelt thanks to the reviewers who so carefully perused the papers and carried out justified evaluation. Based on their evaluation, we have accepted research papers for this issue across the disciplines. We are confident that these papers will provide qualitative information and thoughtful ideas to our accomplished readers.

We thank all the readers profusely who conveyed their appreciation on the quality and content of the JIM QUEST and expressed their best wishes for future issues.

Prof. (Dr) Daviender Narang
Chief Editor



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Contents

- 1. Goods and Services Tax (GST) in India : The Need of Hour** 01-06
Amit Kumar Arora
- 2. Significance of 360 degree appraisal in determining the leadership qualities of managers with special reference to Steel industries in Haryana** 07-11
Prof. (Dr) D K Tripathi & Prof. (Dr) P.C.K. Rao
- 3. Understanding the Tax Increment Financing Structure and its Possible Applicability in India** 12-16
Prerna Panda & Shibani Mishra
- 4. Comparative Analysis of Customers Perception Regarding Services of Westside and Kapsons- A Study of Jammu Region** 17-22
Jwala Handoo & Nazli Ali Watali
- 5. Influence of TV Ads on Children from Mothers' Viewpoint: A Comparative Study amongst Graduate & Undergraduate Mothers** 23-32
Dr. Amardeep Kaur Ahluwalia & Kamal Preet
- 6. A Study on the Competency Development of the Employees in Police Department with special reference to Kerala** 33-38
Dr. Mily Velayudhan T.K
- 7. Enhancement in Employee Skills and Benefits to Employees and Organization with respect to CSR Initiatives** 39-46
Dr. Rupali Arora
- 8. E-Waste Management: A Research Review** 47-50
Dr. Sukhmani
- 9. Payments and Banking with Mobile Devices: A study of E-Wallet and Apps with Pragmatic view** 51-56
Dr. Durga Madhab Mahapatra & Dr. Soumendhra Kumar Patra
- 10. Loan Repayment Performance of Pro-Poor Micro-Credit Agencies: A case study of Lift Above poverty Organization (LAPO) in Nigeria.** 57-64
Olatomide Waheed Olowa & Omowumi Ayodele Olowa

Goods and Services Tax (GST) in India: The Need of Hour

Amit Kumar Arora*

Abstract

GST is accepted all over the world and countries are using it for its sales tax system. GST is the value added tax which would be imposed on Goods and Services in India. GST would be the one of the most significant fiscal reforms of independent India. At present in India there are so many indirect taxes are charged at Central as well as State level. The GST will subsume most of the indirect taxes such as VAT/Sales tax, Excise duty, Service tax, CVD, SAD etc. At present in the VAT system there is no uniform rate in all the states. All the states are charging different VAT rates due to this the price of the commodity varies state to state. In the GST system there will be a uniform rate of tax that will be applicable to all the states. This paper is an attempt to understand the concept of GST and how it is better than the present taxation system. The paper also focuses on the process of introducing GST, silent features of GST, how it operates, its need and the impact of GST in the present tax scenario in India.

Keywords: GST, Taxation system, VAT

Introduction to GST

The goods and services tax bill, officially known as The Constitution (One Hundred and Twenty Second Amendment) Bill, 2014, proposes a national Value added tax to be implemented in India from June 2016. The bill is approved by the Lok Sabha on 6th May, 2015 but still waiting for the approval of the Rajya Sabha. "Goods and Services Tax is a comprehensive tax levy on manufacture, sale and consumption of goods and services at a national level. It will subsume most of the other indirect taxes which are currently charged. It is basically a tax on final consumption i.e. the tax will be levied only on the value added at each stage of the life cycle. In this scheme, no distinction is made b/w goods and services for levying of taxes. It means goods and services attract the same rate of tax.

The present tax system is very complicated and having cascading (i.e. taxes on taxes) effects also. So we need a new simple and systematic tax system. Due to globalization, there is a need to remove the cascading effect of taxes. The implementation of GST would ensure that there will be a standard rate of GST across various goods and services, which could broadly be in line with International rates. GST will simply harmonize the indirect tax regime in the country. GST has been adopted by more than 150 countries till now.

FICCI (April 2013) published An Approach Paper Towards The GST, which states that GST is a necessary condition if the country has to go back to double digit GDP Growth. It is hence of utmost importance that the GST that is to be introduced is well-thought-out and is introduced only upon the central government and the state government being fully and completely ready and prepared. FICCI as a leading representative of industry is ready and keen to engage with the authorities at all levels in order to ensure that the GST is business friendly and is introduced in a manner that it becomes a "win-win" for everyone.

Ehtisham Ahmad and Satya Poddar studied "GST Reforms and Intergovernmental Considerations in India" and describe the GST as a further significant improvement – the next logical step – towards a comprehensive indirect tax reforms in the country. It can pave the way for modernization of tax administration – make it simpler and more transparent and significant enhancement in voluntary compliance.

Nitin Kumar in his study "Goods and Services Tax in India: A way Forward" concluded that In India, Implementation of GST would also greatly help in removing economic distortions caused by present complex tax structure and will help in development of a common national market.

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Objectives of the Study

The basic objective of the study is to know how the GST system will be an improvement over the present taxation system in India. Besides the above main objectives the followings are the sub-objectives of the study:

- To understand the concept of Goods and Services Tax.
- To describe the silent features of proposed GST.
- To determine the need for GST.
- To know the expected benefits of GST.
- To know the expected impact of GST on Indian economy.

Research Methodology

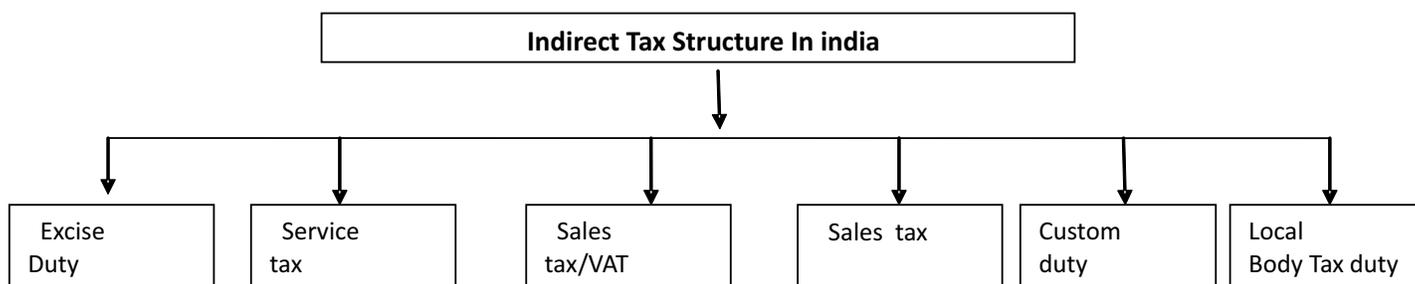
The study is based on the secondary data. The source of data for present study includes journals, articles, magazines, news papers and economic survey reports.

Indirect Taxation - Present structure and Existing challenges

The framework for levy of indirect taxes under the Constitutional provisions in India vide Article 246, Seventh Schedule empowers both the Central Government and the State Governments to levy and collect applicable taxable-event based indirect taxes on transactions of goods and/or services. The taxable event varies from the point of manufacture or sale or provision of services or imports/exports. The existing indirect tax laws are origin-based tax, structured to levy and collect at the point of happening of the prescribed taxable event

The present structure of taxation for goods and/or services in India:

- Characterised as a cascading and distorted imposition of tax on production resulting in wrong allocation of resources and decreasing trend of productivity and declining the pace of economic growth.



The various tax laws are levied and collected as follows:

Tax	Taxable Event	Levied by	Collected by
Central Excise Duty	Manufacture of Goods in India (excluding goods manufactured in SEZ in India)	CG	CG
Service Tax	Provision of Service in Tax able Territory	CG	CG
Sales Tax/ VAT	Sale of goods within the State	SG	SG
Customs Duty	Import into India from a place outside India or Export from India to a place outside India	CG	CG
Central Sales Tax (CST)	Sale of goods Inter-State (i.e. from one State to another State)	CG	SG
Local Body Tax (Entry Tax/Octroi)	Entry of goods to a State from a place outside the State	SG	SG

Where CG = Central Government and SG = State Government

- issues relating to double taxation - arising out of bifurcation of goods and services and differential treatment especially in the context of taxation of intangibles.
- Inhibits voluntary compliance and leads to a narrow Tax/GDP ratio due to a narrow tax base.

Current Tax System Vs. GST

In the present system there is cascading effect of tax exist in India. In the current tax system there are certain taxes of which

Input Credit is not available i.e. no tax credit is available for Excise duty and interstate sales. This can be clearly understood with the following imaginary example.

In the above example we can see that total tax payable under the current taxation system is Rs. 270 on the other hand the tax payable under GST is only Rs. 150.

Thus from the above we can conclude that under Present tax system the total tax payable is more than the GST system (i.e. Rs.

Example: Suppose Excise duty is 12% and VAT is 10%. GST rate is 10%.

	Under Current Taxation System	Under GST
A supplies goods to B for Rs. 1000	Excise Duty = 12%(1000) = 120 & VAT = 10%(1100) = 110 TOTAL tax payable = 230	GST = 10%(1000) = 100 TOTAL tax payable = 100
B sold goods for Rs. 1500	VAT = 10%(1500) = 150 -Input Credit = 110 TOTAL tax payable = 40	GST = 10%(1500) = 150 -Input Credit 100 TOTAL tax payable = 50
Total tax to be Deposited to the Government	230+40 = 270	100+50 = 150

120(270-150). We can see from the above there is cascading effect in the present tax system. The difference in total tax is due to the Excise Duty as we know that there is no input credit for Excise duty. So we can say through implementation of GST we can overcome from this problem.

Current Tax System Vs. GST

Goods & Services Tax (GST) is implemented by about 160 countries in the world. France being the first country to implement GST in 1960.

GST Model	Main Features	Applicable in Countries
National GST	Tax levied by Centre with provisions for revenue sharing with Provinces/States	Australia, China
State GST	Tax levied by Provinces/States	USA
Non-concurrent Dual GST	GST on Goods levied by State & on Services levied by Centre	
Concurrent Dual GST	Tax levied by Centre & State on both Goods & Services	Brazil & Canada —India's Proposed Model
Quebec Model	Separate legislation for Federal/ Provinces – Tax collection, Administration, Enforcements, etc. by Provinces	

A statistical analysis of countries implemented GST with rates of taxes:

S. No.	Region	No. of Countries	Tax Rate (Range)
1.	ASEAN-(Thailand & Philippines)	7	7-12%
2.	Asia-(Iran & Tajikstan)	19	5-20%
3.	Europe-(Jersey & Hungary)	53	5-27%
4.	Oceania-(Niue & New Zealand)	7	5-15%
5.	Africa-(Nigeria & Gambia)	44	5-40%
6.	South America-(Brazil & Uruguay)	11	10-22%
7.	Caribbean, Central & North America (Canada & Barbados)	19	5-17.5%
	Total No. of Countries	160	

There are various models of GST followed across the World. They are stated with salient features associated therein:

Proposed GST Model for India

India is opting for — **Concurrent Dual GST model**. The need for a Dual-GST model is based on the following premise:

- *At existing framework, both levels of Government i.e. Centre and State, as per Constitution holds concurrent powers to levy tax domestic goods and services;*
- *The proposed Concurrent Dual-GST model would be a dual levy imposed concurrently by the Centre and the States, but independently;*
- *Both the Centre and State will operate over a common base, i.e. the base for levy and imposition of duty/tax liability would be identical.*

Salient Features of Proposed GST System in India

The followings are the salient features of the proposed Goods and Services Tax in India:

- GST comes as a single tax so the tax structure is expected to be much simpler and very easy to understand.
- GST can be called as “One Country One Tax” as it will ensure uniformity of taxes across the states, regardless of the place of manufacture or distribution.
- GST would subsume most of the indirect taxes at the centre and the state level i.e. sales tax, service tax luxury tax, surcharges etc.
- Administration of GST will be the responsibility of the GST Council, which will be the apex policy making body for GST. Members of GST Council comprised of the Central and State ministers in charge of the finance portfolio.
- In GST, the centre would levy and collect Central Goods and Services Tax (CGST), State would levy and collect State Goods and Services Tax (SGST) and Centre would levy and collect the Integrated Goods and Services Tax on all inter-supply of goods and services.
- 1% origin based additional tax to be levied on inter-State supply of goods will be non-creditable in GST chain. The revenue from this tax is to be assigned to the Origin State.

This tax is proposed to be levied for initial two years or such period as recommended by the GST Council.

- Parliament may, by law, provide compensation to states for any loss of revenue from the introduction of GST, up to a five year period.
- Each taxpayer would be allotted a PAN-linked taxpayer identification number with a total of 15 digits.

- Tax compliance would be much easier. There will be only one registration, one tax payment, one return and one department to deal with.

Taxes to be Subsumed in the GST

The followings are the taxes which are expected to be subsumed in the GST.

The followings are the taxes which are expected to be subsumed in the GST.

Central Taxes	State Taxes
Central Excise Duty	VAT/SALES TAX
Additional Excise Duty	Purchase Tax
Service tax	Octroi and Entry Tax
Central Sales Tax (levied by the Centre and collected by the States)	State cesses and surcharge
Additional Customs Duty (CVD)	Entertainment tax (other than the tax levied by the local bodies)
Special Additional Duty of Customs (SAD)	Luxury Tax

Taxes not to be Subsumed in the GST

The following taxes can be kept out of the GST.

Levies on petroleum products & alcoholic products, Taxes on lottery and betting, Entry taxes levied by municipalities or panchayats, Entertainment and Luxury taxes levied by the local bodies, Electricity duties/ taxes, Stamp duties on immovable properties, Taxes on vehicles

GST Model in India

In India we are expecting the Dual GST model i.e. taxes will levied by both Centre (Central GST) and State (State GST) on Goods and Services.

SGST – State GST, collected by State Government.

CGST – Central GST, collected by the Central Government.

IGST – Integrated GST, collected by the Central Government.

Benefits of GST

The followings are the expected benefits with the implementation of GST:

- GST would help in reducing the cascading effect of taxes (i.e. taxes on taxes).

- It will create more competitive business environment as such it will shift the burden of taxes from the manufactures of India to the consumers i.e. manufacturers will pay lesser taxes now.
- GST is a simple and cost saving system and it will help in increasing revenue.
- GST will help in price reduction as credit of input tax is available against output tax.
- GST has removed all type of confusions regarding what is a manufacturing or service activity. This means both of these activities will be considered as economic activities and will be taxed.
- It will create uniform and stable tax regime i.e. “ one country one tax”
- It also helps in reducing tax evasion and corruption.

Conclusion:

From the above we can conclude that it seems to be very essential to implement GST as soon as possible as there are so many benefits associated with this. This will help in the economic growth and will remove all the problems of the present tax system. A growth of 1% to 2% is expected in the GDP through implementation of GST in India. As per the Economic Survey 2015-16 it is expected that implementation of GST would increase the collection through indirect taxes Rs. 3.3 lac crores. So this should get the approval in Rajya Sabha as soon as possible.

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Significance of 360 degree appraisal in determining the leadership qualities of managers with special reference to Steel industries in Haryana

Prof (Dr) D K Tripathi*
Prof. (Dr) P.C.K. Rao**

Abstract

New era of globalization has thrown challenges before management and leadership becomes a matter of study these days. Performance Management System (PMS) has been one of the vital components of Human Resource Management where the individuals are examined and ranked according to their result achieved compared to the desired or standardized results so determined. PMS not only helps management while checking the performance levels of individual manager or employee, it also de facto becomes a motivator or a de-motivator for their performance in future. Multiple methods have been introduced from time to time in this regard and the recent feather to the PMS is in the form of "360 degree feedback mechanism". It is a process where one individual is evaluated on a set of competencies by his or her superior, peer group and others who directly interact and deal with such employee to report. It also gives an opportunity to do self evaluation and identify the differences if any between such evaluation reports. Every employee has the freedom to assess his own performance by rating against the standardized results and expected code of conduct. This he would be doing on a routine basis while the annual performance appraisal will take up by the superiors, peer group, and other related workers and co-workers by applying some standard measuring instruments to report their observations on the specified employee for such a periodic performance in the organization.

Introduction

360 degree appraisal is not a new thing to be discussed but it becomes imperative if it impacts over the leadership. Everyone is interested in performance feedback knowing how well he or she is performing some task. When employees do not receive feedback from their job, they will resort to self appraisal. Feedback is also seen as an important source of motivating potential on the job and its presence has been proposed to lead to increase satisfaction. The aim of this current study was to know the effectiveness of 360 degree feedback system in performance appraisal in organizations and to analyses the usefulness of the system to the company, employees, customers and public at large vis-à-vis manufacturing sectors especially Steel and Aluminum Industry in India.

Fundamental objective of this modern tool in any organization is to assess training and development needs and to provide competence-related information for succession planning, rather than for mere promotion or pay increase. The 360-degree assessment is made up of many surveys. If an employee gets chosen to receive a 360-degree assessment, people fill out a detailed survey about his or her behavior at work. Such an employee would also be asked to fill out a survey about independent work. The results of all of the surveys are compiled into a report. His or her superior, peers, subordinates and

customers fill out the survey. The term 360-degree assessment is used because this includes superiors, peer group and subordinates working in the hierarchy. A 360-degree assessment helps understand how others view the targeted employee's behavior in the workplace. This may include overall effectiveness, efficiency, and the ability to follow and lead others.

360 Degree Feedback as a modern tool of Performance Appraisal

A second alternative reason for the proliferation of 360 degree feedback is the desire to expand formal appraisal processes by making such feedback evaluative, thereby linking it directly with a manager's or employee 's performance appraisal. Of-late some experiences suggest that there are pressures to make 360 feedbacks evaluative because companies want to get their money's worth. In theory, the use of 360 feedbacks for evaluative purposes seems logical. An individual held directly accountable for ratings received will be more motivated to take action to make improvements based on the feedback. Unfortunately, problems exist that may negate the possible benefits of 360 degree feedback if it is made evaluative. Employees may rebel and try to sabotage the program. For example, in the case of upward feedback, implicit or even

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explicit deals may be struck with subordinates to give high ratings in exchange for high ratings. Such maneuvering is less likely when the feedback is being provided strictly for developmental purposes. Furthermore, it appears that the trend is changing towards more transparency in appraisal. The most obvious reason could be the desire to enhance management development, employee involvement, communication, and cultural change on the part of an organization.

Measuring Change: Typology of change

Conventional models for evaluating the effectiveness of organizational development interventions may not successfully measure outcomes. When organizational development specialists intervene in a system, they seek to measure the impact of their interventions. Impact measurement often involves comparing mean pre- and post-intervention ratings on variables of interest (Craig, 2003; Schmitt, 1982). Any significant favorable difference between pre-intervention and post-intervention ratings is interpreted as an indication that the intervention was effective (Craig). This method of evaluating program effectiveness relies on the assumption that both the pre- and post- intervention instruments measure the same construct using a common metric. If the construct or the metric differs between data collection points, however, interpretations of mean differences between pre- and post-intervention are likely to be misleading.

The term 'α' change refers to true behavioral change, 'β' change refers to change in the metric used to evaluate behavior, and 'γ' change refers to change in the perception of the behavioral construct evaluated. (Golembiewski, et al. 1976) proposed that any shift in ratings observed over time may be attributed to a combination of α, β, and γ change, which can confound traditional interpretation of change measurements. Determining which or which combination of the three types of change is present when observed ratings change over time and the degree to which β and γ change contribute to overall difference can reduce the ambiguity related to what changes in observed ratings signify. (Golembiewski, Billingsley, and Yeager, 1976) developed a typology that delineates the three types of change that may result from organizational development interventions: α, β, and γ (α, β and γ). Real or true change in performance is termed α change. When researchers seek to evaluate whether a 360-degree feedback intervention results in changes in behavior or performance, they are seeking to determine α change. Researchers often use differences in 360-ratings between Time 1 and Time 2 as an indication of α change. However, when β or γ change may have occurred in addition to α change, the use of this difference as an indication of α change is inappropriate. β change occurs when raters recalibrate the

rating scale that is used to measure a stable dimension between data collection points.

The Present Study

The present study explored changes in managers' feedback ratings following a 360-degree feedback and leadership development program intervention amongst the observed sample in the Steel and Aluminum industries in the areas of Haryana and Andhra Pradesh. While conducting the tests, two administrations of ratings were collected on a 360-degree feedback instrument. The feedback instrument used in the present study used actual and preferred ratings, allowing for the computation of gap ratings. Ratings changes were measured using three methods: traditional methods using actual ratings, traditional methods using gap ratings, and methods designed to isolate α, β and γ change. Results of the first two methods were compared and contrasted. Results of methods to isolate α, β, and γ change were used to assist in interpretations of the results found using traditional methods. Additionally, results of each method were compared to investigate the extent to which results from differing methods suggest different outcomes.

Hypotheses

Adhering strictly to the analogies and conceptual understanding on 360-degree feedback system, a perceptible influence over the changes in the leadership styles and its intervention, are exogenous variables. In other words, it is intended to determine if ratings of managers' performance of leadership behavior became more favorable following the intervention. Leaders involved in the intervention received 360-degree feedback that may have assisted them in understanding their areas of strength and weakness; thus, leaders may have attempted to improve their performance in areas in which raters indicated that they exhibited weakness. Participation in leadership development program activities may have promoted an increase in the number of desirable leadership behaviors displayed by leaders, leading to feedback that was more favorable. Each hypothesis was tested using actual ratings (the frequency raters indicated the manager engaged in measured behaviors) as well as gap ratings (preferred ratings less actual ratings). This approach allowed for the determination of whether the analyses using gap ratings and actual ratings were similar, and for a better understanding of whether gap ratings provided additional insight into raters' perceptions of managerial performance. The following hypotheses related to this aim and were based on previous research findings:

Hypothesis 1: Managers' aggregated 360-degree feedback ratings from rater groups (superiors, peers, and subordinates) will improve following a 360-degree feedback intervention.

Hypothesis 2: Managers whose initial performance level is low in comparison to their peers will exhibit high degree of improvement in feedback ratings than managers who initially were rated more favorably.

Participants

Data were collected from 143 managers and officers, supervisors at various levels. Out of the total 40 respondents were found redundant due to incomplete data and/or unsuitable data, thereby considering only 103 responses as constructive. This was further divided into two dimensions of a 360-degree feedback program that was part of a system. The leadership development program was designed to develop executive leadership skills through experiential exercises, workshops, and didactics. Program participants were managers one or two levels below the senior executive level. Managers came from 80 different manufacturing units and administrative offices across the Haryana and Andhra Pradesh. Individuals were selected to participate in the leadership development program based on selection criteria set by the organization's succession planning group. These selection criteria included responses to essay questions focusing on the eight core competencies established by the organization.

Of the managers in the study group, 62 were male and 41 were female. Of these managers, 1.9% were 20 to 29 years old, 15.5% were 30 to 39, 48.5% were 40 to 49, 27.2% were 50 to 59, and 2% was 60 or older. Most managers had been with their employer for six or more years (14.6% for six to ten years, 37.9% for 11 to 20 years, and 30.1% for 20 or more years). Among the managers, 35.0% had been in their position for one to three years, 13.6% for four to five years, 15.5% for six to ten years, 11.7% for six months to one year, and 10.7% for less than six months. The majority of the managers held administrative positions (66.0%), while 3.9% held clinical positions, and 23.3% held positions that were both clinical and administrative.

The 360-degree assessment tool was web-based and included 46 behavioral questions categorized based on the eight core competencies developed by the healthcare system's leadership. These core competencies included: **Flexibility/Adaptability, Customer Service, Systems Thinking, Interpersonal Effectiveness, Creativity, Organizational Belongingness, Personal Rapport, and Technical Knowledge and Skills.** For each item, raters were asked to rate what percentage of the time (0-100) the rater observed the target manager engaging in the behavior as well as the percentage of

the time (0-100) the rater would prefer that the target manager engage in the behavior. Raters were advised that if they had not observed the target manager engage in the specified behavior, they could indicate that as well. If Not Observed was selected by the rater, no score was computed for that item. Raters also were asked to indicate their relationship to the ratee (i.e., self, superior, peer, or staff).

Feedback Reports

Feedback reports were prepared for each manager. Managers were provided feedback in several formats. First, managers were provided a summary sheet that indicated which six items/behaviors were rated as areas of strength and which six items/behaviors were rated as areas of weakness. For each strength and weakness, the average actual and preferred ratings were given as well as the average gap between the preferred and actual scores. Second, managers were provided an overall summary report. The overall summary report included average actual, preferred, and gap scores for each item/behavior. Third, managers were provided a detailed summary of each of the 46 items on the survey. For each item, managers were provided a graphical depiction of the actual and preferred ratings as well as the gap between these ratings for each rating group (i.e., self, superior groups, peer groups, and staff groups) and for superior, peer, and staff groups in the aggregate. In addition to these graphical depictions, managers were provided with the actual and preferred ratings in a numerical format for each of the separate rater groups (superiors, peers, and subordinates) and in the aggregate.

Data Analysis

Hypothesis 1: Paired samples t tests were performed on aggregated feedback ratings to test whether managers' 360-degree aggregated feedback ratings from superiors, peers, and subordinates changed one year after receiving 360-degree feedback.

Hypothesis 2: The degree to which ratings made by each rater group (self, superiors, peers, subordinates) are similar to those of other rater groups over time will be explored. Additionally, managers' self ratings will be compared to aggregated ratings from superiors, peers, and subordinates at both Time-1 and Time-2.

A 3 (Initial Performance Level – Low, Medium, High) x 2 (Time – 1, Time – 2) mixed-model analysis of variance (ANOVA) with repeated measures on time was performed on aggregated feedback ratings to test the hypothesis that managers whose initial performance level was low in comparison to their peers would show more improvement in feedback ratings than

managers who initially were rated more favorably. Prior to performing post hoc analyses, managers were grouped into three performance level groups (low, medium, high) based on Time-1 actual ratings for data analyses using actual ratings, and based on Time-1 gap ratings for data analyses using gap ratings. Results of analysis using Other actual feedback ratings revealed no significant effect for time, $F(1, 99) = .98, p = .33$. There was a significant interaction between initial performance level and time, $F(2, 99) = 6.47, p < .01$, indicating that changes in feedback ratings over time varied as a function of managers' initial performance level. Post hoc paired sample t tests comparing the mean of other actual ratings for Time-1 and Time-2 were performed for each of the three performance level groups. As discussed, feedback ratings for managers in the low performance group improved significantly, although the effect size suggests the improvement was small in magnitude. Feedback ratings for managers in the medium performance group were not significantly different at Time-2 as compared to Time-1. Feedback ratings for managers in the high performance group significantly decreased; the effect size indicates that the magnitude of this decline was moderate. Notably, the magnitude of rating improvement for the low performing managers was small while the magnitude of rating decline for the high performing managers was moderate, suggesting that the high performing managers' performance declined more than the low performing managers' performance improved.

Results of analysis using actual feedback ratings revealed a significant main effect for time, $F(1, 54) = 16.78, p < .001$, indicating that actual feedback ratings increased from Time 1 ($M = 87.90, SD = .49$) to Time 2 ($M = 89.91, SD = .46$). A significant main effect for rater group was found, $F(3, 52) = 4.58, p < .01$, suggesting that ratings among rater groups differed significantly. Pair wise comparisons indicated that Superior ratings were significantly greater than both Peer ratings ($p < .05$) and Self ratings ($p < .05$), and Staff ratings were significantly greater than both Peer ratings ($p < .05$) and Self ratings ($p < .01$). Mean actual ratings (with standard deviations in parentheses) for the Superior, Peer, Self, and Staff rater groups were 89.97 (.60), 88.23 (.73), 87.31 (.82), and 90.10 (.61), respectively. The two-way interaction between time and rater group was not significant, $F(3, 52) = 2.02, p = .12$, indicating that actual ratings did not vary by rater group over time.

Results of analysis using gap feedback ratings again revealed a significant effect for time, $F(1, 53) = 15.77, p < .001$, that indicated that gap feedback ratings decreased from Time 1 ($M = 5.30, SD = .35$) to Time 2 ($M = 3.74, SD = .40$). A significant effect for rater group also was found, $F(3, 51) = 11.57, p < .001$, suggesting that ratings among rater groups differed significantly. Pair wise comparisons indicated that Self gap ratings were significantly larger than gap ratings from all other

rater groups, including Superiors ($p < .001$), Peers ($p < .005$), and Staff ($p < .001$), suggesting that managers saw greater discrepancies between their performance and the performance standard than other rater groups. Additionally, gap Peer ratings were significantly greater than Staff ratings ($p < .05$). Mean gap ratings (with standard deviations in parentheses) for the Superior, Peer, Self, and Staff rater groups were 3.53 (.49), 4.44 (.60), 7.14 (.57), and 2.98 (.54), respectively. The two-way interaction between time and rater group was not significant, $F(3, 51) = 2.39, p = .08$, indicating that gap ratings did not vary by rater group over time.

The present study's findings did not indicate that Superior, Peer, and Staff ratings improved across data collection points. While these findings may indicate that managers' performance did not improve following the 360-degree feedback and leadership development program intervention, the lack of change in feedback ratings over time is likely to result both from the use of mean ratings and from variable amounts of performance change among managers. Managers who exhibited improvement in organizational goal oriented issues might have received more favorable ratings on feedback items related to their personal issues; however, changes in these items were not likely to have a significant impact on mean feedback ratings for these managers. In the present study, managers exhibited variable levels of performance change. Thus, overall mean ratings may not have been impacted enough by the improving managers to allow for detection of performance improvements.

Impact of Initial Performance Level on Ratings Changes

Using actual feedback ratings as an indicator of performance, managers whose initial performance level was low in comparison to their peers showed significant performance improvement in comparison to their peers. This finding was in line with those of previous studies which found that managers' initial performance level influences the likelihood of performance change following a feedback intervention, with managers exhibiting poorer initial performance improving their performance compared to better performing managers over time. The present study's analysis using actual ratings is comparable to the data analysis techniques used in previous studies, in which actual ratings were used. Findings using gap ratings are contrary to the results of previous studies. Results using gap ratings suggested that medium performing managers improved their performance, while high performing managers exhibited ratings declines. It is unclear what might explain the pattern of results found when gap ratings were analyzed.

There are several possible interpretations of the finding that low performing managers improved more than better performing managers. First, the ratings improvements of low performing managers and the ratings declines of high performing managers, in part, may reflect regression to the mean. It is difficult to determine the extent to which these rating changes reflect regression to the mean as opposed to actual performance change. Second, managers whose initial performance level was low are likely to have become motivated to increase their engagement in rated behaviors after receiving Time-1 feedback. According to goal-setting and control theories, a gap between a manager's performance goals and performance ratings will motivate performance improvement. Low performing managers were more likely to notice a gap between goals and initial performance ratings than high performing managers, leading them to be more likely to increase engagement in rated behaviors than were higher performing managers. According to self-consistency theory, a gap between a manager's own conception of their behavior and others' perceptions of their behavior will motivate performance improvement. Low performing managers would be more likely to experience a gap between their perception and others' perception of their behavior, which would be likely to motivate behavior change. Thus, low performing managers may benefit more from 360-degree feedback interventions than do high performing managers.

However, the study ignored inter-comparison between control groups which limits the ability to draw conclusions. The majority of studies exploring the impact of multi-source feedback interventions lack a control group, which may contribute to the inconsistent findings in the literature regarding effectiveness of such feedback interventions. Furthermore, managers were not required to invite the same individuals to evaluate them for both feedback instrument administrations. As a result, it is impossible to determine the extent to which observed changes in ratings, or lack of ratings change, reflect rater change. Finally, the study ignored the impact of narrative comments, or other feedback received throughout the year on performance improvement. The results of this study have implications for organizational development of professionals who are selecting or designing feedback instruments. A feedback instrument's response scale appears to impact the feedback provided to users, as well as the conclusions drawn from evaluations of feedback interventions' effectiveness.

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Understanding the Tax Increment Financing Structure and its Possible Applicability in India

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Abstract

This paper explores the importance of excavating the increments in revenues in financing urban infrastructure development. The financial requirements of urban infrastructure are humongous. Whereas, the urban local bodies are already strained. In this context, a tool named Tax Increment Financing is examined for its potential in unlocking such increments in revenues in India's urban infrastructure development. Tax Increment Financing, as a tool has not been applied in India. The paper explores the benefits of the tool and the scope of its applicability. The paper also draws lessons from some international experiences.

Keywords: Finance, Tax, Revenue, Infrastructure Development, Land, Local Bodies

Introduction

"There is and there can be no final solution to the allocation of financial resources in a federal system"

- Prof. Maxwell

From the basic understanding of Economics, it is deciphered that investment begets investment. With the concepts of backward and forward linkages, the whole essence of this can be established. Public investments have capacity creating effects not only for the people, but also for the exchequer as well. This needs to be tapped to finance the public investments itself. Urban local bodies in India have adopted a variety of ways to generate funds for themselves. But, with limited success they have relied mostly on the already wan and weakened property tax as a revenue source. Apart from the existing tools already in use, this paper tries to look at an innovative tool which has not been adopted in India till date. We discuss the concept of Tax Increment of Financing. A tool to finance the municipalities will be introduced for which no new additional collection of taxes from the people is required at all, but has the potential to generate adequate revenue to fund the investment requirements. This makes the tool innovative.

This is the era of cities. Greater than half of the world's population, or 54 percent of the world's population (UN Department of Economic and Social Affairs 2014), resides in urban areas. It is estimated that 7 out of every 10 people will live in cities by 2050, with about 90 percent of the growth of

urbanized living will be in developing countries (UN Habitat 2013). The estimated urban population of India stands at 377 million in 2011 and 410 million at present. This is projected to increase to 820 million by 2051 (United Nations 2015). With growing urbanisation, the public investment needs are colossal. In terms of financing, Indian municipalities are in doldrums. Focusing on the absolute requirement, McKinsey (2010) points out that India needs to spend Rs.9.74 million crores on its cities by 2030, of which Rs.5.31 million crores shall be spent for capital expenditure. The largest demand of capital funding would come from affordable housing – almost one-third, followed by mass transit. If we exclude affordable housing, the capital expenditure required till 2030 would be Rs.3.54 million crores. The High Powered Expert Committee (HPEC) for Estimating the Investment Requirements for Urban Infrastructure Services (2011) estimates that India would need Rs.3.92 million crores for urban infrastructure over the period 2012-31. Adding the operation and maintenance costs, the figure would reach Rs.5.92 million crores (HPEC 2011). Municipal revenues, estimated at about Rs.1 lakh crores in 2012-13, constitute only about 1 percent of GDP of India as compared to more than 5 percent in comparable developing countries (Mohanty 2016). This trend is of serious concern. Since, cities propel growth in an economy. In India, cities contribute more than 62-63 percent of the GDP in 2007, cities and towns in India are expected to account for about 75 percent of GDP by 2021 (Planning Commission 2008). When finances are so weak, fulfilling the requirements of cities get compromised. At this juncture, there is a need to explore in

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different innovative ways to strengthen the financial health of our municipalities. This paper discusses a fee-based, land value capture financing tool that has been adopted internationally, but not in India. The objective is to generate significant revenues to entail sustained investments in urban infrastructure, to create further growth, benefits and values.

The paper covers two other sections. Section II puts forth a rationale of the innovative tool. Section III looks at some successful international practices. Section 3 concludes.

Rationale for Tax Increment Financing

The Tax Increment Financing (TIF) is a tax-based Value Capture mechanism. Its inception was in California, in 1951. The motivation behind such a tool was to uplift the 'blighted' areas, through redevelopment. Though TIF acts as an economic development incentive, it is not an economic development tool. It is simply a county budget management tool. Public investments lead to windfall gains in property values. Therefore, TIF allows the public agency to 'capture' such increments in property taxes from new development and rising property values. In other words, it is directed to capture the rise in property values that occur in a designated area over a base. TIF can be used in the provision of infrastructure facilities that are not revenue yielding. Such infrastructure facilities include environmental cleanup, street lighting and improvements; sidewalks; parks and open spaces; storm water drainage, sewer lines and plant expansion; and parking facilities etc.

TIF usually purports to encourage new development that would help in revitalizing distressed neighborhoods. It essentially acts as a surtax on all properties that will be redeveloped by public investment. Incremental tax revenues are the product of the incremental tax base times the aggregate tax rate of all local property-taxing jurisdictions, not just the sponsoring municipality. The incremental tax revenues can be used to pay allowable economic development costs within the district, such as a site assembly or infrastructure improvement. (Anderson, 1990).

A geographical space is designated as a "TIF district" where public investments will be financed using TIF as a tool. Public expenditures being indivisible and lump-sum, there is a timing difference between the TIF expenditure and receipts. So the TIF taxing authority borrows for the development expenditures and then subsequently pays off the bonds with incremental revenues in later years. Tax increment is collected for around 15-30 years. Therefore, in a TIF framework, authorities fund immediate projects and hence propel present development by borrowing against a TIF district's future tax revenues. The essence of TIF is that it is self-financing and help avoid tax

increases. Here, the expenditures are met through a tax financed growth, but without an increase in tax. Sometimes, they also accompany growth, but it is nugatory if tax rate is also increased. Then there is nothing innovative about the tool as the burden is borne by the locality which is not benefited directly from such a new development.

Several states that have adopted TIF differ broadly in its applicability. But in general, the following steps are usually resorted to:

- If a municipality recognizes that an area has the potential to be developed and can lead to revenue increments and estimates a public investment will create significant contributions. Or if an area is hopelessly blighted and public investments act a boost and would generate the growth circuit;
- A geographical boundary is then circumscribed, designating as the "TIF district";
- Within the TIF district, a classification of future property tax is made. One is the tax receipt ordinarily received from that area and a special fund that shall pay for the project costs in the district. The special fund gathers the additional revenues that will result from the rise in property values;
- The authority then sells bonds, often referred as 'infrastructure revenue bonds', against this special fund that will in a later date payoff the debt;
- At the end of the life time of the 'TIF district', it gives up its special status. All the taxes then collected by it become ordinary with no setting aside for special funds.

Thus, TIF essentially allows a local government to ring-fence 'tax increment' within a designated development area to finance urban renewal project that contributes to this increment. The mechanism is flexible; the incremental revenues can be used to secure a loan, encourage an up-front investment, or undertake development on a pay-as-you-go financing principle. Sometimes, the tax increments are supplemented by other instruments such as special assessment, impact fee and betterment levy. Over a period of time, TIF results in property development, higher land and property values, and rise in tax bases in the district.

Jan K. Brueckner makes a theoretical analysis of the link between property values and public good levels. Public investments in an area, makes it attractive for residence and business. This leads to rise in values of both commercial and residential properties in that area. This widens the property tax base and hence generates more tax revenues. But if the calculated impact on tax base generates revenue less than the projected cost, then the project can be financed by an increase

in the property tax rate. This may go against people who are located outside the new development area, as they face higher taxes. Here, TIF comes into rescue as suggested by Brueckner. In effect, TIF allows the city to capture this windfall tax, even though it accrues to another jurisdiction, and use it in helping to defray costs of the public improvement.

Brueckner gives four propositions in the context of whether TIF is self-financing. He discusses if TIF is capable of generating enough revenues to cover the costs of the marginal public projects. His analysis is based on the following points that he enumerated. We discuss the three propositions which are relevant for this paper below.

Brueckner's propositions of Tax Increment Financing:

- i. Proposition 1: Unless the public good in a neighborhood is seriously underprovided, a marginal public improvement in the absence of TIF requires an increase in the city's tax rate, hurting property owners in other neighborhoods. But property owners in the affected neighborhood typically gain, an outcome that is assured if the public good is initially underprovided. Therefore, while property owners who are directly affected will typically support a public improvement, those in other neighborhoods will tend to oppose it.
- ii. Proposition 2: When the public good in a neighborhood is moderately underprovided, TIF can be used to finance a marginal public improvement, obviating the need for an unpopular tax increase. However, TIF is not a viable financing method when the public good is only slightly underprovided. Thus, TIF is viable in some, but not all, cases where a public improvement is socially desirable.
- iii. Proposition 3: If the initial public-good level lies in TIF's range of relevance, then a marginal public improvement generates a budget surplus. When the city's goal is property-value maximization, it should then undertake a non-marginal increase in a public good up to the point where the budget surplus is eliminated. The resulting a public-good level could lie above or below the socially optimal level.

Drawing lessons from international experiences

We examine a few states that have adopted TIF in some form. Above, we have discussed the use of property tax increments, which are escrowed for TIF. But states differ in terms of their use of the TIF as a financing tool.

California: Tax-increment financing originated in California in 1952 as a tool for cities to secure federal matching funds for their projects. It had slow acceptance with only six other states adopting it by 1970. For the next several decades, the use of TIF expanded dramatically, especially outside of California. Between the early 1990s and the late 2000s, the number of TIF bonds in circulation from outside California grew by 260 percent; over \$20 billion worth of TIF bonds were issued (U.S. PIRG Education Fund 2011). At present, every state in the U.S., except Arizona permits the use of TIF. Initially it started as an urban renewal program aiming at depressed areas, but it expanded towards larger public investments and infrastructure financing. Thereby, a shift from simply "redevelopment" to "development."

Tennessee Sales Tax Based TIF: Tennessee, a state of the United States has two programs that make use of sales tax rather than property tax for the sake of TIF. In one program, the municipal sports authorities developed a stadium and the allied facilities for sports events. So they receive 6 percent portion of the sales tax which they use to retire debt for that facility. In another program, the authorities have a "tourist development zone" where public investments are made to attract tourists. And the additional sales tax revenue that will be generated would repay the debt incurred to install that facility.

City of Chicago - A case of success and excess: Chicago officials have their untainted faith on TIF. They acknowledge TIF to attract and retain thousands of jobs, improve neighborhoods, restore historic buildings, clean up contaminated land and provide training for jobs and affordable housing – all without raising local property taxes. As of August 2002, there were 120 TIF districts approved in the city of Chicago, with most of the growth occurring since 1996. TIF is being used to develop some blighted areas. TIF is also being used to capture on-going property value growth, and stimulate further development, in non-blighted areas

Circle Centre Mall – A Downtown Revitalization Success Story: On September 8, 1995, in the heart of downtown Indianapolis, the Circle Centre Mall opened to the public with four floors covering 800,000 square feet of retail space, including nearly 100 specialty stores, restaurants, and nightclubs, along with 9 theater screens and 12,000 parking spaces within one block. After more than 15 years of planning and 6 years of construction, the major centerpiece of the urban revitalization of downtown Indianapolis was complete. The Circle Centre Mall turned out to be the crowing jewel of a twenty-year downtown revitalization effort that included building three major professional sports facilities: the RCA Dome where the Indianapolis Colts of the NFL play football, the Conseco

Fieldhouse where the Indiana Pacers play NBA basketball, and Victory Field, an award winning minor league baseball stadium. As part of the rebirth of downtown Indianapolis, numerous other sporting facilities were built or renovated, and more than a dozen hotels and many other cultural amenities were also completed: a zoo, two museums, two-large-format theaters, several office buildings and NCAA national headquarters. The Circle Centre Mall project ended up costing \$320 million. The project began with an initial price tag of \$100 million in 1979, but projected costs escalated quickly and steadily, eventually up to \$970 million, of which \$230 million was expected to come from city, and \$740 from private developers. Ultimately, the Circle Centre Mall was funded by a public-private partnership consisting of TIF funding from the city of Indianapolis, an equity contribution from the Circle Centre Development Company, and private loans from a consortium of three European banks. The majority of funding for Circle Centre is from TIF dollars, without which the mall would have never been built. TIF funding was generated from the net proceeds of two TIF bond issues sold in 1988 and 1992. Of the \$293.5 million bond issue sold in 1992, \$265 million was dedicated to the Circle Centre Mall project. TIF debt will be repaid from the real estate tax revenues generated by the new development and business activity in the project area.

TIF in Oregon: Following California's 1952 lead, Oregon adopted TIF enabling legislation in 1960. Oregon's adoption of TIF provided a way to generate local revenues that could be used to match federal loans and grants for urban redevelopment as authorized by the Federal Housing Act of 1949.¹ Since, Oregon's adoption of TIF legislation, the state's use of TIF has been widespread. In Portland, 17 major redevelopment projects have been funded through urban renewal dollars and TIF since 1958. Included on this list are such iconic projects as the South Auditorium renewal area, Pioneer Courthouse Square, Pioneer Place, River Place, the River District (Pearl) and South Waterfront.

In the case of South Waterfront, the Portland Development Commission (PDC) was savvy to the risks associated with the North Macadam Urban Renewal Area and established an extensive development agreement with private developers in the district and Oregon Health Sciences University (OHSU) to hedge its risk. The South Waterfront development agreement established obligations of all development interests in the plan area and PDC. This development agreement included binding commitments of the private development interests to commit resources and provide personal guarantees to add value to the district according to a defined schedule. If the assessed value appreciation schedule is not achieved, then the private development interests are responsible for paying the PDC the amount of the revenue shortfall from the district. The gap

obligation schedule required \$2.6 million by fiscal year 2008-2009 and \$4.3 million for fiscal year 2009-2010. The actual tax revenue increment that has been achieved to date is \$5.1 million, so the district is currently well ahead of the increment revenue schedule.

Internationally, TIF is no longer an innovation. Its benefits are duly acknowledged. However, the success rates of TIF, leading to growth in the tax base varies. It differs as per industrial, commercial or mixed-use projects.

Conclusion

Indian municipalities are frozen. The financing requirements are large, but the access to funds are squeezed. Therefore, for a developing country like India, TIF is highly alluring. India with its diversity has both blighted areas and also areas that have the potential of being developed. Also India has a growing population with rising property values. So, a big push can be sustained through TIF. At a time when our country is too conscious about the Fiscal Deficit caps, TIF gives an easy way to sustain investments. One of the striking features of TIF is that, its implementation is highly decentralized. This empowers local bodies to shape cities and hence raise the value of taxable resources, generating revenues without a rate increase. Moreover, the dependence on center must decrease eventually, by adopting instruments that can make them self-financing. Apart from the fiscal or economic gains, the government's renewal efforts of 'blighted' areas will act in favor of social and community benefits. These can be cleaner neighborhoods, lower crime rates, higher commercial activity, higher use of public transport, etc. This makes TIF lucrative for its possible applicability in India.

The administrative and political processes are cumbersome since future taxes get directed to redevelopment. The amount of funds required depends on the size of the 'TIF district' so as to gather adequately the increments, so proper estimation is necessary. The lessons of the success stories provided in this paper definitely suggest an innovation is possible. If administered effectively, TIF can form the cornerstone of amply financing a regeneration. So the policy makers may look at the merits of TIF, and initiate its use at least through pilot schemes.

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Comparative Analysis of Customers Perception Regarding Services of Westside and Kapsons- A Study of Jammu Region

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Abstract

In order to succeed in present competitive environment, the retail industry will have to understand the needs of customers and formulate better strategies for fulfilling them. Knowing the customer perception well in advance is the biggest challenge for the retailers. As retailing industry has a key role to play in the world economy, the role of retailers must be concisely and clearly defined. Retailing includes all the activities involved in selling goods or services directly to final consumers for personal & non-business use. Indian retailing sector is seen in sprawling shopping centres, multi-storey malls and huge complexes offer shopping, entertainment and food all under one roof.

Keeping this view in mind, this paper intends to study the different factors that affect the perception of the customers regarding retail brands. Also, in this paper, the customer perception towards two brands namely; Kapsons and Westside will be analysed and further a comparative analysis of the same would be done so as to find out the reasons due to which customers prefer one brand over the other.

Keywords: Retailing, Branding, Customer perception.

Introduction

In the present economic scenario, globalization has played a vital role in bringing the world together hence making the consumers more aware about the market, thus increasing their demands. Business processes have consequently changed to meet these demands due to which businesses have to have an edge over their competitors. This holds true for retailing sector as well. Retailing has contributed vastly in the social and economic progress of nations. In the economic activity, retail is considered as the last stage which makes it very important for the world economy. According to Philip Kotler, "Retailing includes all the activities involved in selling goods or services to the final consumers for personal, non-business use. A retailer or retail store is any business enterprise whose sale volume comes primarily from retailing. These are the final business entities in a distribution channel that links manufacturers to customers."

All the organisations that sell products and services, irrespective of the medium of sale, to the final customer is doing retailing, these can be the manufacturers, wholesalers or retailers. Hence, it can be summarised that providing functions like, products and services assortment, providing services to the customers, etc. that create values is what retailers do.

Retailing thus, is the last step in the merchandise distribution. A firm can be said to be performing the function of retailing when the products and services are sold to the final customer. Retailing constitutes of activities which are involved in the marketing of the products and services to the customers for their personal, household or family use. Eventually, the focus remains on customer delight in the age where customer is considered the king of the market.

Retailer is the middleman between the producer and the end consumer where the distributions of the finished goods starts and end, respectively. Retailing is not just selling the products at stores, but also covers the sales of different types of services. Different methods can be used for retailing so as to create a channel to approach the consumers.

The concept of retailing is an approach of development and implementation of marketing strategies that are customer oriented. Guidelines regarding what medium should be used for selling, design of the distribution channel, etc. are provided. Retailing concept is customer oriented, where needs of customer are studied and an attempt is made to satisfy the same. It is goal oriented as retailers need to be very sure and clear about what goals are to be achieved and formulate appropriate strategies for the fulfillment of the same. Retailing

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is a value driven approach as retailers create and offer value for the customers. Also, retailing is supposed to be a coordinated effort as delivering the value to the customer is of utmost importance; hence all the activities must be aligned to achieve this.

Retail Sector in India

Retailing in India is a fairly old concept as Kirana shops have been existent for a very long time in the market. The sole purpose of these stores used to fulfill the needs and demands of the local people. Eventually, Indian government took an initiative and many franchise stores which were indigenous in nature were opened in collaboration with Village Industries Commission. In early eighties, retailing in India was a highly fragmented and unorganised sector. The face of retailing changed towards the late 1980s, as the economy of the country started to open up and the pioneers in retailing in India were mostly in textile sectors, some of which were, Raymonds, Bombay dyeing, etc. Titan was next in line to open up retail stores in Indian market.

Liberalisation in 1990s drastically changed the face of retailing in India as many restrictions were diluted, which made it easy for multinational companies to enter the market and target the consumers who had become more aware and knew what they wanted. The domestic companies also took advantage and started actively investing in retail by opening chains of retail stores, like, Nirula's (Delhi), Nilgiris (South India). At the end of 1990s the market had evolved, hence, paving way for retail sector to prosper. Emergence and visibility of shopping centres increased, though just in urban areas and cities and also the concept of hyper markets was introduced.

Hence, it is worth mentioning that the retail sector evolves only when there is a constant improvement and up gradation in the management of supply chain, well designed distribution channels, etc.

Kapsons and Westside are well known names in the Indian retail sector and have shown a great growth over a short period of time.

The Kapsons group of companies, which started as small retail shop in Chandigarh has been in existence now for 25 years. From a retail store spanning an area of 700 sq. ft., Kapsons has made a place for itself in the Indian retail, especially in northern India, with the headquarter at Mohali, Punjab. Retail and distribution of as many as 13 brands is undertaken by Kapsons. There are 144 stores of Kapsons across India.

Westside is one of the popular retail chains in India which was started by Trent, the retail arm of Tata in 1998. Westside has

made its presence felt by opening stores in more than 50 cities. Exclusive brand models are chiefly offered Westside which are available in women's, men's and kids' wear. Also, huge brand variety can be seen in categories like, handbags, footwear, home furnishing, cosmetics, etc. the company believes that if the interiors of the store are well designed and the location is prime it enhances the shopping experience of the customers.

Economic Contribution of Retail Sector in India

The retail sector of India is said to be the fastest growing in the world, making it is the fifth highly preferred retail destination across the globe. The growth of Indian retail industry is estimated to be US\$1.3 trillion by 2020 hence registering 16.7 percent of Compound Annual Growth Rate (CAGR) over 2015-20, which proves that this industry is growing exponentially in India. A lot of factors are responsible and have contributed to this immense growth, which are economic growth, change in the demographics, increase in the income, etc. These reasons have also majorly contributed in make online retailing a success. With liberal government policies, international players in retail are now making their presence felt in Indian market not just through third party buying offices but, wholly owned or wholly managed stores. To enhance this scenario further, Indian Government further reformed the policies by approving Foreign Direct Investment of 51 percent in multi brand retail and 100 percent in single brand retail.

Factors Affecting the Perception of Consumers towards Retail Stores.

New products: In present competitive market it is very important for retailers to offer more and more products to the customers so as to gain an edge over their competitors. So, it is of utmost importance that new merchandise be introduced time to time and also the customers must be informed about the same so as they may feel that the retailer is making an effort to attract and retain them.

Product availability: It is important for retailers to keep the products available on the shelves as, when customers do not find the product they want, they automatically create a negative idea about the store in their minds, hence they might end up buying a substitute or totally stop coming to the retail store.

Product variety: Consumer being the king of the market demands variety. However, every individual has different characteristics and hence having different demands and also different evaluation criteria. To counter such a tricky situation the retailer has to make every possible effort to satisfy the customers, and this can be achieved by offering variety in

merchandise. Larger the assortment of the merchandise, more options the customers have and hence higher is the scope of flexibility.

Product value: Product value is the assessment of the worth of a product. It is the perceived value of a customer regarding the products offered by a firm. This perceived value can be based on different aspects that a customer might associate with the product category.

Sales personnel: One of the important the most important component of a firm to create a lasting impression on customers are its sales personnel. These are the people who come in contact with the customers and practically represent the firm. Hence, firm needs to make sure that the sales personnel are well informed and knowledgeable about the product or service related aspects. In addition to this, sales personnel are responsible of creating long term relationships with customers thus, have to have a cordial behaviour towards them. All this has a high possibility of contributing towards creating a positive perception towards the brand.

Store ambience: The environment of the store has a vital role in creating an image in the minds of the customers. The physical characteristics of the store include components like, layout, signage, colours, lighting, sounds, architecture, etc. How well these components are combined together can create a lasting effect on customers.

Discounts/offers: Customers, when involved in the process of buying are concerned about the price of the product. No doubt, it is an important consideration for a lot of customers. So, in order to attract more customers, the firms might offer certain discounts and offers to alter the negative perception the customer might be holding about the prices of the offered products.

Literature Review

Feinberg, Sheffler, Meoli and Rummel (1989) conducted a study to understand the social stimulation provided by malls, and concluded that the malls serve as an outlet for social behaviour.

Lotz, Eastlick and Shim (2000) also, in the same area of research, tried to understand the relationship between mall entertainment seekers and mall shoppers. The study concluded that for different individuals the motivating factors differ, based on their purpose of visiting the mall, that is, for shopping or seeking entertainment.

Nidhi Katare (2007), in her research has tried to assess the formation of Retail Marketing in India, as she concludes that

retail marketing is the most dynamic and exciting areas of growth in global economy. She proposes that to gain an edge in the market over the competitors the retailers have to concentrate on customer based service, personalization and loyalty programs to attract and retain customers.

C. S. Venkata Ratnam (2007) has studied the changing consumer behaviour in retail trade in India. In his paper, the author discusses that one fifth of the world population is in India and China, hence these countries have contributed highly in creating a remarkable increase in consumerism on an unparalleled magnitude. The two countries are becoming favourite destination for investment and production as well as sales and marketing.

Surbhi Khosla (2006) presented a study which discussed the journey of retail sector in India. The study mentioned the sequential order of development of different retail formats and major retailers involved in India. It also examined recent trends in the formats and future scope.

Prakash Chandra Dash (2007) did a research to know the opportunities, challenges and strategies of Indian retail sector. The research talks about the challenges like merchandising mix, retail differentiation, supply chain management and also competition from supplier's brand in the Indian perspective.

Sonal Kureshi, Vandana Sood, Abraham Koshy (2007) conducted a study to present an insight about the profile of the consumers of exclusive brand store, based on their demographic and psychographic characteristics and also to explore the differences. The study further inspected the differences that appear and also described its implications for the retailer.

Ajay D Shah (2009) in his research tried to study the behaviour of consumers' behaviour towards shopping malls vis-à-vis Mom and Pop shops". The researcher also observes the experience of consumers towards shopping malls against Local stores.

Sudha Vemaraju (2011) conducted a study to know the history of changing trends in retailing, it also mentions that how understanding the customer's perceptions, building relationship and retaining customers have been identified as major source of competitive advantage. The study pays emphasis on some serious areas in retailing like Customers perception, CRM. It also focuses on the changing waves in retailing.

Sangita Mohanty (2012) worked on a research project to know the consumers attitude towards nearby market like big bazaars

and shopping malls and to analyze the related reasons age wise, education wise and income wise. The objective was to discover the cause of store patronage, gender wise and to disclose how and why the consumers like to shop in malls.

Sandhe Ashutosh A. and Pandya Amit R (2012) presented a study on purchasing objective of the people on high involvement and low involvement products. The study also analysed the affect of this, on payment mechanism and shopping situation.

Piyush Kumar Sinha, Srikant Gokhale, Sujo Thomas (2012) conducted a research to understand the retail industry in India and also to assess the level of impact it has on the distribution networks and procurement processes in relation to the changing patterns of consumption.

Piyush Kumar Sinha, Sanjay Kumar Kar (2007) undertook a study to examine the developments in the retail sector of India, with special focus on the upcoming retail formats. In addition to this, different threats and avenues that the retailers face have been discussed. The study also covers the areas that show how the consumer dynamics have changed over time and how the retailers, to counter it, have to come up with more efficient strategies.

Jaskaran Singh Dhillon, Madhur Joshi, Ramita Verma (2012), in their research attempted to analyse the retail sector in india from the strategic perspective. Also, suggestions have been made how the relevant strategies, which can be measured both qualitatively and quantitatively, can be formulated.

Sunita Sikri & Ms. Dipti Wadhwa (2012), in their study have focussed on the ways retail industry in India has been changing both in case of organised and unorganised retailing. In addition to this, the various players of the industry have been discussed and the study has also concentrated on the various challenges and threats that the retailers have or may face.

Miranda, M.J., Konya, L., Havrila, I., 2005, in their research have found out that there are various multi dimensional constructs that affect and influence the behavior of consumers in regards to retailing, like, the atmosphere of the store, the promotions in the store, the physical aspects of the store, quality of the products, amongst other factors.

Gwin, C.F., Gwin, C.R., 2003 have also emphasised that attributes of products can compel the customers to visit a store. These attributes according to the authors are the price of the products, quality of the merchandise, merchandise assortment, variety offered and the product value.

Research Methodology

This section sets out the methodology that was followed for the present study. It includes the research design, sample design, data collection instrument and data analysis techniques.

Objectives of The Study

- 1) To identify the factors affecting Customers Perception in retail Industry.
- 2) To Compare the Customers Perception towards the Services offered by Westside and Kapsons.

Research Design

The research design for the study is descriptive research design. The study tries to identify the factors that would affect the Customers Perception.

Sample Size

For the purpose of the present study a sample of 100 respondents of Jammu region was used. The respondents belonging to different segments were used. The sample included students, businessmen, government employees, private employees and housewives.

Data Type

The study was conducted using primary data. The primary data was collected from the respondents through questionnaire.

Data Collection Method

A structured questionnaire was prepared for collecting the data from the respondents. Five point Likert scale was used to record the customer response.

Data Analysis Technique

The collected data need to be analyzed using appropriate techniques. Data was analyzed by use of descriptive statistics. Paired sample T-Test analysis was applied to know the variation amongst the two variables.

Limitations of the study

The result of the study may have been affected by the following possible limitations.

- The sample size for the study is 100. It might have limited confidence in the results and this might limit generalizations to other situations. A larger sample size may provide more reliable results.
- Secondly the study is restricted to customers in Jammu region. The behavior of customer might be different in different areas.
- The third limitation is that the study relied on convenience sampling for selecting the respondents. This may produce

biasness in the results because only the willing customers filled in the questionnaires.

For the purpose of the research two retail outlets in Jammu region were selected. These are as follows:

- Westside
- Kapsons

In case the customer prefers brand other than the brands mentioned above an open ended choice was also given to the customer.

t-Test: Paired Two Sample for Means

	1.74	2.38
Mean	2.430833333	2.902916667
Variance	0.441112319	0.524204167
Observations	24	24
Pearson Correlation	0.234715768	
Hypothesized Mean Difference	0	
Df	23	
t Stat	-2.689248884	
P(T<=t) one-tail	0.006547163	
t Critical one-tail	1.713871517	
P(T<=t) two-tail	0.013094325	
t Critical two-tail	2.068657599	

*Source: MS Excel 2007, Primary Data

*Significant value at 0.05

The p- value 0.006 mentioned in the above table which is less than 0.5 clearly demarcates that there is a significant difference between lifestyle and max retail outlets where mean value of Westside (mean=2.38) is higher than that of Kapsons (mean=1.74). The result also supports the significant variation of Kapsons and Westside aligning to its new product, product quality, product variety, product availability, product value, sales personnel effectiveness, store ambience and discounts and offers. Hereby we conclude a significant difference in Kapsons and Westside retail outlets with its related variants.

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Influence of TV Ads on Children from Mothers' Viewpoint: A Comparative Study amongst Graduate & Undergraduate Mothers

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Abstract

Study was conducted to analyze the attitude of mothers towards TV advertising. The sample size comprised of 400 mothers of children studying in reputed schools catering to upper and middle socio-economic strata. Mothers were categorized into two groups: as those with education graduation and above(270) and those below graduation (130). Sample was from three cities representing traditional, geographical and cultural categorization of Punjab: Majha (Amritsar), Doaba (Jalandhar) and Malwa (Patiala). Factor analysis for Graduate and undergraduate mothers revealed eight dimensions. Total variance explained by 8 factors was 66.20 per cent in case of Graduate and 57.94 per cent in case of Undergraduate mothers. Undergraduate mothers are more conservative regarding TV ads showing adult content and age-wise inappropriate things than Graduate mothers. While, Graduate mothers feel more strongly that TV ads spread materialism and are lifestyle and fashion guide amongst children than Undergraduate mothers.

Keywords: TV advertising, children, graduate & under graduate mothers'

Introduction

Advertising to be the most important social, economic and cultural institution in society – 'a communication activity through which social change is mediated' (Leisset al., 1986). Advertising aimed at children may not be exclusively transmitted via TV, but still TV is the most visible medium of advertising (Oates et al., 2003). Parents play the most important role in raising a child. They shape child's personality as a sculptor shapes a statue. Children are said to be reflection of their parents. Many researchers studied parents' attitude towards TV advertising to get a better understanding of impact of ads on children (Frideres, 1973; Burr and Burr, 1977; Grossbart and Crosby, 1984; Hite and Eck, 1987; Unnikrishnan and Bajpai, 1996; Wimalasiri, 2004; Kapoor and Verma, 2005).

It is a well researched finding that parents' attitude towards TV ads has an impact on attitude of children towards them. The present study pertains to mothers only, as they cast an indelible influence on their children and keep a detailed track of their behaviour and activities. Although fathers also play a similar role in many ways, they were not included in the study as their responses would have been different from mothers, leading to confusion and inconsistency in the results.

Indian parents seem to be far more acceptable of the TV ads aimed at children than the Western parents, who have taken TV ads and children related issues more seriously; and have voiced opinions through various channels from time to time. It can be one of the reasons why government regulations and self regulatory framework is relatively more stringent and specific in West as compared to India (Unnikrishnan and Bajpai, 1996).

Review of Literature

Kapoor and Verma (2005) found that parents admit the role that TV ads play in shaping their children's buying response. However, it was also found that early parents-child interaction was a key element, if parents did not want their child to be affected adversely by TV ads. Parents have a responsibility to teach their child about the realities of the commercial world. They play a crucial role in determining what their child learns from TV ads as they supplement the information provided in them. The final lesson that a child extracts from the viewing of TV ads may be a joint product of what was shown on the screen and what was taught by the parents.

Mukherji (2005) has examined the linkages between maternal communication patterns, advertising attitudes and television mediation behavior among urban middle class mothers in India. An important concern in cross cultural research is the applicability and use of both frame works and instruments

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developed primarily in western contexts in non-western settings. The survey data from this study suggests that the family communications framework can be used for understanding Indian middle-class mothers' advertising attitudes and mediation behavior. As theorized, socio-orientation is related to negative attitudes towards both advertising in general and towards children's advertising. Further concept orientation is related to discussions about TV advertising with children. The results of the study have important implications for advertising strategies, particularly the finding that urban middle class mothers in India have positive attitudes towards advertising, unlike their western counterparts, whose attitudes towards advertising have become increasingly negative and skeptical.

Yu (2012) analyzed the mothers' opinions having one child between the ages of 7-12 for investigating the impact of TV food advertising on their children. Sample comprised of 318 respondents. Findings revealed negative attitudes of mothers towards TV food advertising for their own children. Further, they believe that the children of strangers are more negatively impacted by TV ads than their own children.

Guha (2013) found that Working women were more involved with the purchasing activities than non working women. They were more price conscious, quality conscious and store loyal as compared to their counterparts.

Sonkusare (2013) studied the impact of TV ads on women consumers buying behavior. Different factors which influence buying behavior i.e. monthly expenditure, advertising strategies, etc were evaluated. Though, the different media spread awareness but TV ads played a vital role in their buying behavior.

Singh and Kaur (2014) investigated the attitude of mothers towards TV ads in general, children advertising and food advertising directed at children. The findings revealed negative attitude of Indian mothers towards advertising in general for ads directed at children and also for food ads. They strongly believe that promotions are directed at children in an unethical manner.

Waller and Lanasier (2015) revealed that advertising directed toward children is a controversial issue and the reasons for its negative effects include that such advertising could lead to materialism, parent-child conflict, and feelings of unhappiness. Advertising by food companies is a target for criticism due to concerns about unhealthy food and childhood obesity.

Khanna (2016) studied the perception of parents about the intended and unintended effects of television advertisements on their children (aged 8-14). Factor analysis was applied and

findings revealed five factors such as: Concern for Junk Food Ads; Family Conflict; Advertising is positive (information effects); Materialistic and Misleading/Falsity.

Objective of study

To study the attitude of mothers(graduate & undergraduate) towards TV advertising.

Research Methodology

Convenience sampling technique using structured and self administered questionnaire on five point Likert Scale for data collection is used. A Total of 32 statements reflect attitude and beliefs of mothers'. These were short listed on the basis of review of previous studies (Unnikrishnan and Bajpai, 1996; Kapoor and Verma, 2005; Vij, 2007 etc.) intuition and discussion with experts. Factor analysis method is used to extract factors. The statements are related to different aspects of TV advertising and were basically designed to evaluate the attitude of mothers towards TV ads. The respondents' attitude on various aspects of TV advertising is observed on a 5- point agreement Likert scale, ranging from strongly to strongly disagree. Weights 5,4,3,2 and 1 have been allocated to the responses 'Strongly Agree', 'Agree', 'Neither Agree nor Disagree' and 'Strongly Disagree'. Factor analysis method is applied here to know the attitude of mothers and its underlying dimensions.

The sample size comprised of 400 mothers of children who were studying in grade IV to X, in reputed English medium schools catering to upper and middle socio-economic strata. Sample was from three cities representing traditional, geographical and cultural categorization of Punjab: Majha (Amritsar), Doaba (Jalandhar) and Malwa (Patiala). Children were distributed questionnaires to get them filled from their mothers in two days time. A note regarding this was attached to their school diaries.

Largest number of mothers (55.50%) belonged to the middle age group of 35-45 years, followed by mothers from the age group of 25-35 years (26.50%). A small number of them (10.25%) are from the youngest age group of up to 25 years old and the oldest age group of above 45 years old (7.75%). There are mothers who are working (businesswoman, professional or serving in public/private sector), and mothers are homemakers. Education is an important criteria to distinguish the opinion of people. In this study, for comparison, mothers were categorized into two groups. There are 270 mothers whose education is graduation and above; and 130 mothers' below graduation.

Data Analysis

Data so collected was subject to factor analysis to bring out the important factors affecting mothers' attitude towards TV advertising. However, before applying factor analysis, the data was tested for appropriateness. The appropriateness of factor analysis was confirmed depending upon certain accepted measures.

Perception of Graduate Mothers towards TV Ads

Overall Kaiser-Meyer-Olkin Measure of Sampling Adequacy was sufficiently high (0.741). Bartlett's Sphericity Test (108.52) came to be statistically significant. Thus, all of these examinations revealed that the data was fit for factor analysis.

Total 8 factors have been identified through extraction method employing Principal Component method. All factors with Eigen

values greater than unity have been selected. These 8 factors explained variance of the order of 12.62, 11.24, 8.77, 7.98, 7.24, 6.87, 6.14 and 5.34 per cent. Total variance explained by the 8 factors is 66.20 per cent. The communalities were quite high and the highest communality coefficient is 0.79 for statement M7 and M20 while statement M27 scores the lowest communality with coefficient 0.64. Communalities magnitude indicates that a large amount of variance in a variable has been accounted for by the factor solution. Thus, the factor loadings model is quite powerful.

Naming of the Factors for Graduate Mothers

The factors were given different names depending upon the nature of statements included in the factor. This categorization is shown in Table 1

Table 1: Naming of Factors (Graduate Mothers)

Factor number	Name of Dimension (% of Variance)	Label	Statement (Factor Loadings)
Factor 1	Inappropriate and Inciting ads (12.62%)	M12	TV ads dictate carefree / careless attitude (as they reveal much of this world on a perpetual holiday, eating out, shopping endlessly, just having fun and nothing else to do). (0.601)
		M16	TV advertising leads to unsafe behavior; children are impressed by the dangerous activities shown in them. (0.531)
		M25	TV ads have shortened children's attention span because of rapid fire editing style of ads. (0.514)
		M14	I often feel hesitant / embarrassed in watching some ads with my children. (0.511)
		M13	Children are negatively affected by adult ads which are for products not related to children. (0.497)
		M17	TV ads dictate that doing mature things at young age is allowable (showing children as miniature adults doing shopping, coking, dispensing medicines and going out with friends on their own). (0.488)
Factor 2	Ads as a Window to the World (11.24%)	M3	TV ads have a progressive and educative influence on my children. (0.537)
		M2	TV is an educator for children, it complements formal school learning. (0.519)
		M5	TV ads make kids smarter than my generation. (0.491)
		M4	TV ads shape child's beliefs about the world around by the messages that cast deep impressions. (0.485)

Factor 3	Integral to Lifestyle (8.77%)	M22	I have an overall good image of TV ads. (0.604)
		M26	There is no problem if children memorize catchy jingles /one liners of ads and use them in their conversation. (0.531)
		M23	If my children want to follow the clothes/foot wear trends of TV ads, I see no harm in it. (0519.)
		M1	I am generally interested in watching TV ads. (0.476)
Factor 4	Pester Power (7.98%)	M20	I feel my children interfere in the products that I buy for myself/family because of TV ads. (0.561)
		M24	TV ads lead to unnecessary desires amongst children, thus the rising dissatisfaction amongst them. (0.519)
		M19	There is increase in conflict between parents and children because of children's ever increasing demands; due to TV ads. (0.501)
		M10	Children are developing unhealthy eating habits because of TV ads. (0.501)
		M18	TV ads lead children to pressurize parents to purchase those products which they would otherwise have ignored. (0.498)
		M21	The free gifts, offered with products shown on TV ads, affect my child's purchase requests. (0.472)
Factor 5	Materialistic Tendencies (7.24%)	M11	TV ads are responsible for making children materialistic. (0.602)
		M9	TV ads are too persuasive for children. (0.513)
		M8	Through TV ads, children are being urged, just as we are, to live by the standards of the rich. (0.480)
Factor 6	Undesired Exposure to Children (6.87%)	M29	TV ads have potential to incite violence, aggression or tension amongst children. (0.604)
		M15	There are too many ads on TV nowadays which lead to waste of time and longer sedentary viewing. (0.536)
		M32	TV ads many times show such things which contradict my family values. (0.523)
		M30	There is a lot of objectionable content in TV ads which leads to sexual awareness or an undesired curiosity at a young age. (0.467)

Factor 7	Socially desirable Behavior (6.14%)	M7	TV ads can explain to children how to handle a fearful situation (For example, first day at school, a visit to dentist is not as terrible as expected). (0.517)
		M6	TV ads have a civilizing influence and lead to socially desirable behavior amongst children (For example, they show cooperative & caring behavior with friends, siblings, parents, society etc.). (0.498)
Factor 8	Censorship over Ads (5.34%)	M27	There should be a strict government control on TV ads. (0.611)
		M31	It is possible for parents to exercise restrictions regarding TV programs but not regarding TV ads. (0.604)
		M28	TV ads aimed specifically for children or portraying children should be banned. (0.514)

Factor 1: Inappropriate and Inciting Ads

This factor explains 12.62 per cent of the variance with 6 statements. This factor denotes in general, that TV ads motivate children to behave beyond their age. The highest coefficient is 0.601 in case of the statement M12 “TV ads dictate carefree / careless attitude as they reveal much of this world on a perpetual holiday, eating out, shopping endlessly, just having fun and doing nothing else”, followed by M16, “TV advertising leads to unsafe behavior; children are impressed by the dangerous activities shown in them” (0.531). The other statements are related to specific negative effects of TV ads showing things that are inappropriate according to child’s age leading to embarrassing situation for parents, adult oriented ads, children behaving as adults and shortening of their attention span.

Factor 2: Ads as a Window to the World

This factor explained 11.24 per cent of the variance with 4 statements. The second factor highlights the developmental effects of TV ads on young minds. TV ads shape children’s beliefs and are their window to the world, and make the children smarter than their parents’ generation. The statement M3, “TV ads have a progressive and educative influence on my children” scores the highest coefficient of 0.537, followed by M2, “TV is an educator for children, it complements formal school learning” (0.519).

Factor 3: Integral to Lifestyle

This factor identifies the good image of TV ads amongst mothers and that they regard ads as trend guide. It explains 8.77 per cent of the total variance with 5 statements. The statement

M22, “I have an overall good image of TV ads” scores the highest coefficient (0.604).

Factor 4: Pester Power

This factor explains 7.98 per cent of the variance with 6 statements. The highest magnitude of coefficient is 0.561 in case of the statement M20, “I feel my children interfere in the products that I buy for myself/family because of TV ads”, followed by the statements M24, “TV ads lead to unnecessary desires amongst children, thus the rising dissatisfaction amongst them” (0.519). The other statements are regarding TV ads responsible for unhealthy eating habits of children, pestering parents to buy them the advertised products, rising interference of children in parents’ and household shopping and premium offers influencing their product choices sharply.

Factor 5: Materialistic Tendencies

This factor explains 7.24 per cent of the variance with 3 statements. The statements highlight that the TV ads lead to rising materialism in children, persuade them and urge them to follow lifestyles of the rich. The highest coefficient is 0.602 in case of the statement M11, “TV ads are responsible for making children materialistic”.

Factor 6: Undesired Exposure to Children

The sixth factor explains 6.87 per cent of variance with 4 statements. The statement M29, “TV ads have potential to incite violence, aggression or tension amongst children” gets the highest coefficient (0.604), followed by M15, “There are too many ads on TV nowadays which lead to waste of time and longer sedentary viewing” (0.536). The other statements that fall under the factor are about age inappropriate ads leading to

sexual awareness and curiosity at a young age and show things against the common family ethos.

Factor 7: Socially Desirable Behavior

This factor observes the civilizing effects of TV ads on children and explains 6.14 per cent of the variance with 2 statements only. The higher coefficient of 0.517 is secured by the statement M7, “TV ads can explain to children how to handle a fearful situation”.The other statement is M6, “TV ads have a civilizing effect and lead to socially desirable behavior amongst children” (0.498).

Factor 8: Censorship over Ads

This factor highlights the need for regulatory check on TV ads and explains 5.34 per cent of the variance with 3 statements. The statements relate to banning of TV ads aimed at children

specifically, governmental check on TV ads. The statement M31, scores the highest coefficient (0.604), “It is possible for parents to exercise restrictions regarding TV programs but not regarding TV ads”, followed by M27, “there should be a strict government control on TV ads” (0.611). The remaining statement is M28, “TV ads aimed specifically for children or portraying children should be banned” (0.514).

Perception of Undergraduate Mothers towards TV Ads

The responses of 130 Undergraduate mothers to 32 statements were factor analyzed, so that they can be compared with the responses of Graduate mothers.

Overall Kaiser-Meyer-Oklin Measure of Sampling Adequacy was sufficiently high (0.687). Bartlett’s Sphericity Test (84.29) was

Table 2: Naming of Factors (Undergraduate Mothers)

Factor number	Name of Dimension (% of variance)	Label	Statement (Factor Loadings)
Factor 1	Inappropriate and Inciting ads (10.63%)	M12	TV ads dictate carefree / careless attitude (as they reveal much of this world on a perpetual holiday, eating out, shopping endlessly, just having fun and doing nothing else). (0.621)
		M13	Children are negatively affected by adult ads which are for products not related to children. (0.552)
		M25	TV ads have shortened children’s attention span because of rapid fire editing style of ads. (0.531)
		M16	TV advertising leads to unsafe behavior; children are impressed by the dangerous activities shown in them. (0.505)
		M17	TV ads dictate that doing mature things at young age is allowable (showing children as miniature adults doing shopping, cooking, dispensing medicines and going out with friends on their own). (0.473)
Factor 2	Ads as a Window to the World (9.22%)	M3	TV ads have a progressive and educative influence on my children. (0.551)
		M4	TV ads shape child’s beliefs about the world around by the messages that cast deep impressions. (0.546)
		M5	TV ads make kids smarter than my generation. (0.531)
		M2	TV is an educator for children, it complements formal school learning. (0.487)

Factor 3	Pester Power (8.56%)	M21	The free gifts, offered with products shown on TV ads, affect my child's purchase requests. (0.621)
		M10	Children are developing unhealthy eating habits because of TV ads. (0.561)
		M20	I feel my children interfere in the products that I buy for myself/family because of TV ads. (0.517)
		M19	There is increase in conflict between parents and children because of children's ever increasing demands; due to TV ads. (0.506)
		M24	TV ads lead to unnecessary desires amongst children, thus the rising dissatisfaction amongst them. (0.497)
		M18	TV ads lead children to pressurize parents to purchase those products which they would otherwise have ignored. (0.452)
Factor 4	Undesired Exposure of ads over Children (7.95%)	M14	I often feel hesitant / embarrassed in watching some ads with my children. (0.621)
		M30	There is a lot of objectionable content in TV ads which leads to sexual awareness or an undesired curiosity at a young age. (0.501)
		M31	It is possible for parents to exercise restrictions regarding TV programs but not regarding TV ads. (0.487)
Factor 5	Integral to Lifestyle (6.23%)	M23	If my children want to follow the clothes/foot wear trends of TV ads, I see no harm in it. (0.603)
		M1	I am generally interested in watching TV ads. (0.521)
		M22	I have an overall good image of TV ads. (0.521)
		M26	There is no problem if children memorize catchy jingles/one liners of ads and use them in their conversation. (0.498)
Factor 6	Materialistic Tendencies (5.91%)	M9	TV ads are too persuasive for children. (0.604)
		M11	TV ads are responsible for making children materialistic. (0.531)
		M15	There are too many ads on TV nowadays which lead to waste of time and longer sedentary viewing. (0.524)
		M8	Through TV ads, children are being urged just as we are, to live by the standards of the rich. (0.513)

Factor 7	Censorship over Ads (5.16%)	M27	There should be a strict government control on TV ads. (0.641)
		M28	TV ads aimed specifically for children or portraying children should be banned. (0.554)
		M32	TV ads many times show such things which contradict my family values. (0.531)
		M29	TV ads have potential to incite violence, aggression or tension amongst children. (0.487)
Factor 8	Civilizing Influence and Socially Desirable Behavior (4.28%)	M6	TV ads have a civilizing influence and lead to socially desirable behavior amongst children (For example, they show cooperative & caring behavior with friends, siblings, parents, society etc.). (0.621)
		M7	TV ads can explain to children how to handle a fearful situation (For example, first day at school, a visit to dentist is not as terrible as expected). (0.543)

also significant, which indicate suitability of data for factor analysis.

In case of Undergraduate mothers, 8 factors were identified. These factors explained 57.94 per cent of the variance. All factor loadings greater than 0.45 have been considered for further analysis.

The communalities were quite high and the highest communality coefficient is 0.78 for the statement M28, while the statements M16 and M25 score the lowest communality with coefficient 0.62. Eigen values were worked at 4.51, 3.91, 3.34, 3.26, 2.47, 2.21, 1.46 and 1.22 for factor 1 to 8 respectively. The percentage of variance explained by the respective factors was 10.63, 9.22, 8.56, 7.75, 6.23, 5.91, 5.16 and 4.28 totaling 57.94 per cent of variance.

Naming of the Factors for Undergraduate Mothers

The factors were given different names depending upon the nature of statements included in the factor. This categorization is shown in Table 2.

Factor 1: Inappropriate and Inciting Ads

The first factor explains 10.63 per cent of the total variance with 5 statements. The statement M12, "TV ads dictate carefree / careless attitude (as they reveal much of this world on a perpetual holiday, eating out, shopping endlessly, just having fun and doing nothing else" gets the highest coefficient (0.621),

followed by M13, "Children are negatively affected by adult ads which are for products not related to children" (0.552).

Factor 2: Ads as a Window to the World

This factor explains 9.22 per cent of the variance with 4 statements. The highest coefficient (0.551) is scored by the statement M3, "TV ads have a progressive and educative influence on my children", closely followed by M4, "TV ads shape child's beliefs about the world around by the messages that cast deep impressions" (0.546).

Factor 3: Pester Power

This factor explains 8.56 per cent of the total variance with 6 statements. The statement M21, "The free gifts, offered with products shown on TV ads, affect my child's purchase requests" gets the highest coefficient (0.621), followed by M10, "Children are developing unhealthy eating habits because of TV ads" (0.561).

Factor 4: Undesired Exposure of Ads over Children

This factor explains 7.95 per cent of the total variance with 3 statements. The highest coefficient is scored by the statement M14, "I often feel hesitant / embarrassed in watching some ads with my children" (0.621).

Factor 5: Integral to Lifestyle

The fifth factor explains 6.23 per cent of variance with 4 statements. The statement M23, "If my children want to follow

the clothes/foot wear trends of TV ads, I see no harm in it" has secured the highest coefficient (0.603), followed by 2 statements M1, "I am generally interested in watching TV ads" (0.521) and M22, "I have an overall good image of TV ads" (0.521).

Factor 6: Materialistic Tendencies

This factor explains 5.91 per cent of variance with 4 statements. The highest coefficient (0.604) is scored by M9, "TV ads are too persuasive for children", followed by M11, "TV ads are responsible for making children materialistic" (0.531).

Factor 7: Censorship over Ads

The seventh factor explains 5.16 per cent of variance with 4 statements. The statement M27 gets the highest coefficient (0.641), "There should be a strict government control on TV ads", followed by M28, "TV ads aimed specifically for children or portraying children should be banned" (0.554).

Factor 8: Socially Desirable Behavior

This factor explains 4.28 per cent of variance with 2 statements. The higher coefficient is scored (0.621) by the statement M6, "TV ads have a civilizing influence and lead to socially desirable behavior amongst children (For example, they show cooperative & caring behavior with friends, siblings, parents, society etc.)", followed by M7, "TV ads can explain to children how to handle a fearful situation (For example, first day at school, a visit to dentist is not as terrible as expected)" (0.543).

Conclusion

Responses regarding the mothers' survey indicate that they see TV ads from both positive and negative angles. Mothers find that where ads are inciting and inappropriate for children, there they also feel that ads are educational and are their window to the world. They agree for imposition of legal checks on ads but it is not a priority issue for them. Overall, the negative attitude of mothers is more pronounced towards TV ads.

Application of Factor Analysis on the responses of Graduate and Undergraduate mothers reveals eight dimensions. Total variance explained by 8 factors was 66.20 per cent in case of Graduate and 57.94 per cent in case of Undergraduate mothers. This reveals that the expression of Graduate mothers has been better than that of Undergraduate mothers. There has been similarity in case of two factors i.e. 'Inappropriate and Inciting

ads' and 'Ads as a Window to the World' as this has been expressed through 1st and 2nd factors by Graduate as well as Undergraduate mothers. However, the importance of other factors differed considerably. The 'Pester Power' appears as the 3rd factor explaining 8.56 per cent variance in case of Undergraduate mothers, while it is the 4th factor explaining 7.98 per cent variance in case of Graduate mothers. 'Integral to Lifestyle' comes up as the 3rd factor with 8.77 per cent variance explained for Graduate mothers, whereas it is the 5th factor with 6.23 per cent variance explained for Undergraduate mothers. 'Materialistic Tendencies' features as the 5th factor explaining 7.24 per cent of the variance in case of Graduate mothers while it features as the 6th factor explaining 5.91 per cent of the variance in case of Undergraduate mothers. 'Censorship over Ads' is the least priority for Graduate mothers while it is desired as the 7th factor by Undergraduate mothers. The 'Undesirable Exposure of TV Ads' is observed as the 2nd factor by Undergraduate mothers while it is at the 6th level in case of Graduate mothers.

Hence, to an extent Undergraduate mothers are more conservative regarding TV ads showing adult oriented and age-wise inappropriate things than Graduate mothers. While, Graduate mothers have given more importance to TV ads spreading materialism and being lifestyle and fashion trends guide amongst children than Undergraduate mothers. Thus, it may be concluded that factor structure for Graduate and Undergraduate mothers is similar to a great extent but the relative importance given by Graduate and Undergraduate mothers to different dimensions of TV ads is different. A comparison of the two sub-samples illustrates that the factors emerging from both Graduate as well as Undergraduate families are quite similar in constitution but mothers differ on account of their preference and importance attributed to each other.

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A Study on the Competency Development of the Employees in Police Department with special reference to Kerala

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Abstract

Competency mapping identifies an individual's strength, weakness and help him to develop in order to help them better understand themselves and to show them where career development efforts need to be directed. Competency mapping is a process of identifying key competencies for a job or organization and incorporating those competencies throughout the various processes (job evaluation, training, and recruitment) of the organization or job. We can define competency as a behaviour (i.e Communication, leadership) rather than skill or ability. Competencies are derived from specific job families within the organisation and are often grouped around categories, such as innovation, strategy, relationship, leadership, risk taking, decision making, emotional intelligence etc. This paper identifies the competency gap that exists between the employee's current performance level of police personnel and expected level with respect to police personnel in Kerala, which will help both the employees to improve and develop the competencies and suggest methods for improvement.

Introduction

Kerala occupies a unique position in the country. Kerala has always been rated high on law and order and safety ranking and it is known for its pleasant climate and natural ambience. The state also has immense potential owing to its untapped wealth of natural resources like minerals, marine and agricultural products. Kerala's high level of social development has attracted the interest of development theories from across the world. In fact physical quality of life indices reveal that its society is far the most advanced in the country. Interestingly Kerala's quality of life rank in literacy, infant mortality rates and male female ratio are at par with most of the developed countries. High quality of living at low cost has also ensured that Kerala has one of the lowest employee attrition rates in India to be precise even lower than 5 percent. The role of police in any given society is not defined clearly and officers are asked to provide a variety of functions (Walker and Katz, 2000),

Evolution of Policing in India after independence

Kerala Police, in its present form, dates back to 1956 when the state itself was created in the course of re-organization of states following the independence of India in 1947. In the pre-independence era, the region consisted of the princely states of Travancore and Cochin, and the Malabar region that came under the erstwhile province of Madras. Although the princely states did have their traditional forms of policing all along, the

semblance of a modern police force was created in the late 19th century under the British rule. Oliver H. Bensley became the first Superintendent of Police for the state of Travancore in 1881. As the organization grew, Khan Bahadur Sayyid Abdul Karim Suhrawardy became the first Inspector General of Police of Travancore in 1938. The state of Cochin got its first IGP in 1942. The IGP of Malabar was based at Madras. Many of the handwritten records and the weaponry used by the police force over a century ago survive to this date and provide an interesting peep into the past of the organization, the way it functioned and the society it served.

Statement of the Problem

Policing in the recent years have gone a long way from the traditional law and order police, now the police have a wide variety of functions and is seen as the sovereign area of the state which is the protector of human rights, life, liberty and dignity of every person in the society. The police service is facing the challenge of a gradual yet significant expansion of its responsibilities. Greater clarity is needed as to its core role in the 21st century. In this changing cultural and social climate, contemporary policing is marked by the diversification and uncertainty of crisis control problems. The new problems evolve rapidly depending on a broad range of political, social, technological and economic factors and require new skills and competencies.

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The review of literature reveals that there are very little studies in the areas of competencies and various factors influencing police personnel. The aim of the study is to throw some light on the competency levels and gaps of the police personnel in Kerala Police.

Objectives of the Study

To identify the gap that exists between the employee's current performance and the expected level of performance.

Review of Literature

Spencer and Spencer(1993) competency is an underlying characteristic of the individual that is causally related to a standard of effectiveness to a superior performance in a job or situation.

Mertens(1998) defines competency as the capacity demonstrated by a person to achieve a result that may or may not become an effective contribution. The common elements in all of these definition of the competency concept is that it involves peoples attributes, which are evaluated in terms of the degree to which the desired result are actually achieved.

Carlos wing-hug Lo and Albert Chun-Yin (2001) in their article did an in-depth study of community policing in Hong Kong, identified the structural arrangements for the practice of community policing , examined major community based programmes that have been launched and also evaluated the performance of the strategy and measures to improve the police force in Hong Kong.

Joseph.A.Schafer(2010) found that efficiency of leaders in police department was strongly linked with integrity ,work ethic and communication , and care of personnel and ineffective leaders were expressed failing in these traits and study also says that respondents cast leadership development as a process achieved through a mixture of training and education and feedback ,they also found that the greatest barrier was not fiscal but cultural, structural and political.

Michael chiu Kai tin(2012) this paper studied the development and implementation of 'value driven competency based performance system" and findings were drawn examining the new performance management system on officers of Hong Kong Police force.

Suraj Kushe Shekhar & Siby Joseph kizhakekkara(2013) This paper focuses on stress among Police Trainees and identifies the factors causing stress along with the strategies adopted to reduce the stress. Descriptive research with judgmental

sampling technique was employed to select a sample of 65 Police Trainees in Kerala Armed Police IVth battalion, Kerala, India. Findings revealed that 'Pressure from the instructor", was the prime cause of stress.

Dilip Das & Leo Huberts and Ronald van Steden(2007) examined that from 1960s onwards, The Netherlands was famous for her pragmatic, decentralized and friendly style of community policing. The slogan "the police are your best friend" summarizes the "essence" or the "soul" of Dutch policing. Increasingly, however, the typically tolerant, friendly and social policing style has come under pressure. The system of relatively independent regional police departments has been fiercely criticized because of the lack of effectiveness and efficiency in solving crime, safety and security challenges. National government wanted a much bigger say in setting its police programs and priorities. Moreover, as elite government officials stipulate, the police must be more "tough" on crime and terrorism. This attitude has led to centralization, penalization and, at the local level, responsabilization, which signifies that, a variety of private, (often profit-seeking) policing agencies and companies are made responsible for public order maintenance. Such changes are leading toward a "state-centered" police model at some distance from citizens, a development that is seen as contrary to the social soul of Dutch policing.

Richard E. Boyatzis (2008) stimulate sustained leadership development; a holistic model is described that incorporates emotional and neuroendocrine aspects of learning, as well as behavioral change. Intentional change theory, developed over 20 years utilizing longitudinal studies of competency development and complexity theory, can expand our impact on leadership development.

Research Methodology

There are totally 18 police districts in the state out of which 4 police districts are selected at random these districts are Kozhikode city, Kozhikode rural, Malappuram and Kannur. In Kozhikode city there are 16 police stations, in Kozhikode rural there are 21 police stations, in Malappuram there are 32 police stations and in Kannur there are 33 police stations. Out of the police stations four stations are selected at random in each one of the four police district selected, in each police station all the police personnel in the ranks of CI, SI, ASI, HC, and C are included in the study. A pilot study was conducted with 40 samples and the questionnaire was refined after assessing the reliability and the validity.

Tools used for the current study

The gap between the current performance and the expected performance of different category of police personnel is assessed and the data pertaining to the gap was analysed using statistical tools such as student's t-test,

Analysis and Interpretation

To test the equality of 2 main values independent sample t test is used.

Null Hypothesis (Ho): The mean values of the two groups compared are the same.

Alternate Hypothesis (H1): The mean values of the two groups compared are different.

All statements listed in each one of the twenty dimensions are assessed using a five point Likert Scale. The averages of all the

statements listed under each dimension are computed and compared for two different qualifications. From the table: 1 Twenty dimensions are considered in the present study. It is of interest to know that whether police personnel with UG and PG qualification defer in the dimension studied. Out of 20 dimension, no significant difference are found between police personnel with UG and PG qualification in 19 Dimensions and Significant difference is found only in motivation aspect. Police personnel with PG qualification are found to have higher level of motivation compared to those with UG qualification. It is clear that irrespective of the qualification of the police personnel the mean values of the scores obtained in all the 20 dimensions except in motivation(.001*) are the same. Police personnel with PG qualification are found to have higher motivational level compared to those with UG qualification. Hence Null hypothesis is rejected if the significant value of the t-test is less than 0.05, otherwise it is concluded that there is no reason to reject the null hypothesis.

TABLE: 1 t-test for the competency level in each one of the 20 Dimensions among the Police Personnel in Different qualifications.

Dimension	QUALIFICATION				Independent Samples t-test	
	UG (n =32)		PG (n =8)		t-value	Sig.
	Mean	SD	Mean	SD		
Drive for Results	3.36	.66	3.78	.39	-1.732	.091
Process Management	3.43	.50	3.56	.53	-.659	.514
Functional Expertise	3.38	.54	3.56	.50	-.893	.377
Personal effectiveness and ability to influence	3.45	.55	3.50	.35	-.265	.792
Innovation	3.41	.70	3.50	.71	-.338	.737
Team effectiveness	3.44	.60	3.50	.56	-.266	.792
Public service	3.52	.52	3.88	.65	-1.655	.106
Self development orientation	3.42	.59	3.88	.56	-1.975	.056
Analytical thinking	3.41	.72	3.81	.37	-1.528	.135
Physical ability	3.67	.58	3.88	.69	-.856	.397
Knowledge	3.58	.61	3.50	.38	.344	.733
Aptitude	3.27	.71	3.69	.53	-1.574	.124
Motivation	3.33	.55	4.09	.61	-3.440	.001*
Communication	3.39	.65	3.69	.44	-1.232	.226
Leadership	3.46	.54	3.83	.65	-1.662	.105
Managerial ability	3.36	.44	3.70	.38	-1.980	.055
Negotiation and conflict mangt.	3.60	.53	3.71	.33	-.557	.581
Personal values	3.62	.44	3.86	.40	-1.418	.165
Social skills	3.46	.41	3.77	.38	-1.946	.059
Technical skills	3.38	.77	3.38	1.19	0	1.000

Source: Primary Data

Note:* Indicates Significant at 5% Level.

Table:2 - TABEL SHOWING ACHIEVED LEVELS OF COMPETENCY ON TWENTY DIMENSIONS OF KERALA POLICE PERSONNEL

Dimension	Mean (Max: 5)	SD	Achieved level (%)	Gap (%)
Physical ability	3.71	.60	74.20	25.80
Personal values	3.67	.44	73.40	26.60
Negotiation and conflict mangt.	3.62	.49	72.40	27.60
Public service	3.59	.56	71.80	28.20
Knowledge	3.56	.57	71.20	28.80
Leadership	3.53	.57	70.60	29.40
Social skills	3.52	.42	70.40	29.60
Self development orientation	3.51	.61	70.20	29.80
Analytical thinking	3.49	.68	69.80	30.20
Motivation	3.48	.64	69.60	30.40
Process Management	3.46	.51	69.20	30.80
Personal effectiveness and ability to influence	3.46	.51	69.20	30.80
Team effectiveness	3.45	.59	69.00	31.00
Communication	3.45	.62	69.00	31.00
Drive for Results	3.44	.63	68.80	31.20
Innovation	3.43	.69	68.60	31.40
Managerial ability	3.43	.44	68.60	31.40
Functional Expertise	3.41	.53	68.20	31.80
Technical skills	3.38	.85	67.20	32.80
Aptitude	3.35	.69	67.00	33.00

From the above table:2 it is clear that police personnel working in police departemnt of kerala appeal to have gaps between 33% to 26% in all the 20 dimensions studied highest gap is found in Aptitude and the least gap is found in physical ability.For the dimension Physical abiltity the gap is 25.80%,personal values it is 26.60%,for Negotiation and conflict it is 27.60,public service it is 28.20,Knowledge it is 28.80,leadership it is 29.40, social skills it is 29.60%,self development orientation it is 29.80%,analytical

thinking it is 30.20%,Motivation it is 30.40%,Process Management it is 30.80%,Personal effectiveness and ability to influence it is 30.80%,Team effectivenss it is 31.00%,Communication it is 31.00%, Drive for Results it is 31.20%, Innovation it is 31.40%,Managerial ability it is 31.40%, Functional Expertise it is 31.80,Technical skills it is 32.80 and for Aptitude it is 33%..

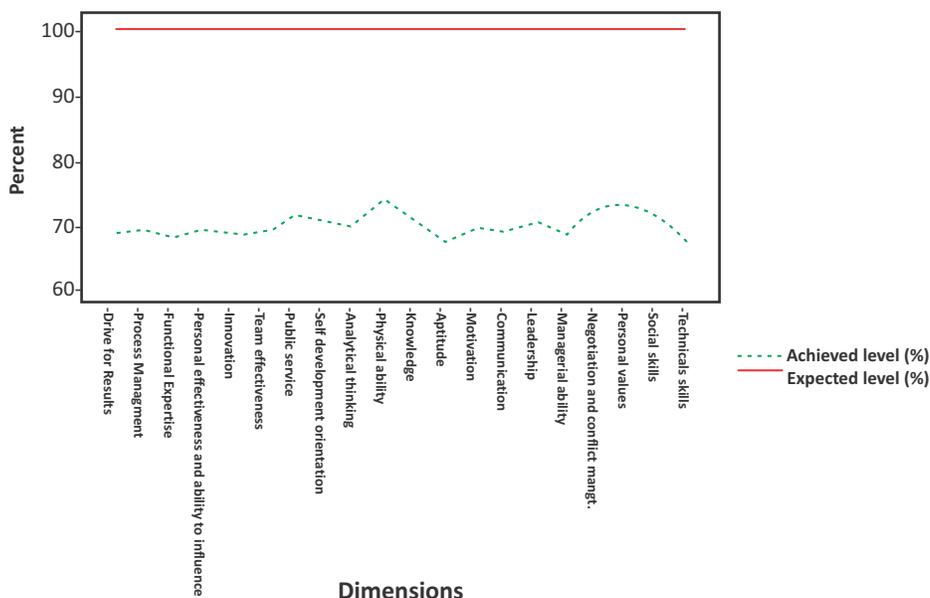


FIG:1 Diagram shows the gap between the expected and the achieved level of performance in all Twenty dimensions.

The Figure indicates expected level and achieved levels of performance in the 20 Dimensions used for the current study. The gap has to be minimal for higher level of achievement, The achievement in Physical ability is higher among the police

personnel when compared to other dimensions like Aptitude, Technical skills, functional expertise, managerial ability, innovation, drive for results, communication, Team effectiveness, personal ability and ability to influence is v which is low among the police personnel. The gap between the expected and the achieved level of performance ranges between 26% and 33%.

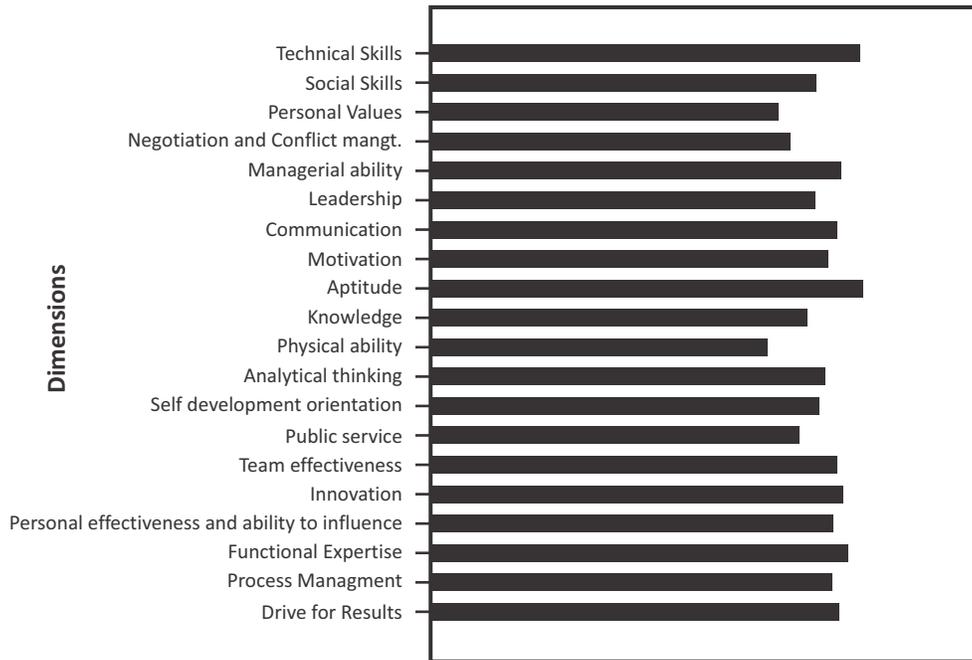


FIG:2 Diagram showing Gap % on the various twenty dimensions.

Suggestions, Recommendations and Conclusions

Richard E. Boyatzis (2009) identified in their study that Emotional, social and cognitive intelligence competencies predict effectiveness in professional, management and leadership roles in many sectors of society. In addition, these competencies can be developed in adults. It is recommended that the policy makers and the administrators to minimize the gap to the least possible level by devising suitable policies and monitoring the proper implementation of these policies. It is also suggested that the Aptitude of police personnel should be improved to a greater extent. More concentration is needed in the dimension where the gap is found to be more than 30% these dimension included Analytical thinking, Motivation, Process Management, Personal effectiveness & ability to Influence, Team effectiveness, communication, Drive for result, Innovation, Managerial Ability, Functional Expertise, Technical skills and Aptitude. Care must be taken for the dimensions where the gaps is between 25% and

30% such as Physical ability, Personal values, Negotiation, Conflict management, Public service, knowledge, social values and Self Development Orientation. These areas more potential improvement can be made by giving special training programmes etc by the policy makers keeping all these dimension in mind.

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Enhancement in Employee Skills and Benefits to Employees and Organization with respect to CSR Initiatives

Dr. Rupali Arora*

Abstract

The introduction of liberalization, privatization and globalization has brought the dramatic change in the market of Indian society. A firm can bring out the change in society by working with partners who have the ability to be the major catalyst for that change. CSR (Corporate Social Responsibility) is one way for businesses to show their responsibility towards the society. Since the primary goal of every organization is to maximize its profit but social responsibility is the force that compels them to think about the people within and outside the organizations. The business is bound to come in contact with entities like owners, employees, customers, government, suppliers etc. Indian organizations are growing more committed and answerable towards their stakeholders due to growing concern over CSR. Moreover the organizations are aware of the perception of their shareholders, which is highly affected not only by the organization's financial performance but also by their environmental and social performance. This paper tries to find out in banking sector what are the benefits that are gained by an employer as well as by an employee by performing the CSR activities. It is also an attempt to minimize the gap in research since it is important to study the motive behind the employer's CSR activities and what skill enhancement takes place in an employee due to participation in CSR activities.

Keywords: Corporate Social Responsibility, Skill Enhancement, Sustainable Development, Employee Morale and Organizational Effectiveness.

Introduction

CSR in India has come out of its early years and has become a business in itself. The government is required to look into the CSR as it has gained a great attention in recent time. Now the government is framing policies to involve businesses to be a part of development in spite of the fact that they are publicizing their achievements. However, the CSR has evolved to be acceptable to all. According to Steiner, "Social Responsibility implies recognition and understanding of the aspirations of society and determination to contribute towards their achievements". Although it's quite a popular notion still there are issues that require the attention of corporate. Today, media and society both are requesting companies to also take care of their social and environmental problems while doing businesses. The government ask the companies to make CSR related framework i.e. its areas, activities and investments to be broadly defined and to include CSR in their mission, vision as well as strategic planning. Usually, the main issues that are addressed by CSR are business ethics, community engagement, water management, use of natural resource, human rights, and global warming. The organizations need to demonstrate the

excellent relationship with society for healthier development and survival in this competitive world.

CSR, also called as Sustainable Responsible Business (SRB), which is a form of corporate self-regulation integrated into the business model. Industrialization and commercialization of service sector have explored wide areas of progress but at the same time, has increased the dependence on nonrenewable energy sources, rise in pollution and environmental issues which have harmful effects on the future generation. By giving importance to sustainable development, environmental performance, closely encircling the pollution control and effective use of natural resources has given the grand acknowledgment to the Corporate Social Responsibility (CSR). For the maximum sustainable development, it is important to give place to principles of CSR in operating activity of business.

In past few years, the social responsibility behavior of banking sector is observed to be highly structured. The CSR is aimed to address the financial issues of the country and the socio-economic development of the country by highlighting the activities like poverty eradication, health, and medical care,

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rural area development, self-employment training and financial literacy training, infrastructure development, education and environment protection. RBI also realized the importance of CSR for the sustainable development of the economy. Reserve Bank of India (2007) stated that CSR entails the integration of environmental and social anxiety by companies in their business activities and interaction with their stakeholders. Public, as well as private sector banks, have common areas to give thrust to the CSR practice. These are community welfare, education, environment, child welfare, rural development, healthcare, poverty education, women's empowerment, vocational training, protection to the girl child and employment.

Some recent initiative by Indian Banks

To minimize the issue related ecological and environmental changes RBI has taken the decision to opt for the energy efficient buildings. Ensuring the sustainable development of India the small industrial development bank of India (major financial support entity for small and medium scale industries) has introduced the environmental and social aspects in its core business activities. SBI, the oldest bank for its leading operations has adopted the green banking. Alarmed by the global warming bank has taken the initiative to fight the climate change by imagining two approaches viz. i) To reduce the Bank's own carbon footprint and ii) encourage its clients to adopt low carbon emission practices. ICICI has shown its interest in environmental changes and also extended a great support for clean technology projects. It has given credit freedom for zero emission vehicles. IDBI has also joined hands with Smile Foundation in social development initiatives. Whereas YES BANK India's fourth largest private sector Bank, in association with CARE India, a humanitarian relief and development NGO has launched country's first Social Deposit Account (SDA). Axis Bank Foundation (ABF) aims to donate in the areas of education and healthcare. It has set up numerous programs which provide educational support.

Literature Review

Nitin Kumar's (2014), the paper focuses on the reviewing the problems and challenges faced by CSR and also encompasses CSR status in India.

Anupam Sharma & Ravi Kiran (2013), in their study on CSR: Challenges and Driving Forces reviewed the CSR literature from 1975-2011, which conveys changing dimensions of CSR practices.

Timane R & Tale Tushar (2012), with their research, proved that CSR had changed from its traditional philanthropic approach and has come a long way from just fulfilling the responsibility which only included the welfare of its employees and their families. In India its widely accepted tradition by businesses to come forth in community programs and philanthropic activities, the current generation of entrepreneur are effectively following this tradition. They have known the advantage of the ethical behavior of the company towards society. As a result, they are receiving benefits of their well doing in the form of low tax rates, reduced regulatory intervention, much faster approvals, highly motivated workforce, customer loyalty, risk mitigation, enhanced brand image, value based supplier network, and favorable public opinion about the company. This paper analyzes these business benefits received by the Indian businesses.

Shah Bhaskar (2010), has taken a case study of Bharat Petroleum Corporation Ltd. for their research work. The broad relationship between the organization and society came out of this research. The paper also highlighted that organization has its existence only with society. The organization gets the resources from society and it provides services in return.

Mc William & S.Seigal (2010), provided the importance of CSR as a tool for improving the reputation and image of companies. If firms use the CSR umbrella to sell its goods it automatically leads to the consumer loyalty and increased revenue. Further the study also focuses on the importance of advertising the companies social welfare to make the customer aware of their concern to society.

Moon(2004), the paper analyzed the role of government in CSR activities among the corporate. The study also explained that business and society are the drivers of CSR. Further the study cleared that government is the driver of CSR, which makes this relationship true and fair by making policies and regulations. The study also tells about the situation in other's country and how their government has taken charge of CSR of business.

Nigel Sarbutts (2003), the paper explored that how small and medium scale firms are doing CSR activities. It also put light on the structured approach to managing corporate reputation and profit maximization of SME's through CSR. The small companies find it hard to do social activities with their cost related with benefits. They always struggle for more reputation and minimization of risk. In such situation, CSR acts as a beacon of hope for these companies. Also the paper stated that large companies have ample amount of resources for the CSR activities and small scale businesses have few.

Windsor(2001), article forecasted that what could be the relationship between society and business or the future of CSR in the long run. The question that was analyzed is what will be the changing phase of CSR and whether the society and businesses will come together in future. Researchers found three emerging alternatives of CSR from its previous trends, Carroll's model analysis in global context. This paper led to the conception of responsibility, stakeholder's management practices and global corporation citizenship.

Need and objectives of Research

Corporate social responsibility is more of a selfless behavior shown for the society welfare. Corporations are required to give more attention to the society and most importantly their employees rather than only stressing on the outcomes of economic and business activities. Improvement of the employees quality of life, as well as well being of employees families, local community and overall society are the obligations of corporations. Rapid increase in globalization has made the CSR the primary concern by the public for the organizations and has become the essential part of business strategy. Moreover, it can be used as a tool for the Employee Retention(Timane R & Tale Tushar 2012).

CSR impacts the behavior as well as the working attitudes of the employees. This improved attitude and behavior can become the key to success for the organizations. So to give benefits to the employee and to improve the development of the organization, the organization should give equal importance to CSR.

A large number of studies are being carried out regarding the benefits of CSR to society. But very little attention is being given to the employee perspective and studies are majorly concerned with financial and customer perspective. CSR research on

employee perspective level is still in its initial state. So as to closely analyze the impact on employees the present study targets the employee perception of CSR with the following objectives:

- To know employees perception about Corporate Social Responsibility activities leading to improved employee skills.
- To find out from the least important to the most important objectives for an organization volunteering CSR activities.
- To know about employees views on CSR and benefit they get from volunteering.

Research Methodology:

This study was conducted to provide an insight into employee's perspective of the CSR activities that explains how CSR influences employees 'attitude, behavior and performance. To select the respondents, convenience sampling method was used. A total of 70 respondents (executive level) from public and private sector banks in Chandigarh were administered the questionnaire and the results were used for data analysis. The Demographics Profile is presented in Table 7 to Table 10.

Data Analysis and Interpretation:

Tool used- Chi-Square Test:

The Chi-Square Test procedure tabulates a variable into categories and computes a chi-square statistic. This goodness-of-fit test compares the observed and expected frequencies in each category to test that all categories contain the same proportion of values or test that each category contains a user-specified proportion of values.

Test Statistics

	Var1	Var2	Var3	Var4	Var5	Var6	Var7
Chi-Square	30.129 ^a	25.484 ^a	11.032 ^a	8.968 ^a	7.935 ^a	11.032 ^a	8.258 ^b
df	3	3	3	3	3	3	2
Asymp. Sig.	.000	.000	.012	.030	.047	.012	.016

Test Statistics

	Var8	Var9	Var10
Chi-Square	11.742 ^a	27.032 ^a	29.613 ^a
df	2	3	3
Asymp. Sig.	.003	.000	.000

P Value is a function of the observed sample results (a statistic) that is used for testing a statistical hypothesis. It helps you determine the significance of your results. Normally, a value for level of significance is < .01. The results of chi –square test as above shows that the results of the research can be generalized and further research gap can be indentified in all sectors which will help in formulating policies.

Findings:

Table 1 reveals that people skill i.e caring, negotiating and listening was ranked highest as in comparison to organizational accountability, planning , leadership , budgeting and survival skills and employees have least preferred budgeting skill (Table 2) that gets improved by volunteering CSR activities.

Research findings indicate that organizations believe in enhanced employee morale (Table 3) as a most important objective due to CSR activities performed by them. Also the improvement in team work was the least gained objective (Table 4) after volunteering in CSR activities as in comparison with other objectives like better community relations, improving company’s image and creating healthier communities. Hence Indian corporations need to extend a suitable policy to put together CSR goals with those of stockholders.

With the changing environment and challenge dynamics especially in terms of fresh recruitment, pressures, target allocations in the banking industry, employees agreed that inculcating CSR practices will help in increasing benefits to the employee and provide satisfaction. Employees also strongly agree that the prevalent CSR practices followed in the organization makes employees more committed to the organization leading to overall organizational effectiveness and helps in long term profits for the organization. Hence satisfaction from results (Table 5) was ranked as the highest benefit to promoting volunteering regularly as the least ranked

benefit (Table 6) as in comparison to personal achievement, enjoyment, networking, gaining new contacts and self awareness.

Managerial Implications:

Further the research provides future scope of assessing the cultural dimensions of corporations engaging in CSR, their motives for engaging in CSR and how they plan to communicate CSR to their stakeholders in the future. Moreover the future research can be planned focusing on samples from a larger number of firms experiencing.

Strong exchange of ideas among employees of Banking Industry is must if CSR is to be the fruit of a strategic and sustainable development. Despite considerable progress in Corporate Social Responsibility area, it is recommended to increase knowledge about the positive impact of CSR on business, people and societies as employees somewhat agree that CSR policies benefits the overall work culture. As Male and Female employees somewhat disagree that proper steps been taken to inculcate values of CSR in all the employees, So Employee volunteer platforms might offer a sense of belonging, a stronger affection to the organizational culture..

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Annexures

Table 1

var2(People skill i.e caring, negotiating and listening)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	44	62.9	62.9	62.9
	2	12	17.1	17.1	80.0
	3	2	2.9	2.9	82.9
	4	10	14.3	14.3	97.1
	5	2	2.9	2.9	100.0
	Total	70	100.0	100.0	

Table 2

var6 (Budgeting skill)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	4	5.7	5.7	5.7
	4	10	14.3	14.3	20.0
	5	4	5.7	5.7	25.7
	6	16	22.9	22.9	48.6
	7	36	51.4	51.4	100.0
	Total	70	100.0	100.0	

Table 3

var4a(help in improving employee morale)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	32	45.7	45.7	45.7
	2	14	20.0	20.0	65.7
	3	2	2.9	2.9	68.6
	4	16	22.9	22.9	91.4
	6	6	8.6	8.6	100.0
	Total	70	100.0	100.0	

Table 4

var6a(improve company's teamwork)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	10	14.3	14.3	14.3
	3	14	20.0	20.0	34.3
	4	10	14.3	14.3	48.6
	5	4	5.7	5.7	54.3
	6	32	45.7	45.7	100.0
	Total	70	100.0	100.0	

Table 5

var1b(Satisfaction from result)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	28	40.0	40.0	40.0
	2	12	17.1	17.1	57.1
	4	6	8.6	8.6	65.7
	5	8	11.4	11.4	77.1
	7	4	5.7	5.7	82.9
	8	2	2.9	2.9	85.7
	9	4	5.7	5.7	91.4
	10	6	8.6	8.6	100.0
	Total	70	100.0	100.0	

Table 6

var11b (Promoting volunteering regularly)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	6	8.6	8.6	8.6
	10	6	8.6	8.6	17.1
	11	58	82.9	82.9	100.0
	Total	70	100.0	100.0	

Demographics Profile:

Table 7

Work Experience					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 year	14	20.0	20.0	20.0
	1-2 years	14	20.0	20.0	40.0
	3-4 years	26	37.1	37.1	77.1
	More than 5 years	16	22.9	22.9	100.0
	Total	70	100.0	100.0	

Table 8

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	44	62.9	62.9	62.9
	Female	26	37.1	37.1	100.0
	Total	70	100.0	100.0	

Table 9

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 25 years	18	25.7	25.7	25.7
	25-35 years	44	62.9	62.9	88.6
	36-45 years	4	5.7	5.7	94.3
	Above 45 years	4	5.7	5.7	100.0
	Total	70	100.0	100.0	

Table 10

Marital Status					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	30	42.9	42.9	42.9
	Married	40	57.1	57.1	100.0
	Total	70	100.0	100.0	

E-Waste Management: A Research Review

Dr. Sukhmani*

Abstract

Rapid changes in technology, changes in media (tapes, software, MP3), falling prices, and planned obsolescence have resulted in a fast-growing surplus of electronic waste around the globe. Technical solutions are available, but in most cases a legal framework, a collection, logistics, and other services need to be implemented before a technical solution can be applied. The best solution to deal with the problem is by creating awareness amongst the various stakeholders regarding various issues of e-waste. Awareness among stakeholders can help in controlling the flow of e-waste into improper disposal sites. Also, the implementation of various policies framed by government should be the responsibility of the stakeholders. This will lead to healthier population with eco friendly environment

Keywords: *Technology blast, e-waste management practices, government support*

Advancement in the field of science and technology brought industrial revolution in 18th century, which also led to a progress in human civilization. The information and communication revolution in the 20th century helped in effectively organizing human lives, economies, industries and institutions. The global growth in electrical and electronic equipment production and its consumption has been remarkable since last few decades. Electronic gadgets have made a way through Indian society irrespective of the socio-economic factors like age, income, education etc. Though it is a positive sign of development for a country like India still the management of such gadgets remains a challenge. The end of life state of electronic gadgets is the state wherein the useful life time has ended and the gadget is not supported for marketing or servicing. Such state is commonly referred as e-waste these days. E-waste typically includes discarded computer monitors, motherboards, cathode ray tubes (CRTs), printed circuit board (PCB), mobile phones and chargers, compact discs, headphones, white goods such as liquid crystal displays (LCD)/ plasma televisions, air conditioners, refrigerators etc. EU (2002) has categorized the electrical and electronic equipment into broad categories namely large household appliances, small household appliances, IT and telecommunication equipment, consumer equipment, lighting equipment, electric and electronic tools, toys, leisure and sports equipment, medical devices, monitoring and control instruments and automatic dispensers.

According to UNEP (2007) e-waste comprises of various electrical and electronic equipment that are old, end of life electronic appliances and have ceased to be of any value to their owners. Schluep (2009) stated that 40 million tons of e-waste comprising of fridges, air conditioners, ovens, computers, LED's etc is generated in one year globally. India generates 380,000 tons of e-waste each year which is growing by 15% annually (Greenpeace, 2008). According to UNEP (2010) this e-waste generation is expected to grow by 500% by 2020. Out of the e-waste generated in India, only 5% is recycled. The forecast also states that e-waste only from mobile phones will grow 18 times in India by 2020.

Generation of E-waste

The sudden increase in e-waste can be attributed to the switch over from older analog broadcast spectrum to more efficient digital standards. Mass switch over has been observed from CRT to LCD computer monitors, VCRs to new DVD to CD players, etc.

Another disturbing effect has been the passing of e-waste to less developed countries (LDCs). Though, initially it was seen as an opportunity for LDCs as they accepted hazardous waste for a fee which generated income for many (Wath et al, 2010). But later, this practice was enlisted as 'toxic colonialism'. The outcries over this practice lead to Basel Convention wherein

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173 countries became signatories for control of trans-boundary movements of hazardous waste and their disposal.

E-waste in India

The majority of Indian e-waste is generated domestically. Imports still account for a substantial amount of e-waste, but their share is decreasing. The main sources of waste in India are governmental institutions public and private sector institutions, product and component manufacturers, and individual households. The Indian definition of e-waste primarily includes old computers and associated equipment as well as mobile phones. These items become obsolete much more quickly than other electronics. In India, the general lifespan of a computer is three to five years. In contrast to that, the lifespan of a television, refrigerator or washing machine is ten to fifteen years (Basu, 2008). While it is estimated that private consumers generate only about 20% (Toxics Link, 2004) of India's e-waste, governmental institutions, industry in general, and especially manufacturers of electrical and electronic equipment share the main responsibility for the constantly growing stream of e-waste. One of the biggest consumers of electronic products in India is the government. Sectors such as health care and defense rely on up-to-date equipment. Consequently, they replace their old electronic products frequently, thus creating a vast amount of e-waste (Sinha, 2008). Another major source is the electrical and electronic equipment manufacturing industry. In addition to the Indian companies, nearly all global electronic manufacturers have set up facilities in India. While it is in the self interest of the manufactures to increase their sales by producing products with a short lifespan, the side effect is an ever-increasing amount of e-waste (Sinha, 2008). If government agencies and manufacturers need to replace their electronics, they often auction the e-waste. However, there is no regulation in place requiring the highest bidder to have a certificate that would ensure an environmentally sound management of the e-waste.

E-waste is generated in households and corporates (including private and government companies). As per one study 68% of e waste is stockpiled in USA (HP, 2005). In India, the number is likely to be much higher. The collection of this waste happens in different ways. The chains start from rag pickers, and move up to local scrap dealers, area aggregators and finally recyclers. Corporate business houses sell their old e-waste to second-hand buyers through various means such as auction, scrap sale or open bidding. Once e-waste is collected from its generators, it is resold or rented or donated or dismantled for parts or sold on basis of weight to scrap dealers. Most of the recycling community works in the informal sector. The aggregate e waste is taken by a larger scrap dealer who sorts the material as per his

own convenience. The non usable equipment is dismantled manually. The easily separable parts such as plastics, glass, metal cabinets etc are directly sold in various markets. The more complicated parts such as mother boards, assemblies, fused parts etc are usually sold to an informal recycler. These metals are sold to smelters. In most cases, the extraction techniques are so crude that the output is also contaminated. Also the efficiency of such techniques is only about 30%. From the usable part of the collected e-waste, some is sold directly in second hand sale, some is refurbished and sold as a refurbished product, some is donated to charity and some is rented.

Challenges in e-waste management

The unregulated accumulation of e-waste is an immediate and long term concern for both developed and developing nations. The increased generation of e-waste each year is leading to major environmental problems endangering all living beings on planet earth (UNEP, 2010). The unsustainable consumption and production process are a serious challenge. The significant increase in e-devices does not correspond to growth in their collection, reuse and recycling (Kahhat et al, 2008). The issue is due to the toxic nature of electronic components presenting hazard to ecosystem as a whole. The presence of various metals in e-waste like mercury, lead, gold, cadmium etc., when burnt lead to various health hazards for humans as well as animals apart from the disturbance in the natural environment. Such metals affect nervous system, lungs, kidneys, bladder etc. (Pinto, 2008). About 2/3s of e-waste workers in India suffer from respiratory ailments like breathing difficulties, irritation, coughing, choking, and tremors problems due to improper safeguards and dismantling workshops. The recovery of metals like gold, platinum, copper and lead uses caustic soda and concentrated acids. Computers, televisions and mobile phones are most dangerous because they have high levels of lead, mercury and cadmium and they have short life-spans, so are discarded more.

E waste management Practices

Currently the e-waste management practices in developing countries are totally disorganized which are threatening for human life as well as ecology as a whole. E-waste management in systematic manner is the need of the hour by way of removal /recovery of valuable metals from e-waste chain.

There are currently four ways in which e-waste can be treated/ managed though none of the methods is fully satisfactory. Most common one is storing e-waste in landfills followed by incineration, reusing and recycling. Large number of e- products contains materials which cannot be easily recycled due to

presence of plastic content which is hard to recycle along with the problem of disassembling parts of the product. Also the various recycling treatments of e-waste are very raw and dangerous (MPCB, 2007). (Sinha, 2007) discussed about the various phases in e-waste management. The foremost step in e-waste management was considered to be creation of awareness among the stakeholders followed by policy framing by government. Sustainable models for management can be developed taking into consideration the human, environmental and international aspects. Efforts can also be made for implementation of such models for recycling; recovery processes using low cost and eco friendly methods (Wath, 2010).

India has already been fighting against various challenges posed by its ever growing population and various social problems attached therewith. As a developing country it also is on constant threat from developed nations. E- Waste generation has added to the threats and development all the more. There are various practices which can safeguard India from the harmful effects of e-waste.

India should extensively use Extended Producer Responsibility model, wherein the manufacturer of the product is responsible for entire lifecycle of the product which means that responsibility of the producer extends beyond post consumer stage. Another practice could be development of formal e-waste handling and management system. The system may include officials associations at government level who can design and implement the handling of e-waste right from its launch till discard. The content of hazardous substances like mercury, lead, cadmium etc can also be reduced while manufacturing electronic gadgets and products. Such hazardous substances can be replaced by more environment friendly and biodegradable components. Extraction of various precious materials from e-waste can serve as a profitable business opportunity for Indian population. Janani, (2005) stated that early generation computers contained up to 4 gm of gold which has now been decreased to 1gm. Also, 1 ton of e-waste is found to contain up to 0.2 tons of copper which can be sold at amazingly high prices in world market (Soderstrom, 2004). India needs to focus and develop its Research and Development sector in a more rigorous manner.

Government of India has drafted various legislations and policies to curb the problem of e-waste. Hazardous materials (Management, handling and trans-boundary movements) Rules, 2007 have been enacted as part of Environmental Protection Act 1986. India is also a signatory to Basel

Convention. Further e-waste (Management and handling rules), 2011 have been brought into action from May 2012. India will no longer consider requests to import certain categories of scrap electronics in an effort to prevent the material from later becoming burdensome e-waste.

The Ministry of Environment, Forest and Climate Change said that it will no longer consider applications to import e-scrap for trading purposes. Imports of used computers, servers and accessories won't be allowed unless those devices are scheduled for re-export within a year. In addition, the government is prohibiting imports of used medical equipment that is more than three years old.

Apart from government, it is also the responsibility of manufacturers, consumers, regulators, municipal authorities and policy makers to take up the matter of e-waste seriously. Stakeholders should initiate the awareness campaigns. Also the global interconnections between developing and developed countries would help in addressing the problem to a larger extent. Government needs to develop specific e-waste management policies and should make effective efforts for implementation of such policies. Existing e-waste management models followed abroad can be taken as a benchmark to start with. The various initiatives that need to be taken for management of e-waste include reusing of operational units by donating it to people who can't afford to buy new devices, Refurbishment/repair of usable components, Reuse and recovery of components and peripherals, Recycling the remaining e-waste that cannot be used directly and proper and safe disposal of remaining unusable e-waste in landfills without impacting the nearby ecosystem and population.

Conclusions

E-waste generation is definitely a challenge for the world and especially for the developing nations like India. Two major challenges in this business are low awareness level among the companies and individuals about the recycling and the collection of the waste products. Because of low infrastructure, collection of electronics for recycling becomes much more costly affair. The best solution to deal with the problem is by creating awareness amongst the various stakeholders regarding various issues of e-waste. Awareness among stakeholders can help in controlling the flow of e-waste into improper disposal sites. Also, the implementation of various policies framed by government should be the responsibility of the stakeholders. This will lead to healthier population with eco friendly environment.

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Payments and Banking with Mobile Devices: A study of E-Wallet and Apps with Pragmatic view

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Abstract

Cash is no longer king due payment point of view. Cards and consumer finance are becoming the dominant modes for settling bills in Urban India. **Mukherjee, Writankar and Ray, Atmadip (2016)** Number of internet users in India by 730 million by 2020, as 330 million fixed and mobile subscriptions in Dec 2015. As per data of NASSCOM and AKAMAI Technologies "The Future of Internet in India Report", the chart app service users includes: Whatsapp (1bn), Viber (784Mn), Wechart (697 Mn), Line (560mn) and Hike messenger (100 Mn) etc. Today, 30 percent market share in total mobile transactions that get done in the banking system. E-Wallets(Electronic wallet) are issued by banks, big e-tailers, third party independent payment companies and by mobile operators. According to the RBI, the combined volume of credit and debit usage was 166 million in November 2015. In contrast, Paytm alone claims 70 million to 75 million monthly transactions, and Mobikwik around 60 million. Alibaba backed Paytm is India's largest payments company with 120 million existing users. Nevertheless, the app based wallets such as Paytm, Mobikwik, citrus and Freecharge with their one touch solution. At the same time, the young generation is being captured by payment companies. Thus, banks had to launch their own digital wallets like PayZaap and Pockets introduced by HDFC and ICICI bank respectively. The M-wallet players such as Paytm, Citrus Pay, Mobikwik, Oxigen, Airtel Money, M-Pesa and M-rupee among others are moving aggressively to scale up. M-wallet players will have to advantage in e-commerce cab service, online recharge, bus ticket bookings and online food payments etc. the Cash will continue to reign in the wallet. Rupay accounts for 37 percent of total number of plastic cards in circulation amounting to around 5 million are platinum cards meant for high-end customers and around 190 million as Jan Dhan cards.

Keywords: E-Wallets, E-commerce, Digital and technology, Revolution, Techological.

Introduction

The technological revolution that the banking sector has been witnessing across foreign, private and public sector banks seriously. The technological revolution has made banking easier and more accessible. Digital cash or mobile wallets such as Paytm, Freecharge, Mobikwik and Oxigen have improving access for consumers through the digital platform and electronic channels. Mobile wallet is a digital account which is equivalent to a physical wallet. While banks had barely settled down with their internet banking offerings, mobile banking has already emerged as a new. In a digital payment revolution, wallet companies are aggressively tying up with retailers to let customers use mobile payments. National Payments Corporation of India (NPCL), a company promoted by banks, is working on a mechanism that will allow customers to transfer money and make payments almost as easily as they send a text message. The digital payments are on rise in India: such as the cash to gross domestic product ratio is 12.4% in 2014, compared to 9.5% in China and 4% in Brazil. Further, the circulation of

currency notes is high the US has 34.5 billion notes in circulation and India has 76.5 billion.

Objectives of the Study:

The paper aims to study the new generation of payment system business in India. It specifically highlights:

- To discuss the concept of digital India and wallets types and development of apps system in India.;
- The growth and present status of mobile payment system and apps in India;
- The opportunities and hindrances by using the mobile payment and apps system.

Methodology

The present study is descriptive in nature and basically cover secondary source of data. The information presented in this paper have been collected from various journals, news paper writings, web sites of different research institutes and

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ministries.

DISCUSSION OF THE PAPER

DIGITAL INDIA :A WAY FORWARD

Bharat Net, earlier known as the Natural Optical Fiber Network. There is only one fully digital state in the country Kerala. Bharat Net has managed to digitally connect only Chandigarh, Puducherry and parts of Karnataka. According to the International Telecom Union 2014 State of Broadband Report, India is ranked 142nd out of 166 nations in internet usage below Sri Lanka and Bhutan. Currently, a special purpose vehicle, Bharat Broadband Network incorporated in 2012 under the Union Communications and IT ministry is handling the rollout of the optical fiber network. The project is being executed by State Owned BSNL, Railtel and Powergrid in the ratio of 70:15:15. Taneja, Mansi (2016) India, with its 400 million internet users rising penetration of smartphones and improving bandwidth will grow to become the most preferred fertile ground for marketers and advertisers in the digital platform. Technological

revolution has made banking easier and more accessible. The leveraging the digital play is important for consumer convenience, as it is extremely important for all financial institutions. **Anand, Nupur(2016)**

Different Types of Wallets

- 1. Open Wallet:** This allows you to shop at any merchants of your choice and also permits withdrawal of money. These wallets can only be issued by banks or in association with banks. Ex-Axis Bank.
- 2. Semi-Closed Wallet:** With the use of this wallet consumers can shop or pay at even other merchants/sites but they cannot withdraw money. Ex-Paytm.
- 3. Closed Wallet:** This is typically issued by an e-commerce player and allows the consumer to use the wallet only for that company/websites. Ex. Bookmyshow.

Table 01 : Different wallets introduced by different companies

Bank Sponsored Wallets	ICICI Pockets, Axis Live, HDFC PayZapp, SBI Buddy, Kotak Bank's Kay Pay
Third-Party Wallets	PayTM, PayVMoney, Oxigen, Citrus Pay
E-Commerce Wallets	Flipkart Wallet, OLA Money
Mobile Operators Wallets	Airtel Money, Vodafone Mpesa, Idea Money

(Source: Business Standard, 30th November 2015, p.2)

Table 02 : Transactions of Mobile Banking and Mobile Wallets during 2012-13 to 2014-15

Year	Mobile Banking		Year	Mobile Wallets	
	No of Transactions (Million)	Value(Rs Crore)		No of Transactions (Million)	Value (Rs Crore)
2012-13	53	6,000	2012-13	33	1,000
2013-14	95	22,400	2013-14	108	2,900
2014-15	172	1,03,500	2014-15	255	8,200

(Source: RBI)

Table 01 state the different types of wallets introduce by the companies. The Table 02 depicted the transactions of mobile banking and wallets during 2012-13 to 2014-15. The number of transactions has been increased from 53 million to 172 million in 2014-15 respectively in case of mobile banking. Further, mobile wallets no. of transactions has also been increased 33 million in 2012-13 to 255 million during 2014-15. Thus, mobile

banking is spreading to the billion mobile customers across the country, there are some bankers who are predicting "wearable technology" as the future delivery channel. Further, cash transactions impose a huge financial burden on an economy. According to a new study by Visa, the cost of cash transactions in India is equivalent to 1.7 percent of the Gross Domestic Product (GDP) in 2015.

Table 03: Transaction statement per card of Debit card and Credit Card.

Year	Debit cards		Credit cards	
	No. of transaction per card	Value of transaction per card(Rs.)	No. of transaction per card	Value of transaction per card(Rs.)
2011-12	19.44	2,684	18.15	3,055
2012-13	18.03	2,917	20.42	3,117
2013-14	17.51	2,976	26.22	2,975
2014-15	14.10	2,998	29.34	3,105
2015-16	13.97	2,915	32.31	3,078

Source: The Economic Times, 2nd November 2016, p.14.

Table 04 : Market share of World of Apps

Brand	Pactwith	Market Share %
Samsung	Vc Clip	26.8%
Micromax	Ixigo, Healthifyv, Transrve	14.1%
Xiaomi	Hungama	3.5%
Le Eco	Yupp TV, Hungama, Cloud Storage	1%
One Plus	Air Console	1%

(Source: Industry, Companies, IDC, Business Standard, 10th May 2016, p.2)

Table 05 : Leading Banks wallets launched

SL	Company	Wallet Launched	Transaction Volume
1	Paytm	2014	75 Million
2	Mobikwik	2012	60 Million
3	Citrus	2014	10.5 Million
4	HDFC Bank	Mobile banking 2012 App	197 Lakhs
5	HDFC	Chillr 2015	11.72 lakhs
6	HDFC	Payzapp 2015	31 lakhs
7	Axis Bank	Axis Mobile App 2012	347 lakh
8	Axis Bank	Ping Pay	8.982
9	ICICI Bank	IMobile banking App 2008	31 Million
10	ICICI Bank	Pockets 2015	03 Million

(Source: Das, gautam and Adhikari, Anand (2016) "New-Turf War", Business Today , Vol.25, No.3, Feb 1-4, 2016, pp.42-52)

Banking is rapidly transformation, and the world including India. Banks have a tremendous ability to disrupt the disruptors. Table 03: Transaction statement per card of Debit card and Credit Card. Table05 : Leading Banks wallets launched. Payment firms can provide plain vanilla digital wallets. Mobile is only an enabler. Wallet is also loaded on to a mobile. Today, mobile wallets can be loaded with Rs.10,000 with a mobile number and e-mail verification process. A full KYC can jack up the wallet balance to Rs.1,00,000 lakhs. The digital revolution has transformed banking with digital taking precedence over physical banking. From 2012-13 to 2015-16, the mobile banking

transactions increased from Rs.60 billion to Rs.4,018 billion. Table 04 : Market share of World of Apps. Globally, cash transaction value as percentage of total transactions is Indonesia(69 percent), Russia(69 percent), India(68 percent), Thailand (59 percent), Malaysia(55 percent), Mexico(47 percent), China(45 percent), Brazil(43 percent), Japan(38 percent), Korea(30 percent), US(20 percent), Australia(14 percent), UK(11 percent), Canada(10 percent), and France(08 percent) as per CLSA Report 2016. Thus, around the world , cashless transactions have been growing.

Hindrances of by using Mobile Wallets and Apps.

1. The digital payment is merchant's reluctance to take PoS terminals, as these are costly and it take more time than cash payments.
2. The App focused payments reduce the need for physical infrastructure. Further, the Paytm app can be used for offline payments. It has already tied up with retailers such as Café Coffee Day and Barista. **Bhasin, Tinesh and Singh, Sanjay Kumar (2016)**
3. Mobile will also become an increasingly important platform for ecommerce. Further, Adblocking is becoming a major issue in the mobile now, as well as the desktop space. **Sheehan, Brian (2016)**
4. ICICI bank has launched a contactless mobile payment solution through which its customers will be able to make payments by waving their cell phones near a contact less merchant terminal.
5. SBI's Buddy , ICICI's Pockets, HDFC Bank's Payzapp and Axis Lime are the new kids on the block, challenging the likes of Paytm, Mobikwik and Citruspay.
6. The new age wallets are promoted by deep-pocketed investors allowing them to attract consumers with discounts and cashback offers. Chinese ecommerce giants Alibaba Group, for example, has invested close to \$900 million in Paytm for about a 40% stake. **Rebello, Juel and Bhakta, Pratik (2016)**

Table 06: India's Top Mobile Payment Apps

Sl	Company	Reach Percentage (%)
1	Paytm	39
2	Freecharge	26
3	Mobikwik	17
4	My Airtel	10
5	Oxigen Wallet	7
6	My Vodafone	6
7	Paytm Wallet	5
8	Pockets by ICICI	4

Reach (%): Dec 2015, Source: Nielsen

India's largest e-commerce player Flipkart has launched a digital wallet, Flipkart money. Further, Rival Amazon applied for a wallet license with the country's central bank RBI. Table 06: India's Top Mobile Payment Apps. Besides, e-commerce majors, transportation startups like OLA and Uber are also in the fray to get a share of the wallet business. The OLA money app is being used widely for mobile recharges across a range of operators. Mishra, Digbijay and Sharma, Samidha (2016). The education sector in India is worth about \$100 billion (about Rs 6.7 lakh crore). The mobile wallet is planning to provide a cashless alternative to payments of all kinds across schools. Colleges, universities as well as premier institutions.

Choudhury, karan (2016). The launch of unified payment interface catches on and more government services are offered via app on mobile; further, India is a value conscious market. Good policy making could provide a fillip to growth in this space and in turn, faster networks cheaper data plans and more smart phone penetration would result in multiple positive external factors. Frecharge, the digital payments platform acquired by Snapdeal has partnered with payment gateway solution provider, payUbiz to further strengthen its merchant base and help customers move from cash to digital payments Choudhury, Karan (2016)

Table 07: Acquisitions in Payments Market in India.

SL	Acquirer	Target	Year
1	Snapdeal	Freecharge	April 2015
2	Airtel	YTS	August 2015
3	OLA	Zipcash	October 2015
4	Amazon	Emvantage	February 2016
5	Paylo	Ruplee	March 2016
6	OLA	Qarth	March 2016
7	Flipkart	Phonepe	April 2016
9	Shopclues	Momoe	July 2016

(Source: Tracxn, TNN, 9th August 2016, TOI, P. Business)

Technology is going to be the biggest driver for the industry. Banks have to be agile and active to keep evolving their business model. Banks are need to be nimble, agile and ahead in terms of technology. E-business and travel there is massive potential to be tapped in the bill payments space. Table 07: Acquisitions in Payments Market in India. Amazon is engaged in a battle with Flipkart and Snapdeal, both backed by Chinese e-commerce player Alibaba, to capture a slice of India's fledging e-commerce market. Peermohamed, Alnoor (2016) Many leading banks have launched smart watch apps with basic features like checking an account balance or transactions. Thus, these are Canada's CIBC bank provides quick transfer via. Apple watch

App, Poland's bank Millennium started its ATMs and make payment in store, Natwest in UK started customers use their Apple watch to withdraw cash from an ATM without their Debit card, and Caixa bank of Spain introduced emerging touchpoints such as Google Glass and Smart TVs etc. Table:08 stated the new Over the Top(OTT) environment launched in India. The Internet of Things(IOT) refers to a network of inter connected devices that can be accessed through the Internet. The IOT market in India is expected to grow up to \$15 billion by 2020 from \$5.6 billion in 2016-17. IOT is set to become a major differentiator in driving the next generation of services and products.

Table:08 stated the new Over the Top(OTT) environment launched in India.

SI	Company	OTT Platform (over the top)	Year of launch
1	Star India	Hotstar	2015
2	Zee Entertainment	Ditto	2012
3	Zee	Ozee	2016
4	Sony Pictures Network	Sony Liv	2013
5	Viacom 18	Voot	2016
6	Unidigital	Arre	2016
7	Balaji Telefilms	Alt Digital	2016
8	Net Flix	Net Flix	2016
9	Eros	ErosNow	2012
10	Vuclip	Vlu	2016
11	Enam Group, Ajay Chako and B.Saikumar	Arre	2016

Source: Industry Reports, (Source: Malvania, Urvi (2016) "Voot boots up for a child-friendly ride", Business Standard, 30th March 2016, p.10 and 20th May 2016, p.12.

Advantages using Apps

1. The access of the internet has almost become Universal. The advent of new generation companies and startups, the risk of fraud or cybercrime on e-commerce sites, internet banking, mobile wallets, payment gateways etc. is getting compromise in network and payment infrastructure. **Dastur, Navroze(2016).**
2. The perception of consumer is changing from bank first to payments first. Thus, the new digital banks and digital wallets are competing for consumers by promising better digital customer experiences. **Srivastava, Moulisree(2016).**
3. Reliance Communications (RCom) has launched "Next-Genapp-to-app calling the country and worldwide, the subscribers will make voice and video calls through apps like Whatsapp, Skype, Jiochart and Facebook Messenger etc. **Bhupta, Malini (2016).**
4. Unified Payment Interface(UPI) is a game changer for digital payments. The success of digital payments will depend on hybrid solutions that are able to leverage digital and physical networks. **Mahapatra, Manoranjan(2016).**

5. Internet Of Things(IOT) is the hardware counterpart to the software "App" market. It is widely accepted as the next big force that would drive mobility. It allows objects to be sensed and controlled remotely across existing network infrastructure, creates opportunities for direct integration between the physical world and computer based systems and results in improved efficiency, accuracy and economic benefits. IOT is going for a big leap due to pervasive wireless connectivity worldwide, smart phone availability, broadband penetration, multi-year coin cell battery life, inexpensive low power embedded processing capabilities, sensor fusion, cloud computing that effectively make a part of the network.

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Loan Repayment Performance of Pro-Poor Micro-Credit Agencies: A case study of Lift Above poverty Organization (LAPO) in Nigeria.

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Abstract

The Micro-credits system in many developing countries has been negatively impacted by poor loan repayment. Most of micro-credit agencies in such countries suffer from this critical problem. This study aimed at evaluating the loan-repayment performance of Lift Above Poverty Organization (LAPO). LAPO in Nigeria was chosen to be investigated because of its profile of attaining one million borrowers and disbursement of one billion dollars in micro-credits to smallholders. Secondary data on LAPO micro-credits from different sources from 1990 to 2014 were analyzed using Simple descriptive statistics such as percentages, mean, t-tests and regression techniques. The results of the analysis revealed that the repayment rate of LAPO was 0.92, indicating a high level of repayment performance and a low default rate (0.08). The positive effects of the volume of loans borrowed, volume of loans repaid, number of borrowers, number of credit agency staff, and borrower experience were the most important factors related to this result. Sustaining a reward system for those individuals who pay on time will be helpful in enhancing repayment performance.

Keywords: LAPO credit, loan, repayment performance, repayment rate, default rate, Nigeria

Introduction

Micro finance/credit has evolved as an important move toward the promotion of community development and poverty alleviation goals through provision of financial services to low income individuals, households and enterprises. The evolution of current Micro Finance Institution(MFI) can be traced back to the development of a wide range of institutions and movements that shared the aim of expanding financial services to the poor. The "poverty-lending" approaches emphasize the reduction of poverty through the provision of financial services to the very poor as a means of personal empowerment (Shepelwich, 2003). Micro finance, a system of providing small loans to those who are excluded from normal banking institutions, is seen by many as one way to help the poor increase their income and productivity (Falaiye, 2003). The concept of micro finance has emerged as a potential solution to the financial insecurity of the economically disadvantaged since the early 1970s. Stemming from the successes of the Grameen Bank, the new generation of credit providers has brought the concept of micro finance to the forefront of poverty alleviation, providing relatively small loans to low resource individuals and families (Dunford, 1998). In recognition of this concept, the United Nations adopted Resolution 53/197 in which it proclaimed 2005 as the International Year of Micro Credit and requested that the observance of the year be a special occasion

for giving impetus to micro credit programs throughout the world (UN Resolution 53/197, 1998). In micro financing, small sums of money are given to producers or traders with the responsibility of returning this money in addition to interest. The interest is meant to cover the expenditure of the lending institutions and to add certain profit, which will allow the institution to be sustainable. A critical problem most credit-lending agencies face is poor loan repayment. This problem has negatively affected producers/traders who need to obtain capital for their operations (Njoku&Obasi, 2001). Several studies investigated the importance of the credit facilities in less-developed countries. These studies concentrate on the effects of providing a large amount of money in the form of agricultural loans on the agricultural sector growth (FAO, 1996; Adams & Graham, 1981; Gonzalez, 1977; Pischke, 1980), with less emphasis on loan repayment. Micro finance activities in many developing countries suffer from the problem of a high incidence of default rate among borrowers. Many of these micro-credit agencies are inefficient or heavily subsidized to remain in business. In order to understand the reasons behind this problem, it is crucial to evaluate the Lift above Poverty organisation based on borrowers, repayment performance. It is important to accomplish this evaluation because a low repayment rate will reduce the volume of loanable funds to offer other borrowers, create a longer time for loan recovery and lower profitability (Awoyemi&Olowa,

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2010). Loan-repayment performance is largely affected by factors related to the borrower, the firm itself, the loan, and the lender. Among these factors, many studies concentrate on the borrower as the core of the problem. Most of these studies stated that, when the loan is not paid, it might be a result of the borrowers' unwillingness and/or inability to repay (Greenbaum&Thakor, 1995; Hoque, 2000; Colye, 2000; Ozdemir&Boran, 2004).

Borrower's unwillingness or inability to pay may evolve from unstable prices of agricultural inputs and outputs, interest rates, and the borrowers' social relations and responsibilities. The negative effect of these factors may lead to the failure of these agencies. Accordingly, lending agencies categorize the borrowers as good borrowers and bad borrowers. Monitoring the borrowers will aid in making sure that loans are utilized for the right purposes meaning that they can pay back their loans (Stiglitz & Weiss, 1981). Looking at the borrowers' past record is another criterion to determine if the borrower is likely to repay the loan or not (Greenbaum & Thakor, 1995). Borrowers with no training related to their agribusiness have a higher possibility to default (Roslan & Zaini, 2009). The lending firm characteristics may also affect their repayment performance. (Oke et al., 2007; Nannyonga, 2000; Arene, 1992). A firm's poor management procedures may contribute to most of the default. The design of the loan, access methods, screening methods, and incentives to repay may largely affect the lending agencies' repayment performance (Hulme & Mosley, 1996). The loan volume may be another issue to discuss. Awunyo (2012) stated that the larger the loan size, the lower the probability of repayment default. A poorly designed lending program and improper implementation may lead to defaults (Copisarow, 2000). To minimize the loan default in the process of loan repayment, both the borrowers and the institutional characteristics are important and should be taken into account (Derban et al., 2005).

In Nigeria, the Lift Above Poverty Organization (LAPO) is a major micro finance institution. It was incorporated as a company limited by guarantee (non-profit) under the Companies and Allied Matter Act (1990). Traders/smallholders clients are its main target group. The total value of the loans provided to clients through this cooperation by the end of 2014 was nearly \$1 billion dollar, which is around ₦350B; (₦350= 1 USD) and benefited nearly 1,000,000 customers (LAPO, 2014). The amount of the loans introduced to the clients by LAPO has increased in recent years, but the number of loans, on the other hand, has decreased despite the increased values. An efficient utilization of Lift above Poverty organization credit also means prompt repayment.

The present study is an attempt to assess the repayment performance of the micro-credit agencies as well as the

repayment performance of the borrowers using LAPO as a case study. Hence, the study investigated some important factors related to loan repayment performance drawing from the LAPO's experience and making appropriate recommendations to inform policies.

Methodology

2.1 Data

To achieve the goals of this study which is assessing the repayment performance of micro finance institution using LAPO's customers as case study, secondary data from various sources including the official website of the Microfinance, Information Exchange Incorporated, USA were used. The relative ease of availability and accessibility of required data from secondary sources over a long period of about 14 years underpinned the choice of type of data. Data used in the study included volume of loans borrowed, volume of loans repaid, number of borrowers, number of credit agency staff/client.

Table 1 shows the main credit related items of the LAPO between 2012 and 2014. Loans are in US Dollar. (₦350= 1 USD).

2.2 Analytical Framework

Simple descriptive statistics, correlation, and regression techniques were used in the data analysis for this study. To test the differences between the mean volume of credit borrowed and the mean volume repaid, Student's t-test was used. The Ordinary Least Square (OLS) method of regression was used in estimating the relationship between the repayment rate and the predictor (explanatory) variables. The predictor variables were chosen according to their importance to the repayment process. Results of many studies which investigated repayment performance (discussed earlier) found these factors critical in determining the credit agency's repayment performance level. The variables considered in our study include the volume of loans borrowed from LAPO (X1); the volume of loans repaid to the LAPO (X2); the number of borrowers (X3); the number of LAPO staff members (X4), the borrower's age (X5), and the borrowers' business experience (X6). The volume of loans borrowed from LAPO and the number of borrowers are variables related to client accessibility to credits offered by LAPO. The volume of loans repaid to LAPO is a variable related to LAPO collection performance. The dependent variable is the repayment rate (volume of repaid loans divided by the volume of loans given by LAPO). The volume of loans per LAPO staff member and the number of borrowers per LAPO staff member are variables derived from X1, X3, and X4. These two variables are related to the LAPO's administrative performance and they were not included in the regression model to avoid a multicollinearity problem that is mostly the result of including a variable that is computed from other investigated variables.

Table 1. Main credit-related items of the LAPO(2012-2014)

Period type	ANN	ANN	ANN
As of date	12/31/2012	12/31/2013	12/31/2014
+ Number of active borrowers	559,227	685,138	800,611
Percent of female borrowers	92.51 %	92.82 %	90.11 %
+ Number of loans outstanding	559,227	685,138	800,611
+ Gross Loan Portfolio	108,410,676	146,515,411	181,198,493
Cumulative loans disbursed			
Average loan balance per borrower / GNI per capita	13.84 %	15.26 %	
Average loan balance per female borrower		0.00 %	21,114.33 %
Average outstanding balance	194	214	226
Average outstanding balance / GNI per capita	13.84 %	15.26 %	
+ Number of depositors	756,904	1,038,340	1,414,964
+ Number of deposit accounts	756,904	1,038,340	1,414,964
+ Deposits	62,715,664	86,611,729	110,931,334
Average deposit balance per depositor	83	83	78
Average deposit balance per depositor / GNI per capita	6.00 %	6.00 %	
Average deposit account balance	83	83	78

Source: Information Exchange Incorporated, USA

Table 2: Volume of Loan Borrowed and Repaid (1991-2014)

Year	Volume of loan Borrowed	Volume of loan repaid
1991	1052766	1040431
1992	3238850	3105174
1993	18909314	12010890
1994	14307265	12337558
1995	19345227	15236697
1996	21188319	18242230
1997	16797331	19876409
1998	19680900	18726206
1999	27368944	22978324
2000	20891375	24667207
2001	13376951	20737899
2002	17199522	19452318
2003	13206155	12151404
2004	10991096	80196712
2005	16266946	15258937
2006	19387065	27800000
2007	20777039	27123474
2008	25488470	32168543
2009	24930487	26385876
2010	24082721	27600000
2011	38613085	30800000
2012	10817600	-
2013	146, 155,000	-
2014	1000,081,158	-

Source: Various Sources

The regression model is specified explicitly as follows:

- $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_6 X_6 + e$
 Y = repayment rate (volume of repaid loans divided by the volume of loans given by the LAPO).
 X_1 = volume of loans borrowed from LAPO.
 X_2 = volume of loans repaid to LAPO.
 X_3 = number of borrowers.
 X_4 = number of LAPO staff members.
 X_5 = borrower's age.
 X_6 = borrower's business experience of borrower. (the word borrower's should be omitted).
 e = error term.
 $\beta_0, \beta_1, \beta_2, \dots, \beta_6$ are regression parameters to be estimated.

Results and Discussion

The repayment performance of any MFI may be negatively affected by certain factors and thus hamper MFI performance. The result of analysis of factors that are strongly related to the repayment performance and the administrative performance using LAPO as case study are reported in the subsequent paragraph.

3.1. Demographical Characteristics of Respondents

The Demographical characteristics of LAPO's Clients are presented in Table 3.

Table 3: Demographics of LAPO's Clients

Characteristics	Mean	Standard Deviation
Age of farmers (Years)	48	0.0865
Household size	6.09	0.0474
Education (years)	4.14	0.6740
Business Experience (Years)	20	0.9056

Source: LAPO's various Report

Table 3 gives some basic demographic information of LAPO's borrowers. The average age of the borrowers was 48 years. The majority of borrowers were between 30 and 50 years old, an age in which they are considered highly productive and active to engage in work, and these borrowers do not have much education. On an average, they have only four years of education which indicates high levels of illiteracy among borrowers. The average size of the households of about 6 persons is an indication of large household. Large household size ensures availability of family labour but could also hamper repayment through burden of family upkeep. Although, this was not tested as secondary did not provide the size of individual loan.

3.2 Main Credit-Related Items

As shown in Table 2, the volume of loans offered by the LAPO to the borrowers increased from \$1052766 borrowed by 4,242 clients in 1991 to about \$146 million dollar borrowed by 685,138 clients in 2013 and \$1000, 081,158 borrowed by 1 million clients in 2014. The increase in the offered loans is nearly 98% while similar trend is observed in the increase in borrowers for the same period, indicating that the average volume per beneficiary is higher in the later operational years of the LAPO compared to the earlier years. The small increase in borrowers compared to the loans' volume increase is a crucial factor in determining the repayment performance of LAPO.

Table 4 shows the repayment rate, or the percentages of repaid loans to borrowed loans (R/B) since 1991 for LAPO. Critically, LAPO repayment rate from 1991-1996 was low when compared with the other periods. The repayment rate in other periods was higher. (Above 100% from 2000-2011). The difference in the two periods (1991-1996 and 2000-2011) could be attributed to the lack of consistency in the growth performance of Nigeria's agricultural sector and MSMEs from 1991-1996 as well as to instability and inconsistencies in agricultural policies, policy implication, and poor monitoring and management during other periods, except those after the year 2000.

The results further show that the average LAPO repayment rate is 0.92 (1991-2014), indicating good repayment performance, considering the fact that no MFI can have a 100% repayment rate.

Concerning LAPO's administrative performance, on average, the volume of loans per staff member was \$189 and the number of borrowers per staff member was 341 (see Table 1). These figures when compared to MFIs in other developing countries indicate that the LAPO's administrative performance need to be up-scaled. The lower the two indicators are, the better the administrative performance that, in turn, reflects on the agency's repayment performance. Loan defaults arose from poor management or administrative procedures.

3.3 T-test Analysis

T-test was used to test the differences between the mean volume of credit borrowed and the mean volume repaid. The

statistical difference between the mean values of loans obtained (X1) and the mean amount of loans repaid(X2) by borrowers is presented in Table 5.

Table 4. Repayment rate (R/B), 1991-2014

Year	R/B (%)	Year	R/B (%)
		2001	155
1991	62	2002	113
1992	23	2003	168
1993	64	2004	211
1994	86	2005	161
1995	79	2006	143
1996	86	2007	131
1997	98	2008	126
1998	95	2009	106
1999	84	2010	115
2000	118	2011	108
2012	84	2013	89
2014	92		
Average= 0.92			

Source: Calculated by the researchers using data from the LAPO's annual reports and other sources.

Table 5. The Mean Difference between the Volume of Loan and Repayment Rate.

Variable Mean	Standard Deviation	Degrees of Freedom	t-value	Sig. (2-tailed)
Volume borrowed	9813540.4	9248949.8	51 7.651	.000
Volume repaid	9967358.4	10354951.4	51 6.941	.000

Source: Author's Calculation

The result reveals that at 5% level, there was no significant difference between the mean volume of loans borrowed and the mean volume of loans repaid by borrowers. The implication of these results is that clients exhibited high loan-repayment performance that positively reflected in the credit agency's repayment performance. These results confirm the information presented in Table 4.

3.4 Regression Model

The results for the multiple regression of factors that influence LAPO's loan repayment performance are presented in Table 5. An evaluation of the model for loan repayment performance showed that the R² value was 0.796 (80%) while the adjusted R² value was 0.763 (77%). This result means that nearly 80% of the variation in the repayment rate (the dependent variable) was due to the joint effects of the explanatory variables. Regression estimates showed that the volume of loans repaid, the number of staff members, and the borrowers' business experience prove to be significant at the 95% confidence level. The remaining three variables were not significant at that level. The outcome here pinpoint the

importance of considering these variables when planning to analyze the repayment performance of LAPO. The signs of the variables in the model conform to a priori expectation except for coefficient of borrowed loan (X1) which against a priori expectation was positive. It was expected to have a negative sign. The positive sign for the coefficient of the volume of the repaid loan (X2), the number of borrowers (X3), the numbers of staff members (X4), and borrowers' business experience (X6) as well as the negative relationship for the coefficient of the borrower's age (X5) with the repayment rate (Y) are in line with a prior expectations. The signs of the coefficient of independent variables and the significance of these variables are used to determine the impact of each independent variable on the dependent variable.

The results presented in Table 6 reveal that all the explanatory variables in the model have a positive effect on the repayment rate, and hence repayment performance, except the borrower's age which had a negative effect. Each 1% increase for the volume of loans borrowed from the LAPO, the volume of loans repaid to, including LAPO profits, the number of borrowers, the number of LAPO staff members, and the borrowers' business experience causes an increase of 0.256%, 0.574%,

0.079%, 0.613%, and 0.071% in the repayment rate, respectively. A 1% increase for the client's age will cause a 0.047% decrease for the repayment rate.

Further and as shown in Table 6, the Non-conformity of the borrowed loans to hypothesis by showing a positive relationship with repayment performance could be attributed to the explanation that higher loans is an incentive for larger investments with potentially higher returns. In other words, larger loan sizes would enhance the beneficiary client's access to basic inputs and improved management opportunities, which would lead to higher productivity, reduced cost per unit, and increased income.

This high repayment rate (average= 92%) may be attributed to the sound lending policy adopted by LAPO which perhaps resulted in low probabilities of loan default. The positive relationship between the number of borrowers and the repayment rate could be a useful indicator of the credit agency's outreach or effective marketing. The positive sign of the coefficient is also suggestive of the opinion that the greater the number of people covered, the greater the repayment rate. The borrower's age is a very important factor in any enterprise because youths and young adults who are full of vigor are germane to efficient production. The average age of the LAPO beneficiaries was 48 years. The majority of borrowers were between 30 and 50 years old, an age in which they are considered highly productive and active to engage in work. This

perhaps is the fulcrum upon which LAPO's high repayment rate was built, as most of their borrowers were able to repay and timely. Thus, LAPO should be able to consider the age of borrower when offering loans as older clients tend to exhibit high default rate in loan repayment. As with the borrower's age, borrower's experience is equally important when offering loans to beneficiaries. The average experience of LAPO beneficiaries is 20 years. This experience is reflected in the high repayment rate. Borrowers who have a lot of experience exhibit a willingness to adopt new technologies. The result is that there is higher productivity, more revenues, and higher abilities to repay loans.

The administrative performance of LAPO was largely affected by the number of staff members introducing services to clients. As shown in Table 1, LAPO has a well-trained and experienced staff. This staff constitute a major factor for the LAPO achieving its high repayment rate. A sufficiently trained staff will result in proper monitoring and supervision of the credit agencies. Insufficient staff numbers cause lack of supervision and monitoring services. Hence, clients may transfer their loans to other purposes aside what the loan is meant for. For a staff to monitor 341 borrower is on high side as monitoring could be done haphazardly. In this regards, LAPO's interest may not be jeopardized (as the result shows) but the technical advice/support supposedly to be offer to client will be hampered by excess burden on desk/supervisory officers.

Table 6. Multiple linear regression model

Variables	Coefficient (B)	t -value	Sig.
Constant	0.922	16.77	0.000
Loan borrowed (X1)	0.256	1.874	0.337
Loan repaid (X2)	0.574	4.954	0.000
No. of borrowers (X3)	0.079	0.559	0.579
No. of staff members (X4)	0.613	5.481	0.000
Borrower's age (X5)	- 0.047	- 0.331	0.742
Borrower's Experience (X6)	0.071	0.505	0.015

Source: Author's Analysis

Conclusion

The present study is an attempt to assess the repayment performance of the micro-credit agencies using LAPO as a case study. Hence, the study investigated some important factors related to loan repayment performance drawing from the LAPO's experience and making appropriate recommendations to inform policies. The demographical characteristics of borrowers from LAPO shows majority are illiterate with large household size and in their productive age.

The results of the analyses show that the average repayment rate of LAPO was 0.92, indicating a high level of repayment performance and a low default rate (0.08). This result may be attributed to many exogenous and endogenous factors. The

volume of loans borrowed (X1), the volume of loans repaid (X2), the number of borrowers (X4), number of credit agency staff members, the borrower's age (X5), and the borrower's experience (X6) were the most important factors related to the credit agencies' repayment performance. All these factors had positive effects on the repayment performance of LAPO, except for age. The high rate of repayment when examined in the light of number of borrowers to staff (341 to 1) is not good for the borrowers as technical advice would be scanty if not denied. As the result shows, age is an important variable in terms of loan repayment is concerned. Older people tend to be inclined to defaulting in repayment. Such should be crowded out, that is the procedures for loan accessibility should be tightened up for such category of people. Controls, supervision and monitoring of

loans and beneficiary need to be improved upon to keep the repayment performance at the present level. Introducing a reward system for those individuals who paid on time will be helpful in enhancing the repayment performance. Measures that de-risk loan to borrowers and sustain volume of loans borrowed, the volume of loans repaid, number of borrowers, the number of credit agency staff members at the present levels in LAPO are recommended.

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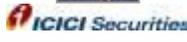
(Formerly located at Vasundhara, Ghaziabad)
(Approved by All India Council for Technical Education, Ministry of HRD, New Delhi
and Affiliated to Dr. A.P.J. Abdul Kalam Technical University, Uttar Pradesh, Lucknow
(Formerly Known as UPTU, Lucknow)

University College Code:116

ADMISSIONS
OPEN
for **MBA**
Batch 2017-19

STAR PLACEMENTS

NEHA BAJAJ
ICICI Securities

VIDUR KATOCH
American Express




ANUP KUMAR
Opso




APURVA KANT
Axis Bank




THE MBA THAT'S AHEAD OF THE BEST

60 Hrs
Corporate Training on Investment Banking in Association with Copal Amba.



60 Hrs
Corporate Training on E-commerce and Digital Marketing in Association with Edukart.



60 Hrs
Corporate Training on Logistics & Supply Chain Management.



60 Hrs
Corporate Training on Employability Enhancement Programme.



JAIPURIA
academic excellence award to batch toppers

- 1st Prize - 1 lakh
- 2nd Prize - 51000/-
- 3rd Prize - 31000/-



OUR ACADEMIC PARTNERS FROM INDUSTRY



OUR RECRUITERS



LIVE PROJECTS



SPECIAL FOCUS ON EMPLOYABILITY SKILLS



CORPORATE INTERFACE



CLUB FORMATION AND ACTIVITIES

CASE STUDY METHOD

Certificate Course in Investment Banking, Logistics & Supply Chain Management and E-Commerce

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MORAL AND ETHICAL VALUE SYSTEM



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SUMMER INTERNSHIP PROGRAMME

PARTICIPATIVE APPROACH TO LEARNING



JAIPURIA INSTITUTE OF MANAGEMENT

Campus Address: Block A, Gate No 2, Shaktikhand IV, Indirapuram, Ghaziabad-201014

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Ghaziabad - 201 012, Ph: 0120-4550100

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Jaipuria Institute of Management:

Jaipuria Institute of Management was set up by Seth Anandram Jaipuria Education Society in 2001. It has sprawling campus spread over 5 acres within NCR. During this short span of 15 years, JIM has been acclaimed as a leading business school in Northern India. Jaipuria Institute of Management, Ghaziabad, was established by fulfilling all the norms regarding academic, financial and social aspects set by concerned statutory bodies.

The Institute started a full time 2 years master degree program in Business Administration (MBA), in the year 2001. This program is duly approved by AICTE, Ministry of HRD (Govt. of India) and affiliated to Dr. APJ Abdul Kalam University, Lucknow (U.P.). Moreover, Seth Anandram Jaipuria Trust and Seth Anandram Jaipuria Education Society run various reputed schools and colleges in the country.

Jaipuria Institute of Management, Indirapuram, (formerly located at Vasundhara), Ghaziabad, aims to provide quality management education to transform individuals into Business Leaders, Skilled Managers & Entrepreneurs.

Jaipuria Institute of Management intends to provide and develop the capabilities of the young managers by raising their level of competence and intellect to face various challenges in the global environment. In pursuit of excellence, the institute provides training and development services, foster research and disseminates knowledge through publication of books, journals and magazines for the development of society at large. Jaipuria Institute of Management has established itself as a leading management institute in the Northern India.

