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CONTENTS

NOTES FOR CONTRIBUTORS

Our global and political environment is bubbling with great hopes and aspirations of pink health and rising graph of Trade, Industry and Commerce all around. As such, it becomes my humble and honest duty, belonging to the world of academics, to interact and share with some instrumental guidelines for the contributors and participants in the forthcoming issues of the Indian Journal of Commerce.

Research along with its practical implications and usage and utility in the field of business studies has great relevance today. It is therefore, suggested that Papers based on application oriented research are more welcome; especially in the fields of industry, commerce, business studies and management areas. The papers must include tables, diagrams, illustrations and such other tools to support the different and divergent viewpoints. As such, the length of a paper including all these has to be cautiously controlled and should not exceed 20 double space pages. Short communications relating to review articles, report of various conferences, summary/views on several governments' reports, database issues etc. should also not exceed more than 5 double spaced pages and are invited to be published. We also welcome book-reviews and summary of Ph. D. dissertations but not in more than two double spaced pages. Care should be taken that whatever manuscripts are sent for publication in this journal should not have been published elsewhere any time before.

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Government Publication : Government of India, Ministry of Communications, Department of Telecommunications 2015. Annual report. New Delhi.

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FROM THE DESK OF THE MANAGING EDITOR

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Welcome to the new issue (Vol. 70th, No. 1: Jan- March 2017) of reputed The Indian Journal of Commerce (IJOC). I wish all the life members of ICA, contributors of the Indian Journal of Commerce and the readers, HAPPY NAVRATRI & VIKRAM SAMVAT 2074. In fact, events like AICC are being planned for excellent learning experience for all the delegates. Indian Commerce Association has provided a fertile platform for academic debate and deliberation to all intellectuals and researchers involved in business education of country and abroad. 70th AICC has been scheduled at the IIS University, Jaipur from 12th to 14th October, 2017 and the conference secretary Prof. Subhash Garg deserve for sincere appreciation to make the event most historical due to his long association with ICA as Life Member, Joint Secretary and Joint Managing Editor.

In all, only thirteen research papers have been peer reviewed and find worthy of inclusion in the present volume. These papers have been contributed by scholars and academicians from different parts of the country covering the topics **of Social Media Marketing, Talent Erosion in the Global Sourcing Landscape, Customer Satisfaction, Customers' Perception towards Delivering of Financial Service Quality, Share Price Trends During Demerger, Operational Performance Analysis of Bihar State Tourism Development Corporation, Relationship of Nifty & Sectoral Indices of NSE, Knowledge Management, Women Empowerment, Women Skill Development, Cashless Society, Entrepreneurship in Small Scale Industries and Sect oral Analysis of Export Trade.** The concept of Social Media is top of the agenda for many business executives today. Decision makers, as well as consultants, try to identify ways in which firms can make profitable use of applications such as Wikipedia, YouTube, Facebook, Second Life, and Twitter. Social media is used as a platform to not only make connections and share user-generated content but also advertise products. Financial indexes are constructed to measure price movements of stocks, bonds, T-bills and other forms of investments. Stock market indexes are meant to capture the overall behavior of equity markets. A stock market index is created by selecting a group of stocks that are representative of the whole market or a specified sector or segment of the market. An Index is calculated with reference to a base period and a base index value. **Education and Women Skill Developmental Programs** play very essential role in both women's startup development and skill development even it can be said that investment on women education and entrepreneurship is not only single investment on their future but for the creation of better environment of future generation and startup growth of economy . The revolution in **Information and Communication Technologies** facilitated the expansion of the electronic payment systems and the origination of new types of payment instruments. Communications became not only faster, easier and safer but also considerably cheaper. . Cards payments have been developing by providing added value services to consumers that rely on application of novel network technologies. **Electronic money,** the latest offspring of the electronic revolution in payment, is introduced for the facilitation of e-commerce. This interdependence has

somewhere resulted from the rising need of the nations to be global. Economic factors like imports, investment, etc. act as an activator to the exports, but simultaneously the restrictions obstruct the flow of the same. Similarly, the cultural differences also dismantle the balance as the consumers are hesitant to accept new trends and culture, especially in China and Russia. In addition, the political instability, red-tapism, terrorism and bureaucratic constraint in countries like India and South Africa hinders the growth of exports.

Entrepreneurship is considered a paramount engine in the economic development of the country. For healthy development in all sectors of the economy, there must be men and women who possess aspiration, knowledge, foresight and insight to materialize theory into practice by overcoming traditional barriers. Individuals performing these functions are called entrepreneurs and their enterprising competence and proficiency can be understood as entrepreneurship.

I am very grateful towards the Indian Journal of Commerce and express my heartiest regards to all the members and readers for their kind support and positives critics. I couldn't find the appropriate words to express my regards to all Past Presidents, EC members, Office bearers and life members of ICA, for their unending love, ever growing faith, and continuous inspiration, moral and spiritual support.

I conclude by quoting few lines by Valmiki Ramayana,

गुरोरप्यवलिप्तस्य कार्याकार्यमजानतः ।
उत्पथं प्रतिपन्नस्य कार्यं भवति शासनम्॥

(Gurorapy avaliptasya kaaryaakaaryam ajaanatah
Utpathham pratipannasya kaaryam bhavati shaasanam)

One who is haughty, who does not know whether what he does is right or wrong and who has taken to the wrong path is to be disciplined even if he is guru, parent or an elder in age or learning.

Prof. H.K. Singh

A Study on Social Media Marketing - Emerging Challenges and Opportunities

R. Sarvamangala and Lakshm.V

ABSTRACT

Social Media is now the trend. And for businesses it represents a marketing opportunity that transcends the traditional middleman and connects companies directly with customers. This is why nearly every business on the planet-from giants like Starbucks and IBM to the local ice cream shop-are exploring social media marketing initiatives. A year ago, businesses were uncertain about social media. Now it's here to stay and companies are rapidly adopting social media marketing. Much like email and websites first empowered businesses, social media is the next marketing wave. Social media has become the driving force which transforms the web into an interactive information and communications technology device. Social Media can be used to increase customer loyalty through customer support services and hence improve customer retention.

The concept of Social Media is top of the agenda for many business executives today. Decision makers, as well as consultants, try to identify ways in which firms can make profitable use of applications such as Wikipedia, YouTube, Facebook, Second Life, and Twitter. Social media is used as a platform to not only make connections and share user-generated content but also advertise products.

INTRODUCTION

Social Media, today, is among the 'best opportunities available' to a brand for connecting with prospective consumers. Social media is the medium to socialize. These new media win the trust of consumers by connecting with them at a deeper level. Marketers are taking note of many different social media opportunities and beginning to implement new social initiatives at a higher rate than ever before. Social media marketing and the businesses that utilize it have become more sophisticated. One cannot afford to have no presence on the social channels if the competitor is making waves with its products and services. The explosion of social media phenomenon is as mind boggling as that and the pace at which it is growing is maddening.

Social media offers business huge opportunities to promote their brand, products and services and to enter into long term relationships with their customers. It also facilitates interactive dialogues to take place amongst the consumers. There is a remarkable revolution. The rapid growth of social media and social networking sites, especially, in developing country like India is providing marketer a new avenue to contact customers.

The meaning of the term 'social media' can be derived from two words which constitute it. *Media* generally refers to advertising and the communication of ideas or information through publications/channels. *Social* implies the interaction of individuals within a group or community. Taken together, *social media* simply refers to communication/ publication platforms which are generated and sustained by the interpersonal interaction of individuals through the specific medium or tool. Some popular social media sites are: Facebook, YouTube, Twitter, Digg, MySpace, StumbleUpon, Delicious, Scribd, Flickr etc.

The advent of social media has grown tremendously today. It's the only media which does not have any 'hartals' or 'lock outs' and practically no vacation.

Key words

Social Networking, Web 2.0, SMM (Social Media Marketing), Facebook, Twitter, E-Commerce

REVIEW OF LITERATURE

The Merriam-Webster dictionary defines social media as "form of electronic communication (as websites for social networking and blogging) through which users create online communities to share information, ideas, personal messages, and other content (as videos)."

Based on Kaplan and Haenlein (2010, p. 565), social media is an internet based program that helps consumers to share opinions, information, experiences, and perspectives in which the internet based programs can be explored through the social networking sites, blogs and content areas. Social media empowers customers to express their perceptions about products or services in the public domain.

Social media has a significant role in influencing customer's choice in selecting products and services based on the customers' feedbacks that appeared in the weblogs, web sites, online boards and other kinds of user-generated content (Raman, 2009).

RESEARCH GAP

The use of social media is growing rapidly. For marketing professionals, social media is a new outlet that can be used to help increase the interest in product or service. Companies use social media to interact with customers to enhance relationships with them. Social media and networks have provided an opportunity to organizations to enhance relationships between customers and themselves. With the increasing use of social media as a means of marketing for brands, hence there is further scope to conduct the research to analyze the concept of social media marketing.

STATEMENT OF PROBLEM

The changing business land scape has truly altered the way marketing is being done today. The rapid pace of advancement in the areas of information technology, telecommunications and other forms of electronic media (television, radio and Internet) has opened up an ample of opportunities for the marketers to stay connected with their customers round the clock. As the new age customers are becoming more tech savvy, discerning and time deprived, marketers are finding it hard to grab the attention of customers and engage them for product development, service enhancement, product/service promotion, etc,. using conventional media such as print, radio and

television. Marketers are, therefore, are constantly on a look out for newer tools to engage and interact with the customers right from product development stage to customer feedback. Web 2.0 provides remarkable opportunities for marketers to do exactly. That new trend of communication nowadays is called as Social Media. Hence, this enormous number of internet and social media users has raised the importance and interest on this topic "THE STUDY ON SOCIAL MEDIA MARKETING-EMERGING CHALLENGES AND OPPORTUNITIES".

OBJECTIVES

1) To investigate the key factors leading for the emergence of social media.

2) To know the most preferred social media used by consumer and marketer.

3) To analyse the challenges and opportunities of social media.

SCOPE OF THE STUDY

Here the study area was limited only to online consumers. The study also covers Internet forums, message boards, weblogs, wikis, podcasts, pictures, and video.

RESEARCH METHODOLOGY

A) Type of Research

Descriptive Research is taken into consider for the analyse of the topic.

B) Data Collection

The present study is based on secondary data. Basically, the required information has been derived from various books, articles from newspapers, magazines and journals, and the various related web-sites which deal directly or indirectly with the topics related. After searching the important web-sites, relevant information was down loaded and analyzed to address the objectives of present study.

C) Operationa Definitions

i) *Blogs:* Are online journals usually maintained by individuals which show the most recent entries.

ii) <u>*Wikis:*</u> The most important form of wiki is Wikipedia. It acts as database and allows people to edit information or to add content.

iii) <u>*Podcasts:*</u> These sites provide audio and video files through services like Apple. These are availability by subscription.

iv) <u>*Forums:*</u> These allows people to discuss specific topics of interest

v) <u>*Social Network:*</u> These are the sites which allow people to share content and allow them to communicate with their friends by building personal web pages.

vi) <u>*Egocentric sites:*</u> Allow users to construct profiles of themselves on virtual platforms, facilitating identity construction and connections.

D) Limitations

The main constraint is that we have collected secondary data only. We have not used online survey to collect realistic data. The other constraints were Time and Cost.

PLAN OF ANALYSIS

Objective: 1 To Investigate the Key Factors Leading for the Emergence of Social Media.

The emergence of web 2.0 has been the most challenging development in the history of commerce. Social media is an outcome of web 2.0. Social media transformed the traditional marketing approaches by changing the relationship that marketers have with channels of distribution as well as the ultimate consumers. Companies across all sectors have modified their marketing approach to include web 2.0 because of the *dual advantage* it offers in terms of *cost* efficiency and *easy* accessibility to the target audience.

The traditional communication tools like newspapers, television, magazines convey the message to mass audience with the hope of reaching a few interested ones. But in social media channels the message is directed only to the target audience, thus reduction in cost. In today's globalised world, the aim of business is not to sell the products but instead to create need for the product they wants to sell, which has put all the power in the hands of those who are being dealt with i.e., the consumers.

The continuous progress of society in using online resources has given opportunity to many business executives to utilize social media for their brand promotion or recognition. Organizations utilize social media sites like Twitter, Facebook, LinkedIn, Flicker, Google Plus, and YouTube to promote their product, service or brand worldwide. Increase of consumer engagement in online social activities has forced companies to integrate social media factors into their marketing strategy.

(Source: Google Image)

All forms of Social Media Marketing (SMM) come under one of the following five forms which are referred to as pillars of SMM. They are:
1) Interaction Based on Identity.
2) Interaction Based on Association.
3) Conversation Initiated by User.
4) Conversation Initiated by Provider.
5) In Person Interaction

1) Interaction Based on Identity

Declaration of identity is all about how a company or brand describes itself, states who it is and where it can be found.

2) Interaction Based on Association

Here the customers and the company get the opportunity to associate with each other.

3) Conversation Initiated by User

Here the users have the facility to generate their own questions or declarations, and companies can react to the same.

4) Conversation Initiated by Provider

Here the companies present themselves to customers and seek their feedback and views on specific issues.

5) In Person Interaction

Companies can get much better quality of feedback, inputs, communication and collaboration through in-person interaction

Objective 2: To know the most Preferred Social Media used by Consumer and Marketer.

Facebook and Twitter have become daily destinations for millions of consumers. As a result, businesses are taking advantage of this, and have started to launch ad campaigns on both platforms. As social media advertising is fairly new, it can be a complex process that requires effective planning, testing, and measuring.
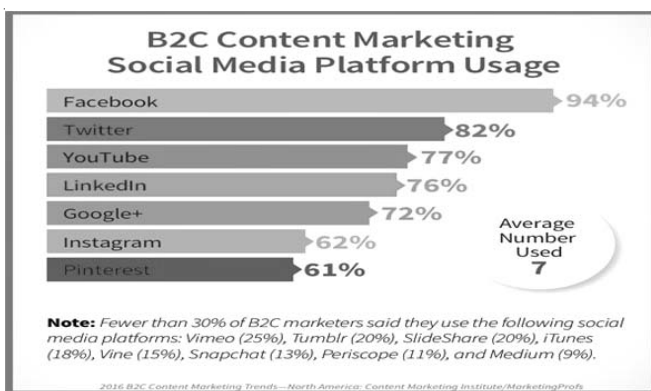
(Source: Google Image)
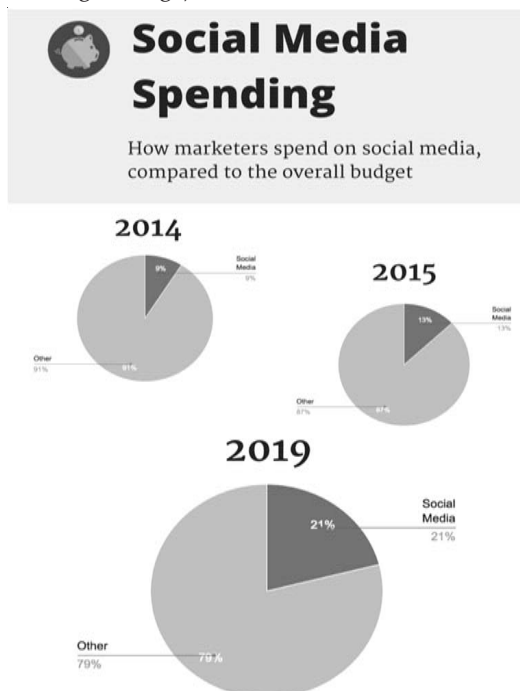
(Source: Google Image)

Objective 3: To Analyze the Challenges and Opportunities of Social Media.

a) Social Media Challenges for Business

There are so many social media tools and platforms it can be hard to know where to begin. For small businesses the key issue is resource - if you don't have someone able to manage a social media campaign, it can be a drain on your time and a potential distraction from your core business. Some of the main challenges to consider are:

- What do you hope to achieve by using social media?
- How much time you can devote to social media?
- What are the most effective platforms to use?
- What are you trying to achieve for your business?
- How much to spend money on social media marketing?
- Should we outsource social media management?
- When is the appropriate time to tweet?
- Technology and Measurement are the biggest challenges for social media marketers. So how to tackle them?

b) Social Media Business Opportunities

Effective use of social media can bring great opportunities for business, but will require some thought and planning. Moving with fast-paced developments in online technology and interaction tools can help to enhance brand, boost company profile and perhaps even **win new business**.

However there is need to keep a healthy sense of perspective on what your business is able to put into social media, and what's realistic to expect in return. Faster connections, new devices and new online applications have all helped to change the way people work, socialize and shop.

Social media can be a **cheap and effective** way of starting a marketing campaign, with a big impact possible from minimal investment. It is now easier than ever for businesses to:

- directly target customers with marketing campaigns
- promote new products or services
- build brand awareness
- personally interact with existing and potential customers
- measure referrals from your social media activity to sales

Social Media Advertising Spend during 2015

Note: All numbers rounded down
Source: Forrester Research Social Media Forecast, 2014 To 2019 (US)
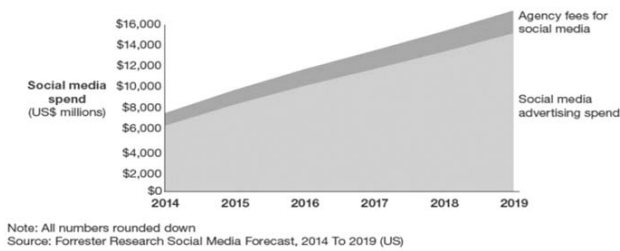
FINDINGS

1) Social media marketing is the new mantra for several brands since early last year.

2) Facebook has over 250 million users globally. On an average, 70-100 tweets happen by the second. An average user on Facebook has 120 friends. This is the kind of enormity Social networking sites espouse and with this comes the license to communicate powerfully.

3) Companies cannot fake authenticity in an attempt to get more people involved. Members can choose to associate with the company or opt out. Opinions made on social networking platforms are taken seriously.

4) It is possible to make mark globally and do it quickly using social networking sites.

5) Social media is probably the fastest and easiest means of redirecting traffic to company's website. This is the virtual way version of "word-of mouth".

6) Global companies have recognized social media marketing as a potential marketing platform, utilized them with innovations to power their advertising campaign with social media marketing.

7) Social media platforms are known to be one of the most powerful and fast means of branding. Some of the big brands like Coke, Ford, Dell, IBM, Burger King are some of the well known brands have powerfully used social media platforms to endorse themselves.

(Source: Google Image)

SUGGESTIONS

To successfully implement one's SMM strategy the following points must be kept in mind:

1) The company shouldn't just jump on to the bandwagon just because others are jumping into it. The market should be analyzed first to understand whether their brand would really benefit from SMM. It should try and find out whether SMM strategies fit its brand.

2) The company shouldn't expect results over night. SMM is a long term strategy. It will not happen overnight. The results might become visible anywhere from three to six months.

3) SMM is not a standalone tool for marketing. It has to be used along with all the other conventional marketing strategies.

4) Planning and executing your social media strategy, it helps to save time by scheduling pre-planned content.

5) Use of Auto Schedule which determines the optimal time to reach your audience and posts

6) The most important part of social media marketing plan is defining clear goals. Make sure each goal is specific, realistic and measurable.

7) Figure out how many followers you have, how many visitors you get to the sites and whether everything is up to date.

CONCLUSIONS

The growth of online social network is like a double edged sword. It empowers consumers by enabling them to have access to information which they could previously not avail. In the present competitive scenario, companies are in need of tools to retain existing customers for long periods and to attract prospective ones. The traditional media have become outdated and many customers have lost interest in them. They are in need of a reliable information source to make purchase decisions. Social Media Marketing is one such tool. It is the best way for marketers and advertisers to reach the masses at minimal cost and in a shorter time frame, through an online mode. It also provides opportunity for companies to obtain suggestions from customers through two way communication. There is no escaping social media these days, either for individuals or

for businesses. ***Today, it is impossible to separate social media from the online world.***

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Journal of Marketing Communications.

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E) NEWSPAPER

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An Empirical Study on Talent Erosion in the Global Sourcing Landscape with Specific Reference to BPMs Based in Rajasthan

Deepika Kaurani and Shweta Kastiya and M.K.Sharma

ABSTRACT

Increased globalization and resulting outsourcing of jobs, coupled with 'Demographic Dividend' of India, has helped the Indian BPM industry to reach its gigantic size today. However, a pressing concern of the industry is an alarming rate of employee turnover which has forced the leaders/managers of the industry to become more responsive towards the needs of its employees. The aim of this study is to explore the impact of High Engagement HR Practices on Talent Erosion in BPMs in the present scenario of global sourcing. Using Exploratory Factor Analysis, selected factors of talent erosion and high engagement HR practices have been reduced into five dimensions of talent erosion named as Substandard Nature of Job, Hostile Organisational Culture, Perceptual Factors, Unfavourable Work Conditions & Personal Factors and four dimensions of high engagement HR practices named as Monetary Incentives, Involvement in Managerial Policies, Career Advancement Policies and Work Environment respectively. The present study has been conducted by using Pearson's Correlation and Regression Analysis for testing research hypotheses. The findings of the study show that some high engagement practices are significantly associated with the factors of talent erosion in BPMs. The results offer management an elementary framework for the development of effective HR practices to control talent erosion in the era of globalisation.

INTRODUCTION

Globalization — a move towards a global economy where national boundaries become redundant — has changed the face of the world in which we live. Not only has it promoted the culture and concept of 'free trade and markets' but has also opened the doors to new employment opportunities by transferring the jobs to lower cost labour/ production centres. The Indian Information Technology enabled Service- Business Process Management (ITeS-BPM) industry has been a major beneficiary of this 'flattening of world'. Increased globalization and resulting outsourcing of jobs, coupled with 'Demographic Dividend' of India, has helped the Indian BPM industry to reach its gigantic size today. This industry has played a pivotal role in projecting India's image as that of a global player in providing world class technology solutions and business services. The Indian BPM industry is the largest private sector employer in India and has reached a total employee base of 3.7 million in 2015-16. By 2020, the IT-BPM industry will hire more than 0.4 million candidates every year as reported by a study conducted by National Skill Development Corporation and NASSCOM. However, the industry is going through challenging times as far as demand for talent is concerned. Also, since BPM work is highly structured involving monotone workflows with high performance monitoring and erratic duty hours, it creates a stressful work environment for its young employees. They suffer from Burn-Out Stress Syndrome (BOSS) which has led to alarming rate of employee turnover in the industry in turn hampering the growth of the industry. The industry performance report released by NASSCOM in Dec 2013 indicated that the rate of attrition in the quarter closing December 2013 was as high as 32.3%. In order to create a positive work environment based on high commitment, flawless teamwork, collaborative excellence, 'out of box' business solutions and exceptional

customer service, the leaders/managers of the BPM industry have started to respond towards the needs of its employees. This has led to the birth of high-engagement HR practices in the Indian BPM industry.

LITERATURE REVIEW

With the advent of globalization, the knowledge and information based industry has attained a place of prominence in the Indian economy (Thite & Russell, 2007). As per the SWOT analysis of Indian BPM sector given by Raghunath & Panda (2013), the Indian service industry stood out vis-à-vis its western counterpart due to availability of abundant, English-speaking, pocket friendly workforce, and huge time difference, thereby ensuring lower response time which resulted in efficient and effective service. They also emphasize the fact that while the industry is growing very rapidly, a corresponding growth in infrastructural facilities still remains a question mark. Tamizharasi & Rani (2014) list out variables which induce stress amongst the employees of BPM industry, viz., enormous workload, repetitive nature of work, call volumes, insufficient holidays, etc. Budhwar, Luthar & Bhatnagar (2006) highlight the fact that jobs in Indian BPM industry are yet to be accepted as 'skilled' jobs by the society. All these factors add to the strain, trauma, anxiety and tension of the BPM employees, in turn hampering their productivity. In order to steer the employees in a positive direction, BPM companies have started working on various HR models to enhance the commitment and satisfaction levels of its employees. Several studies have been completed to this effect. Dwivedi, Kaushik & Luxmi (2014) conducted a research on relationship between organizational culture and commitment level of its employees in fifteen Indian BPM units. Similarly, Shah & Sharma (2007) studied the impact of job satisfaction on individual performance of employees in the BPM industry. Thirulogasundaram & Senthilkumar (2013) explores the factors of employee engagement in order to achieve organizational success in the industry. With the help of measured components available in the previous researches on employee engagement and its various aspects, the present paper focuses on role of high-engagement work environment specifically in the Indian BPM sector.

RESEARCH OBJECTIVES

The main objective of the study is to analyse the factors affecting talent erosion and the impact of high engagement HR practices on talent erosion in the context of BPMs based in Rajasthan.

- To determine the dimensions of talent erosion and high engagement HR practices.

- To examine the impact of high engagement HR practices on talent erosion in BPMS.

HYPOTHESIS

The following hypothesis was framed based on the objectives of the study:

H_0: There is no significant impact of identified high engagement HR practices on identified dimensions of talent erosion in BPMs based in Rajasthan.

H_a: There is a significant impact of identified high engagement HR practices on identified dimensions of talent erosion in BPMs based in Rajasthan.

RESEARCH METHODOLOGY

Research Design: The present study is empirical in nature based on descriptive research design to study and examine the impact of high engagement HR practices on talent erosion in the global perspective inside BPM sector. It is a cross-sectional research, consisting of a sample of the population of interest. The survey has been conducted under natural (un-manipulated) field conditions.

Data Sources: The data has been collected by administering questionnaire to low and middle level employees in the BPMs. The questionnaire was framed with a view to gather information on 24 items responsible for talent erosion and on 20 items of high-engagement HR practices contributing towards sustenance of employees, from the BPM industry. Respondents were asked to rate these items on a five point Likert scale [strongly disagree (SD) to strongly agree (SA)]. The secondary data was collected through research publications, standard journals, periodicals and web.

Size of Sample: The study has been based on low and middle level millennial employees working in the BPMs operating in the city of Rajasthan. A list of all the registered BPM companies was obtained from Sr. Dy. General Manager (SEZ &IT), Rajasthan State Industrial Development & Investment Corporation Ltd. who suggested that while most companies are focusing on better HR management and policies to draw rightly skilled talent

and retain it, BPMs with 500 or more employees have an effective HR landscape. With the help of Employee's State Insurance Corporation, seven BPMs in Rajasthan with more than 500 employees were identified and a total sample of 500 employees was drawn for the study proportionately on the basis of total employees in each BPM.

Sampling Technique: Proportionate Random sampling technique has been used to obtain the responses from the respondents.

Data Analysis Approach: In the present study, responses from respondents have been coded and tabulated in SPSS 22. For analyzing data, both Descriptive statistical techniques (average, standard deviation and Standard Error, etc.) and Inferential statistical tools (Cronbach's Alpha test, KMO and Bartlett's test of Sphericity, Exploratory Factor Analysis (EFA), Bi-variate Pearson's Correlation and Multiple Regression have been used. The tests have been conducted at 95 percent confidence level (or 5 percent level of significance).

ANALYSIS AND DISCUSSION

The entire analysis of the study is divided into two parts – Dependent Factor, viz., Talent Erosion and Independent Factor, viz., High Engagement HR Practices. In the present study, five dimensions of Talent Erosion and four dimensions of High Engagement Practices were extracted using Exploratory Factor Analysis (EFA). To verify and analyze the impact of identified high engagement HR practices on talent erosion, Pearson's multiple correlation technique and Multiple Regression analysis have been applied. A significance value of less than 0.05 indicates the existence of significant relationship between variables under study.

APPLICATION OF EXPLORATORY FACTOR ANALYSIS

In the present section, exploratory factor analysis (EFA) has been applied to identify the underlying dimensions within the Talent Erosion (TE) and High Engagement HR Practices (HE). The factor loadings have been used to measure correlation between criteria and the dimensions. A factor loading close to 1 indicates a strong correlation between a criteria and dimension, while a loading closer to zero indicated weak correlation. The factors have then been rotated with the use of Varimax with Kaiser Normalization Rotation Method. Principal Component

Analysis (PCA) method has been used for factor extraction and only those factors whose values were greater than 0.4, have been interpreted.

The results of the findings of the exploratory factor analysis (EFA) on Talent Erosion (TE) and High Engagement HR Practices (HE) are presented as follows.

Result of KMO and Bartlett's Test and Communalities Score

To measure the suitability of the data for factor analysis the adequacy of the data was evaluated on the basis of the results of Kaiser-Meyaer-Oklin (KMO) measures of sampling adequacy and Bartlett's Test of Sphericity (Homogeneity of Variance). The results showed that the KMO measure of sampling adequacy was 0.710 (Talent Erosion) and 0.651 (High Engagement HR Practices) so the data was fit for conducting the factor analysis in both the cases. Similarly, Bartlett's Test of Sphericity (0.00) was significant ($p<.05$) which too revealed that sufficient correlation existed between the criteria to proceed with the application of exploratory factor analysis.

Table 1 & 2: KMO and Bartlett's Test

Talent Erosion (TE): KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**.710**
Bartlett's Test of Sphericity	Approx. Chi-Square	276.298
	df	78
	Sig.	**.000**

High Engagement HR Practices (HE): KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**.651**
Bartlett's Test of Sphericity	Approx. Chi-Square	129.935
	Df	78
	Sig.	**.000**

Considering the results of factor analysis it was observed that all the extracted communalities were acceptable for both Talent Erosion and High Engagement HR Practices and both dimensions are fit for the factor solution as their extraction values are large enough. Factor loadings were used to measure correlation between dimension and the selected criteria.

Table 3 & 4: Communalities

Talent Erosion (TE): Communalities	
Criteria	Extraction
Ineffective Supervision	.648
Irregular Work Hours	.439
Poor Mentoring	.473
Personal Reasons	.740
No Career Growth	.658
Low value of BPM job	.667
Power & Politics	.428
Monotonous Desk Work	.645
Lack of Self-Motivation	.813
Lack of Specialised Skill	.739
Social Isolation	.662
Repetitive Nature of Work	.783
Unsatisfactory Work Conditions	.621
Extraction Method: Principal Component Analysis.	

High Engagement HR Practices (HE): Communalities	
Criteria	Extraction
Interaction with Management	.696
Salary	.695
Designing of Appraisal	.614
Positive Work Culture	.713
Career Management	.567
Future Planning with Management	.756
Provision of Amenities	.698
Provision of Adequate Resources	.569
Training & Coaching	.582
Recognition	.557
Flexible Work Hours	.549
Stay Interviews	.755
Interdepartmental Work Exposure	.608
Extraction Method: Principal Component Analysis.	

Results of Total Variance Explained for the Talent Erosion (TE) and High Engagement HR Practices (HE)

In the total variance of Talent Erosion (TE), the first **five** components (factor) in the initial solution have an Eigen values over 1, and it accounted for about **63.96** per cent of the observed variations considering the opinion of the employees on Talent Erosion (TE) of the selected BPM companies.

Similarly in the total variance of High Engagement HR Practices, the first **four** components (factor) in the initial solution have an Eigen values over 1, and it accounted for about **56.41** per cent of the observed variations considering the opinion of the employees on High Engagement HR Practices (HE) adopted by selected BPM companies.

Table 5 & 6: Total Variance Explained

High Engagement HR Practices (HE): Total Variance Explained								
Compon ent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulat ive %	Total	% of Varianc e	Cumulat ive %	Total	% of Varianc e	Cumulat ive %
1	2.002	20.401	20.401	20.401	20.401	20.401	1.676	16.892	16.892
2	1.51	13.618	34.019	13.618	13.618	34.019	1.487	13.441	30.333
3	1.363	11.485	45.504	11.485	11.485	45.504	1.466	13.28	43.613
4	1.303	10.911	56.415	10.911	10.911	56.415	1.406	12.802	56.415
Extraction Method: Principal Component Analysis.								

Results of Rotated Component Matrix of Talent Erosion (TE) and High Engagement HR Practices (HE)

Talent Erosion (TE): It became clear that in the factor of Talent Erosion (TE) where the four measured variables viz., Lack of Specialised Skill, Repetitive Nature of Work, Social Isolation and Monotonous Desk Work were found as more correlated with component 1. Similarly, three measured variables viz., Ineffective Supervision, Poor Mentoring and Power & Politics were found as more correlated with component 2. In component 3, two measured variables viz., No Career Growth and Low value of BPM job were found as more correlated. Moreover, component 4 comprises of two construct variables namely, Irregular Work Hours and Unsatisfactory Work Conditions. The component 5 includes two construct variables namely Lack of Self-Motivation and Personal Reasons.

High Engagement HR Practices (HE): It became clear that in the factor of High Engagement HR Practices (HE) where the three measured variables viz., Provision of Amenities, Provision of Adequate Resources and Salary were found as more correlated with component 1. Similarly, four measured variables viz., Future Planning with Management, Interaction with Management, Designing of Appraisal and Training & Coaching were found as more correlated with component 2. In component 3, three measured variables viz., Career Management, Stay Interviews and Interdepartmental Work Exposure were found as more correlated. Moreover, component 4 comprises of three construct variables namely, Flexible Work Hours, Recognition and Positive Work Culture.

Findings of EFA: In the present study, two dimensions namely Talent Erosion and High Engagement HR Practices are evaluated and two different models have been derived by applying Exploratory Factor Analysis (EFA).For the dimension Talent Erosion, five latent variables have been extracted named as Substandard Nature of Job, Hostile Organisational Culture, Perceptual Factors, Unfavourable Work Conditions and Personal Factors. Similarly, for the dimension High Engagement HR Practices, four latent

Talent Erosion (TE): Total Variance Explained								
Compone nt	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulati ve %	Total	% of Variance	Cumulati ve %	Total	% of Variance	Cumul ative %
1	3.157	24.287	24.287	3.157	24.287	24.287	2.987	22.978	22.978
2	1.551	11.933	36.22	1.551	11.933	36.22	1.551	11.931	34.908
3	1.314	10.109	46.33	1.314	10.109	46.33	1.329	10.225	45.134
4	1.189	9.146	55.476	1.189	9.146	55.476	1.282	9.861	54.995
5	1.103	8.483	63.959	1.103	8.483	63.959	1.165	8.964	63.959
Extraction Method: Principal Component Analysis.								

Table 7 & 8: Rotated Component Matrix

Talent Erosion (TE): Rotated Component Matrix					
Measured or construct variable	Component				
	1	2	3	4	5
Lack of Specialised Skill	0.892				
Repetitive Nature of Work	0.877				
Social Isolation	0.808				
Monotonous Desk Work	0.749				
Ineffective Supervision		0.664			
Poor Mentoring		0.653			
Power & Politics		0.608			
No Career Growth			0.751		
Low value of BPM job			0.711		
Irregular Work Hours				0.774	
Unsatisfactory Work Conditions				0.732	
Lack of Self-Motivation					0.755
Personal Reasons					0.72

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.[a]

High Engagement HR Practices (HE): Rotated Component Matrix				
Measured or construct variable	Component			
	1	2	3	4
Provision of Amenities	0.83			
Provision of Adequate Resources	0.674			
Salary	0.528			
Future Planning with Management		0.853		
Interaction with Management		0.842		
Designing of Appraisal		0.814		
Training & Coaching		0.71		
Career Management			0.692	
Stay Interviews			0.654	
Interdepartmental Work Exposure			0.624	
Flexible Work Hours				0.713
Recognition				0.7
Positive Work Culture				0.534

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.[a]

a. Rotation converged in 6 iterations.

variables have been extracted and named as Monetary Incentives, Involvement in Managerial Policies, Career Advancement Policies and Work Environment

Figure 1: Extracted dimensions of Talent Erosion (TE)
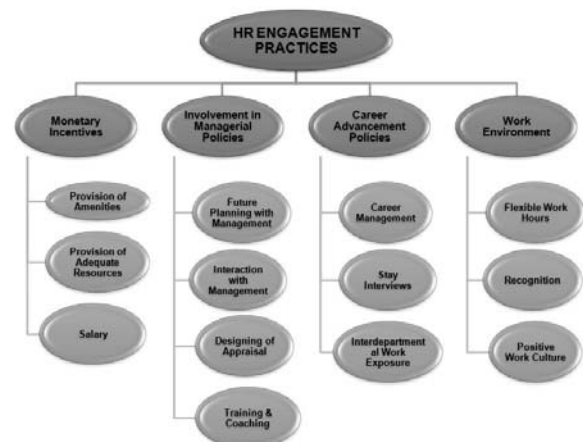
Figure2: Extracted dimensions of High Engagement HR Practices (HE)

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Relationship between dimensions of talent erosion and dimensions of high-engagement HR practices

Multiple Correlation Analysis

Bivariate correlations have been compared between the latent factors causing talent erosion and latent factors of high engagement HR practices in the following table:

Table 9 : Correlations between dimensions of talent erosion and dimensions of high engagement HR practices

High Engagement HR Practices → Talent Erosion ↓	Monetary Incentives	Involvement In Management Policies	Career Advancement Policies	Work Environment
Substandard Nature of Job	-.453	-368	-.567*	-.670*
Hostile Organisational Culture	-.757*	-.764*	-.805*	-.656*
Perceptual Factors	-.679*	-.610*	-.687*	-.561*
Unfavourable Work Conditions	-662*	-.635*	-.736*	-.673*
Personal Factors	-.065	-.056	-.081	.002

* Correlation is significant at the 0.05 level (2-tailed)

With the help of above table we can infer that significant negative correlations exist between:

- **Substandard Nature of Job**
  - Career Advancement Policies
  - Work Environment

- **Hostile Organisational Culture**
  - Monetary Incentives
  - Involvement in Management Policies
  - Career Advancement Policies
  - Work Environment

- **Perceptual Factors**
  - Monetary Incentives
  - Involvement in Management Policies
  - Career Advancement Policies
  - Work Environment

- **Unfavourable Work Conditions**
  - Monetary Incentives
  - Involvement in Management Policies
  - Career Advancement Policies
  - Work Environment

Multiple Regression Analysis

Regression Analysis has been carried out involving each of the five latent variables of Talent Erosion as dependent variables and the four identified dimensions of high-engagement HR practices as the independent variables. On the basis of the above analysis, four regression models have been constructed (as shown in Table 10). Since only statistically significant contributors in the constructed equation to be included, 'stepwise' method of regression has been used. Under this method, the software sequentially looks into the correlation matrix and chooses the independent variables which have the highest Pearson Correlation with the dependent variable from highest to lowest levels of prediction. Once the software locates a non-significant predictor, the analysis terminates. This leaves with the model of significant contributors only. The results presented in table10 highlights the specific high engagement HR practices which explain the variation in specific component of 'talent erosion' in the BPM industry of Rajasthan. The results of regression analysis reveal rejection of null hypothesis and acceptance of alternative hypothesis in four out of five components of talent erosion. In other words, fit has been observed between four out of five components of talent erosion and dimensions of high engagement HR practices.

The multiple correlations coefficient, R can be considered as a measure of the quality of prediction of the dependent variable 'Talent Erosion'. The R^2 value is the proportion of variance in the components of talent erosion that can be explained by the dimensions of high-engagement HR practices. For example, in the case of substandard nature of job, R^2 value of 0.471 indicates that according to the responses given by the BPM employees, dimensions of high engagement HR practices can only curb 47.10% of attrition happening due to the perception of substandard nature of job (Table 10).

The F-ratio reflects whether the overall regression model is a good fit for the data**.** Table 10 depicts that the dimensions of high engagement HR practices (independent variables) significantly predict how the talent erosion from the BPM on account of substandard nature of job, hostile organizational culture, perceptual factors and unfavourable work conditions can be controlled. The respective regression models are, therefore, a good fit of the data. The models have been constructed by using standardized coefficients since the data is cross sectional in nature. In order to test the statistical significance of each of the dimensions of HR practices, significance of the t-value is also given in Table 10. Since all the values are less than 0.05, it indicates existence of significant negative relationships.

Table 10 indicates the existence of significant relationships between dimensions of dependent (Talent Erosion) and independent (high-engagement HR practices) variables. This has been inferred from significance of t-value, which is less than 0.05 in all the cases.

Table 10: Regression Analysis

Dimensions of Talent Erosion	Dimensions of high-engagement HR practices	R	R²	F (sig.)	Constant	Standardized Beta Co - efficients	t (sig.)
Substandard Nature of Job	Work Environment	.686	.471	.000	6.283	-.532	.000
	Career Advancement Policies					-.202	.000
Hostile Organizational Culture	Career Advancement Policies	.869	.755	.000	7.775	-.315	.000
	Monetary Incentives					-.227	.000
	Involvement in Management Policies					-.288	.000
	Work Environment					-.168	.000
Perceptual Factors	Career Advancement Policies	.744	.554	.000	7.514	-.300	.000
	Monetary Incentives					-.323	.000
	Work Environment					-.118	.006
	Involvement in Management Policies					-.101	.041
Unfavourable Work Conditions	Career Advancement Policies	.792	.628	.000	6.731	-.307	.000
	Work Environment					-.294	.000
	Monetary Incentives					-.166	.000
	Involvement in Management Policies					-.148	.001

With the help of above table, following four linear equations of regression can be constructed:

Substandard Nature of Job = 6.283 - 0.532 **WE** - 0.202 **CAP**

Hostile Organisational Culture = 7.775 - 0.315 **CAP** - 0.227 **MI** - 0.288 **IMP** - 0.168 **WE**

Perceptual Factors = 7.514 - 0.300 **CAP** - 0.323 **MI** - 0.101 **IMP** - 0.118 **WE**

Unfavourable Work Conditions = 6.731 - 0.307 **CAP** - 0.166 **MI** - 0.148 **IMP** - 0.294 **WE**

where,
CAP stands for Career Advancement Policies
MI stands for Monetary Incentives

IMP stands for Involvement in Management Policies
WE stands for Work Environment

Interpretation of and Findings from Regression Equations

Equation I

Substandard Nature of Job =6.283 - 0.532 **WE** - 0.202 **CAP**

In the above linear regression model, pessimistic dimension of substandard nature of job is inversely related to work environment and prevalent career advancement policies in a BPM company. The above equation reflects that by provision of flexible work hours, recognition, positive work culture, clearly chalked out career management guidelines, stay interviews and interdepartmental work exposure, the management of a BPM company can resolve the issues of repetitive nature of work, lack of specialized skills,

monotonous desk work and social isolation of its employees.

Equation II

Hostile Organisational Culture = 7.775 - 0.315 **CAP** - 0.227 **MI** - 0.288 **IMP** - 0.168 **WE**

The hostile organizational culture of a BPM firm which includes dissatisfaction amongst its employees due to power and politics, poor mentoring and ineffective supervision can be reversed by offering adequate career advancement policies, handsome salaries along with amenities and resources, opportunities to interact, plan and design appraisals with the senior managers. Organising various training and coaching programs also go a long way in correcting the hostile culture within the workplace.

Equation III

Perceptual Factors= 7.514 - 0.300 **CAP** - 0.323 **MI** - 0.101 **IMP** - 0.118 **WE**

A BPM job is perceived as a temporary arrangement for fresh graduates since society attaches very low value to it in terms of career growth of an individual. It is a common perception that a BPM employee is not highly qualified and does not possess any specialized skill. While attractive monetary perks and incentives provided by the BPM companies keep the young employees adequately motivated, lucrative career growth options also encourage them to continue working in the rapidly growing BPM industry.

Equation IV

Unfavourable Work Conditions = 6.731 - 0.307 **CAP** - 0.166 **MI** - 0.148 **IMP** - 0.294 **WE**

Irregular working hours and unsatisfactory work conditions increase the employee's possibility of quitting his job and relocating to either a different company in the same industry or a different industry altogether. Almost any HR engagement practice, be it in the form of provision of monetary incentives, promotion of involvement of employees in the managerial policies of the company, formulation of new and modification of career advancement policies, creation of healthy work environment, etc., all go a long way in arresting the alarming rate of talent erosion from the BPM industry.

CONCLUSION

In the light of the above research, it can be concluded that the manpower-intensive Indian BPM companies need to rewire their HR strategies in order to focus on talent excellence. In fact, some of the companies in the industry have already adopted a novel organizational hierarchy where HR ceases to exist as a separate department, instead it is amalgamated with the operational set up. Since operations managers are better aware of the plight of the employees in their team, they are able to deal with tricky situations involving their subordinates with greater empathy. The management of new crop of BPMs is already channelizing its time, efforts and resources towards creating a positive synergy in an environment where most clients call to complain or seek redressal, thereby elevating the stress levels of the employees. The study also highlights that in the overtly competitive global sourcing arena, where retaining talent is a challenge, a well-designed on-boarding strategy also lends competitive edge to most companies. The employees respond positively to counter-offers by their existing employers. The strategy of counter-offers makes employees feel valued and they are motivated to stay back. More often than not, these counter-offers are coupled with additional responsibilities to support business continuity. This creates a win-win for the BPM industry and its millennial employees.

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Determinants of Customer Satisfaction: AnEmpirical Study with reference to Hotel Industry in West Bengal

Debasish Biswas, Arunangshu Giri and Debabrata Mitra

ABSTRACT

Due to rapid growth of the service sector, the global market becomesstiff competitive and the importance of customer satisfaction have been duly emphasized. Hotel industry has become one of the most profitable industries in the world and customer satisfaction has been identified as a key performance indicator in hotel industry.The main aim of this study is to explore the determinants of customer satisfactionon the basis of the responses of four hundred ninety five guests from twenty four-star category hotels in West Bengal. This study mainly concentrates on five important determinants of customer satisfaction, which include 'tangibility', 'reliability', 'responsiveness', 'assurance' and 'empathy'. We have applied factor analysis and confirmatory factor analysis for the analysis of data. In our study, we have made a deliberate attempt to build a model which will definitely facilititate to improve the performance of Hotel Industry operating in India in general and West Bengal in particular.

INTRODUCTION

Since many years, customer satisfaction has been a paramount goal of business organizations, since it has been deemed to affect customer retention and companies' market share. During the last four decades, satisfaction has been considered as one of the most important theoretical as well as practical issues for most marketers and customer researchers (Jamal, 2004).

Service quality leads to higher profitability (Gunderson et. al., 1996) and customersatisfaction (Oliver, 1997). Furthermore, a number of empirical studies indicate a positive relationship betweencustomer satisfaction and customer loyalty (Kandampully and Suhartanto, 2000; Dimitriades, 2006; Chi and Qu,2008; Faull ant et. al., 2008).

REVIEW OF LITERATURE

Customer satisfaction has been a popular topic in marketing practice and academic research sinceCardozo's (1965) initial study of customer effort, expectations and satisfaction.

Despite many attempts to measure and explain customer satisfaction, there still does not appear to be a consensus regarding its definition (Giese and Cote, 2000). The theory was developed by Oliver (1980), who proposed that satisfaction level was a result of the difference between expected and perceived performance. Satisfaction occurs when product or service is better than expected.

On the other hand, a performance worse than expected results with dissatisfaction. Studies show that customer satisfaction may have direct and indirect impact on business results. Anderson et. al. (1994), Young et. al. (2002), and Luo and Homburg (2007) concluded that customer satisfaction positively affects business profitability.

Key words

Customer satisfaction,Determinants, Hotel Industry,Tangibility, Reliability, Empathy Assurance, Responsiveness.

After reviewing the literature on satisfaction, Giese and Cote (2000, p. 15) concluded that the wide variation in defining the construct of satisfaction is best reconciled in their definition of satisfaction as "A summary affective response of varying intensity with a time-specific point of determination and limited duration directed toward focal points of product acquisition and consumption."

W. M. K. K. Karunaratne and L. N. A. C. Jayewardene (2010) examined the level of customer satisfaction and major factors contributing to customer satisfaction in the five star hotels.

According to Mohsin et.al. (2005)today's hotel guests expect quality service, product, atmosphere, entertainment, value for money; require high quality experience from their stay in hotel.

Dewar Prerna (2013) found out the five factors of customer satisfaction in Banking Industry such as Reliability , Technology ,Commitment , Empathy and Privacy.

Sachin Gupta et. al. (2007) demonstrate a methodology to quantify the links between customer satisfaction, repeat-purchase intentions, and restaurant performance. The authors have constructed a series of mathematical models using the data from a national restaurant chain, that predict how the level of customer satisfaction with certain attributes of guests' dining experience affects the likelihood that they will come back. The authors constructed two different models for this study. The first one is to explore the relationship of guest satisfaction with twenty-one distinct attributes of the dining experience; the second model was to explore the relationship between restaurant performance and customers' reported likelihood to return.

Rizaldi and Wijaya (2006) stated the five SERVQUAL dimensions through Disconfirmation theory. The theory of disconfirmation has been used to explain the formation of customer perceived service quality and satisfaction. According to this theory, service quality and satisfaction result from how well the actual service performance, in other words, the service process and outcome, matches the customer's expectations. Thus expectations and their management are of great significance to perceive service quality and satisfaction. The idea of disconfirmation has its root in Helson's adaptation level theory, which suggests that states of satisfaction/dissatisfaction result from a comparison between one's perception of product performance and one's expectation level. According to widely accepted opinion in service research, customer

perceived service quality results from how well customer expectations match actual experiences of the service. And so, based on the disconfirmation theory, the writers conducted a set of research upon Intrapura Restaurant, located at the heart of Amsterdam. To gain the level of customer satisfaction through the customer expectation and customer perception level of Intrapura's service quality. The writers used five dimensions of SERVQUAL viz. tangible, reliability, responsiveness, assurance, and empathy.

RESEARCH GAP

From the literature reviewed it is evident that there have been a limited studies conducted on the determinants of customer satisfaction in hotel industry.It is also evident that in the study location there have been fewer studies conducted in the hotel sector. Undoubtedly these studies have contributed in their own way but they have also left certain gaps that need to be addressed.

OBJECTIVES OF THE STUDY

The existing reviews of literature have helped us to frame the following objectives in our study. The objectives are as follows:

1. Toexplorethe determinants which have a profound influence on customer satisfaction in the selected hotels located in West Bengal.

2. To find out the degree of influence of the determinants oncustomer satisfaction.

3. In this study, the use of Structural Equation Model (SEM) in validating the model is a valuable contribution. It will help the hotel owners in designing strategies according to their guest's response against customer satisfaction questionnaire.

HYPOTHESES

H_1: Tangibility positively influence the Service quality of Hotel Industry in West Bengal

H_2: Reliability positively influence the Service quality of Hotel Industry in West Bengal

H_3: Responsiveness positively influence the Service quality of Hotel Industry in West Bengal

H₄: Assurance positively influence the Service quality of Hotel Industry in West Bengal

H₅: Empathy positively influence the Service quality of Hotel Industry in West Bengal

H₆: Service Quality positively influence the Customer Satisfaction of Hotel Industry in West Bengal
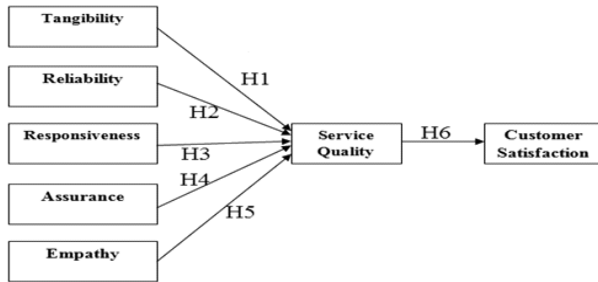
Figure: 1 Hypothesized Research Model

METHODOLOGY

Sources of Data:

Primary Data: The primary data collection has been done through the questionnaire filled by the guest of the hotels.

Sampling Method:

We have adopted stratified random sampling method in our study.

Sample Size:

We have distributed the questionnaire among 600 respondents and finally we got 495 properly filled up questionnaire from them. The analysis is finally done on the basis of the responses from the 495 respondents.

Area of Study:

The study has been concentrated to evaluate the Customer Satisfaction which is deemed necessary for an organization especially in Service sector like hotels.

Period of the Study:

This Research work have undergone at West Bengal, India during the period of January 2016 to June 2016.

Variable Measurement:

Dependent Variables: Customer Satisfaction will be measured though the questionnaire based on five key dimensions of SERVQUAL model of customer satisfaction which includes Tangibility, Reliability, Responsiveness, Assurance and Empathy.

Section and Measurement of Questionnaire

Section	Measurement
Respondent's opinion towards Training and Education of the employees of the hotels	Tangibility factor
Respondent's opinion towards Skill and Ability of the employees of the hotels	Reliability factor
Respondent's opinion towards Knowledge and Competency of the employees of the hotels	Responsiveness factor
Respondent's opinion towards Skill and Ability of the employees of the hotels	Assurance factor
Respondent's opinion towards Attitude and Behavior of the employees of the hotels	Empathy factor

Scale Selection:

The investigation includes '*measurement of attitude*' of the hotel employees using 5-point Liker scale ranging from 1 to 5, where,1 = 'Strongly disagree', 2 = 'Disagree',3 = 'Not agree nor disagree', 4 = 'Agree', 5= 'Strongly agree

DATA ANALYSIS AND INTERPRETATION

Cronbach's alpha is designed as a measure of internal consistency; that whether all items within the instrument measure the same thing. Alpha is measured on the same scale as a Pearson r (correlation coefficient) and typically varies between 0 and 1. The closer the alpha is to 1.00, the greater the internal consistency of items in the instrument being assessed. In our study, the value of alpha is **.9548** which ishighly desirable.

Overall Reliability Statistics

Table 1

Cronbach's Alpha	Number of Items
.9548	54

Total Cases: **500**

Kaiser-Meyer-Olkin (KMO) statistics, predicts if data are likely to factor well, based on correlation and partial correlation. There is a KMO statistic for each individual variable, and their sum is the KMO overall statistic. KMO varies from 0 to 1.0 and KMO overall should be 0.60 or higher to proceed with factor analysis. In our study, we got the KMO of .931 which is quite logical to proceed for factor analysis. The result is shown below:

KMO and Bartlett's Test

Table 2

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.931
Bartlett's Test of Sphericity	Approx. Chi-Square	51086.922
	df	1431
	Sig.	<.001

Through the result of factor analysis, we can explain the total variance and the proportionate variance of each factor in our study which is stated here:

Table 3 : Total Variance Explained

Factors	Total	% of Variance	Cumulative %
Tangibility	8.769	16.238	16.238
Reliability	8.319	15.405	31.643
Responsiveness	7.719	14.294	45.938
Assurance	7.637	14.143	60.080
Empathy	6.631	12.280	72.360
Service Quality	3.837	7.105	79.465
Customer Satisfaction	3.826	7.085	86.550

From the above table 3, it is very clear to us that Tangibility explains 16.238 % variance followed by Reliability, Responsiveness, Assurance, Empathy, Service Quality, and Customer Satisfaction. In our study, we have explained total 86.550 % variance through the above stated components.

We have constructed rotated component matrix in order to identify the factors in our study. This is represented below:

Table 4:Rotated Component Matrix (a)

	Component 1	2	3	4	5	6	7
A9	.947	.117	.110	.060	.141	.030	.027
A5	.937	.115	.114	.061	.131	.032	.036
A10	.932	.130	.127	.067	.163	.039	.018
A2	.924	.103	.105	.060	.130	.021	.033
A6	.923	.143	.152	.062	.174	.038	.016
A8	.896	.106	.118	.067	.103	.022	.009
A7	.881	.143	.180	.069	.149	-.006	.036
A3	.864	.138	.154	.084	.170	.028	.016
A4	.822	.137	.144	.035	.165	.032	.005
A1	.809	.185	.225	.120	.198	.016	.010
E10	.109	.942	.075	-.010	.102	.044	.065
E9	.101	.942	.084	-.016	.057	.027	.044
E1	.097	.940	.082	-.013	.055	.021	.043
E7	.108	.916	.060	-.005	.044	.018	.046
E5	.107	.914	.068	-.007	.100	.038	.066
E8	.126	.905	.073	-.027	.069	.059	.031
E11	.163	.852	.116	-.055	.100	-.012	.027
E12	.153	.851	.060	-.053	.106	-.013	.038
E4	.160	.829	.038	-.038	.142	.054	.036
E3	.081	.760	.049	-.095	.077	.065	.076
T4	.136	.057	.918	.012	.047	.094	.124
T9	.140	.063	.910	-.026	.037	.108	.166
T8	.146	.109	.897	.015	.074	.096	.117
T1	.153	.105	.893	.014	.087	.106	.133
T3	.135	.043	.892	-.039	.043	.096	.170
T7	.119	.074	.889	.005	.036	.085	.109
T5	.080	.080	.846	.013	.015	.071	.107
T2	.247	.062	.777	.034	.039	.102	.108
T6	.162	.088	.770	.030	.085	.069	.080
RES4	.043	-.044	.039	.941	.066	-.025	.059
RES3	.038	-.047	.033	.932	.060	-.029	.054
RES5	.100	-.004	.016	.925	.038	.046	.031
RES6	.039	-.058	.052	.919	.090	-.016	.077
RES1	.082	-.046	-.026	.905	.094	.006	.074
RES2	.079	-.041	-.020	.900	.098	.000	.082
RES7	.070	-.042	.004	.898	.093	.030	.047
RES10	.060	-.054	-.004	.894	.083	.053	-.026
RES9	.070	.019	-.016	.847	.082	.064	-.002
REL2	.219	.125	.066	.132	.922	.102	.180
REL1	.219	.125	.066	.132	.922	.102	.180
REL4	.221	.132	.057	.135	.906	.105	.193
REL6	.247	.126	.054	.122	.903	.079	.197
REL7	.205	.136	.087	.107	.876	.180	.133
REL5	.248	.143	.066	.100	.873	.121	.168
REL8	.191	.116	.065	.084	.861	.203	.130
SAT1	.020	.060	.197	.016	.224	.911	.252
SAT3	.053	.033	.187	.079	.168	.908	.214
SAT4	.055	.079	.216	-.008	.180	.904	.214
SAT2	.053	.077	.192	.016	.227	.887	.249
QUA1	.037	.072	.337	.112	.310	.279	.822
QUA2	.019	.123	.293	.103	.282	.235	.816
QUA5	.034	.123	.290	.127	.263	.239	.804
QUA3	.017	.123	.286	.104	.332	.251	.790
QUA4	.056	.125	.338	.070	.314	.290	.767

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 7 iterations.

Analysis of Moment Structure (AMOS)

This is very powerful multivariate technique to express interdependence between the variables through a path diagram.We conducted Confirmatory factor analysis (CFA) on the basis of the result of exploratory factor analysis by using software called analysis of moment structure (AMOS version 7).We have used CFA to determine the goodness of fit between hypothesized model & sample data.

Table 5 : Fit indices of CFA for Structural Model

Fit Index	Acceptable Threshold Levels	Structural Model Values
χ2/ df (Chi-square / degree of freedom)	Values less than 3	**1.610**
RMSEA (Root mean-square error of approximation)	Values less than 0.06	**0.035**
GFI (Goodness of fit index)	Values greater than 0.90	**0.996**
AGFI (Adjusted goodness of fit index)	Values greater than 0.90	**0.974**
NFI (Normed fit index)	Values greater than 0.90	**0.992**
CFI (Comparative fit index)	Values greater than 0.90	**0.997**

C MIN / DF: The relative chi square is an index of modification towards the model evaluation. It may help to modify the path to obtain a better result on the model fit. As per our analysis shown in Table: 4 it is **1.610**which is acceptable.

Goodness of Fit Index (GFI) and adjusted goodness of fit(AGFI): These are chi square based calculations independent of degree of freedom. It varies from 0 (poor fit) to 1 (perfect fit). It indicates the proportion of variance in the sample variance co variance matrix and that is accounted for by the model. In this study, we obtained the GFI value .996 as shown in table 4. So our model is good and it matches the criteria of goodness of fit.

Adjusted goodness of fit(AGFI): It should be e".90 for goodness of model fit. In this analysis, we obtained the AGFI of .974as shown in table: 4 which also matched the criteria of goodness of fit.

Root Mean Square error of approximation (RMSEA): It is based on predicted versus observed co-variance but penalizing for black of parsimony (or simplicity),in assessing a model's amount of error. It is popular because it does not require comparison with a null mode. In our study as shown in Table: 4, we got RMSEA of .035 which indicates the excellent fitness of the model and it is estimated at 90% upper ends. RMSEA < .08 acceptable,<.05 excellent. (Brown and Cudeck,1993)

Normed Fit Index (NFI) and Comparative Fit Index (CFI): It should be e".90 for goodness of model fit. In this analysis, we obtained the NFI of .992 and CFI of .997as shown in table: 4 which also matched the criteria of goodness of fit.

The result of path analysis of structural model is shown below. It clearly indicates that all the hypotheses framed in our study are fully supported with significant 'p' values.

Table: 6 Path analysis of Structural Model

Measurement Path		Hypo thesis	Regre ssion Estim ate	t-Value (C.R.)	P-Valu e	Assessment
QUANOW	← TNOW	H₁	.518	12.487	***	Supported
QUANOW	← RELNOW	H₂	.430	13.000	***	Supported
QUANOW	← RESNOW	H₃	.079	2.644	.008	Supported
QUANOW	← ANOW	H₄	.180	5.206	***	Supported
QUANOW	← ENOW	H₅	.072	2.094	.036	Supported
SATNOW	← QUANOW	H₆	.757	12.495	***	Supported
SATNOW	← RELNOW	New (Create d)	.138	2.561	.010	Supported

*Significant Regression co-efficient (P<0.01 and 0.05)

From the Path analysis of Structural Model, it is clearly observed that 'reliability' is the strongest determinant (t value = +13.000) which influences positively on the quality of service in hotel industry. It is further shown that 'service quality'(t value = +12.495) positivelyinfluences the customer satisfaction.It is also seen that 'tangibility'(t value = + 12.487), 'assurance'(t value = + 5.206), 'responsiveness'(t value = + 2.664) and 'empathy'(t value = +2.094) have also direct positive impact on service quality.
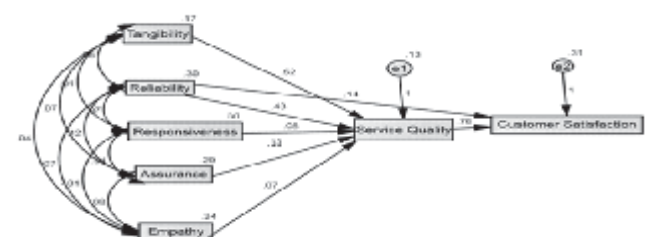
Figure 2 : Outcome of Hypothesized Structural Model

Through AMOS, the above model has been suggested which is modified in comparison to our hypothesized model based on the hypotheses in our study.

Table 7 : Measurement Model Result

Constructs/ Factors	Construct Reliability (CR)	Average variance extracted (AVE)	Maximum Shared Variance (MSV)	Average Shared Variance (ASV)
Service Quality	0.872	0.765	0.259	0.159
Tangibility	0.932	0.768	0.374	0.237
Reliability	0.874	0.704	0.322	0.178
Responsiveness	0.954	0.876	0.231	0.144
Assurance	0.933	0.753	0.373	0.175
Empathy	0.961	0.864	0.216	0.213
Customer Satisfaction	0.922	0.881	0.234	0.065

Construct Reliabilities (CR) values which are more than 0.7 supports internal consistency among the items of underlying factors.The convergent validity of measurement model supports in this study where all Average variance extracted (AVE) is more than 0.5 (Fornell & Larcker, 1981 and Hair et al., 1998). The conditions (CR > AVE, MSV < AVE and ASV < AVE) under Measurement model also support the convergent and discriminant validity.

FINDINGS OF STUDY

Though hotel sector is one of the fast growing service sectors in India, researches do not provide clear idea of measurement of customer satisfaction giving special emphasis on service quality. This study gives on light on possible influence of service quality which ultimately leads to customer satisfaction.

Our empirical result shows that through Tangibility, Reliability, Responsiveness, Assurance, Empathy positively influenced service quality which enhances the customer satisfaction. In our study, we have found that Tangibility, Reliability, Responsiveness, Assurance, Empathy have very significant direct impact of service quality on customer satisfaction.

Our empirical study confirms that service quality is a significant determinant of customer satisfaction in the hotel Industry.

CONCLUSIONS

This analytical study has given a focus on theCustomer Satisfactionin respect toHuman Capital deployment with special reference to star category hotels located inWest Bengal.The customer satisfaction is the ultimate motto of any organization. The customer with optimum level of satisfaction mobilizes and generates goodwill to the business. The customer satisfaction is highly dependent upon the service quality offered to the customer.

So, in a nutshell, we may assert that managing human capital is one of the permanent solutions to ensure the employee's performance.Specifically, the organization has to pay more attention for deployment of suitable human capital which trends to have a greater impact on employees'performance and ultimately leads to the customer satisfaction.

FUTURE SCOPE OF THE STUDY

There are some limitations of the study that could be addressed in future research. Due to the exploratory nature of the study only five factors deemed to be the most important in influencing customer satisfaction have been included. Another limitation in this study, it only focuses on the hotel sector. Further study should be utilized this methodology for multifarious sector to confirm the model to ensure the model identified for customer satisfaction. Finally, further study should be addressed the customer satisfaction issues on all other typology of service in various sectors.

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Financial Institution and Customer's Perception towards Delivery of Financial Service Quality: Factor Analysis Approach

Krishna Murari

ABSTRACT

Financial services are the core of business of the financial institutions. Customers expect some value from the service provider as well as financial institution also have some perception about the delivering the financial service quality. This paper uses factor analysis approach to extract the key factors responsible for delivering the financial service quality from the perspective of financial institutions and customers. The study uses descriptive Research design and the data was collected through designing a structured questionnaire and was circulated to the financial institutions and customers of Gangtok region of Sikkim State. A sample of 135 respondents was collected for the study including the 35 branches of financial institutions in Sikkim. The results of factor analysis on customer's perception towards delivery of financial service reported 5 key factor including Technology and Employees behavior; Interest Rates & facilities; Value addition to financial services; Cost and Goodwill of financial institution. On the other hand, three key factors Employee satisfaction & operational Knowledge, Feedback, marketing and documentation and Online services and regulatory framework, were extracted and found to be significant from the perspective of financial institutions. The findings in the study are based on the responses received in north eastern part of India especially Sikkim state. Further researches may be replicated by covering a large geographical area and with a larger sample.

INTRODUCTION

Financial institutions in India are the intermediaries that assist in channelizing the savings & funds of the customers to the economy by offering a wide range of financial products and services. In todays liberalized economic environment the forces of deregulation, advancing technology and general trends towards globalization have vastly increased the competitive pressure among the financial services providers.The financial institution is expected to perform the principles duties like- banking, deposit taking and lending; insurance, financial leasing and money transmission service, most of the financial institution delivering basically the same services. Financial institutions are providers of financial services, andas such play a major role in the economic development and financial wellbeing of a nation.

Services are widely viewed as having certain key characteristics which mean that the marketing of services and achieving the desired level of service quality presents particular challenges to marketers. Services core attributes are deeds, acts and processes which cannot be seen, felt or touched. Services are to varying extents dominated by intangible attributes. Therefore, whereas the quality of a physical product can be characterised by how it conforms to the manufacturing specifications, service quality is more subjective and more difficult to specify and evaluate. Also, a physical product can be checked for defects as it comes off the production line and rejected if it is not up to the required standard. This is not the case for a service, not least due to other important characteristics of services; inseparability and heterogeneity. Services are said to be inseparable as they are normally produced and consumed simultaneously with the

consumer, or user, playing a significant part in the production process. For instance, when investment advice is rendered, the customer's experience is partly dependent upon the information that he/she has provided and the rapport that has developed between the customer and the advisor during the service interaction. If there is a major service quality failure, it happens in "real time" and is impossible to correct before the customer experiences it. The service experience also has the potential to vary as a result of the customer, or advisor, having had a bad day or being in a hurry. This is the source of the increased variability or heterogeneity associated with services. Finally, services are characterised as extremely perishable in the main. Fifteen minutes of quiet time in a banking hall devoid of customers mid-morning cannot be boxed up, put on the shelf and taken down at lunchtime when the queues are stretching out of the door. An unpurchased seat on an aeroplane is lost to an airline the moment the check-in desk closes. Such services perish and can never be re-used. As a result, the matching of supply and demand and the pricing strategies that may help to do so are also particular challenges for services marketers. Failure to match supply and demand effectively may have huge revenue and profit implications, but also may adversely affect customers' assessments of service quality, for instance if they are forced to queue out of the door at lunchtime at their bank. Given such considerable challenges associated with services marketing, it is not surprising that service quality issues have consistently been considered crucial by academics and practitioners alike. For at least the past thirty years much thought has been given to conceptualisations and measurement of service quality and it is to such issues that attention now turns.

Now, when it comes to the financial services, the service provider has to be extra cautious about the delivery of service quality as the customers' hard earned money is involved in the transaction. Thus the profitability of the financial institutions depends upon the way it provides the services to its customers in terms of a broad range of universal financial products or customized according to customer's need. Delivery of financial service quality (here in after to be referred as DFSQ) has been considered as one of the important parameter to delight the customers and thus maintaining a long term relationship with them to foster to the business growth. Financial institutions are continuously emphasizing on improving upon the ways of effective delivery of services to their customers. In this connection, the rapid advancement in internet based channels has produced tremendous changes in the financial industry in recent years. With an increasing rate of change in technology, competition among players and consumer needs has also increased over the years (Hughes, 2001). These IT-based distribution channels reduce personal contact between the service providers and the customers, which inevitably leads to a complete transformation of traditional bank-customers relationships (Barnes and Howlett, 1998). On the other hand customers also have some expectations form their service providers, while being served, with respect to security, error free service, time, cost etc.

REVIEW OF LITERATURE

The financial service sector has grown significantly over the past few decades. The growth of the financial sectors has taken place with the change in the environments. The growth refers to growth in financial resources, growth in size of assets and growth in of the service provided. The growth and development of financial services are usually in response to growth of the real economy.

SERVICE QUALITY MEASUREMENT

Broadly speaking, there are two streams of literature which address the definition and measurement of service quality. The first one comes from Europe, mainly Scandinavia and is often called the Nordic school of research (Gronroos, 1984). The main proposition of this school is that the quality assessment of a service does not solely depend on the outcome but also on the service delivery process. The second stream comes from the American schools which adopted a quantitative approach in conceptualisation and measurement of service quality. Their biggest contribution is the development of a service quality measurement scale SERVQUAL to assess areas of service performance improvement and evaluate the impact of improvement efforts through industry benchmarking (Parasuraman, Zeithaml, & Berry, 1985; 1988; 1991).

The existing literature on service quality has revealed that delivery of quality services has been increasingly recognized as a critical factor in the success of any business (Parasuraman, Zeithaml, & Berry, 1985; 1988; 1991) and the financial service industry in this case is not exceptional. Service quality has been widely used to evaluate the performance of banking services (Cowling & Newman, 1995). The banks understand that customers will be loyal

if they receive greater value than from competitors (Dawes & Swailes, 1999) and on the other hand, banks can earn high profits if they are able to position themselves better than their competitors within a specific market (Davies, Moutinho, & Curry, 1995). Over the last two decades the underlying model SERVQUAL has received a lot of attention in determining the dimensions of the customers' perception of delivery of service quality and results have been replicated in many industries. Examples include: health care setting, cellular mobile telephony, professional accounting firms, dental school patient clinic, business school placement centre, actual care hospital, dry cleaning, fast food restaurants and real estate business(Babakus & Mangold, 1992; Seth, Momaya, & Gupta, 2008; Aga & Safakli, 2007; Carman, 1990; Cronin & Taylor, 1992; Preko, Agbanu, & Feglo, 2014).

Service quality is considered an important condition for the progress of financial sector as well. Due to the identified dimensions of service quality in the underlying SERVQUAL model of (Parasuraman, Zeithaml, & Berry, 1991) and its applicability to only few industries, the model has been criticized over the years by many researchers. Bahia and Nantel(2000) argued that the SERVQUAL approach is not exceptionfrom critics; therefore, they developed a new measurement for perceived service quality in Retail Banking. They proposed a scale that was called Bank Service Quality (BSQ). This scale includes 31 items classified across six dimensions - effectiveness and assurance, access, price, tangibles, range of services offered and accuracy and reliability. They proved that the dimensions of BSQ are more reliable than the dimensions of SERVQUAL. Bank service quality varies by the main six dimensions. These dimensions are fit for all retail banking of the world. Glaveli*et al.* (2006) supported this and stated that BSQ is more reliable than SERVQUAL. Stafford (1996) conducted research to identify the core elements of BSQ and identified seven attributes in assessing BSQ.

With this backdrop of literature review, this paper aims the identifying the key factors that are considered to be significantly important from the perspective of customers and finaicial institutions. Further the findings of the study shall propose a new model based on the identified factors.

OBJECTIVES OF THE STUDY

The main objectives of the study are the following;

1. To know the profile of financial services offered by financial institutions operating in the select state.

2. To extract the factors affecting the customer perception about the delivery of financial services quality.

3. To extract the key factors that are considered as important by the financial institutions, in delivering the financial services.

RESEARCH DESIGN & DATA COLLECTION

A descriptive Research design is used to determine the financial institutions and customers' perception about the financial services quality.The data was collected through designing a structured questionnaire and was circulated to the financial institutions and customers of Gangtok.For an easy understanding and reading, initially 20 variables (customers' perspective) affecting the delivery of financial service quality were identified and converted in to statements and the respondents were asked to rate their them according to the perceived importance to each variable on the pre-defined five point likert scale (1=least important and 5=most important). For financial institutions, 14 variables were identified based on pilot study.A sample of 135 respondents was collected for the study including the 40 branches of financial institutions in Sikkim. Only 35 branches of financial institutions responded to the survey. Primary data was collected using questionnaire which were examined by the researcher personally and collected data was coded and tabulated for analysis.

DEMOGRAPHIC PROFILE OF RESPONDENTS

Table 1 shows that majority 47% of sample respondent is in the age group of 20-30 years, 29% is from 30-40 years, 16%is from 40 years above and remaining respondents from below 20 years. Table 4.3 showsthat from the 100% respondents there are 56% of female and 44% of male.

Table 1 shows that majority 39% respondent have their income in the category of Rs1000-10000, followed by 37% in Rs 11000-20000 per month and 11% having their income between Rs 21000-30000. Very few respondents i.e. 8% have their income between Rs31000-40000 followed by 5% respondent having their income above Rs 40000 per month.

Table 1: Demographic Profile of Financial Institutions and Customers

Profile of Financial Institutions		Column N %
Category of Financial institutions	Public sector Bank	54.3%
	Private sector Bank	25.7%
	Co-operative Bank	8.6%
	Insurance Co.	5.7%
	Micro Finance Institution	5.7%
Profile of Customers		
Age	Below 20 years	8.0%
	20-30 years	47.0%
	30-40 years	29.0%
	Above 40 years	16.0%
Gender	Female	56.0%
	Male	44.0%
Income	1000-10000	39.0%
	10001-20000	37.0%
	20001-30000	11.0%
	30001-40000	8.0%
	40000 above	5.0%

RESULTS & DISCUSSION

Table 2 reveals that out of samples of financial institutions, 91.4% of financial institutions are providing saving account and loans & credit facility to customers, followed by 80% and 54.3% offering insurance and mutual fund services respectively and only 1 financial institution is providing PPF/NPS related services.On the access to financial services side 73.5% have access to deposit account (saving) followed by 37.8% to loans and credit facility and 17.3% to insurance services in selected region. There was no respondent reported to have access to mutual fund and PPF/NPS services of financial institutions.

Table 2: Financial Services offered by FIs and access by Customers

Financial Services offered by FIs and access by Customers		Responses		Percent of Cases
		N	Percent	
Financial services Offered by FIs[a]	Deposit account	32	28.6%	91.4%
	Loans & Credit	32	28.6%	91.4%
	Insurance	28	25.0%	80.0%
	Mutual fund	19	17.0%	54.3%
	PPF/NPS	1	0.9%	2.9%
	Total	112	100.0%	320.0%
Access to Financial Services[a]	Saving a/c	72	57.1%	73.5%
	Loans	37	29.4%	37.8%
	Insurance	17	13.5%	17.3%
	Total	126	100.0%	128.6%
a. Dichotomy group tabulated at value 1.				

FACTORS ANALYSISAPPROACH
Sampling Adequacy and Multicolinearity

In order to know the various dimensions of delivery of financial service quality and suitability of factor analysis approach for this purpose, two test were conducted to know the reliability of the instrument i.e. KMO measure of sampling adequacy and Bartlett's test of sphericity. The value of KMO statistics customers and financial instiutions is 0.864 and 0.704 respectively which is greater than 0.7 and is acceptable measure of sampling adequacy according to (George &Mallery, 2003). Another primary condition to extract the factors through factor analysis is the presence of multicollinearity among the variables which is measured by Bartlett's test of sphericity. The value of chi-square (1009.014 for customer and 462.506 for FIs) is statistically significant (p-value-0.000) at 5 percent level of significance (table 3). It means that null hypothesis of presence of no correlation among variable is rejected. Hence, we find that there exists high degree of multicollinearity among variables. Thus with these significant results, factor analysis approach is suitable for extracting the independent dimensions of delivery of financial services in Indian banks.

Table 3: KMO and Bartlett's Test

Type of test		Customers' Perception	Financial Institutions' Perception
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.864	0.704
Bartlett's Test of Sphericity	Approx. Chi-Square	1009.014	462.506
	df	190	91
	Sig.	0.000	0.000

KEY FACTORS EXTRACTION FOR DFSQ-CUSTOMERS' PERCEPTION

Table 4 has identified 5 components within the data set along with their respective factor loadings. It is reported that factor 1 (technology &Employee behavior) includes 9 variables with together explain, after rotation,22.629% of total variance. The second factor (interest rate & facilities) included 3 variables which together explained 13.170% variance followed by the third factor (value addition to financial services) which included 4 variables and explained 12.979% of total variance. Fourth factor (cost) included only 2 variables and explained 9.783% of total variance whereas fifth factor (goodwill) of financial institution was considered as least important factor by the customers in determining the delivery of financial service quality. The total variance explained by all the extracted factors was 66.940% which is satisfactory. Thus

In table 4,based on the factors loadings; different variables are grouped into five key factors which are considered to be significant by the customers in determining the delivery of financial service quality.

Factor 1: Technology and Employees behaviour

Factor 2: Interest Rates & facilities

Factor 3: Value addition to financial services
Factor 4: Cost
Factor 5: Goodwill

Table 4: Key Factors Extraction-Customers'Perception

Compo nents	Key Factors	Variables	Factor Loading	VE (%)	TVE (%)
1	Technology and Employees behaviour	Hospitality	0.822		
		Advertisement	0.725		
		Employees attitude	0.704		
		Frequency and quality of contact	0.701		
		Product knowledge of bank staff	0.607	22.629	22.629
		Quality of compliant resolution	0.582		
		Technology element	0.551		
		Understanding of customer perspective	0.540		
		Ease of online access	0.478		
2	Interest rates and Facilities	Risk coverage	0.802		
		Interest rates	0.630	13.170	35.800
		Banking Facilities	0.434		
3	Value addition to financial services	Ease of manual access	0.765		
		Objective of obtaining financial services	0.688	12.979	48.779
		Wide range of scheme	0.669		
		Competitive services	0.532		
4	Cost	Distance	0.788	9.783	58.562
		Transaction cost	0.636		
5	Goodwill	Recommendation by peer groups	0.805	8.379	66.940
		Reputation of financial institution	0.582		

KEY FACTOR EXTRACTION FOR DFSQ-FINANCIAL INSTITUTIONS

In order to find out the perception of financial institutions for delivering the quality based financial services, the representatives of FIs were asked to rate their opinion on selected 14 variables in the instrument. The initial results of sampling adequacy and presence of multicollinearity among variables is already reported in table 2.

After apply the factor analysis approach to the data all the identified 14 variables were grouped in to 3 components based upon the eigen value criteria i.e. components having eigen value greater than 1. First extracted component included 4 variables which together explained, after varimax rotation, 30.570% of total variance followed by second component which included 6 variables and explained 23.292% of variance and third component which included 4 variables explaining 22.156% of variance together. All three components together explained 76.018% of total variance which is significant (table 5).

Thus, from the Table 5, based on the factors loadings, different variables are grouped into three factors-

Factor 1: Employee satisfaction & operational Knowledge
Factor 2: Feedback, marketing and documentation
Factor 3: Online services and regulatory framework

Table 5: Factor Extraction-FIs Perspective

Compo nent	Key Factor	Variables	Factor Loadings	VE (%)	TVE (%)
Factor 1	Employee satisfaction & operational Knowledge	Performance appraisal	.882		
		Promotional benefits to customer	.830	30.570	30.570
		Economic Element	.828		
		Quality of staff in terms of their training and academic background	.662		
Factor 2	Feedback, marketing and documentati on	Operation through franchise or branches	.921		
		Feedback from customer	.673		
		Promotional benefits to customer	.663	23.292	53.862
		Proactive marketing of fin services	.608		
		Updating with latest trends	.572		
		Documentation	.547		
Factor 3	Online services and regulatory framework	Role of Online platform	.824		
		Shareholders	.823		
		Variability	.822	22.156	76.018
		Policy framework of regulatory body	.663		
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.					

CONCLUDING REMARK

To identify the dimensions of delivery of financial service quality from the perspective of financial institutions and customers, this paper proposes a DFSQ model. We extracted the following factors and named these identified dimensions as DFSQ model. The DFSQ model points out the following key factors to be considered as important by financial institutions and customers:

Table 6: Key factors under DFSQ model

Factor no.	Customers Perspective	Financial institutions Perspective
Factor 1:	Technology and Employees behaviour	Employee satisfaction & operational Knowledge
Factor 2:	Interest Rates & facilities	Feedback, marketing and documentation
Factor 3:	Value addition to financial services	Online services and regulatory framework
Factor 4:	Cost	
Factor 5:	Goodwill	

Undoubtedly, the growth of the financial sector depends upon the way the financial institutions deliver the services to their customers. Thus, as per DFSQ model, in order to delight the customers the financial institutions must focus

on improving the use of technology and its employee's behavior, interest rates and facilities at premises. Besides these, the FIs should also ensure the value addition in providing the financial services at optimum cost to the customers. The reputation of the FIs is least important factor to the customers if they perceive the value to the delivered financial service matching at the cost.

On the other hand, FIs perception to delivery of financial service quality brings out the different dimensions in the limelight. The policy makers (top management) of the FIs should ensure their employees satisfaction level high and adequate operational knowledge which plays a significant role in delighting the customers eventually. Feedback from customers helps in making them satisfied pertaining to particular issue and documentation & effective marketing policies of FIs may also help them in delivering quality financial services. The FIs also believe that providing online services to the customers in today's digital era, surely boost the business growth. The regulatory framework also plays an important role in delivery of financial service quality under DFSQ model.

SCOPE FOR FURTHER RESEARCH

The findings in the paper are based on the responses received in north eastern part of India especially Sikkim state. The researcher may further extend the study covering a large geographical area with larger sample and validity of the findings can be explored further.

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A Study of Share Price Trends During Demerger

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ABSTRACT

The purpose of financial markets is to channelize savings into investments. With the growing competition in globalized economy it has become must for companies to adopt various corporate restructuring strategies for facilitating growth and expansion.Demerger is a form of corporate restructuring which leads to splitting off a part of an existing company to become a new company, which operates completely separate from the original company.Demerger of a company not only affects the individual company but has a high impact on its stock prices on stock exchange. The objective of this study is to generate understanding about impact of demerger on share prices for which researcher has undertaken comparative study of demerger of two companies namely Reliance Industries Ltd and Wipro Ltd. The share price movements pre demerger, during the process of demerger and post demerger are studied. On analysis of stock market prices it can be seen that in both cases of demerger there is lot of impact seen on share prices of both companies. In case of Reliance Industries Ltd, it is observed that during demerger there are ups and downs in share prices affected by investor's sentiments but the price stabilizes at original level post demerger. In case of Wipro Ltd, it is seen that share price have shown a downward trend post demerger.Given the nature of the study, generalizations cannot be made as the study is conducted only for two company s demerger and in a bullish market.Investors should differentiate between genuine attempts at value creation and de-mergers undertaken to create hype around the stocks.

INTRODUCTION

Van Horne says that the purpose of financial markets is to allocate savings efficiently in an economy to ultimate users either for investment in real assets or for consumption. A company raises finance in financial market through stock exchanges. Issuing securities is not the only option of raising funds. With the growing competition in globalized economy it has become must for companies to adopt various corporate restructuring strategies for facilitating growth and expansion. Corporate restructuring can be defined as any change in the business capacity or a change in the capital structure of a company or any change in the ownership or control over the management of company.With the focus of maximization of shareholders wealth, various corporate restructuring strategies adopted are mergers, acquisitions, buybacks, demergers, etc. The cases of demergers have shown an increasing trend in recent past. Demerger is a form of corporate restructuring which leads to splitting off a part of an existing company to become a new company, which operates completely separate from the original company. One of the prime reasons why large corporate houses go in for demerger is to increase the role of specialization in the particular segment. A part from core competencies being main reason for demerging companies according to their nature of business, in some cases, restructuring in the form of demerger was undertaken for splitting up the family owned large business empires into smaller companies.

Key words

Demerger, Share price, Wipro Ltd, Reliance Industries Ltd

SIGNIFICANCE OF THE STUDY

Demerger of a company not only affects the individual company but has a high impact on its stock prices on stock exchange. Stock exchanges being the vital part of financial system of an economy, any such impact on it resumes importance for study. Shareholders are the ones highly interested in the impact of demerger on stock market as it shall influence their wealth. The current study is very significant as it shall generate understanding about demerger as a tool of corporate restructuring and its impact on stock prices. Comparative study of two cases of demerger namely Wipro Ltd and Reliance Industries Ltd has been done by the researcher.

OBJECTIVES OF THE STUDY

1. To understand the concept of demerger as a tool of corporate restructuring

2. To have comparative study of Reliance Industries Ltd.'s demerger and Wipro demerger.

3. To study the movement of share prices during demerger.

MEANING OF DEMERGER

Demerger may be adopted either for improving valuation, attracting investors, increasing specialization or to settle family dispute. In demerger shareholders of the original company are usually given an equivalent stake of ownership in the new company. The entity that emerges has its own board of directors and, if listed on a stock exchange, have separate listings. It does not result in a purchase or sale transaction but is just a division of an existing entity, the demerged company. Demerger is essentially a scheme of arrangement under Section 391 to 394 of the Companies Act, 1956 requiring approval by majority of shareholders holding shares representing three-fourths value in meeting convened for the purpose, and sanction of High Court.

Although the term Demerger has not been defined in the Companies Act, 1956, however, it has been defined in Sub-section (19AA) of Section 2 of the Income-tax Act, 1961. According to the said Sub-section, demerger in relation to companies, means transfer, pursuant to a scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956, by a demerged company of its one or more undertakings to any resulting company in such a manner that:

i.   All the property of the undertaking being transferred by the demerged company, immediately before the demerger, becomes the property of the resulting company.

ii. All the liabilities relatable to the undertaking, being transferred by the demerged company, immediately before the demerger, become the liabilities of resulting company of virtue of the demerger.

iii. The property and the liabilities of the undertaking, being transferred by the demerged company are transferred at values appearing in its books of account immediately before the demerger;

iv. The resulting company issues, in consideration of the demerger, its shares to the shareholders of the demerged company on a proportionate basis;

v.   The shareholders holding not less than three fourths in value of the share in the demerged company (other than shares already held therein immediately before the demerger or by a nominee for, the resulting company or, its subsidiary) become shareholders of the resulting company or companies by virtue of the demerger.

vi. The transfer of the undertaking is on a going concern basis;

vii. The demerger is in accordance with the conditions, if any, notified under Sub section (5) of Section 72A of the Income Tax Act 1961 by the Central Government in this behalf

According to Section (19AA) of Income Tax Act, 1961 demerged company means the company whose undertaking is transferred, pursuant to a demerger to a resulting company. According to Section2(47A) of Income Tax Act,1961 resulting company means one or more company, (including a wholly owned subsidiary thereof) to which the undertaking of the demerged company is transferred in a demerger, and the resulting company in consideration of such transfer of undertaking issues shares to the shareholders of the demerged company and include any authority or body or local authority or public sector company or a company established, constituted or formed as a result of demerger.

SCHEME OF DEMERGER OF RELIANCE INDUSTRIES LTD

The year 2005-06 was a landmark year in the history of

Indian corporates. Reliance Industries Ltd marked a new strategic decision to unlock value for its shareholders by reorganizing business through a process of demerger. In this process, Reliance Industries Ltd's investments in power generation and distribution, financial services and telecommunication services were demerged in to four separate entities namely Reliance Energy Ventures Ltd, Global Fuel Management Services Ltd, Reliance Capital Ventures Ltd and Reliance Communication Ventures Ltd. Reliance Industries Ltd's shareholders received shares in the new entities in the same proportion of their equity holdings in Reliance Industries Ltd. As part of the restructuring, a shareholder with 100 shares of Reliance Industries ltd would get five shares of Reliance Capital Ventures Ltd, seven of Reliance Energy Ventures Ltd and 100 shares each of two yet to be created companies namely Global Fuel Management Services Ltd and Reliance Communication Ventures Ltd. As a whole, a shareholder will gain as for every share of Reliance Industries Ltd, he/she will get shares in each of the four companies.

With a view to achieve greater management focus and keeping in mind the paramount and overall interest of shareholders of Reliance Industries Ltd Shri Anil Ambani will lead financial services, power and telecom businesses and ShriMukeshAmbani will continue to lead the other businesses including petrochemicals, oil and gas exploration and production, refining and other businesses comprising the remaining undertaking.

SCHEME OF DEMERGER OF WIPRO LTD

Wipro Limited in boardmeeting approved the demerger of the Wipro Consumer Care & Lighting (including Furniture business), Wipro Infrastructure Engineering (Hydraulics & Water businesses), and Medical Diagnostic Product & Services business (through its strategic joint venture), into a separate company to be named Wipro Enterprises Limited. Wipro Limited will remain a publicly listed company that will focus exclusively on information technology. Wipro Enterprises Limited will be an unlisted company. The Board of Wipro Limited will remain unchanged, and the demerger will have no impact on the management structure of Wipro Limited. There will be no change in the leadership of any of Wipro Enterprises Limited's constituent businesses. Wipro brand will be jointly owned by both the companies.AzimPremji will remain Executive Chairman of the Board of Wipro Limited and will assume the position of Non-Executive Chairman of Wipro Enterprises Limited.

According to the restructuring scheme as currently proposed, resident Indian shareholders of Wipro Limited on the record date can choose from multiple options as per their investment objectives. They may opt to:

(i) receive one equity share with face value of Rs.10 in Wipro Enterprises Limited for every five equity shares with face value of Rs.2 each in Wipro Limited that they hold; or

(ii) receive one 7% Redeemable Preference Share in Wipro Enterprises Limited, with face value of Rs.50, for every five equity shares of Wipro Limited that they hold; or

(iii) exchange the equity shares of Wipro Enterprises Limited and receive as consideration equity shares of Wipro Limited held by the Promoter. The exchange ratio will be 1 equity share in Wipro Limited for every 1.65 equity shares in Wipro Enterprises Limited.

Each Redeemable Preference Share shall have a maturity of 12 months and shall be redeemed at a value of Rs.235.20. Non-resident shareholders (excluding ADR holders) and the ADR holders on the record date would be entitled to receive equity shares of Wipro Enterprises Limited in the aforesaid ratio. The Non-resident shareholders (excluding ADR holders) shall further have the option to exchange the Wipro Enterprises Limited equity shares that they are entitled to and receive equity shares of Wipro Limited held by the Promoter in the aforesaid ratio.

MOVEMENT OF SHARE PRICES DURING DEMERGER

Shareholders being the owners of the company are most affected by any type of corporate restructuring. Hence researcher has made an attempt to analyse how shareholders are affected by the decision of demerger. There are lot of psychological aspects involved in impact of demerger on shareholders like they are anxious and uncertain about company s growth, management and performance post demerger. This affects the stock prices of demerged company by the risk and return expectation of the shareholders. Market price of a share also acts as a barometer of the company's performance. Hence the researcher has analysed the market prices of shares of both companies undergoing demerger.For the purpose of analysis and better interpretation of the situation on stock exchange the researcher has divided the entire analysis into four periods as follows:

1. The period where no demerger activity had started.
2. The period from the appointed date of the scheme upto the effective date of the scheme.
3. The period from effective date of the scheme upto the record date under the demerger scheme.
4. The period after the record date of the scheme.

Out of the above the first stage can be considered to be the purely pre demerger period and stages second and third are the periods during the demerger process and fourth stage represents purely the post demerger period. Data for share prices are taken from official website of National Stock Exchange. Following table indicates the appointed date, effective date and record date of both demergers.

Important dates under scheme of demerger:

	Reliance Industries Ltd	Wipro Ltd
Appointed date	01-09-2005	01-04-2012
Effective date	21-12-2005	31-03-2013
Record date	25-01-2006	11-04-2013

Period 1: Pre Demerger Period - One month prior to appointed date is considered to be period one which represents pre demerger period. During this period no demerger activity was initiated by the company and hence share prices represent routine trades on stock exchange.
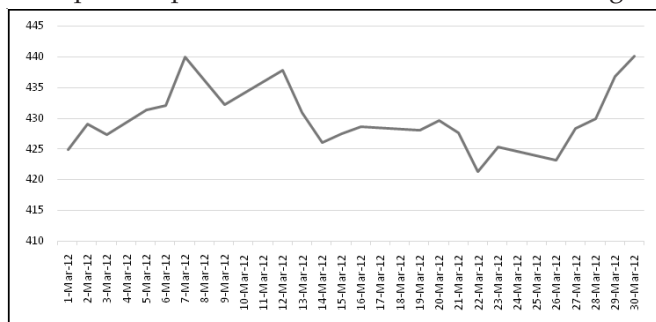
Graph 1: Pre Demerger share prices of Wipro Ltd

Graph 1 indicates that share price of Wipro Ltd has increased from Rs. 424.85 on 1st March 2012 to Rs. 440.1 on 29th March 2012.
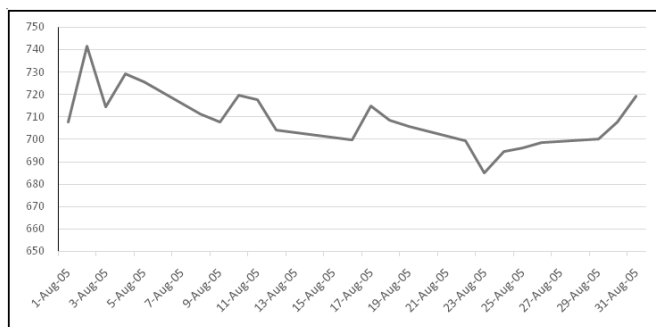
Graph 2: Pre Demerger share prices of Reliance Industries Ltd:

As shown in graph 2, share price of Reliance Industries Ltd on 1st Aug 2005 was Rs.707.75 which is slightly increased to Rs.719.4 on 31st Aug 2005.

Period 2: During Demerger -The period from the appointed date of the scheme upto the effective date of the scheme. Appointed date means the date for identification of assets and liabilities of existing company for transfer to resulting companies. It is important for determination of share exchange ratio.
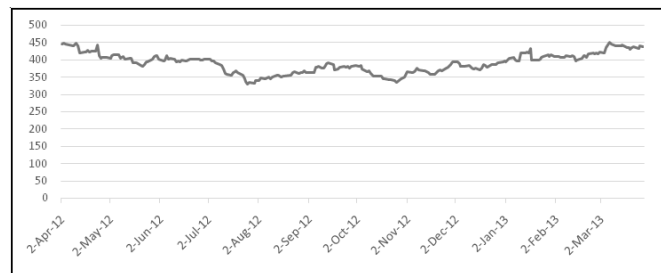
Graph 3: Share prices of Wipro Ltd between appointed date and effective date

It can be seen from graph 3 that on the release of news about demerger share prices drop initially which is corrected when it reaches close to the effective date. Overall during this period share prices of Wipro Ltd show slight decline from Rs. 443.15 on 2nd Apr 2012 to Rs. 437.15 on 28th Mar 2013.
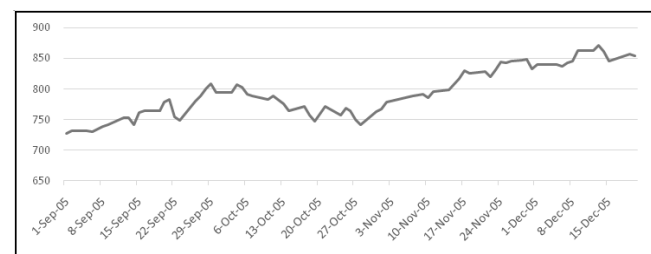
Graph 4: Share prices of Reliance Industries Ltd between appointed date and effective date

Graph 4 indicates sharp increase in share prices from Rs. 726.7 on 1st Sept 2005 to Rs.854.55on 20th Dec 2005. This shows that there was positive investors expectation from the news of Reliance demerger.

Period 3: During Demerger-The period from effective date of the scheme upto the record date under the demerger scheme. Effective date means the last of the dates on which the conditions of the scheme have been fulfilled or waived and the order of the High Court sanctioning the Scheme of Arrangement is filed with the Registrar of Companies by the demerged company and each of the resulting companies.
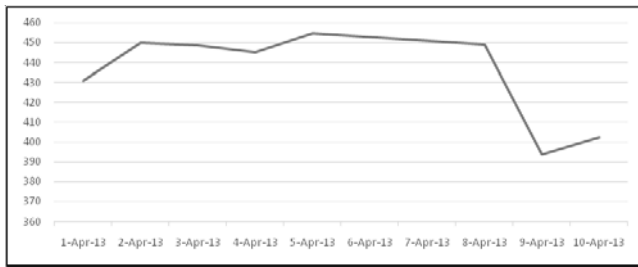
Graph 5: Share prices of Wipro Ltd between effective date and record date

It can be seen from graph 5 that share prices of Wipro Ltd dropped during this period from Rs. 431 on 1st Apr 2013 to Rs. 402.25 on 10th Apr 2013.
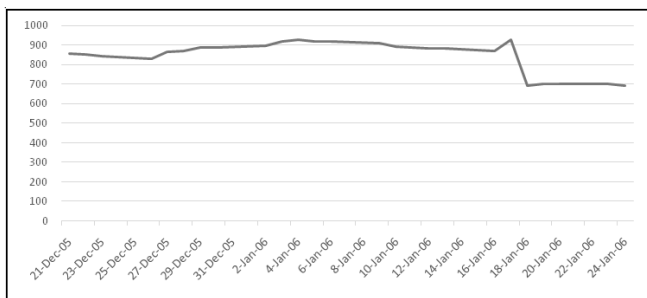
Graph 6: Share prices of Reliance Industries Ltd between effective date and record date

Graph 6 shows that share price of Reliance Industries Ltd was Rs. 860.15 on 21st Dec 2005 and reduces to Rs. 693.45 on 24th Jan 2006.

Period 4: Post Demerger – One month post record date. Record date means the date to be fixed by the Board of Directors of the demerged company in consultation with the respective resulting companies for the purpose of reckoning names of the equity shareholders of the demerged company, who shall be entitled to receive shares of each of the resulting companies upon coming into effect of this scheme.
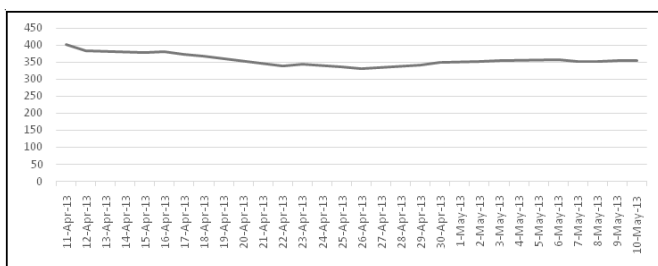
Graph 7: Share prices of Wipro Ltd post record date

It can be seen from graph 7 that share price of Wipro Ltd was Rs. 402.95 on 11th Apr 2013 and it reaches Rs. 355 on 10th May 2013.
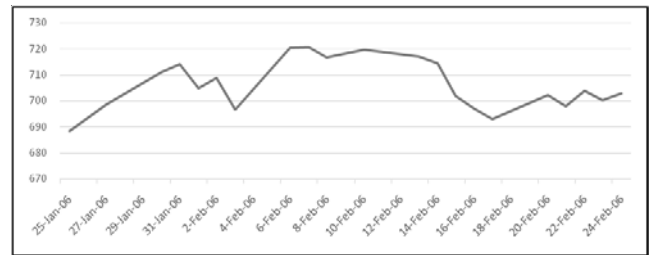
Graph 8: Share prices of Reliance Industries Ltd post record date

Graph 8 shows that share prices of Reliance Industries Ltd has increased in this period from Rs. 688.4 on 25th Jan 2006 to Rs. 702.85 on 24th Feb 2006.

CONCLUSION

Demerger as a tool for corporate restructuring has increasing used to help in increasing shareholders wealth. On study of both demerger scheme, it can be said that reason for both demergers was basically specialization. Exchange ratio offered to the shareholders of demerged company was good. On analysis of stock market prices it can be seen that in both cases of demerger there is lot of impact seen on share prices of both companies. In case of Reliance Industries Ltd, t is observed that during demerger there are ups and downs in share prices affected by investors sentiments but the price stabilizes at original level post demerger. In case of Wipro Ltd, it is seen that share price have shown a downward trend post demerger. Researcher has not analyzed long term impact as in very long run the change in shareholders wealth may not be due to demerger but can be due to various other reasons. Given the nature of the study, generalizations cannot be made as the study is conducted only for two company s demerger and in a bullish market. In this case shareholders wealth has increased due to removal of negative synergy. However, Investors should differentiate between genuine attempts at value creation and de-mergers undertaken to create hype around the stocks. Investors should be cautious about strategies adopted by few companies to manipulate prices. Investors should focus on the quality of management and corporate governance record of the company.

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A Study on the Role of Homestay Tourism in Ensuring Socio-Economic Wellbeing of Economically Diffident Communities - A Case Study on Kalimpong District of West Bengal

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ABSTRACT

Tourism has been identified as an important contributing factor to the economic growth of developing nation. With the growth of global tourism, most of the developing countries have portrayed tourism to be a contributor to small scale enterprises thus directly uplifting the standards of living along with community development.The homestayconcept aims to extend the involvement of local people in tourism by facilitating households to earn a direct income. Homestays are supposed to provide economic benefits to the local people yet it is not clear whether the local people are really benefited from the venture. For instance majority of the people in outskirts of Kalimpong still live below the poverty line and depend on income through "100 days labour scheme" despite of the fact that the homestays concept has been in existence since quite a long time in other parts of the country. This research is intended to put the homestays concept into perspective through identifying the motivational factors acting behind the screen and which motivate the homestay operators to participate in thisprogramme and also to assess the socio-economic benefits of homestay accommodation to host families. This research paper also aims to examine the factors which influence the choice of tourists for homestay and also toestablish the most effective ways of positioning homestays and identifying homestay operators' knowledge and skills.This research has adopted cross-sectional research design and made use of both primary and secondary data. Primary data was gathered by the use of administered semi-structured questionnaires and interview. Secondary data was generated from books, newspaper articles, academic journals and other relevant documents related to homestay. Probability Proportional to Size (PPS) sampling technique was used to select the sample for tourists visiting homestays where a total of 95 tourists formed the sample size. Census technique was used for the homestay operators hence all the 54 homestay operators in the region formed the sample size. The data collected were analysed both quantitatively and qualitatively. Descriptive analysis, Multivariate analysis of variance (MANOVA) and correlation analysis were used to analyse data. The study revealed that, income was the major motivation for homestay operators' participation in the program.There exists a significant relationship between factors which influence tourist choice of homestay accommodation and thereby help the marketers and homestay providers regarding the positioning of homestays .

INTRODUCTION

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"AthithiDevoBhava", which means "the guest is God".

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Key words

Tourism, Socio-economic, homestay

Indians consider it a huge honor to have guests in their home, and go out of their way to please them. There's nothing like Indian hospitality. As its name indicates, homestays, are a stay in a 'home' with a family where the tourists will get the opportunity to mingle with the people, their culture, life style, ideas etc. Homestays play an integral part of promoting our culture and nature to the external world. Homestay is an accommodation system and economic activity in the tourism industry. It is popular with the tourists who want to interact with local culture, lifestyle, social system and people. The important components of the homestay program are education, entertainment, enrichment, food,

accommodation and hospitality. Homestay means 'living place' and it is one type of tourism product based on accommodation oriented. A homestay is similar in concept to that of a bed and breakfast. Guests are either accommodated in the family home, or in separate quarters nearby. Nowadays, most homestays provide their guests with just as much comfort as a reputable hotel.

Benefits of Homestays in India

There are a number of reasons why tourists prefer staying at a homestay rather than staying in a hotel. The benefits of homestays in India include:

1. **Distinctive and Characterful Accommodations —** Tired of sterile hotels? There's no better way to experience the incredibly diversity and charm of India than at a homestay. The options are almost endless and include plantation bungalows, historic *havelis* (mansions), forts, and remote rural cottages.

2. **Personalized Service —** In contrast to a hotel, a homestay usually only has a few rooms. The family who resides there runs it, and acts as host. This guarantees that guests receive plenty of individual attention. You can spend as little or as much time with the host family as you like. Some guests choose only to dine with them, while others spend hours chatting to them. Regardless, staying with an Indian family is the easiest way of finding out about Indian culture and way of life. Many guests and hosts find that they bond with each other so much, that they keep in touch long after the vacation is over.

3. **Local Knowledge —** The wealth of information that the hosts have about their local area makes deciding what to see and do a breeze. Such local knowledge is extremely helpful in getting the most from your visit. Many hosts are delighted to show their guests around their local area, providing them with invaluable insights that simply aren't available from a guide book.

4. **Home Cooked Food —** There's a huge difference between the Indian food served in restaurants and hotels, and the food that's cooked in an Indian home. By staying at a homestay, you'll be able to taste authentic Indian home cooked food, made to order. It's a lot lighter, and has more variation and flavor than restaurant food. Some homestays even welcome their guests into their kitchen, and let them watch and participate in the cooking process.

5. **Unique Activities —** As a guest at a homestay, the focus is on you, and your likes and preferences. The hosts are usually very accommodating and will put a great deal of effort into arranging activities that are of interest to you. These activities will vary depending on location. Exploring a coffee plantation in Coorg, watching a polo match in Rajasthan, herding animals in remote northern India, village visits, picnics, and temple tours are just some of the options. Guests are often invited to attend weddings, or other festivals that are happening, as well.

6. **Essence of natural inhabitants**: Staying at a homestay in India is all about immersing yourself in India, rather skimming over it on the tourist trail and just viewing as an outsider.

For the last two decades, the government strategy in most developing countries has been focusing on the development policy of backward areas. Therefore, new policy has been introduced to ensure that the backward community will be free from poverty and regression through active involvement in the development of the local tourism. The local community involvement in the tourism activities will facilitate the increase in living quality which includes economical and social aspects as well as favourable environment that will ensure productive and healthy living. The government anticipates that the development in the rural tourism sector particularly in homestay tourism will be able to boost the socio-economic development of the community in the areas involved. It is for the reason that, the homestay tourism is able to make the most of nature's beauty as well as the community's idyllic customs and cultures as appealing strategies to attract tourists to come to their village, which in turn will heighten the tourism activities in the area. Ever since it was introduced, the homestay tourism has gained encouraging responses that it is utilized as the strategy to overcome poverty in backward areas. The improving, enhancing and promoting of homestay depends on local communities. This accommodation is ensuring their economic, social and cultural aspects with sustainable well beings. The main component of homestay is the cultural diversity of the local people which can attract the visitors. Social returns of homestay accommodation are essential for its success. The home stay program should be given emphasize on the emotional feelings of the local communities. It must be respectful of the local heritage, sense of place and social organizations.

REQUIREMENTS FOR HOMESTAY OPERATIONS

1. **Locations :** The homestay must be situated in a suitable location for easy transportation and accessibilities. The areas of homestay keep free from pollution and promote the lifestyle of local community.

2. **Basic facilities:**Proper and separate spaces are needed for homestay accommodation. These accommodationshave given emphasize to the comfort of tourists, including facilities such as dining space, living rooms andtoilets.

3. **Hygiene :** The homestay accommodations should be clean and free from pollution. Good toilets and drainage systems are needed to be in homestay for avoiding bad smell.

4. **Safety and security :** The tourists' insurance coverage is required for the homestay operation. Moreover, safety steps like fire protection facilities to be arranged by the homestay operators.

5. **Low charge :** The accommodation, meal and other charges of homestay must be cheaper than otheraccommodation facilities.

6. **Hospitality :** The guests of homestay get warm hospitality. The guests are becoming actually guests of thewhole village areas.

7. **Motivation for young generation :** Home stay program build up confidence, patriotism and leadership among the young generation.The young generation learns about collaboration by working with the visitors' of homestay accommodation.

8. **Women entrepreneurship :** Homestay program is helpful for the women entrepreneurs in the rural areas. It provides new jobs and business opportunities to the women using their local resources. They can operate a small business,traditional food production and homemade cooking on the basis of the home stay program.

9. **Easy access :** Homestay accommodations are usually situated near the tourism attractions.

10. **Profitable investment :** Homestay operators can withdraw their investment of home stay accommodations within a short period.

11. **Government support :** The homestay operators need proper training facilities and proper support of government for theirbusiness. If they have got sufficient support for home stay, it can play vital role in the rural economy.

12. **Capacity building :** Capacity assessment is very important for the homestay operations.

13. **Appropriate Act :** An Act should be passed to properly promote and develop the homestay program. Someentrepreneurs operate this business without proper licenses and certifications. They cannot ensure adequatefacilities for the visitors.

14. **Community involvement :** The success of homestay operation depends on community involvement and support towards this program. The homestay owners get opportunities, ability, power and incentives from the communities fortheir successful operation.

15. **Loan facility :** The government and non-government organization can allocate sufficient loan for homestayaccommodation. They should be allocated this facility to the operators with reasonable terms and condition.

Criteria for Homestay Development

There are several criteria that need to be addressed to ensure the homestay program to be successfully implemented. The criteria can be grouped into three main components: Product, Participant,and Principal.

The Product

This is an important component that needs to be identified and given attention by the parties involved since the motivation of the tourist to visit a destination is based on the product or attractions. In thiscontext, product refers to the supplementary attractions such as nature, habitat and vernacular architecture,historical significance, art & crafts, music and cultural activities, traditional food and beverage, agricultureprojects or activities, and special phenomena. These are the appeal factors as to why tourists are interestedto stay and experience the uniqueness of the homestay

The Participants

The participant is a very crucial component in the program. In a community that practices democracy or any other ideology, there would be support as well as opposition to a

homestay program.Many reasons not to participate would surface, but the common cause for disagreements, among others,would be the uncertainty of the project s success. Most local communities in tourist destinations areenthusiastic to participate in tourism activities. Confidence, support and motivation must come from theparticipants and authority in ensuring the sustainability of the homestay project. Obviously, not every formof community participation can contribute to the realization of the expected benefits of tourism.Commonly, there are three categories of potential participants in a homestay program;

a. **Willing participants:** Keen and eager participants that are motivated for many reasons. Continuousmotivation and support behind the willingness of every participating member will ensure the success andsustainability y of the project.

b. **Wait-and-see participants:** This is the second category of community participation. They are potentialparticipants who would like to see the results first before joining the project. Once the confidence level isachieved to their acceptance, they will be part of the project willingly.

c. **Non-committing participants:** They are residents who are uncooperative, intolerant, and have no faithin the project. They could be alienated for many reasons which may include different political and religiousbelief and racial factors. The best solution is not to prevent information flow to them and avoid pessimism.

The Principal

This is the third component that influences the success of homestay program. This is because the homestay program involves not only the local community but also the principal and village committee. Theprincipal could be an individual or a group that shares the same aspiration to the homestay project. Theymust possess the initiative to improve the economy of the village. All these qualities must be in the heart andsoul of the principal to ensure the sustainability of the project which includes leadership, personality,integrity, knowledge, and networking. The study revolves around addressing and understanding these issues in a vivid manner.

Purpose of the Study

This study intends to investigate the socio-economic contribution of homestay tourist accommodation to individual households and the community and formulate ways it can be further developed and positioned to enhance its contribution to host families.

Specific Objectives

1) To identify motivational factors behind homestay operators' participation in the homestay program.

2) To assess the socio-economic benefits of homestay accommodation to host families.

3) To examine factors which influence tourist choice of homestays

4) To establish the most effective ways of positioning homestays.

5) To identify homestay operators' knowledge and skills in their participation in the homestay program

Research Questions

1) Is there a relationship between the motivational factors behind homestay providers' participation in the homestay program and the socio-economic benefits they derive from the program?

2) Is homestay accommodation a significant means of boosting the socio-economic well-being of rural people?

3) Is there a relationship between the factors which influence tourist choice of homestays and how the homestays are positioned?

4) Does the homestay operators' level of education influence their knowledge and skills to participate in the homestay program and the income they derive from the program?

LITERATURE REVIEW

According to Wipada (2007), Homestay is defined as one type of lodging that tourists share with the homeowner with the intention to learn culture and lifestyle from the homeowner who is willing to transmit and share their culture. The homeowner is the one who prepares lodging and food for the tourists with reasonable pay. Lynch, McIntosh and Tucker (2009), give a broader definition of Homestay by referring to it as commercial homes whereby visitors or guests pay to stay in private homes where interaction take place with a host or family. It is a very

unique characteristic as this concept promotes interaction between host families and tourists and acting as a development tool to raise awareness on the cultural exchange and respect for the host s culture (Jamilah and Hamzah, 2007). In general, homestay is very different compared to other modes of accommodation such as a hotel, motel or bed and breakfast which is normally located in the city or suburban areas whereas the location of the homestay is normally situated in rural areas where the whole community is still practicing the traditional way of life and embracing strong culture and traditional practices (Salamiah, Othman and Maheran, 2011).

As Tosun (2006) found, the majority (more than 80 %) of the local community in a local destination would like to take the leading role as entrepreneurs and workers at all levels, as well as encourage other locals to invest in and work for the tourism industry. Baron (2005) ideates that one of the central questions in the field of entrepreneurship is trying to understand why some individuals engage in entrepreneurship activities while others do not. According to Osman, Ahmad and Zainal (2008), various schools of thought ranging from trait based research to studies emphasizing cognitions are making fundamental assumption that entrepreneurship is a process of enabling an individual to voluntarily engage in to pursue desired goals. Wall and Long (1996) suggest that since homestays are locally owned and operated, they constitute a suitable tourist accommodation facility for the local community to participate in tourism activities as entrepreneurs. As put forward by Hinch and Butler (1996), studies have shown that economic considerations have been the primary motivating force for the local people to become involved in tourism development. Dahles (2000) indicates that in most cases, the homestay operation is a source of supplementary income for the operators since they often take on other forms of employment and also maintain their social and religious responsibilities.Indeed this can be considered as an important strength of this particular product, no other tourism product offers a similar experience (Kayat, 2009).

According to Bhuiyan, Siwar, Ismail and Islam (2011), homestays provide job opportunities for local communities and improves qualities of life of local people. Further, Chaiyatorn, Kaoses and Thitphat (2010) found that homestays can ensure economic, social and cultural benefits for local communities as well as sustainable development.Lynch, (2003) identifies a potential boost (or creation) of supply chain inputs that work directly towards facilitating a successful homestay program. These can range from provision of cleaning services to production of finer home goods and/or small local food supplies i.e. services that supplement a visitors' stay. Moscardo (2008) ideates that because the tourism industry offers job opportunities in rural areas, it decreases the amount of people that leave small communities to search for jobs in bigger cities. As Lynch, (2003) puts it, when tourists spend money within local economies, they raise regional incomes- sometimes by even more than the value of their spending. This demonstrates a monetary increase in the community overall but also alludes to social and cultural benefits. As Bhuiyan et al (2012) substantiate, the homestay program enables homestay operators to contribute in various programs for improving the life standards of rural communities because the program gives focus to economic development and social advancement of the operators.Colton and Whitney-Squire (2010) conclude that the homestay program has the potential to address many of the economic, environmental and socio-cultural challenges that communities face. Precise benefits include preservation of cultural and natural heritage, increased training and capabilities in business development and tourism, education, increased economic diversification, enhanced environmental integrity, sharing of local culture, improved infrastructure, allowanceof traditional ways of living in a sustainable way, and diminishment of existing social problems.

For homestays to gain the economic benefits from tourism and sustain their source of income, they need to pay special attention to factors influencing tourist choice of homestays and tourists satisfaction. According to Kozak and Rimmington (2000), tourist satisfaction is considered to be an important element to maintain competitive business in the tourism industry because it affects the choice of destination and the consumption of products and services. Tourist satisfaction has become an important tool to measure the cultural and heritage sector (Peleggi, 1996). Another important aspect of tourists' satisfaction is the motivation of tourists to visit homestay destinations. Tourist motivation is the combination of the needs and desires that affect the tendency to travel in a general sense (OLeary&Deegan, 2005). Even though other issues apparently influence tourist behavior, motivation is still taken to be a major indicator and explains why tourists behave in certain ways (Fodness, 1994). Previous research has stated that tourist motivation is a result of internal driving needs to get away from the ordinary environment to seek the new (Butcher, 2003, MacCannell,1999& Wang,

1999). Individuals escape routine environments and seek their choice of recreational opportunities such as visiting new places, having new experiences and meeting new people (Mannel&Iso-Ahola, 1997).Lynch (2003) asserts that homestays are popular with tourists who want to interact with local culture, social system, lifestyle, and people. Further, Levitt (1996) concludes that the important components of the homestay program are education, entertainment, enrichment, food, accommodation and hospitality. Although several researchers have studied cultural and heritage tourism (Crompton and McKay, 1997; Dahles, 2000; Donnelley, 2007; Colton and Whitney-Squire, 2010) not much research has been done on homestay issues.

Positioning is defined as "establishing and maintaining a distinctive place in the market for an organization and/or its individual product" (Lovelock, 1991 pp.234). The goal of the positioning process is to create a unique image for the potential customers (Kotler, 2007). Furthermore positioning is defined as one of the steps of destination branding process (Balakrishnan, 2009). According to Pike (2012), the effective positioning into consumer`s minds guarantees advantages for the homestay destination, as it facilitates the tourists` decision making and allows customers to link the key attributes to the destination. Ideally, positioning is not about what you do to the product, but what you do to the customer and how the customer perceives you (McDonald, De Chernatony& Harris, 2001). As perceived by Brunner-Sperdin and Peters (2009), the tourism experience is an overriding factor influencing or motivating tourists to buy a particular product from a particular destination. Essentially, the way in which tourists perceive a destination and the way in which that destination positions and promotes their homestay programs gives tourists an image boost and therefore motivates them to travel from their home countries. According to Decrop, (2006) there are push and pull factors which travellers go through before selecting a destination to travel to but the way in which they are captured and the way the country brands itself determines to a greater degree whether the homestay will appeal to potential tourists or not.

Decrop (2009), ideates that the perceived unique value of homestay programs is one of the motivational factors that enable tourists to select the homestays. Perceived unique value can be defined as the factors that influence the customers motivation to acquire a product due to its unique characteristics (Decrop, 2009). Therefore, marketers and homestay operators need to identify these unique

characteristics that homestay tourists seek to enable them create a distinct image of the homestay program in the tourists minds. The perceived quality of a tourist destination is among one of the most important factors that motivates tourists to travel to a certain tourist destination. According to Nowacki (2009), the perception of the quality of a providers performance and satisfaction of visitors are correlated in a significant way. Consequently, it can be argued that tourists evaluate the quality of services based on their expectations of the destination against actual experience. There are many factors that motivate people to choose homestays and the quality of the destination is a very important contributor. Ideally, the perceived quality of a homestay destination is one of the important determining factors of whether a tourist decides to go to the particular destination or not (Decrop, 2009). As Alexandris, Dimitriadis&Marakta (2002) note, visitors are always enthusiastic to pay more if they believe that the service quality in the destination is as they perceive. Nowacki (2009) augments that the quality of the homestay facility is inclusive of the quality of infrastructure and the services available in the destination.

For homestay programs to attract a considerable number of tourists and succeed, they need to be accessible to the very clientele they are intended for (perceived accessibility value). Transportation is one of the fundamental preconditions for the existence of tourism. According to Gosshing and Hall (2006), good accessibility is one of the considerations beforehand for tourists. Therefore accessibility can be seen as central in motivation of tourists travelling to homestays. Essentially, it can be seen as a pull factor to visitors choosing homestays as their intended package. According to Decrop (2009), one of the motivations that make tourists choose homestay accommodation facilities is the perceived social value. As noted by Scheyvens (2003), when it comes to social value, it is always the ethnic "attractions", lifestyle, services, culture and hospitality of the locals that attract homestay tourists. Decrop (2009), further substantiates that homestay is whereby visitors tend to stay with the locals for an extended period of time.

Another key element in destination positioning is the perceived brand image. Dobni&Zinkhan (1990), define brand image as the reasoned or emotional perception consumers attach to specific brands. According to Kolb (2006), the concept of brand image is closely related to positioning, however brand image represents customer's perception of the product, whereas positioning involves

action from the destination to create a distinct image in the customers mind. The aim of destination branding is to fill the gap between the actual and perceived image of a city, homestay program, region or even a country. According to Aaker (2005), the main constructs in destination branding are brand identity, brand positioning and brand image. The brand identity represents the desired self-image and brand image stands for the actual image, held by the tourists. Brand positioning is therefore the attempt to improve the congruency between identity and image (Pike, 2012). Essentially, tourists build an image of the destination based on the projected from the destination identity while destination marketers establish brand identity based on their knowledge about tourists' image of the destination (Qu, Kim and Im, 2011). According to Decrop (2009), branding of the homestay program is indeed an apparent criterion that tourists consider before travelling. Therefore, establishing a brand for the homestay program will entail the destination marketers and homestay operators having insight of what tourists seek from the homestay program. As Jobber and Fahy (2009) put it, "effective positioning is the act of linking products and services to the solutions that customers seek" therefore, the positioning process should be preceded by segmenting and targeting the right markets.

Although much research has been done on marketing tourism products and services (Dobni and Zinkhan, 1990; Decrop, 2006; Brunner-Sperdin and Peters, 2009; Balakrishnan, 2009) not much has been written specifically on positioning homestay programs. This research therefore sought to establish the most effective ways of positioning homestays to ensure sustainable gains from the program. According to Kayat (2009), homestay Programs fail because of a lack of local people involvement, poor local leadership, lack of necessary knowledge and skills and poor planning. As argued by Hall et al (2005), limited skills and knowledge of tourism can contribute to false expectations about the benefits of tourism and a lack of preparedness for the change associated with tourism. Therefore capacity building is essential for the local community to understand the tourism industry and the homestay program. Community capacity building is defined as: "*Activities, resources and support that strengthen the skills and abilities of people and communities to enable them take effective action and leading roles in the development of their communities*" (Donnelley, 2007 Pp. 89). As mentioned by Rashid et al (2010), community capacity building is an essential aspect that must be addressed by the government and other stakeholders to ensure that the homestay program really

benefits the households themselves and the communities.

Capacity building will enable the homestay operators' acquire knowledge and skills for example in product packaging, positioning and presentation and customer care hence ensure sustainable socio-economic advancement from homestay accommodation. As put forward by Laws, Moscardo and Prideaux (2006), good presentation, excellent customer service and good communication skills are the fundamentals for achieving customer satisfaction. Ideally, to be a good homestay operator as Laws et al (2006) further note, the visitor expects the operator to be able to enhance the visitor s understanding of the host society, cultural values and lifestyles and provide language interpretation and initiate interaction between the locals and visitors. This can only be achieved if the homestay operators have the necessary knowledge and skills to run the program. Education could be a contributing factor to homestay operators' knowledge and skills to run the homestay program effectively. As put forward by Praag, Witteloostuisin and Van Der Sluis (2009) the study of returns to education has a long tradition in the performance of workers. By and large, this tradition is based on the standard human capital theory. Praag*et al.*(2009. pp.203), define human capital as "*the stock of skills and knowledge relevant to performing labour to produce economic value*". Ideally, these skills and knowledge are gained through education and experience as was first recognized as such by Adam Smith (1776) cited in (Praag*et al.,* 2009). Thus, schooling is viewed as an investment in human capital (Mincer 1958; Becker 1964) cited in (Praag*et al.,* 2009), implying that the returns to schooling may be measured in terms of the extra income due to additional schooling.

In the literature on entrepreneurship, many studies have focused on determinants of entrepreneurs (Cromie, 2003; Baron, 2005; Shane and Locke, 2003). In many of the studies, education has been included as a determinant. Van der Sluis*et al.* (2008) in their studies drew two conclusions relevant to this context based on a meta-analysis of more than one hundred studies of the relationship between education and entrepreneurship. First, the relationship between education and selection into entrepreneurship was mostly significant –i.e. 75% of the cases. Second, the relationship between schooling and entrepreneurship performance was unambiguously positive and significant in 67% of the studies irrespective of the performance measure used. Further, Praag*et al.* (2009), in their study on business and entrepreneurship found that many developed countries and regions,

including the USA and the EU, had installed policies fostering successful entrepreneurship. One of these was providing people opportunities to develop their human capital by means of education. A fundamental supposition of this approach as Praag*et al.* (2009) further noted was that investments in human capital increases peoples' performance as entrepreneurs. Much of what has been documented on the effect of a service providers level of education on their knowledge and skills and overall income has focused on the formal hospitality and tourism industry i.e. hotels and tour operations (Getty, Tas and Getty, 1991; Goodman and Sprague, 2001; Benson, FineGold and Mahrman, 2004; Baron, 2005). Empirical literature on the contribution of education to homestay operators' knowledge and skills and the success of the homestay program is missing. This research therefore sought to fill this gap by identifying the extent to which homestay operators'

The motivation of local people to participate in the homestay program is the most important factor to achieve the success of the program. The most influential theory of motivation associated with this is Skinners Theory of Motivation (Orodho, 2004). Skinner drew a motivation theory whose central argument was that individual's motivation to undertake a task depends on expected reward. This study looked at homestay operators' participation in the homestay program and homestay tourists' drive to patronize homestays through the lens of Skinner's motivation theory because, motivation is considered to be the force that drives all human behaviour (Amabile, 1997). In this regard, if the local people perceive that participating in the homestay program will bring them socio-economic benefits, then they are more likely to participate in the program. The same applies to tourist motivation to patronize homestay facilities. Fodness (1994) mentioned that motive is the driving force behind all tourist behaviour. Crompton and McKay (1997), also indicate that motives are the starting points that launch tourist decision processes. Tourists motives are multiple and an individual may have several needs which he/she wants to satisfy (Pearce, 1982). Therefore without identifying and understanding what motivates people to travel and visit homestays, effective positioning and marketing is impossible (Fodness, 1994). Uysal and Hagan (1993) also recognized that understanding tourists motivation allows researchers and marketers to better define the value of tourism behaviour and future travel patterns. The importance of homestay operators' knowledge and skills in the homestay program is very much related and

supported by the Human Capital theory. Human capital corresponds to any stock of knowledge or characteristics the worker has (either innate or acquired) that contributes to his/her productivity (Chapman, 1993). Previous research has shown that homestay programs fail due to limited knowledge and skills to run the program by the homestay operators (Hall *et al.*, 2005). Further, Praag*et al.*, (2009) observe that knowledge and skills acquired through education and training relevant to performing labour to produce economic value is referred to as human capital. Since this study endeavoured to establish the association between homestay operators knowledge, their skills and income from the program and their levels of education, the human capital theory provided the most appropriate lens to look at these variables. This theory posits that education or training raises the productivity of workers by impacting useful knowledge and skills hence raising the workers (in this case the homestay operators) future incomes by increasing their lifetime earnings (Becker, 1964 cited in Praag*et al*, 2009).

The review of literature revealed five pertinent issues as far as the area of study is concerned. First, there appears to be a paucity of literature on the homestays concept in general.Second, there were no studies on the relationship between the motivational factors behind homestay operators participation in the homestay program and the socio-economic benefits they derive from the program. Third, no literature was found on the relationship between the factors influencing tourist choice of homestay and how the homsestays are positioned. Fourth, although much research has been done on marketing tourism products and services not much has been written specifically on positioning homestay programs. Finally, much of what has been documented on the effect of a service providers' level of education on their knowledge and skills and overall income has focused on the formal hospitality and tourism industry i.e. hotels and tour operations. Empirical literature on the contribution of education to homestay operators' knowledge and skills and income from the homestay program was missing. This research therefore sought to fill these gaps by studying the association between the variables under investigation through the lens of Skinner's theory of Motivation and human capital theory.

RESEARCH METHODOLOGY

The methodology includes the research design, study area, target population, sampling techniques and research instruments, pre-testing of research instruments, the

validity and reliability procedures, data collection techniques and data analysis of the study.

Research Design

This study adopted cross-sectional research design utilizing both quantitative and qualitative data (QUAN-QUAL method). Bryman and Bell (2007), opine that cross-sectional design involves the collection of data on more than one case at a single point in time in order to collect a body of quantitative and qualitative data in connection with two or more variables which are then examined to detect patterns of association. This design was considered most appropriate because as put forward by David and Sutton (2004), it enables a researcher collect data from a sample of the population and reports the findings without manipulating the variables. Additionally, the data collection is finished at a single point in time for all the cases concurrently (Bryman and Bell, 2007). In this study, quantitative and qualitative data were collected simultaneously from homestay operators and homestay tourists throughout the period from March to June 2016. In particular, this research design was utilized to provide a snapshot on the significance of homestay tourist accommodation to boost the socio-economic well-being of local people.

Study Area

Kalimpong nestles in Himalayan West Bengal, is a little town, once used to be the hub of the trans Himalayan trade between India and Tibet, when merchants used to ferry goods by mule caravan over the Jelepla Pass on the Sikkim Tibet Border. With rich cultural and religious heritage, fascinating scenic beauty and wonderful flora and fauna, Kalimpong is an excellent spot for a quiet holiday.

Once the headquarters of a Bhutanese Governor, the world Kalim means king's minister, Pong is the stronghold. It is also called Kalibong or the 'black spur' by the hill people. Kalibong in the local dialect stands for Kaulim, a fiber plant used for making paper and paper goods. This grows in abundance in this region. The hill region of this part of West Bengal with its rich culture and religious heritage, the fascinating scenic beauty and wonderful flora and fauna has immense tourist potential. The drive to Kalimpong down peshoke road is a fascinating experience, from Ghoom the road branches off to to the east, passing through virgin forest of cryptomaria and lower, down the hill, of sal, oak and maple with overhanging ferns. The forests, far richer than on the Darjeeling side of the hill, are interspersed by clearing growing the best quality Darjeeling

Tea; half way down the road after passing through a world bounded by gigantic trees almost suddenly round the Rangeet and the Teesta— and the towering mountains above, bursts into sight. From the distant depths comes the muffled roar of the mingling of the swifty flowing, turbulent blue-green waters. The road itself is an engineering feat, winding its way through, Peshoke, and Lopchu Tea Estates, it descends 6,000 feet in the last 19kilometres to Teesta Bridge; as it begins its rise, the forests on the Kalimpong side are thinner but make up the lack with the feast of colour in the flooring wild poinsettia and bougainvillea from autumn to spring. The place has easy communication to the favourite tourist destinations such as Lava, Lolegaon, Rishop etc.Kalimpong is divided into 2 Tehsils: Kalimpong I and Kalimpong II (Appendix I).

Target Population

The target population of this study was the homestay operators in the region and the tourists who visit and use those homestays. There are a total of 54homestays in outskirts of Kalimpong (as on record by one of the tour operator).

Sampling
Sampling Techniques

Census technique was used to target all the 54 homestay operators. This number of homestay operators was small hence manageable to use the whole homestay population. Probability Proportional to Size (PPS) sampling technique (Levy &Lemeshow, 2008) was used to select the sample of tourists using homestays in the study area. At least 50% of guests in each homestay wereproportionately targeted to minimise bias and ensure that respondents from each homestay had an equal opportunity to be included in the sample frame. This technique was used because the bed capacity in the homestays varied hence the number of tourists in each homestay was expected to vary. This sampling technique ensured that tourists in the larger homestays had the same probability of getting into the sample frame as those in smaller ones.

Sample Size

All the 54 homestays in the county formed the sample size for homestay operators. The sample size for tourists using homestays in the county was calculated at 95% confidence level and 5% precision level (sampling error) as shown in the following formula (Israel, 1992):

$$n = \frac{n}{1 + N(e)2}$$

Where;

n= Sample size

N= Population size (average tourist arrivals to the homestays for 3 years

e= Level of precision (sampling error)

$$n = \frac{126}{1+126(0.05)2} = 95$$

Therefore the sample size for the tourists was 95.

Research Instruments

Semi-structured questionnaires containing questions on a five point likert scale, open and closed questions were used. Different questionnaires were administered to the homestay operators and the tourists. The questionnaire for homestay operators covered questions on the motivational factors behind individual household participation in the homestay program, socio-economic benefits of homestay accommodation to host families and homestay operators' knowledge and skills in their participation in the homestay program. The questionnaire for tourists covered questions on factors influencing tourist choice of homestays and tourists' perception on the most effective ways of positioning homestays. Additionally, an interview schedule was developed and subjected to the tourism officers in charge of the county.

Pre-Testing

According to Orodho (2004), the number in the pre-test sample should be small, between 1% and 10% of the entire sample size. Therefore pre-testing of the data collection instruments was conducted on nine (9) respondents- four (4) homestay operators and five (5) tourists from the area of study. This represented 7.84% for the homestay operators and 5.26% of the entire sample size for tourists. This was done to ensure clarity of questions and check the instruments ability to collect data in a systematic manner.

Validity and Reliability

Validity

Validity is defined as "the extent to which a measure actually taps the underlying concept that it purports to measure" (Ary, Jacobs, Razavieh, & Sorensen, 2006). Validity was determined by utilizing a panel of experts. The panel comprised of five (5) Tourism Officers in Kalimpong region. The Tourism Officers were deemed to have experience and general understanting of the concept

under investigation having worked in the field for a considerable period of time. They were first informed of the topic and purpose of study and presented with the study objectives and research instruments. They were then asked individually to assess content, format, wording, overall appearance of the research instruments and the instruments' ability to meet the study objectives. Adjustments were then made to the instruments as per their comments.

Reliability

Reliability is defined as "the extent to which a measure yields consistent results; the extent to which scores are free of random error" (Ary et al 2006). The reliability of the survey instruments was measured using the reliability coefficient (Cronbachs alpha). The reliability for the homestay operators and homestay tourists questionnaire was established at the pretesting stage. Once the data for pretesting were collected from 5 (five) homestay tourists and four (4) homestay operators, the data were coded and entered into SPSS. Reliability analysis which was command driven was done using the Cronbachs alpha model. The questionnaires for homestay operators and homestaytourists were found to have a reliability coefficient of 0.865 and 0.873 respectively. According to Cronbach and Shavelson (2004) the alpha should ideally be around 0.90 and never be below 0.70. Hence the instruments were highly reliable.

Data Collection Techniques

This study made use of both primary and secondary data. Secondary data were gathered from books, newspaper articles, academic journals and other relevant documents related to homestays. Researcher administered semi-structured questionnaires to collect primary data. For the homestay providers' questionnaire, the providers were guided during the completion process to avoid any blanks and ensure that the responses received were in line with what the instrument intended to establish.

The homestay tourists were informed of the purpose of the study through oral explanations and then they were requested to fill in the questionnaires with proper guidance wherever required. A total of 54 questionnaires for homestay operators and 95 questionnaires for tourists were administered. An interview schedule was also developed and subjected to the tourism officers (of different tour operators) with a view of establishing their views on the significance of homestay accommodation to boosting the socio-economic well-being of rural people; the importance

of the homestay operators' having the necessary basic knowledge and skills on the homestay program and the most effective ways of positioning homestays.

Data Analysis

After sorting the questionnaires, data were coded, entered, and analysed using a statistical software program (SPSS). Frequencies were used to analyse homestay providers' and tourists' demographic characteristics such as age and gender. Descriptive statistics wereused to analyse the Likert scale type questions. Descriptive analysis was considered because as put forward by Boone & Boone (2012), the analysis of likert-type and likert scale data requires unique data analysis procedures. They therefore provide recommendations for descriptive statistics to be used during the analysis. To measure the dependent variable (socio-economic wellbeing), the variables that were deemed to contribute to the socio-economic wellbeing in this study were put on a likert scale and homestay providers were asked to rate on a scale of 1 to 5 the extent to which they agreed or disagreed with the statements. The scale used ranged from 1=strongly agree to 5=strongly disagree. To this end, the ordinal scale of measurement was used where a value of "1" was considered the highest while "5" was the lowest. In particular, the likert scale comprised of the variables measuring the perception of the homestay operators on " employment creation"; increase in business opportunities"; "focus and preserve culture"; stability of local peoples lifestyles"; "boost social equity"; and opportunity to interact with other cultures without leaving their homes". Significant Chi-square test and the measure of association Cramers V were then calculated to ascertain how each of these variables contributed to the socio-economic wellbeing of the community.

The independent variables i.e. motivation for homestay providers to participate in the homestay program and motivation for tourists to patronize homestays were also put on the likert scale and respondents were asked to rate the extent to which they agreed or disagreed with the statements. Ordinal scale of measurement was used and means and standard deviations were calculated for the variables.

Correlation analysis was used to establish the relationship between the motivational factors behind individual household participation in the homestay program and the socio-economic benefits of homestay programs to host families. It was also used to determine the relation between the factors influencing tourist choice of homestays and

ways of positioning the homestays. For the intervening variables, statements touching on homestay operators' knowledge and skills were put on a likert scale and they were asked to rate their level of knowledge and skills on a scale of 1 to 5 as per the statements. Descriptive analysis was then used to calculate the level of knowledge and skills homestay operators possessed on each variable. To establish whether homestay operators' level of education had an effect on their knowledge and skills to run the program and the income derived from the program, One-way Multivariate Analysis of Variance (MANOVA) was used where the level of education was taken as the independent variable and knowledge, skills and income were used as the dependent variables. Tables were used for data presentation.

FINDINGS AND ANALYSIS

The first section describes the basic information derived from the descriptive statistics of the demographic data and general information of respondents. The second section presents the results based on the objectives of the study. This section therefore presents the analyses of the five objectives and attempts to provide answers to the four research questions as per the framework of the study.

Response Rate

During the data collection exercise, three homestays had no occupants at that particular time hence the questionnaires were left behind for their completion. By the completion of the data collection exercise 51 completed questionnaires for homestay providers were collected and analysed. This presented a response rate of 94.44%. This also affected the response rate for the homestay tourists as 86 completed questionnaires for homestay tourists were collected for analysis. This represented a response rate of 90.52%. Wyse (2012), indicated that if the population size is 100 respondents then the survey responses needed for 95% confidence level with ±5% margin of error should be 80 responses. This translates to 80% (80/100×100) response rate for a survey to be considered significantly valid. Basing on this premise, since this study achieved a response rate of 90.52% for homestay tourists and 94.44% for homestay providers, it would be justifiable to conclude that the survey response rate was significantly valid.

Homestay providers' demographic characteristics and general information

Table I demonstrates the profile of the homestay operators surveyed during the study. The findings describe the

population of the homestay operators in Kalimpong by age, gender, approximate annual income from the homestay program and level of education.

Table 1 : Homestay operators' demographic characteristics and general information

Gender	Frequency	Percentage (%)
Male	32	62.7
Female	19	37.3
Total	51	100.0
Age		
30-34 years	3	5.9
35-39 years	5	9.8
40-44 years	19	37.3
45-49 years	18	35.3
50 years and above	6	11.8
Total	51	100.0
Annual income from the homestay program		
Rs. 49,999 and below	36	70.6
Rs. 50,000-74,999	10	19.6
Rs. 75,000-99,999	2	3.9
Rs.100,000 and above	3	5.9
Total	51	100.0
Level of education		
Primary	24	47.1
Secondary	16	31.4
Graduation	7	13.7
Above Graduation	4	7.8
Total	51	100.0

Gender: The findings in table I indicate that 62.7% of respondents were male while 37.3% were female. This result implies that mainly men run the homestay program in the county. The reason for this could be that homestay facilities are located in peoples' households. According to Burja (2003) the percentage distribution of household heads by gender is 76.2% male and 23.8% female which implies, majority of households in the country are headed by men. Since the head of the household is the key decision maker and his authority is acknowledged by other members of the family, then it follows that the homestay runs under the headship of the household.

Age: The results in table I above show that most homestay operators (72.6%) fell between the age category of 40-49 years (37.3%+35.3%). The 30-34 years age group was the smallest group. Ideally, it can be deduced from table I that most members of the local community who participate in the homestay program are in their 40's. The reason for this result could be that at age of 40 and above, most people have already established their own homes while for the lower age categories, most of them are still leaving in their parents' homes/compounds.

Annual income from the homestay program: The results of this study in table I above indicate that most homestay operators (70.6% of total respondents surveyed) received an approximate annual income of Rs.49,999 and below. A partly 5.9% of the respondents earned more than Rs. 100,000. The reason for these meager earnings from the homestay program is vague hence it required further study. So, it was prudent to establish whether this could be attributed to their level of education and their knowledge and skills to run the homestay program.

Level of education: From table I above it can be deduced that 40 out of the 51 homestay operators surveyed had secondary school education and below which represented 78.5% (16=31.4% + 24=47.1%) of total respondents surveyed during the study. The implication for this low level of education is not prominent at this stage, therefore further in this study, it was imperative to establish whether the level of education influenced homestay providers' knowledge and skills to run the homestay program and the income they derived from the program.

Homestay Tourists' demographic characteristics and general information

Table II demonstrates the profile of the homestay tourists surveyed during the study. The findings describe the population of the homestay tourists to Kalimpong by age, gender, highest level of education , approximate household income and reason for visiting the place.

Gender: The findings of the study in table II above indicate that 57% of the tourists to the homestays were male while 43% were female. This result implies that more males patronize homestays than females. The most probable explanation for this result could be that generally men are considered to be more adventurous than women. This observation is supported by that of Christie (2009), who found that compared to women, men are more likely to travel to explore new experiences.

Age: The results in table II show that the dominant age group was 50 years and above (40.7%) while the age group 21-29 years was the smallest group representing 8.1% of the total respondents surveyed during the study. This finding implies that the homestay program appeals more to older tourists than to younger ones.

Level of education: The results in table II show that 55.8% respondents had an advanced level of education at least at the bachelor's degree and above. Only 2.3% indicated they had attained school education and 41.9%

passed sr.secondary. This result implies that tourists to the homestays in the county had a relatively high educational attainment.

Approximate Household Income per Annum: From table II the results show that the largest group of respondents indicated that their household income was in the range of Rs.6,00,000-7,99,999 (34.9%). The less than Rs.3,00,000 category was the smallest group representing 5.8% of total respondents surveyed during the study.

Table 2: Homestay Tourists' demographic characteristics and general information Gender

Gender	Frequency	Percentage (%)
Male	49	57
Female	37	43
Total	86	100.0
Age		
21-29 years	7	8.1
30-39 years	23	26.7
40-49 years	21	24.4
50years and above	35	40.7
Total	86	100.0
Level of education		
Primary	0	0
Secondary	2	2.3
Sr.Secondary	36	41.9
Graduation	30	34.9
Masters and above	18	20.9
Total	86	100.0
Approximate Annual Income		
Less than Rs.3,00,000	5	5.8
Rs.3,00,000-3,99,999	25	29.1
Rs.4,00,000-5,99,999	14	16.3
Rs.6,00,000-7,99,999	30	34.9
Rs.8,00,000 and above	12	14.0
Total	86	100.0
Reason for visiting Kalimpong		
Leisure and recreation	57	66.3
In-Transit or Base (to other places)	20	23.2
Educational	9	10.5
Total	86	100.0

There are two possible explanations for this result. First, it could be due to the high level of educational attainment of the respondents as indicated. Second, it could be attributed to the age group of tourists which is mostly 50 years and

above, hence they are likely to have a substantial amount of household income.

Reason for visiting Kalimpong: From table II the findings indicate that majority of the respondents (66.3%) were visiting for leisure and recreation as the place is a favorite tourist destination within close proximity to the plains of Bengal. Those visiting the place for education formed the smallest group representing 3.5% of total respondents surveyed. The reason for this could be that homestays are not considered affordable by most students as compared to Government Guest houses provided at a concessional rate.

Motivational factors behind homestay providers' participation in the homestay program

To identify the motivational factors behind homestay operators' participation in the homestay program, motivational variables were put on a likert scale. The homestay providers were then asked to rate on a scale of 1 to 5 the extent to which they agreed or disagreed with the statements. The likert scale used ranged from1=strongly agree to 5=strongly disagree.

Table 3: Descriptive Statistics for Motivational Factors behind homestay providers' participation in the homestay program

N		Mean		Std. Deviation
Stat		**Stat**	**Std. error**	**Stat**
Earn income for household	51	**1.10**	.042	**.300**
Interact with different cultures	51	3.43	.141	1.005
Preserve heritage and culture	51	3.29	.146	1.045
Support tourists for community well-being	51	3.73	.192	1.372
Diversify sources of income for household	51	**1.31**	.066	.469
ValidN (listwise)	51			

Factors closer to one (1) represent the strongest value

The findings in table III show that the motivation variable earn income for household had the highest mean of M=1.10 and the lowest standard deviation (SD=0.300). This was closely followed by the „diversify sources of income for household (M=1.31, SD=0.469). The other motivation variables revealed low mean scores and high standard deviations.

From the table III, it can be deduced that the other three items on the scale had lower means and high standard deviations. According to Boone & Boone (2012), a high standard deviation would mean that there was a lot of variance on the observations from the survey. Therefore these results reveal that the major motivation for individual households' participation in the homestay program was income. The most possible explanation for this might be due to the high poverty levels in the region hence the local people were looking for ways to earn by hosting tourists in their homes. Borrowing from the ideals of Skinners theory of motivation that provided the theoretical underpinning for this study, the homestay providers motivation to participate in the homestay program was driven by the major reward they expected from the program which in this case is income. These findings seem to be in consistent with those of Hinch and Butler (1996) who found that economic considerations have been the major motivating force for the local people to become involved in tourism development.

Socio-economic benefits of homestay accommodation to host families

To assess the socio-economic benefits of homestay tourist accommodation to host families, the socio-economic variables were put on a likert scale and homestay operators were asked to rate on a scale of 1 to 5 the extent to which they agreed or disagreed with the statements.

The findings in table IV show that all the socio-economic variables recorded high mean scores (closer to 1) and low standard deviations. This result implies that majority of the homestay operators agreed that homestay tourist accommodation increases business opportunities in the community, creates employment, helps focus and preserve traditional culture and provide an opportunity for the homestay operators to interact with other cultures from all over the world without leaving their own homes. The most probable explanation for this result is that, homestay tourist accommodation provides the local people with opportunities to host tourists in their own homes at a fee hence they see it as a business venture. The homestay operators meet the needs of the homestay tourist e.g. food, so they may need to buy food and other supplies to supplement the visitors stay. This increases the business opportunities for the suppliers of such goods. Further, since homestays are deemed to attract tourists who wish to experience other peoples' cultures and lifestyles (Kayat, 2009), the local people would endeavor to preserve their culture and continue with their daily activities as usual so that they can continually attract tourists which would translate to more income.

Table 4. Descriptive statistics for homestay providors' perception on the socio-economic benefits of homestay accommodation

	N	Mean		Std. Deviation
	Stat	Stat	Std. error	Stat
Increase business opportunities for the local people	51	1.20	.056	.401
Creates employment opportunities	51	1.16	.051	.367
Helpful to focus and preserve traditional culture	51	1.47	.094	.674
Helpful in boosting social equity	51	1.25	.073	.523
Increase stability of local peoples lifestyle	51	1.27	.063	.451
Opportunity to interact with other cultures	51	1.29	.064	.460
Valid N (listwise)	51			

Factors closer to one (1) represent the strongest value

The interviews conducted on the personnel in tourist offices to establish their views on the contribution of the homestay program to the socio-economic well-being of rural people revealed that, the homestay program is a strategy that can bring massive benefits to the local people if developed within specified guidelines and are well regulated. This is because the homestays concept enables the local people to earn an income from tourism directly thereby benefiting directly from the tourism industry. In essence, proper regulation will create an enabling environment for the growth of this sub-sector, instill confidence in the homestay tourists and play a great role to deter inappropriate homestay providers.

Further, based on the research question set, the study sought to find out whether there was a relationship between the motivational factors behind homestay providers' participation in the homestay program and the socio-economic benefits they derived from the program. According to Skinners' supposition (Orodho, 2004), an individual's motivation to participate in an activity is mostly driven by the expected reward. So, Pearsons correlation analysis was used to determine the relationship between these variables (Table V)

Table 5: Pearson's Correlation Analysis for the relationship between the motivational factors for homestay providers' participation in the homestay program and socio-economic benefits of the homestay program

Motivational factors	Earn income for household		Interact with other cultures		Preserve heritage & culture		support tourists for community well-being		Diversify sources of income	
Socio-economic benefits	*r*	*P*	*r*	*p*	*r*	*p*	*r*	*P*	*r*	*p*
Homestay increases business opportunities for local people	.668**	**.000**	.183	.199	-.140	.326	-.227	.109	.198	.163
creates employment opportunities for the locals	.539**	**.000**	.264	.061	-.082	.568	-.209	.140	.241	.088
help develop socio-economic situation of the community	.539**	**.000**	.161	.259	-.132	.357	-.209	.140	.241	.088
Homestay is helpful to focus and preserve culture	.163	.254	.049	.735	-.200	.158	-.301	.832	-.034	.815
Homestay is helpful in boosting social equity of the local people	.220	.121	-.099	.489	-.103	.471	-.263	.063	.157	.272
Homestay increases stability of local peoples" lifestyles	.388**	**.005**	.046	.749	-.005	.972	-.167	.242	-.037	.796
Homestay provides an opportunity for locals to interact with other cultures	.366**	**.008**	.023	.873	-.059	.682	-.155	.279	.120	.402
No. of valid items (N) 51										

**Correlation is significant at the 0.01 level (2-tailed)*r*= Pearson's correlation Coefficient*p*=probability significance

Ratner (2013), provided the following conventional rules for interpreting the correlation coefficient; "0 denotes no linear relationship, ±1denotes perfect linear relationship, values between 0 and 0.3 denote a weak linear relationship via a shaky linear rule, values between 0.3 and 0.7 denote a moderate linear relationship via a fuzzy- firm linear rule and values between 0.7 and 1.0 denote a strong linear relationship via a firm linear rule". Basing on these interpretations, it can be deduced from table V above that only the "earn income for household motivation variable showed a moderate statistically significant linear relationship with some of the socio-economic benefits of the homestay program. The "earn income for household variable was statistically significantly correlated with "Homestays increase business opportunities" (*r*=0.668, *p*=0.000); "create employment opportunities (*r*=0.539, *p*=0.000); "help develop the socio-economic situation of the community (*r*=0.539,*p*=0.000); "increase the stability of local peoples lifestyles"(*r*=0.388, *p*=0.005) and "provide an opportunity for the local people to interact with other Cultures" (*r*=0.366, *p*=0.008).

However, the "earn income for household motivation variable and two socio-economic benefits variables i.e. homestay is helpful to focus and preserve culture (*r*=0.163, *p*=0.254) and homestay is helpful in boosting social equity

(*r*=0.220, *p*=0.121) reflected weak positive correlations but the correlations were not statistically significant. From table V it can be deduced that the other motivational factors (variables) showed weak linear relationships with all the socio-economic benefits of the homestay program. However, these relationships were not statistically significant due to the high "*p*" values.

A possible explanation for these results might be due to the fact that majority of the respondents surveyed during the study indicated that their major motivation to participate in the homestay program was to earn income for their household (Table III) and that they perceived homestay accommodation to bring socio-economic benefits to the community (Table IV). The five significant correlations for "earn income for household" and the socio-economic benefits of the homestay program may not provide justifiable proof that there is a relationship between the motivational factors behind homestay providerparticipation in the homestay program and the socio-economic benefits of the program. Basing on the evidence of these results, it may be difficult to conclude with a certain degree of confidence that there is/no relationship between the motivational factors behind individual household participation in the homestay program and the socio-economic benefits they derived from

the program. The results of this study did not reveal conclusive results on the relationship between these two variables. This is because only the "earn income" motivation variable revealed statistically significant relationships with some of the socio-economic benefits of the homestay program. Nonetheless, this is a new finding and contribution to knowledge since no such single relationship has been reported in literature.

However, these results need to be interpreted and applied with caution because the data for this study was collected from a small sample size which may have affected the final results. This finding has important implications for the authorities to design and conduct sensitization programs for the local people with the main focus of pointing out the importance of the homestay program other than the income factor. This will contribute greatly to the local people understanding that the conservation of their culture, heritage and the environment is vital to the growth and development of homestay accommodation. This is because the flow of tourists to the homestays is very much dependent on the culture of the people, their lifestyle and the quality of the environment (Levitt, 1996).

Significance of Homestay tourist accommodation in boosting the socio-economic wellbeing of rural people

As per the research questions set, this study sought to establish whether homestay tourist accommodation was a significant means of boosting the socio-economic well being of rural people. To this end, significance chi-square test was used (Table VI)

According to Bostch (2011), "the actual interpretation of Chi-square output involves looking at the significance probability quoted. If this value is less than 0.05 then the chi-square value is significant at the conventional cut-off point of 5% i.e. the association found in the sample data is significant and would be regarded as evidence that there is an association between the variables in question and the population from which the sample was drawn".

From table VI, it is evident that except for the "boost social equity of local people item which had a probability significance (P) value of 0.342, the other five variables had probability significance values below the conventional cut off point of 0.05. The high probability significance value on the last variable in table VI above may be attributed to the small sample size. Hence with a larger sample size, a statistical significance may have been realised. From these results, the p-value for the other five variables is very small

ranging from 0.000= P= 0.004. This implies that the group of independent variables (socio-economic benefits) showed a statistically significant relationship with the dependent variable (socio-economic situation). This significance level of 0.000=P=0.004 also implies that this relationship could be generalized to the population.

Table 6: Chi-square test results for the significance of homestay accommodation to boosting the socio-economic well-being of rural people

Variable	χ^2	df	V	p
Creates employment opportunities for the local people	38.166	1	.865	.000
Increase business opportunities for local people	33.277	1	.808	.000
Help focus and preserve traditional culture	12.485	2	.495	.002
Provides opportunity for locals to interact with other cultures	12.314	1	.407	.000
Increases stability of local peopleslifestyle	8.439	1	.491	.004
Boosts social equity of local people	2.145	2	.205	.342
No. of valid values	51			

Computed using,
α =0.05   *V= Cramers*
Vdf= Degrees of freedom   *P= Probability significance*
χ^2 = Chi-Square value

The symmetric measure of Cramers *V* which is normally calculated alongside the chi-square test was used to test the strength and direction of association between the variables. Bryman and Cramer (1997) cited in David and Sutton (2004), suggest the following for interpreting the measures of association: "0.19 or less is very low association; 0.20 to 0.39 is low association; 0.40 to 0.69 is moderate association; 0.70 to 0.89 is high association and 0.90 to 1 is very high association". Basing on this interpretation, the findings in table VI above show that Cramer's V values for the first five variables ranged from 0.407=*V*=0.865 which indicates a moderate to high positive association between the group of independent variables and the dependent variable. This finding implies that an increase in the socio-economic benefits from the homestay i.e. as the ability of the homestay providers to focus and preserve their culture and heritage as well as the opportunity to interact with other cultures increase, they lead to an improvement in the general socio-economic situation of the community. On

the evidence of the results from table VI, it would be justifiable to conclude that homestay accommodation is a significant means of boosting the socio-economic well-being of rural people.

As mentioned in the literature review, previous researchers have pointed out that homestay accommodation has numerous benefits to the host families and the community (Bhuiyan*et al* 2011; Moscardo, 2008; Lynch, 2003). The results of this study show that homestay accommodation is a significant means of boosting the socio-economic well-being of rural people. This study therefore validated assertions by earlier researchers on contribution of the homestay program to the socio-economic wellbeing of local communities. Particularly, this finding corroborates the findings of Chaiyatorn, Kaoses and Thitphat (2010) who found that homestays can ensure economic, social and cultural benefits for local communities as well as sustainable development. In addition, these findings seem to be in agreement with those of Colton and Whitney-Squire (2010) who found that the homestay program has the potential to address many of the socio-cultural, economic and environmental challenges faced by communities. Specific benefits include increased education, training and capabilities in business development and tourism, increased economic diversification, preservation of natural and cultural heritage, improved infrastructure, sharing of local culture, diminishment of existing social problems, enhanced environmental integrity and allowance of traditional ways of living in a sustainable way. This result may be explained by the fact that, as an extended form of community participation in tourism, the homestays concept empowers individual households earn an income from tourism directly while providing them with opportunities to share their cultures and interact with other cultures without leaving their homes. This finding has important implication in crafting policies and legislations to create an enabling environment to encourage the growth and development of the homestays accommodation sub-sector in a sustainable manner. The present results are significant in at least one major aspect in that, they were able to depict the direction and strength of the relationship between the dependent and group of independent variables. However, there is abundant room for further research and progress in determining whether homestay accommodation is a significant means of boosting the socio-economic well-being of rural people.

Factors influencing tourist choice of homestays

Tourist motivation is a combination of needs and desires that affect the tendency to travel in a general sense (OLeary and Deegan, 2005). Further, as put forward by Fodness,

(1994), even though other issues apparently influence tourist behaviour, motivation is still taken as a major indicator and explains why tourists visit certain destinations and behave in certain ways. Building on the ideals of Skinners theory of motivation (Orodho, 2004), tourists motivation to visit destinations is majorly driven by their expectations. To this end, this study found it imperative to establish the factors which influence tourist choice of homestays because the growth and sustenance of a tourism product is very much dependent on its demand (Kotler, 2007). Table VII shows the results from the descriptive analysis on the factors which influence tourist choice of homestays.

Table 7 : Descriptive statistics for factors which influence tourist choice of homestays

Variable	N	Mean		Std. Deviation
Stat		Stat	Std. Error	Stat
I want to seek variety of foods	86	1.58	.080	.743
I want to interact with friendly hospitable people	86	1.06	.025	.235
I want to see and learn different cultures	86	1.13	.040	.369
I want to be involved in a variety of activities with the local people	86	1.21	.047	.437
I want a homestay that is clean and of good standards	86	1.51	.039	.360
I want a homestay destination that is accessible/ reachable	86	1.35	.057	.526
I want a place where I feel safe and secure during my stay	86	1.09	.032	.292
I want a restful and relaxing trip	86	1.63	.076	.704

Factors closer to one (1) represent the strongest value

From table VII, it can be deduced that all the factors yielded mean scores in the high range (closer to 1). This result implies that majority of the respondents were in agreement that their major motivation to patronize homestays in the county were interaction with friendly hospitable people, safety and security, see and learn different cultures/ways of life, involvement in a variety of activities with the local people, accessibility of the homestay destination, accommodation of good standards, variety of foods and opportunity for rest and relaxation. The most probable explanation for this finding is that the society setting we live in today coupled with technological advancement has tended to promote individualistic lifestyles to the extent

that people are now craving the humantouch and interaction. This therefore creates a desire for them to travel to experience other people lifestyles and cultures. The findings of this study are an important addition to those of Lynch (2003) who found that homestays are popular with tourists who want to interact with local culture, lifestyle, social system and people.

Positioning Homestays

The review of literature brought to surface that effective positioning into customers minds guarantees advantages for the homestay destination as it facilitates the tourists decision making process (Pike, 2012). Further, McDonald, De Chernatory and Harris (2001) opine that, positioning is not what you do to the product but what you do to the customer and how the customer perceives you. This study having provided useful insights into the factors which influenced tourist choice of homestays (Table VII), it was imperative to establish the image of the homestay program that the tourists would wish is portrayed to them. Table VIII demonstrates the results of the descriptive analysis on the most effective ways of positioning homestays.

From table VIII, it can be deduced that all the factors yielded mean scores in the high range (closer to 1). This finding implies that majority of the respondents were in agreement that homestays can be positioned effectively if there is quality interaction between guests and host family, guests are exposed to different cultural practices of the community, accommodation provided is of good quality with all necessary basic amenities, guests are involved in different activities with the local people, guests are exposed to variety of authentic foods of the region, location of homestay is accessible, the environment in and around the homestay is conducive for relaxation,there is variety of communication media to facilitate access and available accommodation is constructed using the regions locally available materials and architectural design. The most probable explanation for this finding is that when tourists patronize homestays, they have their expectations from the homestay destination, they would therefore wish that promises made to them before they visit the destination reflect the ability of the homestay destination to meet these needs. The interviews conducted on the Tourist Offices revealed that establishing a unique brand for the homestays in this region would aid in the positioning aspect. This would entail establishing the attributes that tourists seek from the homestays and packaging the homestay products and services to portray these attributes. Although the Tourist Offices indicated that the Ministry had not put in place any positioning strategies

so far, they felt that the unique ethnic attractions e.g. the friendliness of local people, lifestyle, food and the surrounding natural attractions which provide a conducive environment for relaxation were the major pull factors for tourists to the place. Therefore they were of the view that positioning the homestays in this county should revolve around these unique attributes to make the homestays in the county uniquely stand out.

Table 8: Descriptive statistics for effective ways of positioning homestays

Variable	N	Mean		Std. Deviation
	Stat	Stat	Std. Error	Stat
Guests are exposed to variety of authentic foods	86	1.26	.047	.439
There is quality interaction between guests and host family	86	1.05	.023	.212
Guests get exposed to different scenic beauties and learn about the cultural practices of the community	86	1.09	.032	.292
Guests are involved in different activities with the local people	86	1.17	.041	.382
Accommodation is of good quality with necessary basic amenities	86	1.13	.040	.369
Accommodation is constructed using locally available materials &architectural design	86	1.42	.058	.542
There is variety of communication media available for access	86	1.33	.051	.471
Location of homestay is accessible	86	1.31	.050	.467
The environment in and around the homestay is conducive and good for relaxation	86	1.31	.056	.515
Adequate security in and around the homestay	86	1.10	.033	.308
Valid N (listwise)	86			

Factors closer to one (1) represent the highest value

Since past studies did not cover the most effective ways of positioning homestays, the findings of this study covered that gap by providing useful insights into the most effective ways of positioning homestays. These findings are therefore an important contribution to knowledge in the tourism and hospitality industry. Moreover, these findings are an important pointer to how the tourists would wish the homestays are portrayed during marketing campaigns hence will be helpful to the destination marketers and the homestay operators to endeavour to create the desired image of the homestay program.

Relationship between factors which influence tourist choice of homestay and way of positioning homestays.

Effective positioning is the act of linking products and services to the solutions that customers seek (jobber and Fahy, 2009). This implies that an understanding of what customers seek is paramount to the creation of such an image in their minds. Therefore, in this study it was considered appropriate to establish whether a relationship existed between the factors which influence tourist choice of homestays and how the homestays are positioned. To this end, Pearsons correlation analysis was used to test this relationship (Table IX).

The findings in table IX show that most factors influencing tourists' choice of homestays showed moderate to high statistically significant correlations with the ways of positioning homestays ($0.368=r=0.870$, $P=0.000$). However, the variable "homestay clean and of good standards did not show a statistically significant correlation with "accommodation offered is of good quality with all the necessary amenities" ($r=0.118$, $P=0.278$). This result may be attributed to the small sample size, hence with a larger sample size; a statistically significant result may have been realized.

From the results in table IX, it can be deduced that there was a positive correlation between the factors influencing tourist choice of homestays and the ways of positioning the homestays. Basing on the evidence of these results it would be justifiable to conclude that there was a relationship between the factors which influence tourist choice of homestays and the ways of positioning the homestays. The most likely explanation for this finding is that homestay tourists would like the homestays to portray that they have the ability to satisfy their needs which arise from their major motivation to patronize the homestays.

Table 9: Pearson's Correlation analysis for the relationship between the factors influencing tourist choice of homestays and ways of positioning homestays

Factors influencing tourist choice of homestays	Ways of positioning homestays	r	P
Seek variety of foods	Guests are exposed to variety of authentic foods (*Perceived unique value & brand image*)	.368**	.000
Interact with friendly hospitable people	Quality interaction between guests and host family (*perceived social value*)	.653**	.000
See and learn different cultures	Guests get exposed to different scenic beauties and learn about the cultural practices of the community (*perceived social value*)	.870**	.000
Want to be involved in variety of activities with the local people	Guests are involved in activities of the local people e.g. growing and preparation of food (*perceived brand image*)	.837**	.000
Homestay that is clean and of good standards	Accommodation offered is of good quality with all necessary basic amenities (perceived quality value)	.118	.278
Homestay destination accessible/ reachable	variety of communication media available to facilitate access (perceived accessibility value)	.723**	.000
Homestay destination accessible/ reachable	Location of homestay is accessible (perceived accessibility value)	.650**	.000
Want to have a restful and relaxing trip	Environment is conducive and good for relaxation (perceived quality value)	.524**	.000
Want a place where I can feel safe and secure during my stay	Adequate security provided in and around the homestay (perceived quality value)	.544**	.000

** Correlation is significant at the 0.01 level (2-tailed)   *r=Pearson's correlation*   *P= probability significance*

The results of this study show that there is a relationship between the factors which influence tourist choice of homestays and how the homestays are positioned. The findings of this study are consistent with those of Decrop (2009) who found that the way in which tourists perceive a destination and the way in which that destination positions and promotes their homestay programs gives tourists an image boost and therefore motivates them to travel from their home countries.

This result has significant implications for destination marketers and the homestay providers in that, their understanding of the factors/motives influencing tourist choice of homestays will determine to a great extent how they will go about providing the products and services that tourists seek and portraying this distinct image to the target market (positioning). Ideally, in order to create effective positioning strategies for products and services in the homestay accommodation sub-sector, a better understanding of tourists who visit homestay destinations is necessary.

Homestay providers' knowledge and skills in their participation in the homestay program

Previous research has indicated that homestay programs fail due to limited knowledge and skills of the homestay operators to run the program (Hall *et.al.*, 2005) so this study tried to measure homestay providers knowledge and skills in their participation in the homestay program. The variables depicting knowledge and skills were put on a likert scale and the homestay operators were asked to rate their level of knowledge and skills on a scale of 1 to 5. The measurement scale used ranged from 1= strongly agree

and 5=strongly disagree.

Homestay providers knowledge

Table X below shows the results from the descriptive analysis of the homestay providers knowledge in their participation in the homestay program

The results in table X demonstrate that the homestay providers knowledge on tourist expectations (M=1.75, SD=0.440) and knowledge on local tourism products and attractions (M=1.94, SD=0.420) was at a moderate level. This is because these two items had the highest mean scores and the lowest standard deviations. However, the homestay providers recorded a low level of knowledge on the other four items on the likert scale. Which implies that majority of respondents indicated that they did not have the necessary knowledge on managing and operating the homestay program, business and entrepreneurship, customer service and knowledge on the tourism industry. For the knowledge on tourists expectations, the homestay operators may have presumed to know tourists expectations hence the high mean for this particular variable. For the variables that yielded low mean scores, i.e. managing and operating homestays, about the tourism industry and business and entrepreneurship, the probable reason could be that these are areas that the homestay providers may not have been exposed to during their basic education schooling.

Homestay Providers Skills

Table XI shows the results of the descriptive analysis for homestay providers skills in their participation in the homestay program

Table X: Descriptive statistics for homestay providers knowledge

	N	Mean		Std. Deviation	Interpretation
	Stat	Stat	Std. error		
I have knowledge in managing and operating the homestay	51	3.08	.170	1.214	Low
I have knowledge about the tourism industry	51	3.57	.116	.831	Low
I have knowledge about local tourism products and attractions	51	**1.94**	**.059**	**.420**	Moderate
I have knowledge about business and entrepreneurship	51	3.12	.155	1.107	Low
I have knowledge about customer service	51	3.20	.163	1.167	Low
I know tourists expectations and I work towards that	51	**1.75**	**.062**	**.440**	Moderate
Valid N (listwise)	51				

Factors closer to one (1) represent the strongest value

Table 11: Descriptive statistics for Homestay providers skills

	N	Mean		Std. Deviation	Interpretation
	Stat	Stat	Std. error	Stat	
I have customer service skills	**51**	**3.04**	**.140**	**.999**	**Low**
I have good communication skills	51	**1.63**	**.068**	**.488**	Moderate
I have skills in interpreting local tourism products	51	**2.18**	**.100**	**.713**	Moderate
I have skills in preparing tourism packages	51	3.31	.162	1.157	Low
I have basic financial and book keeping skills	51	3.25	.153	1.093	Low
I have skills in maintaining and developing relationships in society	51	**1.88**	**.046**	**.325**	Moderate
I have basic computer and internet skills	51	3.80	.109	.775	Low
Valid N (listwise)	51				

Factors closer to one (1) represent the strongest value

The findings in table XI indicate that the mean scores for homestay providers skills for three variables were at moderate level i.e. good communication skills (M=1.63, SD=0.488), skills in maintaining and developing relationships in society (M=1.88, SD=0.325) and skills in interpreting local tourism products (M=2.18, SD=0.713). However, the other four items on the likert scale yielded low mean scores. This finding implies that the homestay providers had a low level of skills in customer service, basic financial and book keeping skills, skills in preparing tourism packages and basic computer and internet skills. The most likely explanation for this finding is that communication skills and skills in developing and maintaining relationships in society develop as one interacts with other members of the society right from childhood to adulthood. The ability of the homestay providers to interpret local tourism products and attraction may be attributed to the fact that they grew up in the region hence they understand their surrounding and can interpret the local tourist attractions better. Further, the low level of skills in financial and book keeping, computer and internet and preparing tourism packages may be due to the fact that these are areas that require specialized training hence the homestay providers may not have been exposed to them in their basic education schooling i.e. primary and secondary since a majority indicated to have lower level of education.

Influence of homestay providers' level of education on their knowledge and skills to run the program and the income derived from the program

The study of returns to education has a long tradition in the performance of workers and schooling is viewed as an important investment in human capital (Praag et al., 2009). Revolving around the confines of the human capital theory that also provided the theoretical underpinning for this study, education has been noted to be a great contributor to workers knowledge and skills (Baron, 2005). This study therefore aimed to determine the extent to which homestay providers level of education influenced their knowledge and skills to participate in the homestay program and the income they derived from the program. Therefore, to provide an answer to research question four, one-way Multivariate Analysis of Variance (MANOVA) was used (table XII). To arrive at the multivariate statistic, the homestay providers' level of education was used as the independent variable while their knowledge, skills and income derived from the program were used as the independent variables. Additionally, subsequent tests of association (Cramers V) were used to determine the direction of the relationship between homestay providers' level of education, their knowledge, skills and the income they derived from the program.

Table 12 : Multivariate Tests for influence of Homestay providers level of education on their knowledge, skills to run the homestay business and income they derived from the program

Effect		Value	F	Hypothesis df	Error df	Sig.	Partial Eta Squared	Observed Power[d]
Intercept	Pillai's Trace	.998	1182.203b	13.000	33.000	.000	.998	1.000
	Wilks' Lambda	.002	1182.203b	13.000	33.000	.000	.998	1.000
	Hotelling's Trace	465.716	1182.203b	13.000	33.000	.000	.998	1.000
	Roy's Largest Root	465.716	1182.203b	13.000	33.000	.000	.998	1.000
Education	Pillai's Trace	2.493	13.240	39.000	105.000	.000	.831	1.000
	Wilks' Lambda	**.004**	**14.153**	**39.000**	**98.468**	**.000**	**.845**	**1.000**
	Hotelling's Trace	17.972	14.593	39.000	95.000	.000	.857	1.000
	Roy's Largest Root	9.355	25.186c	13.000	35.000	.000	.903	1.000

Design: Intercept + Education

Exact Statistic

The statistic is an upper bound on F that yields a lower bound on the significance level Computed using alpha=0.05

Table XII above displays the actual results of the one way MANOVA. According to Meyers, Gamst and Guarino (2006), to interpret this result, the second effect labeled "education" and the Wilks Lambda row (highlighted) is considered. To determine whether the one-way MANOVA was statistically significant, the "sig." column is considered. From table XII above, it can be deduced that the significance value is .000 which means P^.0005. This finding shows that the homestay providers of education had a statistically significant effect on their knowledge and skills to run the homestay business and the income they derived from the business F (21,118), P<.0005; Wilk"s λ = 0.261, partial η2 0.361).

Since the multivariate tests in table XII above reflected a statistically significant result, it is a requirement for MANOVA that follow up tests are performed. For this case, follow up tests i.e. univariate ANOVAs were performed to determine how the dependent variables (knowledge, skills and income) differ for the independent variable (level of education). To start with, univariate ANOVAs (tests of between subjects-effects), subsequent Tukey HSD Post Hoc tests as well as tests of association (*Cramer's V*) may also be performed for the knowledge and income variables followed by the skills variables.

Univariate ANOVAs for Homestay Providers' knowledge and income derived from the program
Table XIII below displays the tests between subjects-effects for the homestay providers knowledge in running the

homestay program and the income they derived from the program.

Interpretation of the tests of between-subjects effects results involves looking at the independent variable row in this case "education" as highlighted in table XII above. The findings indicate that homestay providers level of education had a statistically significant effect on their knowledge in operating and managing homestays (F (3, 47) =6.362, P=0.001, partial ç2= 0.289); knowledge about the tourism industry ((3,47)= 5.615, P=0.002, Partial ç2=0.264); knowledge on business and entrepreneurship (F (3,47)=7.405, P=0.000, Partial ç2=0.321); knowledge on customer service (F (3,47)=3.823, P=0.016, Partial ç2=0.196); knowledge on local tourism products and attractions (F (3,47)=2.957, P=0.042, Partial ç2=0.159) and knowledge on tourist expectations (F (3,47)= 5.325, P=0.003, Partial ç2=0.254).

Further, table XIII above indicates that homestay providers level of education had a statistically significant effect on the amount of income they derived from the homestay program (F (3, 47) =3.636, P=0.019, Partial ç2=0.188). Since the results of the univariate ANOVA's were statistically significant, multivariate analysis requires that further follow up tests are performed to determine which means are significantly different. Therefore the Tukey's HSD Post Hoc tests may be performed for studying the extent of influence.

Table XIII: Tests of between Subjects- Effects results for homestay operators' level of education, knowledge and income they derived from the program

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared	Observed Powerh
Corrected model	Operating and managing homestays	21.282a	3	7.094	6.362	.001	.289	.954
	About the tourism industry	9.106b	3	3.035	5.615	.002	.264	.926
	Business & Entrepreneurship	2.832c	3	.944	7.405	.000	.321	.978
	Customer service	12.023d	3	4.008	3.823	.016	.196	.786
	Knowledge on local tourism products and attractions	10.802e	3	3.601	2.957	.042	.159	.664
	Tourist expectations	2.457f	3	.819	5.325	.003	.254	.911
	Approximate annual income	6.523g	3	2.174	3.636	.019	.188	.763
Intercept	Operating and managing homestays	263.456	1	263.456	236.287	.000	.834	1.000
	About the tourism industry	398.391	1	398.391	757.060	.000	.940	1.000
	Business & Entrepreneurship	143.683	1	143.683	1127.080	.000	.960	1.000
	Customer service	326.350	1	326.350	311.309	.000	.869	1.000
	Knowledge on local tourism products and attractions	300.133	1	300.133	246.451	.000	.840	1.000
	Tourist expectations	97.368	1	97.368	633.033	.000	.931	1.000
	Approximate annual income	92.634	1	92.634	154.916	.000	.767	1.000
Education	Operating and managing homestays	21.282	3	7.094	6.362	**.001**	.289	.954
	About the tourism industry	9.106	3	3.035	5.615	**.002**	.264	.926
	Business & Entrepreneurship	2.832	3	.944	7.405	**.000**	.321	.978
	Customer service	12.023	3	4.008	3.823	**.016**	.196	.786
	Knowledge on local tourism products and attractions	10.802	3	3.601	2.957	**.042**	.159	.664
	Tourist expectations	2.457	3	.819	5.325	**.003**	.254	.911
	Approximate annual income	6.523	3	2.174	3.636	**.019**	.188	.763
Error	Operating and managing homestays	42.404	47	1.115				
	About the tourism industry	25.404	47	.541				
	Business & Entrepreneurship	5.992	47	.127				
	Customer service	49.271	47	1.048				
	Knowledge on local tourism products and attractions	57.238	47	1.218				
	Tourist expectations	7.229	47	.154				
	Approximate annual income	28.104	47	.598				
Total	Operating and managing homestays	557.000	51					
	About the tourism industry	684.000	51					
	Business & Entrepreneurship	201.000	51					
	Customer service	557.000	51					
	Knowledge on local tourism products and attractions	589.000	51					
	Tourist expectations	165.000	51					
	Approximate annual income	142.000	51					
Corrected Total	Operating and managing homestays	73.686	50					
	About the tourism industry	34.510	50					
	Business & Entrepreneurship	8.824	50					
	Customer service	61.294	50					
	Knowledge on local tourism products and attractions	68.039	50					
	Tourist expectations	9.686	50					
	Approximate annual income	34.627	50					

a. R squared=.289 (Adjusted R squared=.243) b. R squared=.264 (Adjusted R squared=.217) c. R squared=.321 (Adjusted R squared=.278) d. R squared=.196 (Adjusted R squared=.145) e. R squared=.159 (Adjusted R squared=.105) f. R squared=.254 (Adjusted R squared=.206) g. R squared=.188 (Adjusted R squared=.137) h. Computed using α =.05

CONCLUSIONS AND RECOMMENDATIONS

The purpose of this study was to investigate the socio-economic contribution of homestay tourist accommodation to individual households and the community. It aims to formulate ways to further develop and position homestay tourism in order to enhance its contribution to host families and the community. This study will give the destination marketers a better picture of the attributes that homestay tourists seek hence work in collaboration with the homestay operators to utilize these attributes to develop competitive positioning strategies. Second, this finding can be useful to the homestay providers to establish and understand which attributes homestay tourists seek and tailor their products and services towards these attributes to satisfy their guests. However, to achieve this, the homestay providers will need assistance on this element because of their levels of education as depicted in this study. It is an eye-opener for the government entity responsible for regulation and facilitation of the tourism industry (Department of Tourism) to come in as the facilitator. This finding will hopefully enable the Department design and conduct sensitization programs to enlighten the homestay operators on the attributes that homestay tourists seek hence enable the homestay operators provide products and services geared towards these attributes. Ideally, in order to create effective positioning strategies for products and services in the homestay industry, a better understanding of tourists who visit homestay destinations is paramount.

Fourth, this study sought to determine whether homestay providers' level of education influenced their knowledge and skills to participate in the homestay program and the income they derived from the program. The results of the current study showed that homestay providers' level of education had a statistically significant effect on their knowledge and skills to run the homestay program and the income they derived from the program. This finding can be useful for the hospitality and tourism industry to conduct a training need assessment for the homestay providers and develop a curriculum tailor-made to meet those needs. This will hopefully play a great role in equipping the homestay providers with the necessary knowledge and skills to run the program effectively hence ensure sustainable socio-economic advancement from the homestay program.

Recommendations for Policy/Practice

The government entity charged with the mandate of policy making and regulating the tourism industry (Department of Tourism) should craft policies and regulations to create an enabling environment for the development of homestay tourist accommodation. This will ensure sustainable socio-economic advancement from the homestay program. The Authority should design and conduct sensitization programs for the local people to enlighten them on the importance of conserving their heritage, culture and environment to the development of homestay tourist accommodation. This will ensure that the development of homestay accommodation is all encompassing in that the operators will not only be motivated by the income they derive from the program but also the conservation of their heritage, culture and environments. There is need for the Department of Tourism to design and conduct sensitization programs to enlighten the homestay operators on the attributes that homestay tourists seek to enable them tailor their products and services towards these attributes. This will contribute greatly to customer satisfaction and encourage positive word of mouth hence lead to an increase in number of tourists and increased incomes for the homestay providers. Higher education institutions involved in tourism and hospitality training should conduct a training needs assessment for the homestay operators and develop a curriculum tailor-made to meet these needs to equip the homestay operators with the necessary knowledge and skills to run the homestay program effectively. The destination marketer should work in collaboration with the homestay operators to identify the factors/ attributes which influence tourist choice of homestays. This will enable them develop effective competitive positioning strategies for the products and services in the homestay industry in the destination.

This finding will hopefully be beneficial to the homestay operators since it provided useful insights into what tourists expect when they visit homestays. Particularly, it is hoped that the homestay operators will be able to use this information to provide a seamless experience to the homestay tourists who will culminate to customer satisfaction hence positive word of mouth.

Recommendations for Further Research

Although this study provided a general picture on the contribution of homestay tourist accommodation to the socio-economic well-being of rural people and proposed ways it can be further developed and positioned to enhance its contribution to host families and the community, there is still abundant room for further research. The following recommendations are offered for related research in the homestay accommodation sub-sector:

1) Since the growth of homestay tourist accommodation is of great value to the local people especially in the rural areas, future research should investigate effective marketing strategies for homestays and challenges that the homestay operators face as they run their programs and formulate ways of dealing with these challenges

2) Given that this study did not provide conclusive results on the relationship between the motivational factors behind individual household participation in the homestay program and the socio-economic benefits they derived from the program, it would be advantageous that further studies are conducted before this relationship is more clearly understood.

3) Given that this study revealed that homestay providers' level of education influenced their knowledge and skills to run the homestay program and the income they derived from the program to a large extent, the Post Hoc Tests may be conducted to study the extent of effect of the individual variables. Therefore it would be of value that further studies are conducted especially on the relationship between homestay providers' level of education, skills and the income they derive from the program to arrive at a more conclusive result.

4) Since this current study revealed a statistically significant relationship between the factors which influence tourist choice of homestays and ways of positioning homestays, it may be valuable to conduct further research on this area using other variables other than the ones used in this study to affirm and cement this relationship.

5) Since this study revealed that the tourists patronizing homestays had a relatively high educational attainment, it would be of value to conduct further research to determine whether tourists level of education influences their perception of quality and overall satisfaction from the homestay program.

6) Research related to homestay tourist accommodation that provides a means of defining their contribution to the socio-economic well-being of the local people and to general development of the economy would be of value to the homestays accommodation sub-sector.

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Appendix I : List of Villages within Kalimpong I and Kalimpong II Divison

	Villages	Administrative Division	Population
1	AlgarahBazer D.I.F.	Kalimpong - II	1,957
2	BokhimKhasmahal	Kalimpong - II	21
3	Chumang Forest	Kalimpong - II	120
4	DalapachanKhasmahal	Kalimpong - II	2,549
5	Dalapchan Ridge Reserve Forest	Kalimpong - II	49
6	Dalapchan Slip Reserve Forest	Kalimpong - II	42
7	GitBeongKhasmahal	Kalimpong - II	2,464
8	GitDublingKhasmahal	Kalimpong - II	3,598
9	Icha Forest	Kalimpong - II	165
10	KageyKhasmahal	Kalimpong - II	2,401
11	KashoneKhasmahal	Kalimpong - II	2,449
12	Kolbong Forest	Kalimpong - II	48
13	LadamKhasmahal	Kalimpong - II	3,016
14	Lava Bazar D.I.F.	Kalimpong - II	1,836
15	Lava Forest	Kalimpong - II	173
16	LingsayKhasmahal	Kalimpong - II	2,706
17	LingsaykhaKhasmahal	Kalimpong - II	2,278
18	LolayKhasmahal	Kalimpong - II	2,209
19	Mangchu Forest	Kalimpong - II	1,210
20	Mansong Cinchona Plantation	Kalimpong - II	8,812
21	Maria Khasmahal	Kalimpong - II	437
22	Mayrong Forest	Kalimpong - II	366
23	Paiengaon Forest	Kalimpong - II	141
24	PaiyongKhasmahal	Kalimpong - II	6,423
25	PallaKhasmahal	Kalimpong - II	1,750
26	PaygangKhasmahal	Kalimpong - II	668
27	Pedong Bazar D.I.F.	Kalimpong - II	817
28	PedongKhasmahal	Kalimpong - II	4,274
29	Rangpo Forest	Kalimpong - II	1,397
30	Rissium Forest	Kalimpong - II	143
31	SakiyongKhasmahal	Kalimpong - II	5,753
32	SangserKhasmahal	Kalimpong - II	3,516
33	SantukKhasmahal	Kalimpong - II	3,042
	Villages	**Administrative Division**	**Population**
1	Bhalukhop Forest	Kalimpong -I	592
2	BhalukhopKhasmahal	Kalimpong -I	5,254
3	Birik Forest	Kalimpong -I	93
4	Bong Khasmahal	Kalimpong -I	4,220
5	Chunabhati Bazar D.I.F.	Kalimpong -I	300
6	Comesi Forest	Kalimpong -I	377
7	Homes St.AndGraihms	Kalimpong -I	3,899
8	IchaKhasmahal	Kalimpong -I	4,176
9	Kaffir Forest	Kalimpong -I	15
10	Kaffir Khasmahal	Kalimpong -I	549
11	KalimpongDansong Forest	Kalimpong -I	795
12	KalimpongKhasmahal	Kalimpong -I	8,881
13	Kanke Bong Khasmahal	Kalimpong -I	1,835
14	Lish Forest	Kalimpong -I	360
15	Lulagaon Forest	Kalimpong -I	27
16	LulagaonKhasmahal	Kalimpong -I	979
17	Mangber Forest	Kalimpong -I	30
18	Mangpong Forest	Kalimpong -I	1,111
19	Mangwa Forest	Kalimpong -I	711
20	Mazeok Forest	Kalimpong -I	282

21	NimbongKhasmahal	Kalimpong -I	2,659
22	NobgaonKhasmahal	Kalimpong -I	1,681
23	Panbu Forest	Kalimpong -I	20
24	ParingarKhasmahal	Kalimpong -I	2,021
25	Pemling Forest	Kalimpong -I	187
26	PemlingKhasmahal	Kalimpong -I	1,726
27	PudungKhasmahal	Kalimpong -I	2,382
28	Rambi Bazar D.I.F.	Kalimpong -I	1,000
29	Riayang Railway Station	Kalimpong -I	371
30	Ringking Pong Forest	Kalimpong -I	10
31	Riyong Forest	Kalimpong -I	185
32	SamalbongKhasmahal	Kalimpong -I	2,050
33	SametherKhasmahal	Kalimpong -I	2,173
34	SindibongKhasmahal	Kalimpong -I	4,606
35	SingiKhasmahal	Kalimpong -I	1,565
36	SlokbhirKhasmahal	Kalimpong -I	874
37	SuntalayKhasmahal	Kalimpong -I	209
38	SurukKhasmahal	Kalimpong -I	1,764
39	Tashiding Forest	Kalimpong -I	59
40	Tista Bazar D.I.F.	Kalimpong -I	2,953
41	Turzam Forest	Kalimpong -I	406
42	Yang MakumKhasmahal	Kalimpong -I	3,350
43	YokprintamKhasmahal	Kalimpong -I	1,220

An Empirical Study on Relationship of Nifty & Sectoral Indices of National Stock Exchange

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ABSTRACT

The key objective of this paper is to find out the impact of NSE Sectoral indices on Index Nifty 50 of NSE. It also tries to find out the relationship between the Index and NSE Sectoral indices and as well as price movement of the Sectoral indices vis a vis Index. This study is based on secondary data and covers five years period from 2011 to 2015. Correlation and Multiple regression analysis have been used to examine the impact of NSE Nifty on NSE Sectoral indices. The study reveals that NSE Index and NSE Sectoral indices are having a significant correlation individually and also there is a significant impact of NSE Nifty on NSE Sectoral indices except Reality Sector and PSU Bank Sector.

INTRODUCTION

NSE has played a catalytic role in reforming the Indian securities market in terms of microstructure, market practices and trading volumes. The market today uses state-of-art information technology to provide an efficient and transparent trading, clearing and settlement mechanism, and has witnessed several innovations in products & services viz. demutualization of stock exchange governance, screen based trading, compression of settlement cycles, dematerialization and electronic transfer of securities, securities lending and borrowing, professionalization of trading members, fine-tuned risk management systems, emergence of clearing corporations to assume counterparty risks, market of debt and derivative instruments and intensive use of information technology.

An Index is used to give information about the price movements of products in the financial, commodities or any other markets. Financial indexes are constructed to measure price movements of stocks, bonds, T-bills and other forms of investments. Stock market indexes are meant to capture the overall behavior of equity markets. A stock market index is created by selecting a group of stocks that are representative of the whole market or a specified sector or segment of the market. An Index is calculated with reference to a base period and a base index value.

Stock market indexes are useful for a variety of reasons. Some of them are:

- They provide a historical comparison of returns on money invested in the stock market against other forms of investments such as gold or debt.

- They can be used as a standard against which to compare the performance of an equity fund.

- In It is a lead indicator of the performance of the overall economy or a sector of the economy

- Stock indexes reflect highly up to date information

- Modern financial applications such as Index Funds, Index Futures, Index Options play an important role in financial investments and risk management

NSE has several broad market indices like Nifty 50, Nifty 100, Nifty 200 , Nifty 500 , etc. It has also several sectoral indices like Nifty Bank, Nifty Auto, Nifty fin service, Nifty

Key words

National Stock Exchange (NSE), NSE Nifty, NSE Sectoral Indices, Correlation, Multiple Regressions

FMCG, Nifty IT, etc. Apart from above mentioned indices, it has also Strategy indices, Thematic indices & Fixed income indices.

The paper explores the impact and relationship of Nifty 50 with NSE sectoral indices. The sectoral indices are-Nifty Bank, Nifty Auto, Nifty FMCG, Nifty IT, Nifty Pharma, Nifty PSU Bank & Nifty Reality. The data has been studied for five years period from January 2011 to December 2015.

a) NSE Nifty Index

The NSE Nifty, also called the Nifty 50 or simply the Nifty, is a stock market index and benchmark index for Indian equity market. Nifty is owned and managed by India Index Services and Products Ltd. IISL), which is a joint venture between NSE and CRISIL (Credit Rating and Information Services of India Ltd). IISL is India's first specialized company focused upon the index as a core product. IISL has marketing and licensing agreement with Standard & Poor's for co-branding equity indices. 'CNX' in its name stands for 'CRISIL NSE Index'.

Nifty 50 has shaped up as the largest single financial product in India, with an ecosystem comprising: exchange traded funds (onshore and offshore), exchange-traded futures and options (at NSE in India and at SGX and CME abroad), other index funds and OTC derivatives (mostly offshore).

The Nifty 50 currently covers 13 sectors of the Indian economy and offers investment managers exposure to the Indian market in one portfolio. The Nifty 50 stocks represent about 65% of the free float market capitalization of the stocks listed at National Stock Exchange (NSE) as on March 31, 2016.

The Nifty 50 index is a free float market capitalization weighted index. The index was initially calculated on full market capitalization methodology. From June 26, 2009, the computation was changed to free float methodology. The base period for the Nifty 50 index is November 3, 1995, which marked the completion of one year of operations of NSE's Capital Market Segment. The base value of the index has been set at 1000, and a base capital of Rs 2.06 trillion. The Nifty 50 currently consists of the 50 major Indian companies. The total traded value of Nifty 50 Index constituents for the last six months ending March 2016 is approximately 46% of the traded value of all stocks on the NSE. It has 15 broad market Indices.

b) Sectoral Indices

Nifty Auto

The Nifty Auto Index is designed to reflect the behaviour and performance of the Automobiles sector which includes manufacturers of cars & motorcycles, heavy vehicles, auto ancillaries, tyres, etc. The Nifty Auto Index comprises of 15 stocks that are listed on the National Stock Exchange. The Nifty Auto Index represents about 8.6% of the free float market capitalization of the stocks listed on NSE and 91.1% of the free float market capitalization of the stocks forming part of the Automobiles sector universe as on March 31, 2016. The total traded value for the last six months ending March 2016 of all index constituents is approximately 9.5% of the traded value of all stocks on NSE and 89.6% of the traded value of the stocks forming part of the Automobiles sector universe.

Nifty Bank

Nifty Bank Index is an index comprised of the most liquid and large capitalized Indian Banking stocks. It provides investors and market intermediaries with a benchmark that captures the capital market performance of Indian Banks. The index has 12 stocks from the banking sector which trade on the National Stock Exchange. The Nifty Bank Index represent about 15.6% of the free float market capitalization of the stocks listed on NSE and 93.3% of the free float market capitalization of the stocks forming part of the Banking sector universe as on March 31, 2016. The total traded value for the last six months ending March 2016 of all the Index constituents is approximately 12.5% of the traded value of all stocks on the NSE and 88.1% of the traded value of the stocks forming part of the Banking sector universe.

Nifty Energy

Nifty Energy sector Index includes companies belonging to Petroleum, Gas and Power sectors. The Index comprises of 10 companies listed on National Stock Exchange of India (NSE). Nifty Energy Index is computed using free float market capitalization method, wherein the level of the index reflects the total free float market value of all the stocks in the index relative to particular base market capitalization value. Nifty Energy Index can be used for a variety of purposes such as benchmarking fund portfolios, launching of index funds, ETFs and structured products.

Nifty FMCG

FMCGs (Fast Moving Consumer Goods) are those goods

and products, which are non-durable, mass consumption products and available off the shelf. The Nifty FMCG Index comprises of maximum of 15 companies who manufacture such products which are listed on the National Stock Exchange (NSE). The Nifty FMCG Index represents about 8.6% of the free float market capitalization of the stocks listed on NSE and 80.4% of the free float market capitalization of the stocks forming part of the FMCG universe as on March 31, 2016. The total traded value for the last six months ending March 2016 of all index constituents is approximately 4.5% of the traded value of all stocks listed on NSE and 66.1% of the traded value of the stocks forming part of the FMCG universe.

Nifty IT

Information Technology (IT) industry has played a major role in the Indian economy during the last few years. A number of large, profitable Indian companies today belong to the IT sector and a great deal of investment interest is now focused on the IT sector. In order to have a good benchmark of the Indian IT sector, IISL has developed the Nifty IT sector index. Nifty IT provides investors and market intermediaries with an appropriate benchmark that captures the performance of the IT segment of the market. Companies in this index are those that have more than 50% of their turnover from IT related activities like IT Infrastructure , IT Education and Software Training , Telecommunication Services and Networking Infrastructure, Software Development, Hardware Manufacturer's, Vending, Support and Maintenance. The Nifty IT Index represents about 12.15% of the free float market capitalization of the stocks listed on NSE and 91.9% of the free float market capitalization of the stocks forming part of the IT sector as on March 31, 2016. The total traded value for the last six months ending March 2016 of all index constituents is approximately 7% of the traded value of all stocks on the NSE and 69.9% of the traded value of the stocks forming part of the IT sector.

Nifty Pharma

Pharmaceuticals sector is one of the key sectors where Indian companies have created a global brand for themselves besides software. Indian companies have taken advantage of the opportunities in the regulated generics market in the western countries and made deep inroads especially in providing low cost equivalents of expensive drugs. Pharma outsourcing into India and low cost Healthcare services are expected to be the key areas of growth in the near future. In addition, the inherent potential of biotechnology has also attracted many new companies and this is also a key growth area for Indian companies. IISL has developed Nifty Pharma Index to capture the performance of the companies in this sector. The Nifty Pharma Index represents about 6.1% of the free float market capitalization of the stocks listed on NSE and 79.9% of the free float market capitalization of the stocks forming part of the Pharmaceutical sector universe as on March 31, 2016. The total traded value for the last six months ending March 2016 of all Index constituents is approximately 7of the traded value of all stocks on NSE and 64% of the traded value of the stocks forming part of the Pharmaceutical sector universe.

Nifty PSU Bank

IISL has developed Nifty PSU Bank Index to capture the performance of the PSU banks. The Nifty PSU Bank Index represents about 2.3% of the free float market capitalization of the stocks listed on NSE and 91.1% of the free float market capitalization of the stocks forming part of the PSU Bank universe as on March 31, 2016. The total traded value for the last six months ending March 2016 of all index constituents is approximately 4.9% of the traded value of stocks on the NSE and 96.7% of the traded value of the stocks forming part of the PSU Bank universe.

Nifty Reality

Real estate sector in India is witnessing significant growth. Recent dynamics of the market reflected the opportunity of creating wealth across real estate companies, as proven by recent listings of real estate companies resulting into prominent growth in public funds and private equity. The main growth thrust is coming due to favorable demographics, increasing purchasing power, existence of customer friendly banks & housing finance companies, professionalism in the real estate sector and favorable reforms initiated by the government to attract global investors. Further necessitated by the thrust of redevelopment of old buildings, building townships and redeveloping mill lands, one can witness plenty of opportunities in real estate sector backed by favorable tax regime. IISL has developed the Nifty Realty Index to synergize these emerging opportunities along with their Index expertise creating new investment avenues for investors. Nifty Realty Index represent about 0.4% of the free float market capitalization of the stocks listed on NSE and 71.1% of the free float market capitalization of the stocks forming part of the Realty sector universe as on March 31, 2016. The total traded value for the last six

months ending March 2016 of all Index constituents is approximately 1.8% of the traded value of all stocks on the NSE and 91.4% of the traded value of the stocks forming part of the Realty sector universe.

The rest part of this paper has addressed the Literature Review, Objectives & Research Methodology, Data Analysis & Interpretation followed by the Findings, Conclusion, and Limitations .

LITERATURE REVIEW

Sahu (2015) in his study found that there is a strong correlation between NYSE and BSE; and GDP had moderately correlated with BSE.

Jayashree (2014) conducted a study with reference to pharmaceutical industries and identified that Indian stock exchange is extremely influenced by different international stock exchanges like Shanghai, ASX; HangSeng , FSE DAX & DJIA and there also exists long-term relationship between BSE Sensex with other stock exchanges; and also other stock exchanges taken under that study are co-integrated with BSE. The changes in International pharmaceutical companies are affecting the Indian pharmaceuticals companies.

Luthra & Mahajan (2014) , exchange rate, inflation, and GDP growth rate affect banking index positively; and gold prices have a negative impact on BSE Bankex.

Nagendra, M., Haritha, M., & Ravi, V. (2014), has investigated the correlation between NSE NIFTY and its sectoral indices through correlation test between period 2006-2010 and found that Nifty influences the performance of sectoral indices performances.

Narang & Singh (2014) , there is no causality between the gold prices and Sensex.

SHANMUGASUNDRAM, D., & Benedict, D. J. (2013), in their paper "Volatility of the Indian sectoral indices–A study with reference to National Stock Exchange " use two sample T-test and One-way ANOVA and found that there is no any significant differences in risk factor across the sectoral indices but in various time-intervals , there is a significant difference of risk.

Ramkumar, R. R., Selvam, M., Vanitha, S., Gayathri, J., & Karpagam, V. (2012), in their paper "An analysis of market efficiency in sectoral indices: A study with a special reference to Bombay stock exchange in India" used the Runs test and Autocorrelation test to tests the market efficiency across the Sectoral Indices listed at the BSE using daily Index Returns and found that the returns of 8 indices out of 12 indices earned better return at 5 % significant level. It shows that these 8 Indices performed well.

Tarun Chordia, Amit Goyal & Qing Tong (2011) paper searches for the source of the asymmetric correlations between individual stocks. They found that the trading activity governs the asymmetric correlation phenomenon in individual stocks with high retail concentrations (i.e. small stocks/low institutional-holding stocks).

Natarajan. P. and Dharani. M (2010), investigated the efficiency of Nifty Benchmark Schemes by using Alpha and Beta Co-efficient. The study found that the Nifty BeEs over performed in relation to the Nifty Index.

OBJECTIVES & RESEARCH METHODOLOGY

Statement of Problem

This study is based on impact of NSE Nifty on sectoral indices of National stock exchange. According to Dow's, market moves in a trend , it may be upward, downward or sideways. The broad market indices are the proxies of whole market whereas sectoral indices are proxies of different industries. Each Industry has its own life cycle which not moves in tandem . Thus sectoral indices provides a new investment avenues for diversification to investors . But these indices are less popular among investors due to lack of knowledge, so they did not know how to invest the money in correct indices in the Indian share market. Besides, the investors do not have the idea about which company and which indices are suitable to invest during different periods. There are very few researches in India related to indices so little information is available regarding correlation between sectoral indices and market indices. So, the present study proposes to investigate the correlation of sectoral indices with market indices and which indices have more impact on market, taking most actively traded indices of the National Stock Exchange. It will form the basis of diversification in portfolios for investors in Indian stock market.

OBJECTIVES OF THE STUDY

The objectives of the study are as follows:

- To examine the relationship between the NSE Nifty and NSE Sectoral Indices.

- To study the price movement of NSE Nifty and NSE Sectoral Indices.

- To find out the impact of NSE Nifty fifty and NSE Sectoral Indices.

HYPOTHESES OF THE STUDY

Following hypotheses have been used for analyzing the data.

H_{a1} There is significant relationship between NSE Nifty fifty and NSE Sectoral Indices.

H_{a2} There is significant impact of NSE Nifty fifty on NSE Sectoral Indices.

METHODOLOGY

The study covers the period of five years from 1st Jan 2011 to 31st Dec 2015. The study is based on secondary data which have been collected from www.nseindia.com, www.moneycontrol.com, and other relevant websites. Other information has been collected from other sources of secondary data like journals, books and newspapers.

The stock market indices are fairly representatives of the various industry sectors and trading activity mostly revolves around the stocks comprising the indices. The 11 sectoral indices of NSE have been selected out of 15 sectoral indices for this study. The selected sectoral indices are : Nifty Bank , Nifty Auto , Nifty Fin Services , Nifty FMCG (Fast moving Consumer Goods), Nifty IT (Information Technology), Nifty Media, Nifty Metal, Nifty Pharma , Nifty PSU Bank , Nifty Pvt. Bank , and Nifty Reality and other indices have not been considered due to non-availability of data. The statistical techniques such as correlation and multiple regression models have been used for data analysis.

DATA ANALYSIS AND INTERPRETATION
Descriptive Statistics

The Results of Descriptive Statistics of S&P CNX Nifty and Sectoral Indices for five years from January 2011 to December 2015 are presented in **Table-1**. Return of S&P CNX Nifty and Sectoral Indices is platykurtic & positively skewed except FMCG Index & PSU Bank Index. Table 1 indicates that the maximum variation is in FMCG sector whereas minimum variation is in Reality sector. Hence investors are advised to buy the shares of reality sector to stabilize their returns.

This clearly indicates that the FMCG sector was most volatile during the given period and Reality sector was least volatile during the study period.

Correlation Analysis

The Karl Pearson Coefficient of Correlation has been applied to study the relationship of NSE Nifty and NSE

Table 1 : Descriptive Statistics of Nifty & Sectoral Indices

Parameters	NIFTY	AUTO	BANK	ENERGY	FMCG	IT	PHARMA	PSU BANK	REALITY
Standard Deviation	1260.80	1858.64	3292.40	724.98	4013.47	2271.66	2875.87	567.05	43.14
Kurtosis	-1.20	-1.23	-0.97	-0.07	-1.32	-1.43	-0.98	-0.37	-0.23
Skewness	0.56	0.64	0.69	0.71	-0.28	0.39	0.67	-0.17	0.46

Source : MS Excel

Table 2 : Correlation Analysis of NSE Nifty and NSE Sectoral Indices

	NIFTY	AUTO	BANK	ENERGY	FMCG	IT	PHARMA	PSU BANK	REALITY
NIFTY	1								
AUTO	0.985004	1							
BANK	0.975198	0.963763	1						
ENERGY	0.561526	0.450743	0.527185	1					
FMCG	0.863384	0.882146	0.808606	0.246408	1				
IT	0.947419	0.949067	0.87756	0.432895	0.850405	1			
PHARMA	0.951546	0.972602	0.922974	0.315822	0.902502	0.949158	1		
PSU BANK	0.249013	0.162909	0.361946	0.645311	-0.17596	0.047849	0.019247	1	
REALITY	-0.29751	-0.39854	-0.20697	0.397424	-0.58063	-0.47142	-0.51403	0.743254	1

Source : MS Excel

Sectoral Indices and its results are presented in Table 2. Cross Correlation is a standard method of estimating the degree to which two series are correlated. This is for the alternate hypothesis

H_{a1} : There is significant relationship between NSE Nifty fifty and NSE Sectoral Indices.

It is evident from **Table 2** that the NSE Nifty has a strong correlation with all the sectoral indices except PSU Bank Index and Reality Index. Thus the alternate hypothesis H_{a1} "There is significant relationship between NSE Nifty fifty and NSE Sectoral Indices " is accepted. Hence it can be inferred that the every sectoral index of NSE except PSU Bank Index and Reality Index of NSE has a strong relationship with NSE Nifty. This implies that PSU Banks are not following the trend of Nifty , as the stocks of this Index are relatively stable than the other stocks whereas stocks of Reality sector are moving in opposite direction to the market index as they are interest rate sensitive sector and thus provides a basis for diversification in stock market. The price movement of NSE Nifty with Sectoral Indices is presented in Figure 1.
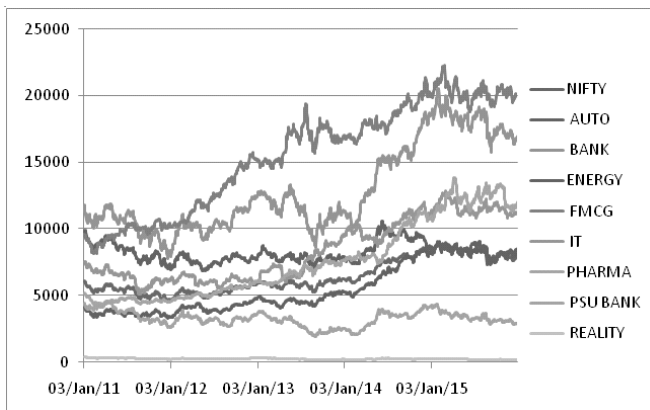

Figure 1 : Co-Movement of NSE Nifty and its Sectoral Indices

The above figure shows the co-movement of NSE Nifty and Sectoral Indices. NSE Nifty and Sectoral Indices are having a similar and same movement, thus indicating a positive relationship trend except the movement of Reality Index & PSU Bank Index.

Multiple Regression Analysis

Multiple regression analysis is a process for estimating the relationship among the variables. It can be used to infer causal relationship between the criterion and predictable variables. The table 3 presents the results of multiple regression analysis.

Table 3: Relationship between NSE Nifty and NSE Sectoral Indices

Multiple R	0.999
R Square	0.998
Adjusted R Square	0.998
Standard Error	55.46

The table 3 shows that there is a high level of co-efficient correlation r = 0.999, which means there is a positive and direct correlation, and criterion and predictor variables are moving in a same direction.

R^2 shows the explanatory power of the model . R^2 value of 0.998 , depicts that 99.8% of the variation in the NSE Nifty was caused by changes in the values of NSE sectoral indices, being considered as predictor variables. Table 4 presents the results of ANOVA and the F-statistic, which can be used to know the goodness of fit.

Table 4 : ANOVA

	Degree of Freedom	Sum of Squares	Mean Square	F	Sig.
Regression	8	1959416580.36	244927072.54	79624.62	0.00
Residual	1227	3774278.71	3076.0218		
Total	1235				

Source : MS Excel

The table 4 shows the explained variances as regression and unexplained variances as residual. F ratio is used for analyzing the null hypothesis. F-statistics is used to test the significance of R^2 which equals to 79624.62 and p-value is 0.00 and it is significant at 1% level. Hence , the hypothesis H_{02} " there is no significant impact of NSE Nifty on sectoral indices " is rejected. Thus, it can be inferred that NSE Nifty has an impact on NSE sectoral indices.

Table 5 presents the unstandardised coefficient beta values and standardized coefficient beta values.

Table 5 : Coefficients

	Coefficients	Standard Error	t Stat	P-value
Intercept	26.530	25.569	1.038	0.300
AUTO	0.126	0.007	18.161	0.000
BANK	0.112	0.004	26.341	0.000
ENERGY	0.212	0.004	50.819	0.000
FMCG	0.042	0.001	29.928	0.000
IT	0.126	0.003	41.702	0.000
PHARMA	0.062	0.004	14.960	0.000
PSU BANK	0.053	0.011	4.899	0.000
REALITY	0.807	0.099	8.139	0.000

Source : MS Excel

Unstandardised coefficient beta value slopes value of the regression model and also defines the extraction of criterion

factor (NSE Nifty) dependent upon the predictor factors. Here , intercept and slope values are 26.530 and 0.126, 0.112, 0.212, 0.042, 0.126, 0.062, 0.053, 0.807. Standardised beta coefficient defines the volatility in itself series. The estimated regression equation is :

$$Y = \alpha + X_1 \beta_1 + X_2 \beta_2 + X_3 \beta_3 + X_4 \beta_4 + X_5 \beta_5 + X_6 \beta_6 + X_7 \beta_7 + X_8 \beta_8$$

The estimated equation indicates that NSE Sectoral indices , namely AUTO, BANK, ENERGY, FMCG , IT , PHARMA , PSU BANK & REALITY (0.126, 0.112, 0.212, 0.042, 0.126, 0.062, 0.053 and 0.807) are having a positive correlation to NSE Nifty. The result indicates that if Nifty moves by 1 unit then respective sectoral indices moves by 0.126, 0.112, 0.212, 0.042, 0.126, 0.062, 0.053 and 0.807 unit. Thus it is evident that NSE sectoral indices (AUTO, BANK, ENERGY, FMCG , IT , PHARMA , PSU BANK & REALITY) have a significant influence on NSE Nifty movement in positive manner and vice versa.

FINDINGS

The key findings are as under :

- NSE sectoral indices all are having an impact over NSE Nifty.

- The correlation analysis shows that , BSE Sensex and the respective sectoral indices except two are having a strong relationship. The study found that there was significant positive correlation between all the variables.

- The NSE Nifty and its sectoral indices except Reality Index and PSU Bank Index are moving in a same manner and positive in trend.

- The regression Analysis depicts that except Reality Index and PSU Bank Index , rest all other sectoral indices like AUTO, BANK, ENERGY, FMCG , IT & PHARMA are having an impact on NSE Nifty.

- Standard deviation results clearly indicates that the FMCG sector was most volatile during the given period and Reality sector was least volatile during the study period.

- The existence of the impact of the NSE sectoral indices on NSE Nifty suggests that the sectoral indices are predictor variables and NSE Nifty works as criterion variable.

CONCLUSIONS

The impact of various factors has been studied through multiple regression analysis. There is significant relationship among the NSE Sectoral indices and NSE Nifty. The NSE is having a positive trend in index and relations. Every sectoral indices of NSE have a strong relationship with NSE Nifty except Reality Sector & PSU Bank Sector, thus it provides a tool of risk management through diversification in different sectors. The investors who are trading in secondary market may take care of these risk managing tools, which will allow them to increase their returns on portfolios.

LIMITATIONS OF THE STUDY

The following are the limitations of the present study.

1) This study is restricted to Indian Capital Market alone and to only NSE indices.

2) This study is based mainly on secondary data.

3) The only publicly available data on closing prices has been used.

4) This study used certain limited statistical tools which have certain inherent limitations.

5) The study did not analyze the other the indices of Bombay Stock Exchange and limited indices of National Stock Exchange.

6) Resources are limited for the research.

7) Limited to sectoral indices only.

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Start Up India: Role of Knowledge Management in the Growth & Sustainability of Startups in India

Mayank Sharma and Yashwant Gupta

ABSTRACT

This research paper highlights the importance of a comprehensive & streamlined Knowledge Management strategy in the creation, maturity & sustenance of startup enterprises in the Indian economy. Proper KM can speed up the evolution of business processes & managerial practices that can give startup companies a contextual structure in addition to influx of innovation & dynamism in brick & mortar as well as click & mortar based startups. Since the 21st century is heralded as the era of emergence of knowledge economies at the global level, it is here that survival of startups takes centrestage in providing macro scale employment opportunities to the largely young population of the country. The KM paradigm can replenish existing & potential startups with the fuel with which these companies can become the engine for economic growth in the current Age of Information. The pace of knowledge generation & innovation as well as technological obsolescence is quite fast thereby challenging the functional roles of startups in India to create, collaborate, compete & change simultaneously. The present paper is a status study on the perceived contribution of KM in the long term growth & development of specific Startups in select industrial sector such as Logistics & Consumer, identify prospective constraints & drawbacks & finally suggest reformative measures for the same. The recommendations suggested are expected to streamline the Indian startup ecosystem in a more virile & vibrant fashion so that the long term economic viability & strategic intelligence of these startups is enhanced manifold.

INTRODUCTION: ECONOMIC NEEDS & PRACTICAL BENEFITS

Startups have been emerging rapidly over the last few years for the Indian markets. One of the major contributors leading to this development has been the mega funding that has been ploughed into most of these enterprises between the period 2007 and 2015. This has been in line with the global trend dominating the space. The trends of investments suggest that investors want to enter as an early investor, even before the start of the firm.

Recently, the Indian startup ecosystem has taken off and has matured. Driven by factors such as availability of funding, consolidation activities by a number of firms, evolving technology space, a burgeoning demand within the domestic market supplemented with the recent Govt. of India initiatives such as Start Up India, Digital India & Make In India has led to the emergence of startups. The numbers on startups speak volumes about the emergence of startups — it is projected that by 2020 there will be 15,000 firms from 4,500 startups in 2014. The trend is revolutionary. And it's going to change the way the markets are working today in India. Making big bets on Indian innovation offered by startups has become a global point of interest for large scale job creation & enhancing business lifecycles over longer periods of time.

A startup is a young company, new business or entrepreneurial venture that is beginning to develop and grow, is in the first stages of operation, and is usually financed by an individual or small group of individual designed to search for a repeatable and scalable

Key words

Startups, Long term viability, Knowledge economies, Innovation, Job creation, Competition

business model in order to disrupt existing markets or create new ones built on technology and innovation wherein the founders attempt to capitalize on developing a product or service for which they believe there is a demand.

Knowledge Management can simply be defined as a conscious strategy of getting the right information/ knowledge to the right people at the right time within the organization so as to facilitate action and help create value. A sound Knowledge Management strategy is practical and action oriented, and produces bottom-line results in terms of:

• Customer intimacy
• Product-to-market excellence
• Operational excellence

Because startups need to create customer intimacy, ensure that they create & excellent products to their customers, and ensure operational excellence, startups need to pay attention to their Knowledge Management strategy.

The importance of KM for startups in India is twofold. In Technology based startups, it ensures self-service for customers that is flexible, cost-effective and allows for a greater ROI without the need for additional staff or additional support initiatives. On the other hand, in Traditional startups, KM facilitates convergence of scalability with job creation due to a high growth potential of these startups.

Among the core benefits to a startup development and improvement of an enterprise wide knowledge management system is a greater level of awareness of the company's knowledge. This improved awareness goes a long way towards saving time and effort, business entities that carries a premium price in today's fast-paced working environment. Smaller-sized companies need knowledge management for virtually the same reasons that larger ones do. The world has changed, and continues to do so. There are more contenders for every unit of profit, which puts

great pressure on companies, large and small, to innovate and to develop products rapidly. Both innovation and rapid development require accelerated use of knowledge.

India is playing a major role in a growing trend of new companies that are launched as global businesses right from the beginning. These businesses, often in technology sector, set up headquarters in Silicon Valley to take advantage of funding and ideas, but have major operations in places like Bangalore, giving them access to overseas markets as well as an increasingly innovative pool of talent. India, with its booming tech economy and wealth of engineering talent, has become one of the biggest participants in the 'global garage'. In the past three years, venture capitalists have invested more than $400 million in US-based start-ups (new businesses) operating in India. In the past 15 months, Silicon Valley Bank has helped as many as 50 valley start-ups set up offices in India.

In a developing country like India, much of the know-how will come from what is known as startup enterprises catch up with what is already available. Even here a certain technological capacity is necessary to adapt technologies to local conditions. Moreover there are startup sectors like agriculture and health where established technologies may not be adequate for local needs and conditions. This has been recognized in India and a large network of publicly supported research institutions has been built up and enterprise level R & D supported with fiscal incentives.

With the opening of the economy to greater domestic and international competition, Indian startup industry has to move to the frontiers of known technological options and bring innovations to the market. More generous funding, a stronger result orientation and better inter-connection between public research institutions and corporate R & D will help, but will not be enough. It is here that a suitable KM strategy can bridge the necessary gap.

INDIAN STARTUP INDUSTRY COMPOSITION									
Total Startups = 10000 approx.					*Economic Survey 2015				
Sector	E – commerce	B2B	Consumer internet	Mobile apps	Transport & logistics	Construction	Textiles	Printing & packaging	Agri products
% Share	17	14	12	9	6	13	8	10	11

Fig.1

REVIEW OF LITERATURE

Natarajan, A. (2005), New small businesses are considered to be especially vulnerable in the infancy period following start up. Many fail to develop into thriving, prosperous businesses. An understanding of the determinants of success and failure in new small businesses and the motivations of the founders in establishing a new business should provide valuable insights into the support needs of new businesses and their founders in the early years. Innovative activity and capabilities are essential for economic growth and development. Given the large gap between the developed and developing countries in terms of technological advancement, the latter continue to rely heavily on technology transfer from the former in their development process.

Shan, et.al. (1994), Sustainable economic development requires active, continuous technological effort by enterprises, and government policies to help firms attract technologies. The dynamics of start-ups in an economy's technology sectors is an important indicator of technological performance for several reasons: Firstly, the formation of new firms that focus on the development and introduction of new technology is a major source of innovation and technological advance. Many of these start-ups transfer new knowledge or new ideas for products and processes into commercial applications. Knowledge and ideas may either originate from public research or from established companies. In the former case, start-ups transfer academic findings into market product. In the latter case, so-called company spin-offs often pick up innovations that were not fully utilized by their parent firm, partly because their market potential was estimated to be too low, partly because they were outside the market focus of the firm. Secondly, start-ups spur competition in their markets. Start-ups are likely to bring in new solutions and challenge established companies that enter these new markets, too. In general, intensifying competition is a relevant function of any new firm foundation which may impel innovation through fierce competition in any product market. Finally, new firms represent a source for innovative firms that substitute those firms that failed and thus contribute to continuity in the number of technology developing and innovating firms.

Baum,et.al. (2000), Enterprises are the principal agents of innovation today, but they do not innovate and learn in isolation. They rely on intricate (formal and informal) links with other firms and with public research institutions, universities and other knowledge creating bodies like standards and metrology institutes. In undertaking innovation, they react to government policies on trade, competition, investment and innovation. They seek human resources for innovation from the education and training system, and they draw upon the financial system for funding innovative efforts. Altogether, technology-based start-ups will contribute to a shift in industry structure towards more technology-oriented activities. In order to assess this structural change through new firm formation, both start-up activities in nontechnology sectors as well as firm closures have to be taken into account. If market entries in non-technology sectors exceed the number of technology based start-ups, the balanced effect of startup activity on structural change will be negative. The same is true if the number of market exits of firms in the technology sectors is higher than those of market entries. Moreover, market entries and exits together are measures of market dynamics and intensity of competition. Both may be viewed as a stimulator for innovation, as high dynamics of entries and exits open up new business opportunities, while fierce competition forces established firms to check and adjust their competitive capabilities including innovation regularly.

Hylton, A. (2007), Managing knowledge in a startup IT company involves capturing and documenting the details associated with innovative technical, process, strategic and organizational strategies. By creating a process for documenting new techniques, lessons learned, problems solved and open questions, startup companies preserve their history. Later, they can refer back to this documentation to replicate their creative processes, share new technology and apply what they've learned to new situations and challenges. Typically a knowledge management process involves: knowledge capture; knowledge organizing and knowledge storage; knowledge distribution; knowledge sharing. Ultimately, successful knowledge management results in the best possible means to apply and leverage the knowledge that has been captured, organized and stored, distributed and shared. It means that very little of the company's highly valued intellectual capital has escaped the knowledge management net. Virtually all the knowledge within the enterprise is harnessed, and will be used as part of the company's core business and competitive intelligence strategy. However, the lack of attention given to smaller-sized startups by knowledge management vendors is not in the least indicative of the urgent need for these kinds of tools and solution by these somewhat 'poor cousins' of the industry giants. It is obvious that the startups also need to capture and intelligently exploit their knowledge.

Arino,et.al. (2008), The general practice has been to adopt knowledge management to individual, often autonomous, departments, with the intention or hope of making the tried and tested departmental model applicable enterprise-wide. Within startup enterprises, it is perhaps significantly easier to gain a valuable understanding of the formal and informal knowledge communities, than it is within the much larger, and more complex companies. The notion of social capital is currently receiving great attention in knowledge management circles. People are now beginning to realize that wealth can be derived from contacts, connections, and the ability to work well with others. Often an organization's most valuable knowledge resides not in explicit forms such as documents, database records and web pages, but in employees' experiences and know-how. This is very much in line with the smaller business practices, where growth and prosperity is, in large part, due to the tight, honor-based relationships between employees and external contacts and partners such as other small firms and sub-contractors. Technology, by itself, is merely an enabler. The real revenue comes from a change in mind-set, organization, and culture. In this modern, knowledge-centric business environment, smaller-sized companies have to embrace knowledge management tools that will help them leverage that tacit knowledge within the business.

Flores, M. (2008), The challenge for startup enterprises of deploying the knowledge assets of the company to create the necessary competitive advantage has become increasingly business critical. The knowledge driven, rocket-paced, global marketplace in which the startups must operate is more vibrant and competitive than at any previous time in recorded history. Knowledge is perishable. The shelf life of expertise is limited because new technologies, products, and services continually pour into the marketplace. No one company or individual can hoard knowledge. People and companies must constantly renew, replenish, expand, and create more knowledge. In addition, technological innovation improves at such a rapid rate, that to remain viable in the market place, startups must quickly capture, assimilate and use effectively 'just in time' knowledge.

OBJECTIVES & SCOPE OF THE STUDY

The objective of the present study is to investigate the role of knowledge management in the growth & sustainability of a startup and evolve measures to encourage and support start-up businesses while also. In order to meet the objective of the study, the task was divided into the following two areas:-

- To investigate the status of the intensity of knowledge management in a startup in a selected area.

- To make a perceptual & factual assessment of the KRAs (Key Result Areas) affected by knowledge management in a startup in a selected area.

- To study the constraints faced by the start-up companies and suggest measures and mechanisms for encouraging start-ups and improving their survival rate.

The scope of the present study is limited to the following identified start up sub-sectors:-

- Ecom Logistics (Ecom Express)

- Food Tech (foodpanda.com)

The criteria for the selection of the companies for the study were as follows:-

- The companies, which were incorporated during the period 2012-2015.

- For convenience of location & ease of access, startups with corporate offices in Delhi-NCR were considered.

- Only the companies registered under Companies' Act were taken for the study.

- The companies, which are in existence (from the date of incorporation) for at least 3 years.

- Enterprises are funded by investors who are first time promoters, i.e., Warburg Pincus (Ecom Express) & Rocket Internet (foodpanda.com).

The various parameters for the study decided on the basis of issues and factors coming out of literature survey were:-

- Choice of startup firms

- Size of the firm

- Technological upgradation

- Business strategy & marketing

- Organizational & management issues

- Human resource capital

- Constraints faced and suggestions to overcome the constraints.

DATA COLLECTION & ANALYSIS

For the purpose of data collection both the primary & secondary methods were used. The primary data was collected with the help of self structured Likert five point scale questionnaire consisting of 17 questions. The questionnaire was sent to 283 respondents in both Ecom Express & Foodpanda.com . A total of 158 respondents sent back the filled in questionnaire through Google Docs format (81- Ecom Express & 77 - foodpanda.com) . The following table gives a representation of the recorded responses.

The Statistical Package for Social Sciences (SPSS 16.0) software was used to analyze the data collected. Internal consistency of scales was measured by Cronbach's alpha coefficient, if the test shows that the value of the Cronbach's Alpha equal 0.80 or above, it means the collected data are

Serial No.	Application Questions	%4 or 5 % yes	%1 or 2 % no
1.	There is a willingness to initiate in my firm regarding KM initiatives	90	6
2.	A startup needs more KM related initiatives than other forms of business endeavors	90	6
3.	KM projects are coordinated by the management in my firm	61	17
4.	KM associated activities have a great impact on the job related tasks in my firm	51	28
5.	KM can be used a tool for organizational competence in startups	58	24
	Process Questions		
1.	Incentive systems & technological acclimatization are both necessary for the success of a KM initiative	39	30
2.	Existing systems of KM should be continually improved upon in my firm.	68	32
3.	KM systems & processes are tightly integrated with my firm's business operations.	12	88
4.	KM initiatives' success is measured quantitatively in my firm.	45	55
5.	KM systems should easily be adaptable to suit dynamic requirements of a new startup	78	17
6.	KM initiatives develop a culture of innovation in startups	47	51
7.	KM initiatives develop a knowledge sharing culture in startups	54	40
	Access & Progress Questions		
1.	KM institutionalization is visible at every level in my firm	25	45
2.	Startup learning will have a significant impact on the future on entrepreneurship in India	51	11
3.	KM initiative does result in creation of new organizational knowledge in my firm	11	74
4.	Knowledge ROI is tangible more in startups than in other forms of business endeavours	67	28
5.	Organizational knowledge is imperative for the long term & sustained success of a startup	77	12

consistent. The result of test showing the value of the Cronbach's Alpha equals to 0.901. This confirms the reliability of the collected data i.e. internal consistency is excellent. Also, the results show that all the five elements of knowledge management dimensions are accepted as important elementsin both the organizations as shown in table, it means that all data collected are reliable and can be analyzed.

Table 1

Item	Cronbach's Alpha
Technology	0.891
Culture	0.890
System Application	0.887
Process	0.901
Structure	0.894

RESULTS & FINDINGS

Table 2 shows participants' opinion towards knowledge management dimensions in the 2 organizations. The higher value was achieved by the Ecom Express over foodpanda.com. This means that startups belonging to the logistics sector attribute their success to knowledge management more over the startups belonging to the food tech sector.

Table 2

Dimension	Ecom Express	Foodpanda.com
Technology	3.84	3.77
Culture	3.81	3.62
System Application	3.95	3.71
Process	3.80	3.55
Structure	3.86	3.18

While in Ecom Express, technology & structure are the major knowledge management dimensions, in foodpanda.com, technology & system application show higher attribution to KM success of the particular startup.

Table 3 shows the mean value which was conducted to measure the extent of implementation of knowledge management dimensions in both the startups. The following table shows that Ecom Express has higher value (3.67) whereas Foodpanda.com has (3.61). These results mean that the two startups implement knowledge

management components are implemented with mean over 3.00.

Table 3

Company	Mean	Standard Deviation
Ecom Express	3.67	0.555
Technology	3.62	0.641
Culture	3.66	0.707
System Application	3.72	0.663
Process	3.62	0.681
Structure	3.74	0.633
Foodpanda.com	3.61	0.551
Technology	3.70	0.801
Culture	3.68	0.677
System Application	3.32	0.739
Process	3.77	0.603
Structure	3.51	0.584

Since the standard deviation ranges from 06 to 0.8, we can conclude that there is a small difference in the implementation of KM dimensions in both the startups.

Since System Application & Process have the highest mean values in both Ecom Express & Foodpanda.com respectively we can conclude that startup orientation towards these KM dimensions is greater as there is a emphasis on establishing a knowledge flow mechanism among the employees in the initial phases of the startup itself.

RECOMMENDATIONS

A few important recommendations for startups to improve their knowledge management strategy are as follows:-

- *Streamline and Centralize Knowledge Assets:* Centralize the Organization's Knowledge by identifying and communicating the official spaces or repositories for your organization to use. The cloud computing technique makes it really easy these days. Employees (including you reading this) should not keep organizational information and knowledge in his or her personal repositories (i.e.: computers, personal email, phones, etc). Granted, an organization will have Confidential, Restricted and

Legal documents, those assets should be defined as such, and kept in their own restricted areas.

- ***Communicate Your Organizational KM Strategy and Practices:*** If you are currently in a splintered environment with knowledge hoarders, schedule a short meeting to discuss the potential issues with the repository leads and owners. Appeal to their sense in regards to the mission of your organization. This is part of the maturity of an organization. In addition, communicate a KM Practice on a weekly basis.

- ***Knowledge Training:*** Everyone in your organization needs to be familiar with your Central Repositories, and how they are structured at the top levels. Get in the habit of tagging, and storing your Knowledge Assets in their intended place. This will make it easier for someone in the sales group to find the latest Logo created by the Marketing team. It will make it easier to onboard new employees quickly. It will make it easier for people to find answers. Everyone in your small organization needs to understand how to do this, as well as the benefits of doing this. Spend 30 minutes training them on your KM Practices, and remind them on a weekly basis. If needed, coach individuals to get their buy-in, and reduce rework.

- ***Knowledge Capture:*** Effective knowledge management processes enable companies to document the knowledge they accumulate so it can be reused. This valuable intellectual capital can be lost in small startup IT companies if employees do not carefully record the technological advances achieved by the company's personnel. For example, a startup IT company can use social media technology, such as wikis, blogs and forums, to catalog company documents, photos and videos. Using business intelligence strategies, such as data mining, employees can reuse information in future projects or prove to investors that their techniques and strategies work. Additionally, by reviewing the output of other similar companies, a startup business can evaluate its own competitive position and strength. In today's global marketplace, a social media presence promotes marketability.

- ***Knowledge Organization:*** Knowledge-management software developers tend to target large companies with extensive data. Still, startup companies need to organize their information as well. Defining a taxonomy or hierarchy for company information leads to better-organized content. Categorizing content up front makes it more easily retrievable by end users. For example, using knowledge management techniques such as mind mapping, startup IT professionals can capture support information that customer service personnel can later use in troubleshooting or handling customer support calls.

- ***Knowledge Distribution:*** The importance of knowledge distribution to a startup IT company cannot be underestimated. After taking the effort to generate documentation capturing tacit and explicit knowledge, innovative companies need to communicate and distribute that information effectively. Tacit knowledge transfer occurs when a person develops the complex skills required to complete a complicated action, such as speaking a language or designing a new computer technology. Explicit knowledge transfer occurs when information gets transmitted to others. A startup IT company typically creates process diagrams using tools such as Microsoft Visio, SmartDraw or other flowchart software to articulate and communicate troubleshooting techniques, development strategies and support procedures. Websites such as Box.net allow startup IT companies to provide access to this knowledge to their customers, partners and suppliers.

- ***Capturing Information from Customers:*** Knowledge capture is done from corporate documents, employees, management and customers. Most knowledge management systems focus internally and have employees contribute information to the knowledge base and overlook the customer contribution to the knowledge management system. By doing such, start-up companies side step their most important asset: knowledge that is in demand by the most loyal supporters of the company and the ones that ultimately determine corporate business success. Customer contribution to a knowledge base can be done as customers ask questions via email, forums, live chat, and interactive widgets on a company's website or Facebook page, the questions and answers can be stored in the knowledge base. This serves as a unified repository for the entire wealth of customer-

generated feedback and company responses. A knowledge base of this sort has the potential to become so robust that in just a few months it could answer and anticipate the majority of customer questions. The advantages are two-fold: customers receive the technology support, upgrade information, and billing accommodations they are calling about, and company executives gain a better understanding of customer demands, so they can offer an enhanced user experience and use the knowledge base to create strategic goals.

- *A Single Knowledge Base:* A single knowledge base is crucial. It is important to enforce that all corporate information is located in a single knowledge base to avoid information stored in various silos that are difficult or impossible to retrieve.

- *Analytics:* The ability to analyze the effectiveness of a knowledge management system and its impact on customers is a key component to aligning customer service initiatives with business goals. Keeping track of the information in a knowledge base and creating charts that easily demonstrate stored information, measuring customer conversion rates and traffic, and accessing frequently asked questions are all invaluable pieces of information that will help align the corporate strategy to customer demands and ultimately give a company a stronger competitive advantage.

- *Supportive Executive Team:* The impact that a knowledge management system has on the larger business goals of a corporation should be voiced to the executive team so they will enforce that employees participate in the knowledge initiative.

FUTURE CHALLENGES

The major challenges posing a serious threat to the survival of fast-growing startups even with well developed KM strategies are as follows:

- *Lack of delegation:* During the early stages of the startup, the founders – the chief architects of the product, are easily accessible to the developers, because the number of developers is less. But as the number of developers grow, the founders become the central source of information for all of them. This hampers their productivity and they end up doing mundane chores instead of doing productive work.

- *Onboarding new employees:* As the development team grows, new batches of developers join quite frequently. The existing developers have to conduct repetitive technical training sessions for the new hires. This repetitive task eats into the productive time of the existing developers. It also makes the new hires dependent on the existing developers because they are the only source of information for the new hires.

- *Lack of cross-team communication:* As the operational functions in the company grow, the new employees in these functions also have to approach the existing developers to get information about the product. The existing developers have to spend time with these new employees to help them become productive in their assigned functions.

- *Employee turnover and loss of Intellectual Property:* A startup on a growth spree is in the perennial danger of employee turnover. Especially if a founding members or a chief architect leaves the organization, they take the intellectual capital with them. The developers left behind are left to guess and figure out the design of the software product and the rationale behind the design decisions on their own. At best, it leads to reinventing the wheel and at worst, it leads to incorrect guesses which can disrupt the software product. For a startup, the intellectual capital is one of their greatest assets, because it gives them the competitive edge in the market. Losing the intellectual capital because of employee turnover is not something a startup can afford.

CONCLUSION

The present study has thrown light on the experiences and difficulties of the start-ups in India and their abilities for capacity building in India. The objective of discussing the findings from the data analysis is to establish if the findings are supportive to existing knowledge on the subject matter of the research study or provided a new knowledge as well as strategies that could help improve on support measures to Start-ups critical to any economy in terms of value-addition, productivity, competitiveness and overall job creation. The contribution of Startups to the growth of manufacturing & innovation and the GDP of any country determines their strength and impact to the economy.

There are a plethora of innovative & high-tech based startups in the market. While most startups start with a lot

of enthusiasm, only a few with the robustness to change & creative utilization of their environmental knowledge will survive in the long run. There is much room for optimism as knowledge management becomes an indispensible focal point of the core business strategy of startups in India. The role of knowledge management has evolved significantly over the years from simply being a ritualistic data storehouse to converging technology and human resource potential to maximize the business value of knowledge within a company. Knowledge should be used as a company asset. Knowledge management initiatives that are focused on corporate strategic business goals can provide significant ROI and long-term competitive advantage by improving the total operational experience of the existing & latent startups.

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Women Empowerment - Hindrances or Obstacles-Deprived Factors-Challenges

Kanaka Raju

ABSTRACT

The main objectives of this paper are to examine the various hindrances or obstacles deprived factors, various challenges or issues to empower the women along with a suitable suggestions to strengthen the women empowerment. The data collected from the 120 respondents comprises of academicians, corporates and social activists. The 40 respondents represented from the each category. The technique of multiple regression analysis was applied to infer the results through the software of SPSS. The study found that absence of ambition for the achievement of social status was the major obstacle to women empowerment followed by female infanticide, doury etc., The study also identified that 77.4 percent variation in women empowerment was explained through different deprived factors, 87.1 percent variation explained through the various ways of women empowerment and 38.4 percent of variation in exploitation of women was explained through the various issues of women empowerment and increase in crimes against women more vulnerable issue in exploitation of women followed by the female infanticide, accountability mechanism, lack of gender culture and high gender disparity etc and found that health and safety was a major challenge for empowerment of women followed by the house inequality, poverty, education and professional inequality. It is suggested to empower all women forums and associations, family planning, age of marriage, right to education, inform laws against sexual harassment, offer job oriented courses, dispose of female complaints at the premises of female constables and judiciary members, develop the progressive consciousness, strict rules against the sexual harassment, transport to the female staff, gender respectful conduct and communication, motivate to take higher education, provide safety and support to work, make to political policies of female be a part of main stream of society, increase the power of decision making, eradicate the poverty and is also suggested to initiate staff empowering activities at the ground level.

INTRODUCTION

The role of women has changed significantly in the last 50 years throughout the world. The proportion of women attending college, obtaining doctorate degree and taking up high profile job has increased significantly. No longer are women associated with low expectations, both in education and the workforce. Women now seek and obtain the highest leadership roles in education, professions and business. However, there are still many obstacles preventing women from obtaining this leadership level. Many organizations are implementing leadership development programs aimed solely at women leadership success. These programs identify barriers and obstacles and then suggest strategies for women to circumvent these barriers. The goal of these programs is to facilitate excellent women leadership success. These programs identify barriers and obstacles and then suggest strategies for women to circumvent these barriers. The goal of these programs is to facilitate excellent women leadership abilities. It is common to read news about the dressing styles of female politicians and executives styles while their views and skills remain unnoticed.

Key words

Women Empowerment, Exploitation of Women, Power of Decision Making, Eradicate the Poverty and Progressive Consciousness

REVIEW OF THE LITERATURE

Puhahendhi and satysai (2001) observed that the economic impact of SHGs was relatively more pronounce on the social aspects than the economic aspects. **Mckernan (2002)** Micro credit programs increase self employment productivity .**James Brau & Gary Woller (2004)** said that Microfinance offers the finance discipline a possible avenue to make a significant difference in the lives of millions of poor people.**Sobha, et al (2004**) explored that The DWCRA programme has been envisaged as one which would not only provide an income generative activity but also create awareness among women on several issues **Chowdhury et al (2005)** opined that Micro credit is a grass roots development policy that provide small amount of loan to the poor people in developing countries.**Khandelwal Anil (2007)** expressed that in banking and policy making field, microfinance has become one of the most debated and documented but still much confused buzzword.**Sudersana Reddy and Paduranga Patti**. (2008) explained that micro finance innovations are yielding results and giving hope to the rural poor through providing credit. There is a need to evolve an informal credit system with assistance from formal financial institutions .**Karmkar (2009)** The SHG - Bank linkage programme needs up scaling and structured financing to micro finance institution is required if they are to get wide access to funds for a better approach that will enable them to deliver on their potential to reduce poverty. **Nikhil Chandra Shil (2009)** micro finance program an institutional modality that will ultimately ensure long-term existence.**Rajesh Kumar Shastri (2009)** recognized that there is a need of designing financially sustainable models and also suggested that banks should convert and build up professional system into social banking system for poor. **Hitesh Vyas (2010)** concludes that there is a need to develop more customer friendliness in MFIs regular by the population under the study.**Jagapathi Rao (2010)** recognized that Micro Finance through SHGs has reached the un- reached rural poor women and suggested to better take up micro entrepreneurship. **Atoyebi, Ijaiya, andljaiya (2010)** opined that generating resources for the security of participants, government is encouraged to provide group collateral for the informal microfinance members to enable them access credit .. **Zohra Bi et al (2011)** presented that Microfinance has been an important tool in poverty alleviation, empowerment of women and in bringing about financial inclusion. **Vanishree (2012)** reported that SHG bank linkage programme can be made sustainable with sincere interventions by banks in the areas of awareness building, skill development, training and continuous counseling.

Need for the Study: Even though Several researches have been taken place in the form of various issues of women empowerment like self help groups etc, but there was a few empirical researches carried out regarding hindrances or obstacles of women empowerment, need for women empowerment, ways to empower women etc still it is going on the discrimination against the women, and hence, it is required to know the some unknown issues of women empowerment.

Statement of the Problem : The respondents require to examine the various issues relevant to the women empowerment, these are the hindrances or obstacles of women empowerment, need for women empowerment, ways to empower women, challenges for women empowerment, issues of women empowerment and make an important suggestions for the women empowerment.

OBJECTIVES OF THE STUDY

1) To identify the hindrances or obstacles of women empowerment.

2) To know the need for women empowerment in congruent with the deprived factors.

3) To examine the various ways to empower women.

4) To identify the various challenges or issues for women empowerment.

5) To offer a suitable suggestions to strengthen the empowerment of women.

HYPOTHESES

NH_1 : Deprived factors of Women do not need for women empowerment.

NH_2 : Ways of empower of women leads to development of women in their respective fields.

NH_3 : Various issues of women empowerment do not exploitation of women.

NH_4 : Various issues of women empowerment require to manage to the development of female through women empowerment.

RESEARCH METHODOLOGY

Selection of Samples : 120 respondents selected from the districts of West Godavari, East Godavari and the Visakhapatnam. The 120 respondents comprises of academicians, corporate and the social activists. 40 respondents represented from each category.

Sampling Technique : The convenient sampling method was applied to selection of the sample.

Data Collection : The data collected from the both sources, Primary as well as Secondary. The primary data collected through the structured questionnaire comprises of 5 point scale on issues of the hindrances or obstacles of women empowerment need for women empowerment, ways to empower women, challenges for women empowerment, issues of women empowerment and the women empowerment suggestions. The secondary data obtained from the published journals and magazines.

Tools used for the study : The technique of multiple regression analysis was applied at the appropriate places to infer the results. This study also applied the descriptive statistics of mean, percentage, standard deviation etc.,

Research Model : This study applies the various research models to carry out the inferences.

Research Model-1 :

Need for Women Empowerment = $a + b_1$ x Power of decision making + b_2 x freedom of movement + b_3 x Access of education + b_4 x Access of employment + b_5 x Exposure to media + b_6 x Domestic violence.

Research Model-2 :

Encourage Women to Develop in their Respective Fields = $a + b_1$ x Changes in women mobility + b_2 x Promote Social interaction + b_3 x Access to Control over the resources + b_4 x Women control over decision making + b_5 x Provide education + b_6 x Self Employment and Self Help Group + b_7 x Change the attitude towards the world women + b_8 x access and control over the resources.

Research Model-3 :

Exploitation of Women = $a + b_1$ x High Gender Disparity + b_2 x Increase in crimes against women + b_3 x Problem of dowry + b_4 x Female infanticide + b_5 x Lack of awareness + b_6 x Lack of Social and Economic empowerment + b_7 x Lack of political will + b_8 x Feebleness of accountability mechanism + b_9 x Lack of gender culture.

Personal Profile of the Respondents:

Table 1: Distribution of the Respondents based on their Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-20	22	18.3	18.3	18.3
	21-40	36	30.0	30.0	48.3
	41-60	36	30.0	30.0	78.3
	61-80	26	21.7	21.7	100.0
	Total	120	100.0	100.0	

Source:SPSS

Table-1 : This table describes the distribution of respondents based on their age. The 30 percent of the respondents represented from the age group of 41-60 and 21-40 years and followed by the 61-80 years and 0-20 years. Hence, the higher number of respondents represented from the age group of 41-60 years as well as 21-40 years.

Table 2: Distribution of the Respondents based on their Designation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Academicians	40	33.33	33.33	33.33
	Corporates	40	33.33	33.33	66.66
	Social Activists	40	33.33	33.33	100.0
	Total	120	100.0	100.0	

Source:SPSS

Table-2 : The table explains the distribution of the respondents based on their designation. The equal number of respondents represented from the each category.

Table 3: Distribution of the Respondents based on their Educational Qualifications

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Xth Class	4	3.333	3.333	3.333
	Intermediate	12	10.00	10.00	13.333
	Degree	25	20.83	20.83	33.333
	Post Graduation	65	54.16	54.16	87.49
	M.Phil	5	4.16	4.16	91.653
	Ph.D	4	3.33	3.33	94.983
	ICWAI	5	4.16	4.16	100.0
	Total	120	100.0	100.0	

Source:SPSS

Table-3 : This table narrates the distribution of respondents based on their educational qualifications. The 54.16 percent of respondents posses the qualification of Post Graduation, followed by the degree,intermediate,X th class, ICWAI,M.Phil and the Ph.D. Hence, it can be concluded that majority of the respondents represented from the Post Graduation followed by the Degree.

Table 4: Distribution of the Respondents based on their Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	84	70.0	70.0	70.0
	Unmarried	36	30.0	30.0	100.0
	Total	120	100.0	100.0	

Source:SPSS

Table-4 : This table describes the distribution of respondents based on their marital status. The majority of the respondents (70 percent) got married and rest of them unmarried. Hence, it can be concluded that the majority of the respondents represented from the married

Table 5: Distribution of their Respondents based on Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	84	70.0	70.0	70.0
	Female	36	30.0	30.0	100.0
	Total	120	100.0	100.0	

Source:SPSS

Table-5 : This table shows the distribution of respondents based on their gender. The majority of the respondents (70 percent) belonged to the male category and rest of them represented from the female category. Hence, it can be concluded that the majority of the respondents belonged to the male category.

Table 6: Distribution of the Respondents based on Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-20000	11	9.2	9.2	9.2
	20001-40000	36	30.0	30.0	39.2
	40001-60000	62	51.7	51.7	90.8
	60001-80000	11	9.2	9.2	100.0
	Total	120	100.0	100.0	

Source:SPSS

Table-6 : This table narrates the distribution of respondents based on their income. The majority of the respondents (51.7 percent) earned the income in between 40001 to 60000 and followed by the 20001-40000 and 60001-80000 as well as 0-20000. Hence it can be concluded that the higher number of respondents earns the income in between 40001 to 60000.

Table 7: Descriptive Statistics of the Hindrances or Obstacles of Women Empowerment

	N	Minimum	Maximum	Mean	Std. Deviation
Gender Discrimination	120	1.00	4.00	2.8667	1.06852
Lack of Education	120	1.00	5.00	2.6583	1.14125
Female Infanticide	120	1.00	4.00	3.3583	.98558
Financial Constraints	120	1.00	4.00	2.4583	1.02814
Family Responsibility	120	1.00	5.00	2.8583	1.37990
Low Mobility	120	1.00	5.00	2.8417	1.46669
Low Need for Achievement	120	1.00	5.00	2.6500	1.40617
Absence of Ambition for the Achievement of Social Status	120	1.00	5.00	3.5500	1.19417
Dowry	120	1.00	5.00	3.4667	1.26977
Atrocities on Women(Raped, Kicked, Killed, Subdued and humiliated)	120	1.00	4.00	2.9167	.94008
Valid N (listwise)	120				

Source:SPSS

Table-7 : This table shows the descriptive statistics of hindrances or obstacles of women empowerment. It was identified that absence of ambition for the achievement of social status considered as a major obstacle to empower the women and it was followed by the dowry, female infanticide, atrocities on women, gender discrimination, family responsibility, low mobility, lack of education and low need for achievement.

Table 8: Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	Domestic Violence, Decision Making Power, Exposure to Media, Freedom of Movement, Access to Employment, Access to Education[a]	.	Enter

a. All requested variables entered.
b. Dependent Variable: How far you agree with the need for women empowerment
Source:SPSS

Need for Women Empowerment

Table-8 : This table narrates the variable entered as an independent variables i.e., domestic violence, decision making power, exposure to media, freedom of movement, access to employment and access of education and the dependent variable was the need for the women empowerment.

Table 9: Test of Variability in Need for Women Empowerment through the Various Deprived Factors

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.880a	.774	.762	.57387

a. Predictors: (Constant), Domestic Violence, Decision Making Power, Exposure to Media, Freedom of Movement, Access to Employment, Access to Education

Source:SPSS

Table-9 : This table describes the variability in need for women empowerment through the various deprived factors. The correlation coefficient was the (0.880) and squared $(0.8880)^2$ of it was 0.774 considered as an coefficient of determination. The 77.4 percent of variation in women empowerment was explained through the various deprived factors and adjusted R square as well as the estimation of std. error of the estimate was low at 0.762 and 0.57387 respectively indicates that it was fit for a regression analysis.

Table 10: Test of Fit for Regression from Need for Women Empowerment through the Various Deprived Factors

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	127.777	6	21.296	64.666	.000a
	Residual	37.214	113	.329		
	Total	164.992	119			

a. Predictors: (Constant), Domestic Violence, Decision Making Power, Exposure to Media, Freedom of Movement, Access to Employment, Access to Education
b. Dependent Variable: How far you agree with the need for women empowerment
Source:SPSS

Hypothesis-1

Null Hypothesis (H0) : Deprived factors of women do not need for women empowerment.

Alternative Hypothesis (Ha) : Deprived factors of women need for women empowerment.

Analysis : The sum of squares of regression value was much more than that of the sum of squares of the residual value at df was 119 where F value was 64.666, significance value was 0.000, where variability in women empowerment to 77.4 percent, and concluded that the proposed null hypothesis was rejected and alternative hypothesis was accepted and came to knew that deprived factors of women need for women empowerment.

Table 11: Test of More Favorableness towards the Need for Women Empowerment through the Various Deprived Factors

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.023	.477		-.049	.961
	Decision Making Power	-.412	.071	-.420	-5.825	.000
	Freedom of Movement	.158	.099	.145	1.600	.112
	Access to Education	1.461	.200	1.345	7.292	.000
	Access to Employment	.116	.098	.117	1.189	.237
	Exposure to Media	-.983	.156	-1.033	-6.285	.000
	Domestic Violence	.984	.082	1.088	11.943	.000

a. Dependent Variable: How far you agree with the need for women empowerment
Source:SPSS

Table-11 : This table discloses the more favourable responses towards the need for women empowerment through the various deprived factors. The majority of the respondents opined that access to education was more favourable response towards the women empowerment and it was followed by the free from domestic violence, freedom of movement, access to employment, power of decision making and exposure to the media.

Table 12: Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	Society should change the attitude towards the world women, Faclitate minimum needs like nutrition, health, sanitation and housing, Promote social interaction, Provide Education, Changes in womens control over decision making, Self Employment and Self Help Group, Changes in women mobility, Changes in womens access to and control over the resourcesa	.	Enter

a. All requested variables entered.
b. Dependent Variable: Encourage women to develop in their respective fields
Source:SPSS

Table-12 : This table indicates that variables entered as an independent variables like changes in women mobility, promote social interaction, control over the resources, decision making, provide education, self employment and self help group, facilitate minimum needs like nutrition, health, sanitation and housing, change the attribute towards the world women and encourage the women to develop in their respective fileds.

Table 13: Test of Variation in Encourage Women to Develop in their Respective Fields

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.933a	.871	.862	.43903

a. Predictors: (Constant), Society should change the attitude towards the world women, Faclitate minimum needs like nutrition, health, sanitation and housing, Promote social interaction, Provide Education, Changes in womens control over decision making, Self Employment and Self Help Group, Changes in women mobility, Changes in womens access to and control over the resources

Source:SPSS

Table-13 : This table explains the variability in encourage women to develop their respective fields through the various ways to empower women. The table identifies that coefficient of correlation was the 0.933 and squared $(0.933)^2$ of it 0.871 considered as an co-efficient of determination, concludes that 87.1 percent of variation in women development respective fields was explained through the various ways of women empowerment

Table 14: Test of Fit for Regression Model in Encourage Women to Develop in their Respective Fields

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	144.730	8	18.091	93.858	.000a
	Residual	21.395	111	.193		
	Total	166.125	119			

a. Predictors: (Constant), Society should change the attitude towards the world women, Faclitate minimum needs like nutrition, health, sanitation and housing, Promote social interaction, Provide Education, Changes in womens control over decision making, Self Employment and Self Help Group, Changes in women mobility, Changes in womens access to and control over the resources
b. Dependent Variable: Encourage women to develop in their respective fields
Source:SPSS

Null Hypothesis (Ho) : Ways of empower women do not leads to development of women in their respective fields.

Alternative Hypothesis (Ha) : Ways of empower women leads to development of women in their respective fields.

Analysis : This table shows the test of difference from ways of empower women to various ways of empower women. The sum of squares of regression value was much more than that of the sum of squares of the residual value at df was 119 at F value was 93.858, significance value was 0.000, hence, it can be concluded that the proposed null hypothesis was rejected and the alternative hypothesis was accepted and came to knew that ways of empower of women leads to development of women in their respective fields.

Table 15: Test of More Favorable Response towards the Encourage Women to Develop in their Respective Fields

	Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-1.344	.425		-3.162	.002
	Changes in women mobility	2.356	.158	2.701	14.928	.000
	Promote social interaction	1.252	.090	1.369	13.968	.000
	Changes in womens access to and control over the resources	-3.054	.228	-2.770	-13.394	.000
	Changes in womens control over decision making	1.346	.121	1.320	11.162	.000
	Provide Education	.202	.018	.872	11.180	.000
	Self Employment and Self Help Group	-.030	.098	-.026	-.302	.763
	Faclitate minimum needs like nutrition, health, sanitation and housing	1.531	.100	1.570	15.299	.000
	Society should change the attitude towards the world women	-1.446	.079	-1.481	-18.203	.000

a. Dependent Variable: Encourage women to develop in their respective fields
Source:SPSS

Table-15 : This table shows the more favourable response towards the development of women through their respective fields. It was identified that majority of the respondents opined that changes in women mobility was more favorable response towards the development of

women and followed by the provide the minimum needs like nutrition, health, sanitation and housing, promote social interaction, changes in women's control over decision making, provide education, facilitate self employment and self help group, society should change the attitude towards the world women, and change the access of women and control over the resources.

Table 16: Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	Lack of Gender Culture, Lack of Political Will, Lack of Social and Economic Empowerment, Feebleness of Accountability Mechanism, Lack of Awareness, High Gender Disparity, Increase in Crimes against Women, Female infanticide, Problem of Dowry[a]	.	Enter

a. Tolerance = .000 limits reached.
b. Dependent Variable: Exploitation of Women
Source:SPSS

Challenges for Women Empowerment

Table-16 : This table shows the variables entered as an independent variables like lack of gender culture, lack of political will, lack of social and economic empowerment feebleness of accountability mechanism, lack of awareness, high gender disparity, increases in crimes against women, female infanticide, and the problem of dowry. The exploitation of women was considered as an dependent variable.

Table 17: Test of Variation in Exploitation of Women through the Various Issues of Women Empowerment

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.620[a]	.384	.334	.95576

a. Predictors: (Constant), Lack of Gender Culture, Lack of Political Will, Lack of Social and Economic Empowerment, Feebleness of Accountability Mechanism, Lack of Awareness, High Gender Disparity, Increase in Crimes against Women, Female infanticide, Problem of Dowry
Source:SPSS

Table-17 : This table narrates variability in exploitation of women through the different issues of women empowerment. This table shows that the correlation

coefficient was the 0.620 and squared of it $(0.620)^2$ 0.384 considered as an coefficient of determination, suggested that 38.4 percent of variation in exploitation of women was explained through the various issues of women empowerment. The adjusted R square as well as std. error of the estimate was very low, implied the proposed regression model was fit for regression analysis.

Table 18: Test of Fit for Regression Analysis through the Exploitation of Women through the Various Issues of Women Empowerment

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	62.684	9	6.965	7.624	.000[a]
	Residual	100.483	110	.913		
	Total	163.167	119			

a. Predictors: (Constant), Lack of Gender Culture, Lack of Political Will, Lack of Social and Economic Empowerment, Feebleness of Accountability Mechanism, Lack of Awareness, High Gender Disparity, Increase in Crimes against Women, Female infanticide, Problem of Dowry
b. Dependent Variable: Exploitation of Women
Source:SPSS

Null Hypothesis (H0) : Various issues of women empowerment do not exploit the women.

Alternative Hypothesis (Ha) : Various issues of women empowerment exploit the women.

Analysis : This table shows the sum of the squares of the residual was much more than that of the sum of the squares of the regression value at df was 119 at F value was 7.624, significance value was 0.000, hence, it can be concluded that the proposed null hypothesis was rejected and the alternative hypothesis was accepted and came to knew that various issues of women empowerment leads to exploitation of women

Table-19 : This table shows the more vulnerable response towards the exploitation of women through various issues of women empowerment. The study observed that increase in crimes against women was the more vulnerable issue towards the exploitation of women and followed by the female infanticide, feebleness of accountability mechanism, lack of gender culture, problem of dowry, high gender disparity, lack of political will, lack of awareness and social and economic empowerment.

Table 19: Test of More Favorable Response in Exploitation of Women through the Various Issues of Women Empowerment.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.781	.693		6.895	.000
	High Gender Disparity	-.286	.121	-.254	-2.360	.020
	Increase in Crimes against Women	.937	.233	.826	4.018	.000
	Problem of Dowry	-.255	.223	-.251	-1.147	.254
	Female infanticide	.266	.140	.307	1.899	.060
	Lack of Awareness	-.410	.128	-.390	-3.201	.002
	Lack of Social and Economic Empowerment	-.492	.153	-.584	-3.215	.002
	Lack of Political Will	-.323	.156	-.317	-2.068	.041
	Feebleness of Accountability Mechanism	.228	.158	.211	1.446	.151
	Lack of Gender Culture	-.233	.109	-.213	-2.133	.035

a. Dependent Variable: Exploitation of Women
Source:SPSS

Table 20: Excluded Variables in the Process of Fitting of Regression Analysis

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics
						Tolerance
1	All Time Violence against Women	.a	.	.	.	.000
	Increases in Harassment of women in work place	.a	.	.	.	.000
	Women are still considered as burden.	.a	.	.	.	.000
	Domestic Violence	.a	.	.	.	.000
	The potential system encourages a male child	.a	.	.	.	.000
	Lack of Enforcement by the Police Force	.a	.	.	.	.000

a. Predictors in the Model: (Constant), Lack of Gender Culture, Lack of Political Will, Lack of Social and Economic Empowerment, Feebleness of Accountability Mechanism, Lack of Awareness, High Gender Disparity, Increase in Crimes against Women, Female infanticide, Problem of Dowry
b. Dependent Variable: Exploitation of Women
Source:SPSS

Table-20 : This table shows the information of excluded variables, because of their tolerance level was reached to

0.000, these are all time violence against women, increases in harassment of women at workplace, women are still considered as burden, domestic violence, system encourages a male child and lack of enforcement by the police force.

Table 21: Descriptive Statistics of the Various Challenges for Women Empowerment

Challenges	N	Minimum	Maximum	Mean	Std. Deviation
Education	120	1.00	5.00	2.4500	1.11408
Poverty	120	1.00	4.00	2.6917	1.03547
Health and Safety	120	1.00	5.00	3.6667	1.18345
Professional Inequality	120	1.00	5.00	2.3083	1.41300
Household Inequality	120	1.00	5.00	3.2417	1.18815
Valid N (listwise)	120				

Source:SPSS

Table-21 : This table narrates the descriptive statistics of challenges in women empowerment. The study identified that health and safety an individual was more challenging issue followed by the household inequality, poverty, education and the professional inequality.

FINDINGS OF THE STUDY

1. The study found that majority of the respondents opined that absence of ambition for the achievement of social status was the major obstacle to women empowerment and followed by the dowry, female infanticide, atrocities on women, gender discrimination and the financial constraints etc.

2. The study also found that 77.4 percent of variation in need for women empowerment was explained through the various deprived factors and also identified that access to education was more favorable response towards the empowerment of women followed by the domestic violence, freedom of movement, employment and the power of decision making.

3. The study also witnessed that 87.1 percent of variation was explained through the various ways of women empowerment and change in women mobility was more favorable response for women development and followed by the minimum facilities, social interaction, control over decision making, self employment, change attitude towards the world women.

4. The study also identified that 38.4 percent of variation in exploitation of women was explained through the various issues of women empowerment and increase in crimes against women more vulnerable issue in exploitation of women and followed by the female infanticide, accountability mechanism, lack of gender culture and high gender disparity etc.,

5. The study found that health and safety was a major challenge for empowerment of women followed by the household inequality, poverty, education and professional inequality.

SUGGESTIONS

Table-22 : This table shows the descriptive statistics of suggestions for women empowerment. The majority of the respondents suggested as first order suggestions comprises of the girls should be motivated to take up higher education, change the basic social attitude and initiative self empowering actions at the ground level and as second order suggestions suggested that make safe transport to available to female staff, sponsor female children education, eradicate poverty among women and the risk of unwanted pregnancies. Third level order suggestions suggested by the respondents comprises of the empower

Table 22: Descriptive Statistics of Various Suggestions for Women Empowerment

	N	Minimum	Maximum	Mean	Std. Deviation
Empower all women forums and associations	120	1.00	4.00	3.1917	1.10989
Sponsor female children education	120	1.00	5.00	3.3333	1.07166
Inform the family planning	120	1.00	4.00	3.1000	1.03225
Legal age of the Marriage	120	1.00	5.00	2.5333	1.15179
Inform to Right to Education	120	1.00	4.00	2.7250	1.17368
Inform laws against sexual harassment	120	1.00	4.00	2.2833	1.08607
Offer job oriented courses to female to move to organized sector from unorganized sector	120	1.00	5.00	2.5250	1.32184
Hearing of female complaints should be from female constables and judiciary members.	120	1.00	5.00	3.3083	1.16530
Encourage sports to a progressive consciousness	120	1.00	5.00	2.7000	1.32589
General awareness campaigns	120	1.00	5.00	3.4250	1.08203
Implement the strict rules against the sexual harassment	120	1.00	4.00	2.7417	1.16313
Make safe transport to available to female staff	120	1.00	5.00	3.4667	1.15179
Sensitize the staff regarding gender respectful conduct and communication	120	1.00	5.00	3.1250	1.20616
Girls should be motivated to take up higher education	120	1.00	5.00	3.5667	1.10563
Women should be allowed to work and should be provided enough safety and support to work.	120	1.00	5.00	3.1833	1.14483
Political empowerment of women is necessary for their emancipation	120	1.00	5.00	3.2750	1.16650
Policies should be designed to bring them in to the main stream of society	120	1.00	5.00	3.2333	1.22119
Improve the socio economic conditions of women	120	1.00	5.00	3.2417	1.13756
Increase the decision making capacity among women	120	1.00	5.00	3.0417	1.20500
Improve the political participation of women	120	1.00	5.00	2.8250	1.29422
Eradicate poverty among women	120	1.00	5.00	3.5167	1.16665
Increasing the security of women	120	1.00	5.00	2.9250	1.40325
Provide affordable health care and nutrition	120	1.00	4.00	2.2917	1.03222
Manage the risk of unwanted pregnancies	120	1.00	4.00	3.3583	.98558
Change the basic social attitude	120	1.00	5.00	3.5667	1.10563
Initiate Self empowering actions at the ground level	120	1.00	5.00	3.5667	1.10563
Valid N (listwise)	120				

Source:SPSS

all women forums and associations, inform regarding family planning, hearing female complaints should be from female constables and judiciary members, campaigns about the general awareness, sensitize the staff regarding gender respectful conduct and communication, women should be allowed to work and should be provided enough safety and support to work, political empowerment of women is necessary for their emancipation, policies should be designed to bring them in to the main stream of society, improve the social economic conditions of women and increase the decision making capacity among women. As the last order suggestions given by the respondents maintain the legal age of the marriage, inform to right to education, inform laws against sexual harassment, offer the job oriented courses to female to move to organized sector from the unorganized sector, encourage sports to a progressive consciousness, implement the strict rules against the sexual harassment, improve the political participation of women, increasing the security of women and provide affordable health care and nutrition.

Conclusion: Finally, it can be concluded that absence of ambition for the achievement of social status was the major obstacle to women empowerment and followed by the dowry, female infanticide, atrocities on women, gender discrimination and the financial constraints etc.and77.4 percent of variation in need for women empowerment was explained through the various deprived factors ,87.1 percent of variation was explained through the various ways of women empowerment The study also identified that 38.4 percent of variation in exploitation of women was explained through the various issues of women empowerment, and also found that health and safety was a major challenge for empowerment of women followed by the household inequality, poverty, education and professional inequality. Hence, it is recommended that change the basic social attitude and initiative self empowering actions at the ground level to strengthen the women.

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Women Skill Development in Startup India : Challenges & Strategies

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ABSTRACT

Skill Development affects nation in different ways and people differently. In India Women are transforming from suppressed women in to smart women. In the Indian society women are getting advance in technology, skill and science but it is still observed the number of factors which are directly affecting the working skill of women. Education and Women skill developmental programs play very essential role in both women's startup development and skill development ,even it can be said that investment on women education and entrepreneurship is not only single investment on their future but for the creation of better environment of future generation and startup growth of economy. In this paper the main focus is on the role of women education in the startup development of nation with the help of skill development programs because training, entrepreneurial skill of women and their education are the strong factor to make the independent and financially strong women as well as economy.

INTRODUCTION

India is the resource based country both natural and human but over populated where society is highly divided in gender and class. Since 1990's women are recognized as key factor of sustainable progress where development affects people differently weather male or female. For the sustainable development it is very important to maintain the balance between human development and natural environment which is essential to achieve long-term balanced growth .To achieve this, the primary action is to produce and distribute wealth in ways that can help to reduce poverty and to maintain decent standard of living between male and female everywhere.

Sustainable development defined by the World Commission on Environment and Development **is,** "Development which meets the needs of the present without compromising the ability of future generations to meet their own need." **Therefore equal distribution of needs and resources of both men and women is important.**

Sustainable development should be based on women skill development, balanced economic growth full employment ,equal distribution of income, high level of education ,standard level of social progress and upliftment of protection and improvement of quality of life .Quality of life of human beings is positively helpful in balanced economic growth for current and future generations. In India women are the suppressed section of the society even after advancement of the technology,skill and science.It is observed that number of factors which directly affecting progress of women as in education ,economic opportunities ,gender based violence and working division. Although the urbanization and expansion of cities is in full swing in India still women development in rural India is comparatively less than urban India.

Education, women skill and entrepreneurship play essential role in both women development and sustainable development, it can be said that investments on women education and entrepreneurship is not only single investment on their future but for the creation of better environment for future generation and sustainable growth of economy.

Key words

Women Empowerment, Exploitation of Women, Power of Decision Making, Eradicate the Poverty and Progressive Consciousness

The present study is an attempt to focus on the selected aspects of sustainable development with the adoption of women education and skill development programs because education, training and enterprenual skill of women are the strong factor to make them independent and financially strong as well as economy too.

REVIEW OF LITERATURE

Review of literature helps in bridging significant gaps in knowledge regarding the women education and skill development in India which is the base for selecting the issues and dimensions to be undertaken in the present research .The various studies are reviewed as follows:

Bhavani T.A. (2010) - This paper proves the issue of quality employment generation in Small Scale Industries with the enhancement of skill development program. If we increase quantity of employment will have to compromise with the quantity of employment. Use of technologies and skill development may lead to reduction in employment in short term but it will provide qualitative as well quantitative employment in the long term.

Subhrahmanya Bala (2011) - In study she has highlighted the capacity of small enterprises and its impact on globalization. The study shows the comparison between protection period and liberalization period the correlation coefficient in liberalization period is higher than that of protection period. Resulted relationship between the total export and SSI export which have been increased because of improved technology, competitiveness, skill development and marketing techniques.

Sonia and Kansai Rajeev (2009) - This study highlighted the effects of globalization on Micro Small and Medium Enterprises (MSMEs). Study is based on annual average growth rate (AAGR) of MSMEs in pre-liberalization period from (1973-74) to post liberalization period (2008-09) with the use of four economic parameters such as production, employment, export & number of units. Due to globalization annual average growth rate of post liberalization period was lower than that of pre liberalization period.

Dr. Saidpur Saharaappa and Smt. Saidpur Sangeeta - This paper indicates the socio-economic profile of women entrepreneur and problems of women entrepreneur in Gulbarga Dist. Study is based on primary data as well as secondary data using 150 samples of women candle entrepreneur with the random sampling method. This article discusses the age, education, cast, marital status, activities undertaking, income, expenditure and savings of women entrepreneur. The major finding of study is as follows:-

1) The maximum age of women entrepreneurial participation is 45 years.

2) Upper caste women are most participants in women entrepreneurial activities.

3) There is lack of formal training in the majority of respondents.

4) More of the Respondents are not having education more than secondary level.

5) Majority of the respondent having monthly average income is 3000/-

Study concludes with the suggestions that there is requirement of entrepreneurial environment at micro level as well as macro level in the Gulbarga Dist.

Bajaj Shammi (2012) in his article on **"Women enterprises: A new face of India"** discussed some case studies regarding constraints faced by women entrepreneurs in India. According to the study a series of effort is essential for the development of women entrepreneurship and realized the potential of women which need to use in right way with the help of motivation, liberty, confidence and entrepreneurial skill development program.

DATA BASE AND METHODOLOGY

The methodology of the study is both descriptive and analytical in nature and makes use of secondary data. The descriptive methodology is used to describe the female secondary educational status, male-female literacy gap, female rural urban workforce participation in entrepreneur and skill developmental programs to analyze its impact on sustainable development in India.

Selected variables: The study is based on these selected variables:

1. Male-female literacy gap in India, year 1951-2011 (in percentage).

2. Male -female literacy and total literate persons in the year 1951-2011 (in percentage)

3. Male-female secondary education and workforce

participation rate percentage of developing countries including India, Bangladesh and Pakistan in the year 2013.

4. Employed Women (status) by Broad Industry Division, distribution (usually per 1000) including agriculture, manufacturing, construction and other sectors from the year 2004 to 2010.

5. Requirement of skilled work force by 2022 in numerous sectors of India. **4.2 SOURCES OF DATA**

The study is descriptive and evaluative based on secondary data analysis .The secondary data have been collected mainly through the census of India 2011, Human Development Report of 2013, 61st, 64th and 66th round of NSSO Survey and National Skill Development Policy, march 2009. And various journals like Yojana, Kurukshetra have been referred.

OBJECTIVES OF THE STUDY

1. To analyze the present status of male- female literacy gap in India.

2. To examine the present status of workforce participation between rural and urban women.

3. To draw attention towards skill developmental programs.

4. To focus towards future requirements of skilled workforce by 2022.

ANALYSIS AND INTERPRETATION

Table 1: Male-Female Literacy Gap in India (in %)

Census year	Persons	Males	Females	Male-Female literacy gap
1951	18.33	27.16	8.86	18.30
1961	28.30	40.40	15.35	25.0
1971	34.45	45.96	21.97	23.98
1981	43.57	56.38	29.76	26.62
1991	52.21	64.13	39.29	24.84
2001	64.83	75.26	53.67	21.59
2011	74.04	82.14	65.46	16.68

Source: Censes of India 2011

The above table depicts the male -female literacy and male-female literacy gap for the year 1951 to 2011 in India. Female literacy 8.86%, Male literacy 27.16% and literacy gap 18.30% among 18. 33 % literate person in the year 1951. Female literacy is 65.46%, male literacy 82.14. %. and male-female literacy gap 16.68% among 74.04% literate persons

in the year 2011. Although male-female literacy gap have been reduced in the year 2011still male literacy rate is higher than female which is not a very good sign for sustainable development, and female literacy is remaining lower than male throughout the years .

Table 2: Male-Female Secondary Education and Labour Force Participation Rate of Selected Countries

Country	Population withatleast Secondary Education (%)		Labor Force Participation rate (%)	
	Female	Male	Female	Male
India	26.6	50.4	29	80.7
Bangladesh	30.8	39.3	57.2	84.3
Pakistan	18.3	43.1	22.7	83.3

Source: Human Development Report 2013

The above table exhibits that male -female secondary education and labour force participation rate in selected developing countries like, Bangladesh, India and Pakistan in the year 2013 where female work force participation is in Bangladesh 57.2%, India 29% and Pakistan 22.7% and male work force participation rate in Bangladesh is 84.3, India 80.7% and Pakistan 83.3 %. According to analysis it can be said, that there is female labour force participation is lower than male labour force participation in all these developing countries.

On the other side female secondary education in Bangladesh, India and Pakistan is 30.3 %, 26.6% and 18.3% respectively. It is quiet similar in these developing countries, while male secondary education in India is 50.4% ,Bangladesh 39.3% and in Pakistan 43.1%. Study depicts that female secondary education is lower than male secondary education in such developing countries.

Table: 3 Distribution Per (1000) Of Usually Employed Women (Status) By Broad Industry Division

Sl No.	Year	Agriculture		Manufacturing		Construction		Others #	
		Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
1	200405*	814	147	87	254	17	45	30	147
2	200708**	816	129	76	252	23	48	28	150
3	200910***	789	118	76	258	42	51	34	139

Source: *61st, **64th and *** 66th round of NSSO Survey.

Trade, hotel, Restaurant, Transport, Storage Communications.

Table:3 indicates distribution out of per 1000 employed women status in agriculture, manufacturing, construction and others sectors in India by Broad Industry Division in the year 2004-2010.

In the agricultural sector there are rural woman participation rate is higher than urban women, while in

the manufacturing, construction and in the other sectors like trade, hotel, restaurant, transport, storage and in the communication urban women participation is much higher than rural women. The observable point is that urban women participation in manufacturing is highest among all the sectors in the year 2004 to 2010 therefore it can be said that this may be cause of better education and skill development programme.

Table 4 : Requirement of Skilled work Force by 2022 in Numerous Sector of India

S.L	Sectors	Incremental Human Resources Requirement (millions)
1.	Mines and Minerals	1,754,881
2.	Construction	55,199,568
3.	Drugs and Pharmacy	1813790
4.	Banking and Insurance	3947139
5.	Health Care	20,684,530
6.	Biotech	1,209,489
7.	IT and Its	14,806,299
9.	Chemicals and Fertilizers	1,391,948
10.	Paper	57,976
11.	Agro and Food processing	169,782
12	Tourism	12,478,386

Source: National Skill Development Policy, March 2009.Total requirement of skilled work force by 2022 will be about 300 Millions.

There are numerous requirement of skilled work force by 2022 in various sectors according to the national skill development policy march 2009. It's an opportunity for the future female workforce, to motivate them and to provide them required skill and education for the sustainable development. Simultaneously it will work as a bridge to reduce the inequality between male and female. There are various private and public institutions are offering many programs, courses and launching different schemes for unskilled population.

SKILL DEVELOPMENT PROGRAME ARE THE BACK BONE OF SUSTINABLE DEVELOPMENT

In developing countries aim of skill development program is to support rapid growth and distribution of employment for the better future .These programs help in enhancing individual's employability, ability to adopt changing technologies and fullfill the labour market demand, improve productivity and living standard of women, strengthening competiveness of country and attract the investment in skill development.

These programs are big source of creating opportunity for the youth ,women and all disadvantaged group .There is requirement of high quality skilled workforce for current market needs therefore various learning initiatives of sectorial skill development programs are organized by different ministries and departments .Few of them are given here :

- Food processing industries mainly for the weaker section of the society.

- Health and family welfare department have been organized basic training for female and male multipurpose health worker and there is only minimum 10th passed educated youth required.

- Human Resource Development department's vocationalisation of secondary education like Polytechnic Institutions for Diploma in Pharmacy and Training Centers are running by NGOs.

- **Rural Development Department,** National Institute of Rural Development (NIRD) conducts programs like Swarna Jayanti Gram Swarozgar Yojana focuses on the vulnerable groups and on the women.

- Small industries development organization (SIDO) running entrepreneurship development programme for educated unemployed youth.

- Decentralized trainning program of textiles department for skill upgradation of workers in textile industry workers.

- Support to training and employment programs for women (STEP) to provide updated skill and new knowledge to poor and asset less women of traditional sectors. To train poor women mostly in non-traditional trades and housewives nhich provide necessary skill which could be useful for income generation purpose.

- Other programs like, training of Aganwadi workers, Rashtriya Mahila Kosh upgrade their skills for getting remunerative employment opportunities to indulge women in to effective self-help group and home based and vocationa l skill.

MAJOR FINDINGS

- Study concludes that literacy rate in India have been increased from the year 1951 to 2011 which is an achievement of the Nation.

- Male -female literacy gap have been little bit reduced from18.30% to 16.68% from the year 1951 2011.

- Female literacy percentage is remaining very low in comparison to male literacy rate throughout the years.

- At present the capacity of women skilled workforce is tilt towards urban , mainly in manufacturing construction and others sector while rural women workforce are involved in agriculture.

- Female secondary education is almost similar amongst all these developing countries like India, Bangladesh and Pakistan.

- Female secondary education and female labour force participation is lower than male secondary education and labour force participation in such developing countries.

- From the year 2004 to 2010 rural female participation is lower in all the sector except agriculture there may be cause of low rate of literacy and low level of skill development, while urban female participation is quiet higher in all the sector than rural it may be better education and skill development program.

- According to the National Skill Development Policy March 2009, there is numerous requirement of skilled work force by 2022 in various sectors.

On the basis of above analysis it can be said that since 1951, literacy rate has been increased but female literacy is very low on the other hand women workforce participation in rural area is also less than urban area. Male secondary education is higher than female. Therefore it is required thatthere should be an initiative of big push in programs and vocational educational centers for the unskilled women workforce which have been becoming the bottle neck problem in the sustainable development.

LIMITATIONS OF THE STUDY
The major limitations of the study are as follows:

- The study is prepared based on the data collected from the secondary sources and document published by the government so, any manipulation in secondary data will lead to wrong analysis.

- The study does not cover all the issues of women skill development because of time constraint but an attempt is made to cover all the important issues in this study.

RELEVANCE OF THE STUDY

As our study investigate the various field of the sustainable development through skill development and Education to acknowledge Women contribution in sustainable development. The findings of the study would throw ample of light on requirement of women skill and their Education for the nation .Hence the study will be helpful to the academic research scholars, policy makers ,business and industry to gain and insight into the future challenges so as to improve the skill ,capacity and women workforce participation and their performance.

SUGGESTION TO IMPROVE WOMEN SKILL AND EDUCATION

The first step is to develop an entrepreneurship attitude among women. Efforts should be made to remove the cultural barriers for the women education. Women should be motivated and information should be provided to them freely so that they can take better decision. The government should try to enhance its role in financing project can improve the condition of women and establish their own identity. Apart from this building confidence among women is very essential because if a women has confidence and they would realize their potential and can overcome the problem of unskilled women workforce for the sustainable development of the nation .

CONCLUSION

It can be said that we are in better position where women workforce participation is increasing in urban area than rural area, if skill development programs are increasing at a considerable rate. It will be helpful in the economy as well as global level, thus women education spreading awareness amongst women will make them realize their strength , important position and the great contribution for the industry as well as the entire economy.For this many NGOs should also come forward to extend their support and to spread awareness amongst women.

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Cashless Society - The Future of India

Shakeel Ahmad

ABSTRACT

The advent of Digital technologies and the expansion of e-commerce have initiated the growth of cashless transactions. The introduction of electronic money, especially in the form of debit/ credit cards and digital wallets have enhanced the optimism for a quick passage to a cashless, even a less cash society. This paper studies the idea of cashless society which grew through Digital India programme. It defines various modes of cashless transactions. The study highlights the role of demonetization leading the path towards cashless society. It discusses various measures taken by central and state governments to encourage cashless transactions. The study presents future plans made by Central government in Union Budget 2017 for encouraging cashless transactions and strengthen security of the financial sector amid increasing incidents of cyber frauds.

INTRODUCTION

The revolution in information and communication technologies facilitated the expansion of the electronic payment systems and the origination of new types of payment instruments. Communications became not only faster, easier and safer but also considerably cheaper. Much more efficient fund transfers systems emerged and as a result direct debits and credit transfers expanded considerably. Cards payments have been developing by providing added value services to consumers that rely on application of novel network technologies. Electronic money, the latest offspring of the electronic revolution in payment, is introduced for the facilitation of ecommerce.

This is considered of great importance for limiting the use of cash and it has been suggested that it could lay the foundations for a cashless economy. But what exactly is a cashless economy? It can be defined as a situation in which the flow of cash within an economy is non-existent and all transactions have to be through electronic channels such as direct debit, credit and debit cards, and electronic clearing and payment systems such as Immediate Payment Service (IPS), National Electronic Funds Transfer and Real Time Gross Settlement in India.

Due to the technological revolution in financial sector, the transactions in banking system have under gone a tremendous change and economy is moving towards a cashless society. The Number of innovative products for making payment has developed after 1991's financial reforms of privatization and globalization. Customers have shown their preference over the usage of the plastic money generally over a period of time in the banking process. Plastic money is an alternative to the cash or the standard 'money'. Plastic money is referring to the credit cards or the debit cards that we use to make purchases. The technical devices upon which electronic money[2] is stored and through which it operates are either card based or software based products. These interfaces give rise to important difference both to the character of the e-money and to the transactions where electronic money can be used. Software based electronic money is often operated by e-wallets[3], while card based e-money is offered by the banking sector. Card based systems are usually organized in a national level as extensions of the existing infrastructure of the banking system (ATMs, EFTPOS[4], inter-bank networks etc.). A

substantial investment is necessary for the establishment of card based electronic money; terminals both at POS (point of sale) as well as for loading the cards need to be installed. Software based products require only a fraction of the initial investment and a software platform is sufficient for their use. They can be used through the internet and so they are not constrained by national boundaries.

OBJECTIVES OF THE STUDY

Following are the objectives of study:

a)   To study the growth of digital literacy through digital India program.

b)   To study various modes of cashless transactions.

c)   To analyze the impact of demonetization of Rs.500 and Rs.1000 notes on cashless transactions and measures taken by the Central and State Governments to encourage cashless transactions.

d)   To study the future plans and initiatives taken by the government towards cashless society.

METHODOLOGY

The research study is exploratory in nature. The Study has been carried out using data from Secondary sources collecting through research papers, articles, and websites. This article studies cashless economy initiatives taken by state governments. This study covers Indian states from North- Jammu Kashmir to South- Kerala and from West- Gujarat to East- Assam.

DIGITAL INDIA- A STEP TOWARDS DIGITAL LITERACY

Digital India was launched by the Prime Minister of India Narendra Modi on 1 July 2015 - with an objective of connecting rural areas with high-speed Internet networks and improving digital literacy. The Government of India entity Bharat Broadband Network Limited (BBNL) which executes the National Optical Fibre Network project will be the custodian of Digital India (DI) project.BBNL had ordered United Telecoms Limited to connect 250,000 villages through GPON[5] to ensure FTTH[6] based broadband. This will provide the first basic setup to achieve towards Digital India and is expected to be completed by 2017.

Out of 10% English speaking Indians, only 2% reside in rural areas. Rest everyone depends on their vernacular language for all living their lives. However, as of now, email addresses can only be created in English language. To connect rural India with the Digital India, the Government of India impelled email services provider giants including Gmail, office and rediff to provide email address in regional Languages. However, the email provider companies has shown positive sign and is working in the same process. An Indian based company, Data Xgen Technologies Pvt Ltd, has launched world's first free linguistic email address under the name 'DATAMAIL' which allows to create email ids in 8 Indian languages, English; and 3 foreign languages – Arabic, Russian and Chinese. Over the period of time the email service in 22 languages will be offered by Data XGen Technologies.

At the launch ceremony of Digital India Week by Prime Minister Narendra Modi in Delhi on 1 July 2015, top CEOs from India and abroad committed to invest 224.5 lakh crore(US$3.3 trillion) towards this initiative. The CEOs said the investments would be utilitized towards making smartphones and internet devices at an affordable price in India which would help generate jobs in India as well as reduce the cost of importing them from abroad.

Leaders from Silicon Valley[7], San Jose, California expressed their support for Digital India during PM Narendra Modi's visit in September 2015. Facebook's CEO, Mark Zuckerberg, changed his profile picture in support of Digital India and started a chain on Facebook and promised to work on WiFi Hotspots in rural area of India. Google committed to provide broadband connectivity on 500 railway stations in India. Microsoft agreed to provide broadband connectivity to five hundred thousand villages in India and make India its cloud hub through Indian data centres. Qualcomm announced an investment of US$150 million in Indian startups. Oracle plans to invest in 20 states and will work on payments and Smart city initiatives.

The government's resolution to implement such ambitious program can be seen in the JAM trinity solution – **J**an Dhan Yojana for financial inclusion and direct benefit transfers based on **A**adhaar infrastructure and **M**obile interface for banking. Tele-medicines, Smart cities, Digital Locker System, eSign, eHospital, Digitize India Platform (DIP) for large scale digitization of records, etc. are other programs which will be implemented. This project will definitely help us in increasing productivity and reap our demographic dividend. It will connect the entire India and

bring to the forefront all the hidden talent and entrepreneurs that constitute the country's future. It will help in achieving universal digital literacy. It also will address the issues of public accountability and transparency through a unique ID and e-Pramaan based on authentic and standard government applications. Fully online delivery will help a lot in this venture. It will reduce corruption. A dedicated monitoring committee headed by the PM as chairman is constituted to oversee the target achievement in a time bound manner.

The Digital India vision provides the intensified motivation for further momentum and progress for e-Governance and would promote inclusive growth that covers electronic services, products, devices, manufacturing and job opportunities.

VISION AREA 1: INFRASTRUCTURE AS A UTILITY TO EVERY CITIZEN

- High speed internet as a core utility

- Cradle to grave digital identity -unique, lifelong, online, authenticable

- Mobile phone & Bank account enabling participation in digital & financial space

- Easy access to a Common Service Centre

- Shareable private space on a public cloud

- Shareable private space on a public cloud Safe and secure Cyber-space

VISION AREA 2: GOVERNANCE & SERVICES ON DEMAND

- Services available in real time from online &mobile platform

- Services digitally transformed for improving Ease of Doing Business

- Making financial transactions electronic & cashless

- Leveraging GIS for decision support systems & development

- All citizen entitlements to be available on the cloud

- Seamlessly integrated across departments or jurisdictions

VISION AREA 3: DIGITAL EMPOWERMENT OF CITIZENS

- Universal Digital Literacy

- Universally accessible digital resources

- All documents/ certificates to be available on cloud

- Availability of digital resources / services in Indian languages

- Collaborative digital platforms for participative governance

- Portability of all entitlements through cloud

This programme is implemented in phases from 2014 till 2018. The vision of Digital India is towards bringing Universal Digital Literacy, enabling high speed internet as a core utility, mobile phone and Bank account enabling participation in digital & financial space, services digitally transformed for improving ease of doing business, making financial transactions electronic and cashless. The initiatives taken in Digital India have enhanced the growth of e-commerce and cashless transactions have seemed become to the future of business.

DEMONETIZATION- A PATH LEADING TOWARDS CASHLESS SOCIETY

The Finance Minister Mr. Arun Jaitley, on 29 February 2016 in his budget speech, talked about the idea of making India a cashless society, with the aim of curbing the flow of black money.

On 8 November 2016, the Government of India announced the demonetisation of all 500 (US$7.40) and 1,000 (US$15) banknotes of the Mahatma Gandhi Series. The government claimed that the action would curtail the shadow economy and crack down on the use of illicit and counterfeit cash to fund illegal activity and terrorism.

Prime Minister of India Narendra Modi announced the demonetisation in an unscheduled live televised address at 20:00 Indian Standard Time (IST) on 8 November. In the announcement, Modi declared that use of all 500 and 1000 banknotes of the Mahatma Gandhi Series would be invalid past midnight, and announced the issuance of new 500 and 2000 banknotes.

Indians are discovering that without their familiar Rs.500 and Rs.1000 banknotes that made up nearly 86 percent of

all circulating cash, life is very difficult indeed. Middle class and upper class Indians have now taken to debit cards and credit cards.

India's Hindu Business Line Newspaper reported that there has been a surge of 65 percent in transactions of less than Rs.500 made through debit and credit cards, post the demonetization that occurred on Nov. 8.They go on to say: "Overall, the usage of debit cards has gone up 70 percent and of credit cards, by 40 percent, suggesting a sharp jump in first-time users."

Part of this surge can be attributed to the fact that the government has waived off charges that are usually associated with these types of 'cashless' transactions.

CASHLESS ECONOMY AHOY!

Ever since the demonetization of 500 and 1000 rupee notes was announced in early November, and the notes ceased to become legal tender in the country, there has been a lot of talk about a cashless India. While the notes were demonetized to fight the issue of black money in the country, the surprise move created a state of crisis all over the nation. In fact, not even banks were notified prior to PM Narendra Modi's announcement, and even with strict exchange and withdrawal limits, there was a huge shortage of new banknotes in circulation. The unprecedented result of this lack of physical cash is that a large number of people are being forced to manage financial transactions without cash. In other words, going cashless. However, what exactly is a cashless economy.

Cashless transaction economy doesn't mean shortage of cash rather it indicates a culture of people settling transactions digitally. In a modern economy, money moves electronically. RBI classifies every mode of cashless fund transfer or transaction using cards or mobile phones as 'prepaid payment instrument'. These can be issued as smart cards, magnetic stripe cards, Net accounts, Net wallets, mobile accounts, mobile wallets or paper vouchers. Cashless transactions are classified into three types:

Closed: Issued by an entity for purchasing goods and services only from it, these don't allow cash withdrawal or redemption. Ola Money is one such closed wallet.

Semi-closed: These are used to buy goods and services, including financial services, from merchants that have a specific contract with the issuer. These too don't allow cash

withdrawal or redemption and include wallets offered by service providers like Paytm and State Bank Buddy.

Open: These can be used to buy goods and services, including fund transfers at merchant locations, and also permit cash withdrawals at ATMs. All Visa and Master-Card cards fall into this category.

CASHLESS MODES

Mobile wallet: This is basically a virtual wallet available on your mobile phone. You can store cash on the mobile to make online or offline payments. Various service providers offer these wallets via mobile apps, which you need to download on the phone. You can transfer the money into these wallets online using credit/debit card or Net banking. This means that every time you pay a bill or buy online via the wallet, you won't have to furnish your card details. You can use these to pay fees, bills and make online purchases.

Plastic money: This includes credit, debit and prepaid cards. The latter can be issued by banks or non-banks and can be physical or virtual. These can be bought and recharged online via Net banking and can be used to make online or point-of-sale purchases, even given as gift cards.

Net banking: This does not involve any wallet and is simply a method of online transfer of funds from your bank account to another bank account, credit card, or a third party. You can do it through a computer or mobile phone. Log in to your bank account on the Net and transfer money via national electronic funds transfer (NEFT), real-time gross settlement (RTGS) or immediate payment service (IMPS), all of which come at a nominal cost ranging from Rs 5-55.

Hence the spread of digital payment culture along with the expansion of infrastructure facilities is needed to achieve the goal.

With demonetization of Rs. 500 and Rs 1,000 notes and with INR 100 and lesser denomination notes in circulation, India has suddenly started seeing an upsurge in online transactions, card payments and mobile wallets to handle their daily expenses. In such a scenario, mobile as a platform has a unique set of capabilities that can overcome the challenges posed by the Indian payments landscape. Mobiles offer a low-cost means to create financial access and payments. It can extend the last-mile reach of banking services either through business correspondents or directly

to the end consumers. Improvements in the telecom infrastructure, access to internet connectivity and low-cost smartphones will eliminate the need for hardware based on fixed line connections. Mobile can be a platform that uniquely combines digital identity, digital value and digital authentication to create low-cost access to financial services.Point of Sale (PoS) transactions have jumped 95% after demonetization.

In fact, since demonetization has come into effect, if there is a clear winner, it is the class of startups offering online wallets and digital payments. Mobile wallets have witnessed a massive rise in app downloads. Paytm's traffic, for instance, increased by 435% and its downloads by 200%. Paytm is India's leading mobile wallet startup – it allows users to make transactions "at 850,000 places across 1,200 Indian cities, including mom and pop shops, branded retail outlets, and petrol pumps. Paytm even advertised in newspapers, congratulating Prime Minister on the demonetization, calling it the "boldest decision in the financial history of independent India".

FUTURE OF MOBILE WALLETS

According to analysts, by 2018 the mobile wallet market in India will grow at a Compound Annual Growth Rate (CAGR) of 140%, while the global mobile wallet market will register a CAGR of 34% by 2020. What's fueling this optimism is the fact that India is one of the fastest-growing markets for smart phones in the world. It is expected to become the second largest market by 2017 – replacing the United States. The number of mobile internet users in India is expected to touch 314 million by 2017, up from 280 million now.

According to a recent report by GrowthPraxis[8], the market for mobile-enabled payments in India grew more than fifteen times between 2012 and 2015 to reach its current size of $1.4bn. Interestingly, nearly 60% of users accessed the internet for the first time on their mobile phones – in marked contrast to many other countries, where desktop and laptop are the first web-enabled devices that people use.Earlier, most people used mobile internet for social networking sites, but that's changing now – as increasing numbers of people are using it to make mobile payments." Service providers are looking to make money by taking a cut from vendors, as the apps are free for customers. They are also flooding the market with cashback offers and discounts to get more traffic.

Telecom infrastructure is improving and 3G[9] & 4G[10] services are being offered at very affordable prices, giving a huge boost to mobile commerce in the future. With 4G becoming more and more affordable with entry of telecom giants such as JIO[11], the digital wallets adoption in Tier II[12] and Tier III[13] cities is going to increase many folds. If reliable and fast mobile networks can make it out to rural areas, then mobile wallets should see huge growth in India. But it will still take a huge cultural shift to discourage people off hard cash.

MEASURES TAKEN BY CENTRAL GOVERNMENT AND STATE GOVERNMENTS LEVELS TOWARDS CASHLESS ECONOMY

At Central Government Level:

• The central government in December 2016, has launched two schemes, one each for customers and merchants, to incentivise digital payments in the country. The two schemes — Lucky Grahak Yojna and Digi Dhan Vyapari Yojna, to encourage sellers and buyers towards cashless transactions.

• Central Government Petroleum PSUs shall give incentive by offering a discount at the rate of 0.75% of the sale price to consumers on purchase of petrol/ diesel if payment is made through digital means.

• To expand digital payment infrastructure in rural areas, the Central Government through NABARD will extend financial support to eligible banks for deployment of 2 POS devices each in one lakh villages with population of less than 10,000. These POS machines are intended to be deployed at primary cooperative societies/milk societies/agricultural input dealers to facilitate agri-related transactions through digital means.

• This will benefit farmers of one lakh villages covering a total population of nearly 75 crore who will have facility to transact cashlessly in their villages for their agri needs.

• The Central Government through NABARD will also support Rural Regional Banks and Cooperative Banks to issue "Rupay Kisan Cards" to 4.32 crore Kisan Credit Card holders to enable them to make digital transactions at POS machines/Micro ATMs/ ATMs.

- Railway through its sub urban railway network shall provide incentive by way of discount upto 0.5% to customers for monthly or seasonal tickets from January 1, 2017, if payment is made through digital means.

- All railway passengers buying online ticket shall be given free accidental insurance cover of upto Rs. 10 lakh.

- For paid services e.g. catering, accommodation, retiring rooms etc. being offered by railways through its affiliated entities/corporations to the passengers, it will provide a discount of 5% for payment of these services through digital means. All the passengers travelling on railways availing these services may avail the benefit.

- Public sector insurance companies will provide incentive, by way of discount or credit, upto 10% of the premium in general insurance policies and 8% in new life policies of Life Insurance Corporation sold through the customer portals, in case payment is made through digital means.

- The Central Government Departments and Central Public Sector Undertakings will ensure that transactions fee/(Merchant Discount Rate) MDR charges associated with payment through digital means shall not be passed on to the consumers and all such expenses shall be borne by them. State Governments are being advised that the State Governments and its organizations should also consider to absorb the transaction fee/MDR charges related to digital payment to them and consumer should not be asked to bear it.

- Public sector banks are advised that merchant should not be required to pay more than Rs. 100 per month as monthly rental for PoS terminals/Micro ATMs/mobile POS from the merchants to bring small merchant on board the digital payment eco system. Nearly 6.5 lakh machines by Public Sector Banks have been issued to merchants who will be benefitted by the lower rentals and promote digital transactions. With lower rentals, more merchants will install such machines and promote digital transactions.

- No service tax will be charged on digital transaction charges/MDR for transactions upto Rs.2000 per transaction.

- For the payment of toll at Toll Plazas on National Highways using (Radio-Frequency Identification) RFID card/Fast Tags, a discount of 10% will be available to users in the year 2016-17.

The government will soon roll out Aadhaar Pay **service that will enable people to make and receive payments using their** Aadhaar number **and biometrics.**

- "We are going to start Aadhaar Pay. With this people will not require to carry their phone for payments. They can visit any merchant, share their Aadhaar number and verify themselves using biometrics to pay and receive money," Electronics and IT Minister Ravi Shankar Prasad said on Friday 27th Jan 2017.As of now, 14 banks have come on board for Aadhaar Pay and the service will be launched soon, Prasad said."We are in talks with other banks too. The service will be launched very soon," he informed.Further, the Minister said, Bharat Interface for Money (BHIM), the common platform for making quick payments using the Unified Payments Interface (UPI), has also been integrated with Aadhaar Enabled Payment System on Thursday.

Cabinet Clears Ordinance to Make Salaries Cashless.

- The Payment of Wages (Amendment) Bill, 2016, seeks to amend Section 6 of the principal Act to enable employers to pay wages to employees through cheques or by crediting it to their bank accounts electronically. The Bill was introduced by Labour Minister Bandaru Dattatreya amid din over the demonetisation issue.

- It will also allow state governments to specify industrial or other establishments that adopt cashless way for salary payments.

Union Budget 2017: Nearly 1,50,000 gram panchayats to get high-speed Internet by the end of FY18

- Union Finance Minister Arun Jaitley in his budget speech on Wednesday 1st February 2017 said that nearly 1,50,000 gram panchayats will get high-speed internet under the Bharat Net project by the end of the March 2018.

- In a bid to boost the project, Jaitley announced that he was allocating an amount of Rs 10,000 crores to support the deployment. Mr. Jaitley also said that nearly 1,55,000 kms of optical fibre has been laid under BharatNet till date and it currently covers 75,700 gram panchayats. The minister also said that the high-speed internet network will be accessible via *wi-fi* hotspots.

- Jaitley also said that the government also plans to make use of the internet to teach people in these panchayats and help them with medical issues via telemedicine under the DigiGaon programme.

- Additionally, the finance minister said that a mission will be set up with a target of 2,500 crores digital transactions for FY 2017-18 through UPI, USSD, Aadhar Pay, IMPS, and debit cards.

- He added that banks have targeted to introduce additional 10 lakh new POS terminals by March 2017. Banks will be encouraged to introduced 20 lakh Aadhaar-based POS terminals by September 2017, he said.

- Further he said that digital payment infrastructure and grievance handling system shall be strengthened with focus on rural and semi-urban areas through post office, fair price shop, and banking correspondents.

Union Budget 2017: Govt. removes all taxes on PoS machines to push e-payments

- In a move to encourage digital payments, the government on Wednesday removed all duties on devices used in the process of cashless transactions like point of sales machines, finger print readers etc.

- Finance Minister Arun Jaitley said in his budget speech, "To promote cashless transactions, I propose to exempt BCD (basic custom duties), excise duties, CVD (countervailing duties), SAD (special additional duty) on miniaturised card readers and mPOS micro atms standards for version 1.5.1, finger print readers, scanners and iris scanners." The minister also exempted components from taxes to encourage domestic manufacturing of these devices.

Union Budget 2017: Arun Jaitley pushes for a cashless economy

- A major announcement was banning all cash transactions above Rs3 lakh from 1 April. The government estimates that around 2,500 crore digital transactions will take place in 2017-18 via different modes of payments.

- "BHIM (Bharat Interface for Money) will unleash the power of digital inclusion; around 125 lakh people have already adopted this app. Two new referral schemes will be launched to promote digital payments; one will be a bonus scheme for customers and the other will be a cash-back scheme for merchants," Jaitley said.

- The government estimates that around 2,500 crore digital transactions will take place in 2017-18 via different modes of payments such as the Unified Payment Interface (UPI), immediate payment service (IMPS), Aadhaar-enabled payments system (AEPS) and debit cards used on point-of-sale (POS) terminals.

- In an attempt to give a major push to the Aadhaar-based transactions, the government announced that 1 million biometric POS machines will be installed by March and subsequently scaled to 2 million by September.

- Merchant discount rates for debit cards have been reduced to 0.25% for payments of up to Rs1,000 and 0.5% for payment between Rs1,000 and Rs2,000, effective from 1 January to 31 March.Banks and prepaid payment instrument issuers have been instructed not to levy any charges for cashless transactions of up to Rs1,000 for the same period.

At State Governments Level:

Kashmir village declared cashless: An awareness workshop was all it took to get the tag

- Lanura was declared the first cashless village in Jammu and Kashmir on December 18 2016. Here, 150 of the over 1,000 residents have been trained in conducting transactions digitally. At least one member of each household in the village has been trained to use Electronic Payment System (EPS).

Rajasthan school syllabus to include demonetisation and cashless economy

- Teach them when they are young so believes the Rajasthan Board of Secondary Education as it has decided to include a chapter on demonetisation and cashless economy in the Class 12 textbook of economics. "Looking at the present scenario in which

government is pushing for cashless economy, the board has decided to include a chapter on demonetisation and cashless economy in the text book of economics of Class 12," said Meghna Chaudhary, Secretary of the board.

Lucknow- HDFC Bank pushes for Digital Economy

- To help people adapt to cashless transactions, HDFC Bank has started digital awareness camps in UP. HDFC Bank will train about 25,000 people in the first phase. Bank officials will educate people on netbanking, mobile banking, point of sale terminal and other applications.

Assam Govt. takes initiatives to promote cashless economy

- In yet another move to promote cashless transactions among the people of Assam, Finance Minister Himanta Biswa Sarma today announced incentives against cashless transactions.

- OIL PSUs have offered 0.75% discount on the price of diesel and petrol to the customers, if they pay electronically. State govt. will also offer another 0.75% discount in addition to the above and this amount will be adjusted to the VAT dues to be paid by the OIL PSUs.

- All patients whose user charges are Rs 500 and above will be reduced by 10% to those who pay electronically. If hospitals/ medical colleges incur any financial loss on this account, state govt. will compensate the Hospital Management Committees.

- Property Tax and Trade license fee charged by ULBS will be reduced by 10% to those who pay electronically. If any ULB incur any financial loss on this account, state govt. will compensate them.

- GPSS which makes all receipts and payments electronically will be incentivised. Such GPSS will get a cash award of (a) Rs 25,000 for 100% digital payments from 1st January to 30th June 2017.

- FPS which makes all receipts and payments electronically will be incentivised. Such FPS will get a cash award of (1) Rs 10,000 if 100% payments are made digital from 1st January to 30th June 2017. If there are more than 10 claimants, 10 will be selected by lottery.

- If more than 75% account holders in a Rural Bank branch who make at least two electronic/ digital transactions between 1st January 2017 to 31st March 2017, such banks will awarded 'CM's Award for Assam rural Digital initiative 2016-17.

- If all transactions of a village in particular Gaon Panchayat are made 100% electronic within 31st March 2017, such selected villages will be awarded 'CM's Award for Uttam Panchayat for Digital Transactions.'

- If all transactions of a farmer on purchase of fertilisers and seeds happen through cashless mechanism between 1st January 2017 and 15th July 2017, such first ten farmers in each district will be awarded 'CM's Award for Digital Krishak Shiromoni, with a cash award of Rs 5,000 and a citation.

- Rs 100 per labour will be given as an incentive to a tea estate/ garden provided that the full payment of wages to a particular worker at each of the specified intervals is made through digital mode during the period from 1st Jan 2017 to 31st March 2017.

- Rs 5 per ticket will be given as an incentive to cinema hall owners for online sale of tickets through digital payment received during the period from 1st Jan 2017 to 31st March 2017, and such amount will be reduced from entertainment tax to be paid to the government.

- If all receipts and payments are electronically made by govt/ provincialised colleges continuously from 1st Jan 2017 to 15th July 2017, such top ten colleges will be provided a cash incentive of Rs 5 lakh each. If there are more than 10 claimants, 10 will be selected by lottery.

- If 75% of total land revenue is collected through digital mode from 1st Jan 2017 to 15th 2017, such first top ten Mauzadars will be provided a cash incentive of Rs 25,000 each. If there are more than 10 claimants are there, 10 will be selected by lottery.

- Entry Tax for POS Machines will be exempted up to 31st march 2017.

- Entry Tax for VSAT Dish antennae will be exempted upto 31st March 2017.

- Entry Tax for all mobile wi fi will be exempted up to 31st March 2017/

- All taxes under the Commissionerate of Taxes shall only be deposited through electronic/ digital mode if tax amount if Rs 10,000 or more.

- Rs 5 will be provided to the DCs as cash incentive for every individual citizen who have transited to digital payment mode in addition to Rs 10 already announced by NITI Aayog.

- As part of CM's Award for Excellence in Public Administration, a new award called Digital District Championship Award will be instituted to begin with for 2016-17 ending 31st March 2017, with a cash award of Rs 50,000 and a citation for those DCs who will contribute significantly for capacity building, digital transactions and brand building, and sustainability of less cash economy and digital payments in a district.

No cash, no worries for this 'digital' village in Gujarat

- In January 2015, Prime Minister Narendra Modi dedicated 'Akodara' to the nation its first "digital village". Akodara, located some 90 km from Ahmedabad, has been adopted and developed by the ICICI Foundation as a digitised village with a rural branch of the bank. It is a rare example of a largely cashless economy: most transactions between Rs. 10 and Rs. 5,000 are done via SMS. The payment goes directly into the shopkeeper's bank account as the buyer and seller are both connected through their accounts in the same bank.

Haryana- Rs 5 to you for each e-transaction.

- To promote cashless transactions, the Haryana government will give Rs 5 as a token of appreciation to each person for every online transaction he or she makes. Transactions would mean transactions done only using e-wallets, USSD, UPI and Aadhaar.

Four panchayats in two Jharkhand districts go 'cashless'

- Jharkhand government on declared four panchayats— two each in East Singhbhum and Bokaro districts— cashless-enabled. Bokaro district's Dugdha West and Dugdha South panchayats under Chandrapura block were declared "cashless" as most residents and traders there have adopted cashless mode of transactions.

Goa- GTDC is Goa's first Government organization to adopt 100% cashless transactions

- Goa Tourism Development Corporation (GTDC) has already taken the lead bringing all tourism business' under the ambit of cashless transactions. Whether hotel reservations, package tours, cruise rides or any other tourism service, GTDC has introduced systems that have facilitated cashless transactions, both on-line and off-line systems for cashless payments like POS machines, wire transfers etc. Introduction of e-commerce portal and mobile app gives boost to cashless transactions.

Madhya Pradesh Starts Campaign For Farmers' Cashless Transaction Training

- The Madhya Pradesh government campaign to impart training for cashless transactions and to create awareness among farmers visiting Mandis (agriculture produce markets) to sell their crops. The government is focussing and encouraging cashless transactions at Mandis," said Rakesh Shrivastava, Managing Director, State Agriculture Marketing Board (SAMB). In the directives, the SAMB stated that farmers should be imparted training for continuing commercial activities without any hurdles and easy payment to them in Mandis after demonetization. Meanwhile, a state government release informed that it has extended period for free storage facilities to farmers in Mandis from December 16, 2016 to March 31, 2017.

Telangana and Andhra Pradesh compete with each other to go cashless

- Chief Minister of Telangana K Chandrasekhar Rao (KCR) and N Chandrababu Naidu, Chief Minister of AP are offering themselves up as role model 'Digital CMs' to the Narendra Modi regime and have designed strategies individually. Naidu launched 'AP Purse' a government sponsored payment platform with 13 mobile banking and 10 mobile wallets. In turn, KCR launched an e-wallet enterprise in collaboration with ICICI Bank.

- Launching the new platform AP Purse, Naidu said that the government introduced Marpu Nestam (Friend for change), to educate people on digital financial literacy. The government will pay incentives to agents who train people in digital financial literacy. We will train engineering students

to enlighten the traders, vendors and also the common man on use of bank accounts and 'RUpay' cards.

- KCR has introduced the e-wallet in collaboration with ICICI Bank to address grievances of farmers, traders and Jan Dhan account holders. KCR said that the state was geared to go digital at all levels. To begin with, stamps and registrations, civil supplies, excise and all government payments, including salaries to government employees, would be on cashless platform of UPIS (Uniform Payment Interface System). "It will not be possible to change people's habits overnight. Cash transactions are part of our life and culture. Initially all transactions above Rs 500 will be cashless," he said. The Telangana government has introduced a cashless transaction model in Rythu Bazaars (farmer markets) for the benefit of vegetable vendors in Hyderabad and Siddipet in collaboration with HDFC Bank.

Kerala- Street vendors to be trained in cashless transactions

- Kozhikode also known as Calicut, is a city in the state of Kerala in southern India on the Malabar Coast. The Kozhikode Municipal Corporation, as part of its efforts to ensure the welfare and livelihood of street vendors in the city, is planning to train them in cashless transactions. Sessions on cashless transactions will be being handled by the lead bank manager, while legal experts have been hired to speak on Street Vendors Act. Around 100 vendors will be trained in the current financial year.

FINDINGS

- The vision of Digital India connected internet in rural areas with urban areas.

- The use of plastic cards and e-wallets is more and more increasing for receipts and payments.

- Demonetization leaded to restrictions on withdrawals from banks and ATM's, people have started learning to do digital transactions.

- Shopkeepers, cabs, even the local pan shops started using digital wallets or accepted debit/credit cards, it's brilliant and surely the new digital currency has started to roll out.

- The introduction of e-wallets and increase in POS machines has changed the banking process. People are not visiting banks now and then; they are carrying banks in their pockets through mobiles.

- The use of plastic cards has also been increased because banking industries has also provided the 24x7 customer service for their customers.

- The benefits for adoption of plastic money and e-wallets over the cash and paper money are mainly due to Discounts while shopping, cash back offers, No hassles of carrying cash, Security of money, Hassle free EMI's, Easy to use, Personal Loan on Credit Card.

CONCLUSIONS AND SUGGESTIONS

The vision of Digital India connected internet in rural areas with urban areas. The step of Demonetization lead to growth of Digital transactions in the past one month and have registered a 40 percent month-on-month growth, payments through cards have jumped to 39.1 percent while usage of Point of Sale machines has increased 41 percent. The initiatives announced in Union budget 2017 by the government to encourage cashless transactions has further fuelled cashless transactions and mobile wallets in the country like never-before.

The elderly urban and rural population, people doing business in un-organized sectors, people with low incomes, people who speak limited English are especially at risk for targeting and personal information breaches online because they may not understand cyber security safeguards as well as the technical knowledge. They will become targets for cyber criminals. People save a lot of their personal information on mobile phones including their login IDs and passwords. Phone Hacking has become relatively easier in the age of smart phones with sophisticated software's. Hackers target low computer-literacy learners by creating copycat websites for government and service organizations. Users have their identities stolen when they enter all their personal information into what they think is the original website, and end up fulfilling a hacker's dream.

To enable security of cashless payments, Finance Minister Arun Jaitley in union budget on Wednesday 1st February 2017, announced setting up of a Computer Emergency Response Team to strengthen security of the financial sector amid increasing incidents of cyber frauds. Payment

regulatory board to be set up in RBI to regulate electronic payments, replacing Board for Regulation and Supervision in Payments and Settlements System.

We need to make the digital world more secure and simple, and people must be educated on the benefits of the digital world. Corporates could also be encouraged for earmarking CSR (Corporate Social Responsibility) funds especially for organizing education camps in rural and semi-urban areas for spreading awareness about digitalization.

The Prime Minister's move to incentivize digital payments will offer a strong support to our ongoing efforts in helping the country jump from cash generation to digital payment solutions. The measures taken by central and state governments will help millions of Indians overcome the hassles of dealing in cash but also act as a significant step towards propelling India to emerge as a truly cashless economy. This will not happen overnight; we need patience and belief in the system and do the best we can.

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Footnotes

[1] According to RBI, National Electronic Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS) are mechanism which allows individuals, companies and firms to quick transfer funds according to settlement timings, from one Bank to another Bank within the country.

[2] "The world is becoming increasingly addicted to doing business in cyberspace, across the Internet and the World Wide Web. As electronic commerce (e-commerce) expands, it seems only a matter of time before various innovative forms of money, based on digital data and issued by private market actors, begin to substitute in one way or another for state sanctioned banknotes and checking accounts as customary means of payment. The era of electronic money will soon be upon us." Cohen (2001, p. 198).

[3] Mobile wallets/e-wallets are neither banks, nor payment banks. They are regulated by the RBI under the Payment and Settlement Systems Act, 2007. Examples- Paytm, BHIM, Telangana Sahakara wallet etc.

[4] EFTPOS: Electronic fund transfer at the point of sale.

[5] Gigabit Passive Optical Network-GPON has a variety of speed options ranging from 622 Mbps symmetrical to 2.5 Gbps downstream and 1.25 Gbps upstream. GPON is also based on ATM transport.

[6] Fibre to the Home- Fibre to the Home (FTTH) is a unique technology being deployed by BSNL for the first time in India. to deliver the high speed broadband from 256 Kbps to 100 Mbps, IPTV having different type of contents like HDTV and future coming 3D TV and range of voice telephony services.

[7] Silicon Valley, in the southern San Francisco Bay Area of California, is home to many start-up and global technology companies. Apple, Facebook and Google are among the most prominent. It's also the site of technology-focused institutions centered around Palo Alto's Stanford University.

[8] GrowthPraxis is "facts" based consulting and research firm. It works with global organizations and helps in defining growth, mitigating risks and solving business challenges. It provides advice ranging from entering new countries to entering new product lines and services.

[9] 3G in short for third generation, is the third generation of wireless mobile telecommunications technology.

[10] 4G is the fourth generation of wireless mobile telecommunications technology, succeeding 3G.

[11] Reliance Jio Infocomm Limited, doing business as Jio, is a LTE mobile network operator in India.This company works with motto of Digital Life.

[12] Tier II cities are basically smaller cities, statistically 1 million in population and are usually regional hubs such as state capitals or industrialized centres. Some examples include Pune, Cochin, Mangalore, and Dehra Dun.

[13] Tier III cities include minor cities like Nasik, Baroda, Trichy, Madurai, etc. Tier III consist of cities with a population of less than a million. In simpler terms, these comprise cities that are just beginning to wake up and take form.

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Observations on Entrepreneurship in Small Scale Industries: An Empirical Study

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ABSTRACT

The present study aims to find out the impact of socio-cultural factors, education and training and other inter related factors that help in the development and expansion of small-scale enterprises. Primary data was collected by conducting direct interview using questionnaire. A sample of 100 small scale industries from Nainital District was selected randomly. The primary data collected was analysed using appropriate statistical tools. The secondary data was collected from journals, published and unpublished reports by government bodies and organizations. The study shows that there is an impact on small business set up due to socio-cultural factors. The study also noticed that training, education, innovation and firm's growth have a close link. Other factors as competitiveness, government policies, firm's turnover etc. do contribute to the success of the enterprise. Thus, the government has undertaken an integrated approach to build a strong base for small scale industries.

INTRODUCTION

Entrepreneurship is considered a paramount engine in the economic development of the country. For healthy development in all sectors of the economy, there must be men and women who possess aspiration, knowledge, foresight and insight to materialise theory into practice by overcoming traditional barriers. Individuals performing these functions are called entrepreneurs and their enterprising competence and proficiency can be understood as entrepreneurship.

Each discipline apparently views entrepreneurship from its own perspective and still there is no uniform standardised definition. Therefore, it is necessary to go back to the origin of the term entrepreneurship which is derived from a French word 'entreprendre' meaning 'to undertake'.

National Knowledge Commission (NKC 2008) defined entrepreneurship as "the professional application of knowledge, skills and competencies and/or of monetizing a new idea, by an individual or a set of people by launching an enterprise diversifying from an existing one (distinct from seeking self-employment as in profession or trade), thus to pursue growth while generating wealth, employment and social good."

As cited in D. B. Audretsch et al. (2015P:704), "Rocha and Berkinshaw (2007) pointed out the study of entrepreneurship has been associated with various aspects of analysis such as the person (Cantillon 1931), traits (Mc Clelland 1961), behaviours (Stevenson and Jorillo 1990), functions (Schumpeter 1934), actions (Venkataraman 1997), new businesses (Gantner 1989), ownership (Haung and Gimens 2010), maximises opportunities (Peter Drucker 1964)."

In a study (Gibb 1996) equates small and medium sized enterprises (SMEs) with entrepreneurship. It is seen that entrepreneurship and small scale industries (SSI) are so essential to each other like two sides of the same coin. SSI is regarded as a seedbed of entrepreneurship development, enabling industrial growth and diversification.

Key words

Digital India, Demonetization, electronic money, cashless economy

Rothwell and Zegueld (1982) argue that "entrepreneurship has long been regarded as synonyms for creating new SMEs and an appropriate means of entrepreneurial endeavours." With the establishment of SSI, the sphere of entrepreneurial activity expands along with economic development, innovation and it has become increasingly important as an economy develops and moves towards the benefit of science and technology.

It is seen that the entrepreneurial process begins with the formation of small business striving for effective management, forming a vital link to industrialisation, occupies a significant place in production, employment, exports, helps in poverty eradication, narrowing regional imbalance and developing entrepreneurship base in the country. Entrepreneurial behaviour has become more and more common, calling for intellectual and personality development skills for dealing with current challenges and an uncertain future. Higher educational level is associated with higher level of one's cognitive complexity (Thompson et al. 2010). Education frequently appears among the key success factors for small firms (Millan et al. 2012, Robinson and Sexton 1994).

Hence, the educational level of entrepreneurs has been found to be an important factor to explain the innovative activity of small firms (Koelling 2008). It can be concluded that educational background, previous experience, training and other personality development traits of entrepreneurs can condition the ability to implement process innovation in Small and Medium Enterprises.

CONCEPT OF SMALL SCALE INDUSTRY AND ENTREPRENEURIAL PROCESS

Small scale industries have been one of the most significant and characteristic feature of the total industrial sector of country like India. Small scale enterprise has been statutorily defined in many countries by various bodies and acts on the basis of number of person employed and capital investment or both. In India, the definition of small scale industry has undergone periodic changes over the years to keep pace with economic development. However, for the purpose of this study working definition of the small scale enterprise will be adopted according to the notification of Ministry of Small Scale Industries, Government of India on the following criteria:

Enterprises engaged in manufacturing and production of goods pertaining to any industry specified in the First Schedule of Industries Act, 1951.

• These enterprises have an investment limit in plant and machinery of above twenty-five lakh rupees but does not exceed five crore rupees.

Entrepreneurial Process

Schumpeter (1934), as cited in Tiwari. S & A (2007P:88) described entrepreneurship as "a process and entrepreneurs an innovator who uses the process to shatter the status quo through new combination of resources and new methods of commerce."

The entrepreneurial process involves the following steps:

i. Identification of Opportunities

The entrepreneurial process consists of opportunities, resources and organizations. It is the most essential feature in the entrepreneurial process that requires assessment of opportunities and its association with consumers, business acquaintances, technical persons etc. Opportunities must be cautiously screened and evaluated. Entrepreneur must find and develop opportunities that fit his personal skills and goals.

Evaluation of an opportunity includes:

• Estimation of opportunity, looking at the length of the opportunity.

• Requirements of activities concerned, observing its real and perceived value.

• Resources needed to convert the opportunities into a viable enterprise being unique in its competitive environment.

All of this would make entering in new market easy and feasible, would help overcoming the adverse forces withstanding the creation of something distinct and increasing overall turnover of the enterprise.

ii. Strategy Formulation And Developing A Business Plan

Developing a business plan is the most exhausting phase of the process. Entrepreneur has to calculate the risk he has to bear, receive measures and make a systematic evaluation of his ideas. Test of value helps

him calculate risk, foresee profitability, assist in mobilization and coordination of various activities relating to the development of the enterprise. Business plan is developed to materialize the assigned opportunity and forms a base for various requirements of resources like raw material, financial backup, manpower who contribute their efforts, knowledge and skills to make business plan a success.

iii. Monitoring And Managing The Activities Of The Enterprise

The final stage is monitoring the problems of the growing enterprise, taking corrective measures if required and observing the progress. The problem areas can be quickly identified and resolved, the activity not yielding good returns would either be stopped or the process be restructured.

LITERATURE REVIEW

The study by **Ignas G. Sidik (2012)** aimed to contribute in filling the gap by identifying factors affecting SME performance and, hence, their development; and to develop a conceptual framework explaining their relationships. Field observations and literature review suggest five second- order constructs serving mediating roles between entrepreneur traits and firm performance that may clarify the relationship, i.e., (1) innovative performance, (2) innovative capacity, (3) organizational search, (4) market orientation, and (5) entrepreneurial orientation. This paper has provided a basic conceptual framework that could be useful in fostering SMEs performance by contributing a larger gestalt on factors affecting SMEs development. : First, some of the relationships between two constructs of this conceptual framework may not always linear. Inverted U-shape relationships have been reported in the literature for some pairs of constructs. Consequently, specific hypotheses developed at the operational level should take this phenomenon into account. Second, several important moderating factors need to be included in the framework, most notably, size, age, level of technology, hostility of the environment, level of internationalization, and cultural background of the entrepreneur(s) or managing founder(s). Third, most of the seven constructs in this conceptual framework are of a higher order. Studies should be conducted to test alternative first order operational measures. Many of the construct were developed in English, those measures need to be validated

or modified for empirical studies in non-English speaking populations. The plan for further study is to develop specific research models and to test them.

Li Jun and Matlay Harry (2006) in their study they discussed three main strands of research relating to entrepreneurship in China, the role of local governments in the development of entrepreneurial activities in town and village-based enterprises (TVEs), institutional environment and strategic responses of private firms; and culture and its impact on entrepreneurship. The study employs a critical review approach to research on entrepreneurship and small business development in China. The authors argued that existing theories need to be revised on a continuous basis, as ongoing reforms and developments redefine relationships between stakeholders and the wider economic environment in China. They have suggested that the combination of local entrepreneurial state theory with an analysis of the institutional environment at the macro level offers plausible explanations on the causes, context and extent of Chinese entrepreneurship development during the past two decade.

Thurik Roy and Wennekers Sander (2004) looked at the relationship between small business and entrepreneurship. They emphasis on the difference between the two posits: one in the early part of the last century small businesses were both vehicles for entrepreneurship and source of employment. Second in the post-war years, large firms made great inroads in the 1960s and 1970s. They concluded that government's central role in entrepreneurialism for the economy is, by its very nature, enabling. Furthermore, entrepreneurship is acknowledged as a driver for economic growth, competitiveness and job creation.

P Taub Richard and L Taub Doris (1989) analysed the role the government's program may have played in facilitating their efforts and understand the achievement of entrepreneurs in small scale sector. Detailed analysis of the social, political and psychological milieu formed the integral part of the research process. Punjab, Orissa and Tamil Nadu were chosen for the study. 200 entrepreneurs and dozens of government officials charged with implementing the program were interviewed. The study suggests that the growth of small-scale industries in India is quite independent of the small-scale industries program, and that successful small scale manufacturers most often succeed because they can get around government restriction rather than being encouraged by government incentives.

They recommend new governmental approaches to generating economic growth.

OBJECTIVES

The main objective of the study is to identify how socio-cultural traits impact the development and expansion of small-scale enterprises. Also analysis is done on:

- Education and training and its influence on the performance of the selected small scale industries.

- Success rate of small scale industries and its dependence on inter-related factors is assessed.

RESEARCH METHODOLOGY

The study is aimed at identifying variables of Small Scale Industries and their influence in the entrepreneurial development in Nainital district of Kumaun division. Nainital district has a broader spectrum of representative samples with varying commercial and industrial background. The diversity of these industrial structures in Nainital is agro-based and forest based accounting for the majority of the total units in the region. The sound infrastructure with metalled roads, railways, airports and communication add to the opportunities of entrepreneurial development. Thus, the thrust of the study offers an ideal scope for studying the extent and scope of the entrepreneurial activity, particularly in view of the obvious economic backwardness of the region, notwithstanding the otherwise sound economic infrastructure.

The study incorporates data from both constructed (primary data) and pre-existing data (secondary data). The primary data was collected by conducting direct structured interview using questionnaire. All the respondents were asked the same questions in the same fashion and they were informed the purpose of the study. The secondary data was collected through publications, journals, published and unpublished reports by government bodies and organizations.

The lists of the firms included in the study were derived from District Industry Center (DIC), Haldwani (Nainital District). Considering the above objective, a descriptive research design was adopted for the study. A sample size of 100 small industrial units was randomly chosen across the district for the study.

LIMITATION

All the respondents were asked to give the answers on the basis of what they feel and what they think. The confidentiality of the data was assured to the respondents. Since major data was collected through questionnaire method, the present study is subject to common limitations of the most behavioural studies as there may be chances of measurement error or bias.

Results are limited by the reliability of the statistical test used. The findings cannot be generalized to the larger population.

ANALYSIS AND RESULTS

H[1]: Socio-cultural background, caste/community, religion, social status, family background etc., does have an impact on the development of entrepreneurship.

Table 1: Socio-cultural background and starting own business

Socio-Cultural Background	Calculated x^2 Value	Table value	Degree of Freedom	p-value	Result of Null Hypothesis
Age	3.225	13.277	4	0.521	Accepted
Gender	0.072	6.635	1	0.788	Accepted
Caste	3.351	9.210	2	0.187	Accepted
Religion	3.990	13.277	4	0.407	Accepted
Fathers occupation	49.058	26.217	12	0.000	Rejected
Grandfather's occupation	24.883	26.217	12	0.015	Accepted

Source: Computed from primary data.

Table 1 show that the null hypothesis H1 was partially accepted by chi-square test when applied at 1% level of significance. It is observed that the chi-square significance (p-value) is > .01 for all variables except one. Thus, there is statistically significant association in the above six factors and they are equally important for entrepreneur's development and setting up small industrial unit.

H[2]: There seems hardly any significant correlation between level and quality of education and successful entrepreneurship.

Table 2: Qualification and start own business

Qualification* Start own business			Start own business		Total
			No	Yes	
Qualification	Post Graduate	Count	3	19	22
		Percentage within start own business	7.1%	32.8%	22.0%
	Graduate	Count	16	28	44
		Percentage within start own business	38.1%	48.3%	44.0%
	High School Plus	Count	14	7	21
		Percentage within start own business	33.3%	12.1%	21.0%
	Less than high school	Count	9	4	13
		Percentage within start own business	21.4%	6.9%	13.0%
Total		Count	42	58	100
		Percentage within start own business	100.0%	100.0%	100.0%
Chi-Square Tests					
		Value	Degree of freedom	Asymp. Sig. (2-sided) (p-value)	
Pearson Chi-Square		17.042	3	0.001	
Likelihood Ratio		18.069	3	0.000	
N of Valid Cases		100			

Source: Computed from primary data.
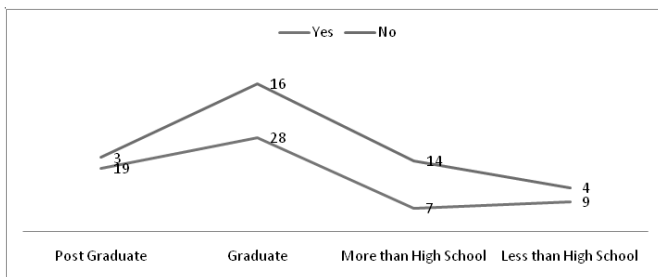
Fig 1 Association between educational qualification and start own business

Table 2 shows, $X^2(4) = 17.042$, p = 0.01 and have a statistical significant association between a successful entrepreneur and his qualification. 48.3% of the entrepreneurs are graduates whereas, training does not form an integral part in running an enterprise as 88.1% are of the view that training is not essential to run an enterprise. Thus, the null hypothesis is rejected at 0.01 level of significance as there is a significant correlation between level and quality of education and successful entrepreneurship.

Table 3: Training and start own business

			Start own business		Total
			No	Yes	
Training	No	Count	37	47	84
		Percentage within start own business	88.1%	81.0%	84.0%
	Yes	Count	5	11	16
		Percentage within start own business	11.9%	19.0%	16.0%
Total		Count	42	58	100
		Percentage within start own business	100.0%	100.0%	100.0%
Chi-Square Tests					
		Value	Degree of freedom	Asymp. Sig. (2-sided)(p-value)	
Pearson Chi-Square		0.904	1	0.342	
Continuity Correction		0.455	1	0.500	
Likelihood Ratio		0.928	1	0.337	

Source: Computed from primary data.

H[3]: Innovation forms a key factor in the performance of small scale industries and it has a close link with education and training.

Innovation is one of the key attribute in generating and implementing of new, appropriate idea to establish a new or an ongoing enterprise. Schumpeter (1934) described entrepreneurs as individual whose function was to carry out "new" combinations of production; innovation has been conceived as a key dimension of entrepreneurship.
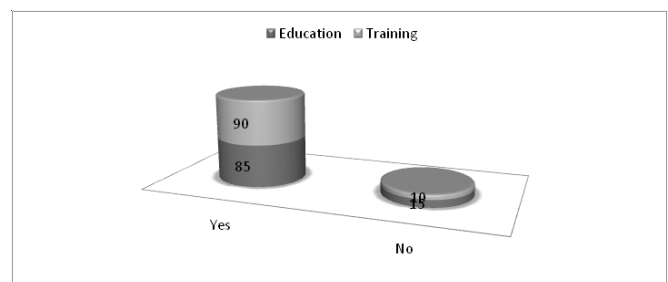

Fig. 2: Association between education & training in relation to innovation

It is interesting to note that education and training have a significant influence on engagement of innovative activities. As shown in fig 2, 90% and 85% of the respondents are of the view that education and training respectively plays an important role in innovation process. Respondents feel innovation lead to reduction in firms costs and assure firms growth. Hence, it can be inferred that training, education, innovation and firms growth have a close association. Therefore, the hypothesis is accepted.

H4: The success rate of small scale firms can be assessed by following measures of success:

- Growth in terms of turnover.

- Availability of raw material and skilled labour.

- Usage of latest technology.

- Owner's satisfaction with the business.

- Government Policies.

- Competitiveness.

Owner's subjective analyses of firm's business success during past five years were elicited. According to the survey, three-fourth of the entrepreneurs perceived that their firm succeeded better when raw material and skilled labour are abundant. Majority of the entrepreneurs, especially of the urban areas, have started using latest technology resulting in reduction in production cost and raising output productivity. Two-fourth of the entrepreneurs observed a 3-4 fold rise in their yearly turnover, leading to satisfaction amongst the owners with the business progress. The entrepreneurs felt that competitiveness urges them to innovative and increase market share thus, making it the most crucial factor favouring success.

It is widely accepted that the availability of entrepreneurship is the most important determinant in the process of industrialisation success. This situation has led to the political mandate to encourage entrepreneurship, increase livelihood opportunities and enhance competitiveness in the changes economic scenario. Moreover, provision of subsidies, ease of registration and operational norms motivate entrepreneur's progress. The government for the same has taken multiple initiatives to ensure high industrial growth. For this it has introduced and implemented programmes like- Make-in India, Ease of doing business, Skill India, Start-Up India-reforms in various industrial and infrastructure sectors.

It is concluded from the above that all the factors contribute to success of the small firms. These factors are inter-related and one cannot do without the other to make small enterprise a success.

CONCLUSION

Determinants of small scale industries performance represent a central point in entrepreneurship. As examined by various scholars that education appears to be the key factor in the success for small firms holds true as per the finding of this study as it is seen more educated people prove to be more successful. Both educational background and family occupation can condition the ability to implement innovation and have a higher tendency to start their own business.

Table 4: Origin of occupation of the respondents

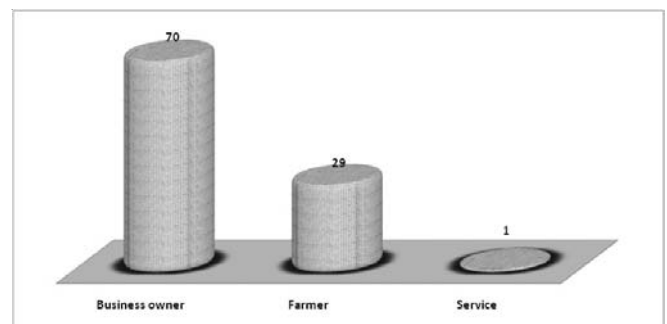| Origin of occupation of the respondents	Number of the respondents	Percentage of the respondents
Business owner	70	70
Farmer	29	29
Service	01	01

Figure 3: Origin of occupation of the respondents

Source: Computed from primary data

As shown in the bar diagram in Fig.3 and Table 4, it is observed that 70% of the respondents took over entrepreneurship as their occupation as their family had a business set up, they carried forward the business implementing innovation and latest technology.

The study also shows that training in the field of business in case of small enterprises doesn't pose a challenge as majority of the small scale entrepreneurs are more successful even without attending any training program in their field. Factors like growth in terms of turnover, availability of raw material and skilled labour, usage of latest technology, owner's satisfaction with the business, competitiveness and Government Policies form a part of the success rate of small scale industries. All of this was looked up by the government and an integrated approach has been undertaken by implementing The National Policy for Skill Development and Entrepreneurship 2015.

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Sectoral Analysis of Brics Countries in Perspective of Export Trade: Empirical Evidences

J.P. Singh and Kumar Aditya

ABSTRACT

BRICS - a collaboration of Brazil, Russia, India, China and South Africa, world's largest developing economies. These countries with the aid of their resources, agrarian wealth and a burgeoning service sector are metamorphosing to be the leading exporters in the world market. The paper analyses the sectoral effect of economic, social and political dimensions on the exports of these countries. The analysis has been done with the help of Panel Data Analysis, which is further examined on two criteria - REM and FEM.

INTRODUCTION

In the year 2003, Goldman Sachs came out with its report on four economies Brazil, Russia, India and China (BRIC). It forecasted that the trade bloc would drive global growth for the next half-century. Indeed, their combined GDP would exceed that of the G6 in less than 40 years. Surprisingly, that forecast was virtually reached in double-quick time, as by the end of 2014 their GDP stood at US$ 16.6 trillion, nearly one-half of G6 nations (US$33.80 trillion). The BRICS nations have been engaged with one another to enhance co-operation in various economic and financial areas. The bloc previously was stringent, but now they have enlarged and added South Africa in April 2011. They profess a shared vision of inclusive global growth, combined with development policy centring and rapid socio-economic transfer of their own nations. Graph 1 portrays the inter-intra exports ratio of BRICS countries. As is evident from the graph the ratio is on a rising spree for Brazil and South Africa, nearly stagnant for Russia and falling for India and China. Therefore, revealing that the inter trade of Brazil and South Africa has been rising, but for India and China the ratio has been decreasing. One of the major reasons for this decline is the high degree of diversification in direction of exports to other countries in world. However, for Russia both the exports are growing on a parallel pattern. As noted from the table, the exports of China, Russia and India has recorded the highest inter-trade in terms of value. But, in comparison to their intra-trade, the inter-trade has been low.

Key words

BRICS, economic factors, social factors, political factors, panel data.
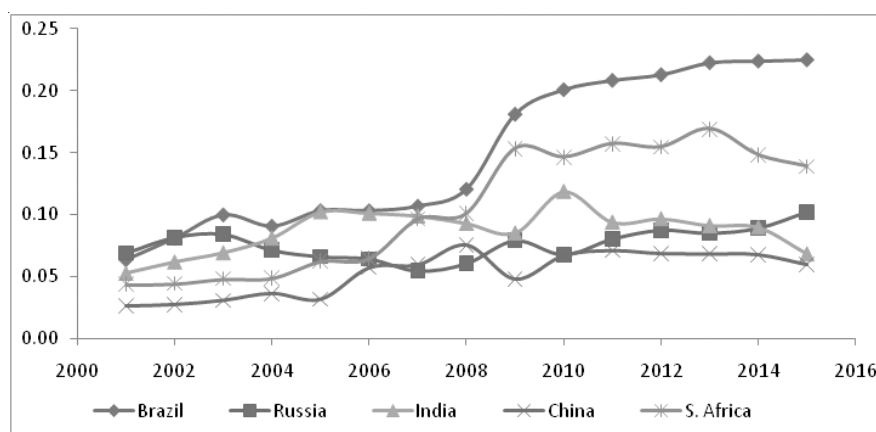
Graph 1: Inter : Intra trade ratio

REVIEW OF LITERATURE

Ademuyiwa, A. (2014)[1] has examined the value, intensity, complementarily, balance, and structure of South Africa's trade with its partners in the BRICS (Brazil, Russia, India, China, South Africa) alliance. Chatterjee B., Jena, P. C., Singh S. (2014)[3] in their article they have examined the impact of intra-BRICS trade on India's exports. Desai, R.[4] has analysed the challenges that BRICS countries are posing to the developed economies. Iqbal (2015)[6] in his work he has examined the economic significance, contribution and role of BRICS in development of the world economy. Minima, A. (2012)[8] in his article he has undertaken a comparative analysis of human capital development of BRICS countries. Pradhan, R. P., Dasgupta P., Bele, S. (2013)[9] in their paper have examined the nexus between financial development and economic growth by using panel data auto regression of BRICS. Global Economic Paper (2001)[10] has discussed the state of the BRICS countries as a trade bloc and emerging exporters in world economy. WP, WTO (2013)[14] has identified trade policies, problems and areas of deepening trade of BRIC. Wilson D. (2003)[15] in his paper has presented a futuristic status of BRICS countries in 2050. Xiaoyun L., Carey, R. (2014)[16] in their paper have analysed the challenges and future of BRICS countries.

OBJECTIVES

The following objectives have been analysed in the paper:
- To analyse the effect of economic sector on the exports of BRICS.
- To analyse the effect of social sector on the exports of BRICS.
- To analyse the effect of political sector on the exports of BRICS.

METHODOLOGY

The study is analytical in nature and covers a period of twelve years (2001-2012). The study has been divided into the following: Introduction, Literature Review, Objective, Methodology, Analysis and Interpretation, Findings and Conclusion. The data collected is mainly secondary in its nature and is collected from the databank of Commerce wing of UN (UNCOMTRADE) and KOF Swiss Economic Institute. The economic dimension includes imports, FDI, and restrictions on trade. The social dimension includes foreign population of a country, international tourism, telephone traffic, internet users, and cultural proximity. The political dimension includes number of embassies in

a country, membership in International organizations, and number of trade agreements. The statistical analysis has been done with the help of Panel Data Estimation Analysis. The analysis has further been done on two criterions - Random Effects model (REM) and Fixed Effect Model (FEM). However, the FEM has been rejected because it does not consider the changes in variables over the period of time. The Panel data has been analysed through the following equation for understanding the export behaviours of BRICS nations:

$$EXP01 = \alpha_1 + \beta_1 \text{ Actual Flow} + â_2 \text{Restrictions} \quad \text{eq. 1}$$

$$EXP01 = \alpha_2 + \beta_3 \text{ Personal Contact} + \beta_4 \text{ Information Technology} + \beta_5 \text{Cultural Proximity} \quad \text{eq. 2}$$

$$EXP01 = \alpha_3 + \beta_6 \text{ Political memberships} \quad \text{eq. 3}$$

Equation 1 denotes the regression coefficients - $á_1$, $â_1$, $â_2$ and the inter-relation of economic dimensions, restrictions and exports. Equation 2 on the other hand depicts the coefficients of social factors as $á_2$, $â_3$, $â_4$, $â_5$ and their corresponding effect on trade. Lastly, equation 3 represents two coefficients $á_3$ and $â_6$ which shows the political parameters and their regressive effect on exports of BRICS.

ANALYSIS AND INTERPRETATION

Economic Dimension

The equation depicts that the exports determine a strong relation with imports and investment, but has a negative effect due to rising restrictions.

EXP01= 40.37 + 0.54 Actual Flow – 0.25 Restrictions

Table 1: Economic factors (Panel EGLS Analysis)

Dependent Variable: EXP01				
Method: Panel EGLS (Cross-section random effects)				
Periods included: 12 Cross-sections included: 5				
Total panel (balanced) observations: 60				
Swamy and Arora estimator of component variances				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C (*a₁*)	40.36865	20.15083	2.003325	0.0499*
Actflow	0.540649	0.297834	1.815266	0.0747**
Rest	-0.254955	0.356883	-0.714395	0.4779**
Effects Specification				
			S.D.	Rho
Cross-section random			0.000000	0.0000
Idiosyncratic random			26.49409	1.0000

*Significant at 5% level. **Significant at 10% level

The analysis shows that the effect of actual flow i.e. imports, FDI, etc. has been highly beneficial for India, but the restrictions has been highly non-competitive for Russia's exports.

Table 2: Index of Exports

Year	Brazil	Russian Federation	India	China	South Africa
2001	56.31	62.05	47.23	46.99	59.84
2002	55.45	62.29	46.71	48.10	59.97
2003	57.35	66.55	46.59	48.88	58.36
2004	56.09	63.48	46.80	47.19	58.13
2005	53.71	64.57	46.04	50.13	58.89
2006	53.91	67.75	49.04	53.24	60.83
2007	54.56	67.48	50.42	51.25	63.74
2008	54.10	63.13	51.68	50.03	63.69
2009	55.59	66.51	51.81	49.17	59.96
2010	54.93	65.53	52.71	50.94	59.26
2011	54.51	63.95	51.65	51.82	59.86
2012	54.79	63.98	54.04	50.38	60.87

Source: Computed

Social Dimension

As exhibited from Table 4 information technology has a high positive effect on exports. Other factors like personal contact determine a low degree of effect. But, the cultural proximity has a negative effect on the exports.

EXP01= 29.66 + 0.03 Personal Contact + 0.73 Information Technology – 0.37 Cultural Proximity

Table 3: Social factors (Panel EGLS Analysis)

Dependent Variable: EXP01				
Method: Panel EGLS (Cross-section random effects)				
Periods included: 12 Cross-sections included: 5				
Total panel (balanced) observations: 60				
Swamy and Arora estimator of component variances				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C (a_3)	29.66224	16.79779	1.765842	0.0829*
Demo	0.028782	0.290027	0.099240	0.9213*
Culture	-0.369932	0.252030	-1.467809	0.1478*
Infotec	0.732342	0.401391	1.824510	0.0734*
Effects Specification				
			S.D.	Rho
Cross-section random			0.000000	0.0000
Idiosyncratic random			27.02787	1.0000

*Significant at 10% level.

The analysis reveals that the social factors like demography, contacts of the population, internet usage,

and cultural integration etc. has proved to be beneficial for Brazil, South Africa and Russia to enhance the exports. Whereas, export of India and China defers on these dimensions.

Table 4: Index of exports

Year	Brazil	Russian Federation	India	China	South Africa
2001	63.29	61.22	46.48	44.81	54.78
2002	63.34	62.42	47.92	46.72	53.80
2003	63.05	63.09	48.06	46.67	52.19
2004	63.73	63.40	48.08	47.64	52.30
2005	63.73	63.15	47.59	48.51	52.34
2006	64.19	63.84	52.55	48.62	52.78
2007	65.14	63.00	51.86	48.88	53.67
2008	66.53	62.55	48.34	49.00	55.29
2009	67.17	62.18	48.80	49.52	57.61
2010	67.84	55.85	49.48	50.61	60.01
2011	67.96	55.77	49.70	50.18	61.02
2012	68.08	55.72	50.37	50.59	61.78

Source: Computed

POLITICAL DIMENSION

With the interpretation of political integration the coefficient shows that political setup a country has been strongly affecting the exports, resulting in a negative impact.

EXP01= -301.75+ 4.16 Political memberships

Table 5: Political factors (Panel EGLS Analysis)

Dependent Variable: EXP01				
Method: Panel EGLS (Cross-section random effects)				
Periods included: 12 Cross-sections included: 5				
Total panel (balanced) observations: 60				
Swamy and Arora estimator of component variances				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C (a_3)	-301.7524	38.34838	-7.868712	0.0000***
POLITCL	4.159927	0.445274	9.342398	0.0000***
Effects Specification				
			S.D.	Rho
Cross-section random			3.003314	0.0460
Idiosyncratic random			13.68349	0.9540

*Significant at 1% level.

Brazil's political stability and integrity has been supportive for its trade, but the same dimension has been deterrent to Russia and China.

Table 6: Index of Exports

Year	Brazil	Russian Federation	India	China	South Africa
2001	61.69	27.27	61.24	20.45	21.46
2002	61.52	29.40	61.04	19.22	24.10
2003	61.73	31.59	63.25	25.60	36.82
2004	73.48	34.78	63.04	32.84	45.99
2005	76.40	35.98	66.89	34.83	48.09
2006	77.43	38.17	73.21	44.61	51.25
2007	80.83	45.75	76.51	49.83	53.98
2008	83.00	45.68	77.48	49.83	58.04
2009	84.13	49.87	77.48	52.10	57.83
2010	89.09	51.99	79.74	53.16	61.23
2011	89.09	52.33	81.01	54.29	60.10
2012	90.22	51.47	79.87	53.16	62.36

Source: Computed

FINDINGS

On the basis of the statistical analysis it can be interpreted that the BRICS nations are under strong influence of interdependence and linkages among themselves. This interdependence has somewhere resulted from the rising need of the nations to be *global*. It can be inferred from the analysis that the BRICS countries have a wide scope of expanding their share in the world exports. But it can be achieved only when they can overcome the tariff and non-tariff barriers among themselves. As evident from the analysis, economic factors like imports, investment, etc. act as an activator to the exports, but simultaneously the restrictions obstructs the flow of the same. Similarly, the cultural differences also dismantle the balance as the consumers are hesitant to accept new trends and culture, especially in China and Russia. In addition, the political instability, red-tapism, terrorism and bureaucratic constraint in countries like India and South Africa hinders the growth of exports. Also, the divergence of Russia and China from entering into trade agreements has also negatively affected the growth of trade. Therefore, the countries need to focus on easing the business arena at international level so that the restrictive trade regime can be loosened up. As well as overcoming the political monarchy shall surely help in augmenting the value of exports.

CONCLUSION

In the next decade, BRICS can emerge as one of the leading trade blocs after EU and NAFTA. As a bloc, it has the capacity and potential to slice a major share in world's total exports but, it has to be a mutual effect of the partner countries. Because, barriers will never allow the exports to nurture.

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Operational Performance Analysis of Bihar State Tourism Development Corporation

Ram Uddeshya Singh

ABSTRACT

This paper makes an attempt to examine the performance analysis of Bihar State Tourism Development Corporation (BSTDC) with regard to selected parameters i.e. Management cost, office cost, general cost, selling & distribution cost, other operating & non-operating cost. The study is based on secondary and primary data. The secondary data is taken from the annual report of BSTDC for the period of 5 years from 2010-11 to 2014-15. The primary data is collected by interacting with the officials of BSTDC. In order to accomplish the objectives of the study, ratio analysis is employed.

INTRODUCTION

Bihar is well known for its historical and cultural heritage, ideal traditions and beautiful tourist spots. In keeping with its age old traditions, the people of Bihar wholeheartedly welcome both the national and international tourists. The state, full of tourism potential has accorded tourism the status of Industry. The state government is making an all out effort to develop nationally and internationally important tourists destinations and circuits through various tourism projects. These projects are by and large, judicious mix of culture, spiritual, heritage and eco-tourism with a view to provide the tourists a holistic experience of the state. The tourist destinations are also connected by the facilities of road, rail and air routes. For the comforts of tourists, the Department of Tourism provides Luxury buses and taxies. The state Govt. has decided to form Tourism Security Force for providing security and friendly services to the tourists. A 48 seater air conditioned floating restaurant on the river Ganga is in regular operation for attracting tourists. Besides on the pattern of Haridwar and Varanasi, the Ganga 'Aarati' has been started on its bank in Patna. In 'Diara' area closed to the Ganga river a food hub, swings for children and water games have been started for the tourists attraction. At a natural spot of Ghora Katora in Rajgir, the facilities like boating, cycling, etc. have been provided.

Bihar State Tourism Development Corporation (BSTDC) was established in the year 1980 for the development of Tourism in the state of Bihar and for commercialization of Tourist Resources available with the state. To achieve this objectives, various tourists infrastructure like Tourist Bungalow, Cafeteria, Restaurant, Transportation facilities and Ropeway are provided at various Tourists spots by BSTDC.

BSTDC has taken major initiatives to show the potential of tourist places of Bihar to the world. The tourist website is an effort to provide easy information to the tourists visiting Bihar. It aims to provide information related to important tourist places of Bihar State. The details of available facilities such as (i) Accommodation (ii) Transport (iii) Tour Package (iv) Sightseeing tours (v) River Cruise and Tourists Information Centres are available with the site.

Key words

BSTDC, PBIT, PAIT, TSF

OBJECTIVES AND METHODOLOGY:

The major objective of the study is to examine the operational performance of Bihar State Tourism Development Corporation (BSTDC) with regard to selected parameters in management cost, office cost, general cost, selling & distribution cost other operating & non-operating cost.

The study is based on secondary and primary data. The secondary data is taken from the annual reports of BSTDC for the period from 2010-11 to 2014-15. The primary data is collected by personally visiting and interacting with the officials of BSTDC. Ratio-analysis is employed to analyse the secondary data.

- **Total Operating Cost :** Total operating cost include management cost, office cost, general cost, selling & distribution cost & other operating cost.

- **Management Cost :** The term management cost includes salaries, wages, bonus, contribution to Provident Fund, Staff Welfare and gratuity etc.

- **Office Cost :** It includes all types of expenses related to run the office, like stationary expenses, material expenses etc.

- **General Cost :** It consists of printing, postage, telegram, telephone, travelling, conveyance, bad debts, other expenses, auditors remuneration etc.

- **Selling & Distribution Cost:** It refers to advertising & publicity expenses, agents commission, transporting expenses etc.

- **Other Operating Cost:** It refers to the total of fuel and oil, stores & spares, washing and laundry expenses, repairs to buildings, repairs to vehicles and launches, repairs to others, security services, electricity and water charges guide fees & commission, vehicle hire charges, cultural programmes on launches, insurance, rates and taxes.

- **Total Income :** It comprises of rooms/lease rent, tours & transport, interest on bank deposits, sale of publicity material, miscellaneous receipts, profit on sale of assets and grant in aid.

- **Profit before interest & taxes (PBIT) :** PBIT is equal to total income less total expenditure.

- **Profit after Interest & Taxes :** PAIT is equal to net profit for the year minus interest & provision for taxes.

ANALYSIS

Percentage of Total Operating Cost to total income: The magnitude of total operating expenses incurred by a concern has a direct bearing on its profitability. The higher the operating cost the lower the level of profitability and vice-versa. A higher percentage of total operating expenses to the total income indicates that the total operating expenses are not kept under control and a lower percentage denotes that the corporation has given much attention to control this cost.

The percentages of total operating expenses to the total income showed an increasing trend from the year 2010-11 to 2012-13 and it varies from 79.16 to 85.22 but from 2013-

Table 1 : Percentage of Total Operating Expenses to total income year wise.

(Amount in crore)

Year	Total Income	Total Operating Cost		Management Cost		Office Cost		General Cost		Selling & Distribution Cost		Other operating Cost		PBIT		PAIT	
		Amount	% in Total income	Amount	% in Total operating expense	amount	% in total operating expense	Amount	% in total operating expense	Amount	% in total operating expense	Amount	% in total operating expense	Amount	% in total income	Amount	% in total income
2010-11	10.51	8.32	79.16	2.05	24.63	1.16	13.94	0.75	9.01	0.45	5.40	1.25	15.02	2.18	20.74	1.48	14.08
2011-12	10.99	9.35	85.07	3.26	34.86	1.34	14.33	0.85	9.09	0.55	5.88	1.35	14.43	1.64	14.92	1.11	10.10
2012-13	13.74	11.71	85.22	3.75	32.02	1.68	14.34	0.76	6.49	0.64	5.46	1.85	15.79	2.03	14.77	1.38	10.04
2013-14	17.25	11.56	67.01	3.85	33.30	1.56	13.49	0.64	5.53	0.62	5.36	1.45	12.54	5.69	32.98	3.86	22.37
2014-15	16.41	10.96	66.78	3.96	36.13	1.57	14.32	0.63	5.74	0.42	3.83	1.48	13.50	5.44	33.15	3.74	22.79

Source : Annual Report of BSTDC for the related periods.

14 & 2014-15, it is in decreasing trend. This demonstrate that there has been decrease in total operating expenses as compared to the increase in total income during the study period. During the five years the average income was 13.78 and the average operating expense was 10.38. This denotes that the corporation has given much attention to control this cost.

Table 2 : Financial Status 2014-15

(In Crore)

Total paid up capital (audited Account)	5.00
Turn over	16.42
Total Expenditure	10.96
Reserves & surplus	19.69
Net Fixed Assets (After depreciation)	07.95
Net Current Assets	18.59
Profit before Int. & Tax.	05.44
Profit After Int. & Tax.	03.74

Source : Annual Report of BSTDC, 2015-16.

Table 3 : Sector wise Financial Status (2014-15)

S.No.	Sector	Sales (in crore)	Expenditure (in crore)	Profit (in crore)
1.	Hotels	2.07	1.63	0.44
2.	Restaurants	0.41	0.25	0.16
3.	Transports	3.54	2.59	0.95
4.	Ropeway	2.87	1.15	1.72

Source : Annual Report of BSTDC, 2015-16

Table 4 : Tourist Flow since 2005 to 2015

Year	Domestic Tourists	Foreign Tourists
2005	68,80,685	63,321
2006	1,06,70,268	94,446
2007	1,03,52,887	1,77,362
2008	1,18,89,611	3,45,572
2009	1,57,84,679	4,23,042
2010	1,60,42,725	5,40,686
2011	1,83,97,490	9,27,487
2012	2,14,47,099	10,96,933
2013	2,15,88,306	7,65,835
2014	2,25,44,377	8,29,508
2015	2,80,29,118	9,23,737

Source : Annual Report of BSTDC, 2015-16.

- **Percentage of Management cost to total Operating Expenses :** A higher percentage of management cost to total operating expenses implies a large share of the total management cost as compared to other elements in the total cost. It also indicates the inability of the corporation to control the management cost. From 2010-11 to 2011-12 the average percentage of management cost to the total

operating expenses was 29.75 and from 2012-13 to 2014-15 the average percentage was 33.81. Higher average percentage in the subsequent three years as compared to the first two years of the study period could be due to the increase in salary and payment of arrears on account of the implementation of Sixth Pay Commission scale to the staff of BSTDC.

- **Percentage of Office Cost to the total Operating Cost:** It is common phenomenon for every business establishment to maintain a separate section for the purpose of smooth functioning. First three years of the study period, it is increasing trends, but in the latter period, it decreased slightly. It indicates that office cost kept under control.

- **Percentage of General Cost to total operating cost:** Higher percentage of general expenses to the total operating expenses indicates that the general expenses account for a bigger share of the total operating expenses & vide–versa. Percentage of General cost to the total operating cost varied from 5.53 to 9.09. It is due to an increase in the travelling & conveyance, postage and telephone expenses.

- **Percentage of Selling Distribution Cost to Total Operating Cost:** It is a common practice to every business corporation to maintain a separate section for the purpose of advertising & publicity. A high percentage implies that the advertising and publicity material expenses are more significant compared to other elements of the total operating expenses. In 2011-12 the percentage of publicity material expenses to the total operating cost was 5.88, the highest in the study period and in the subsequent years it declined thereby demonstrating that publicity material expenses are not a significant cost in the total operating expenses of BSTDC.

- **Percentage of other operating expenses to the Total Operating Cost :** A lower percentage of other operating expenses to the total operating expenses indicates that other operating expenses are kept under control and a higher percentage denotes that the corporation is not given much attention towards controlling of these expenses. The percentage of other operating expenses to total operating expenses was the highest (15.79) in the year 2012-13. During the later period the percentage was lower as compared to the earlier years. This decline during the later years might be due to adequate internal control procedures adopted for the purchase of stores and

spares, fuel and oil, linen washing & laundry expenses.

• **Percentage of profit before interest & tax to total income :** The operating profit ratio indicates the operating efficiency or inefficiency of a business. The standard operating profit ratio is 10%. During the five years of the study, the percentage of operating profit to the total income varied from 14.77 to 33.15. It showed positive percentages. It is due to the control of the operating & non operating cost.

• **Percentage of Net Profit after interest & Tax to Total Income :** It is the overall measures of the firm's profitability. The two basic elements of the ratio are net profit and total income. net profit is obtained after deducting operating expenses and income tax. Higher the percentage, better the profitability and vice-versa. In the year 2014-15 the percentage was 22.79, the highest during the study period. It is mainly due to the better performance of BSTDC.

Table 2 indicates the financial status of 2014-15. Total turnover is 16.42 crore where as total expenditure is 10.96 crore. The BSTDC has a huge amount of reserve & surplus upto the date of Rs.19.69 crore and PBIT is 5.44 crore, the highest in the previous year Table – 3 shows the sector wise financial status of 2014-15 which includes Hotels, Restaurants, Transports & Ropeway. Table-4 show the tourist flow since 2005 to 2015. The domestic & foreign tourist flow since 2005 to 2015 indicates increasing trend. The domestic tourist in 2015 is highest since 2005,i.e. 2,80,29,118. Similarly, foreign tourists is highest in the year 2015 i.e. 9,23,737. The highest since 2005. It shows an impressive increase in the number of tourists, due to promotional efforts in domestic markets with emphasis on social awareness through sensitizing the masses and stakeholders towards the importance of tourism in the state.

CONCLUSION

The operational analysis of BSTDC was examined with regard to selected parameters namely management cost,

office cost, general cost, selling & distribution cost and other operating & non-operating cost. The different operating ratios were worked out and analysed for a period of 5 years. It was observed that the percentage of total operating expenses to the total income showed a increasing inclination except for the year 2013-14 & 2014-15. The average percentage of management cost to the total operating expenses indicated increasing order except in the year 2012-13.

The selling & distribution expenses showed a fluctuating tendency over the years. However, the percentage of selling distribution expenses to the total operating expenses showed a decelerating trend. The percentage of profit before interest & tax to the total income was the highest in the year 2014-15, i.e. 33.15%. It was noted that the percentage of Net profit after interest & tax to total income showed in increasing order.

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Minutes of the Executive Committee Meeting of the Indian Commerce Association (ICA) held on 10th November, 2016 at 5.00 p.m. in University of Lucknow, Lucknow, India.

A meeting of the Executive Committee of Indian Commerce Association was held on Thursday, 10th November, 2016 at 5.00 p.m. in the Conference Hall of Department of Economics, University of Lucknow, Lucknow, under the chairmanship of Prof. M. K. Singh, President, ICA. Following members was present:

1.   Prof. M. K. Singh (in-the-Chair)
2.   Prof. M. Ramchandra Gowda
3.   Dr. Anant M. Deshmukh
4.   Prof. M. Muniraju
5.   Prof. H. K. Singh
6.   Dr. Ran Singh Dhaliwal
7.   Dr. Shashank Bhushan Lal
8.   Prof. M. Jayappa
9.   Dr. Gurcharan Singh
10.   Prof. H. Venkateshwarlu
11.   Dr. Ajay Kr. Singh
12.   Prof. B. P. Singh
13.   Dr. T. A. Shiware
14.   Prof. P. Purushotam Rao
15.   Prof. M. B. Shukla
16.   Prof. M. Rehman
17.   Prof I V Trivedi
18.   Prof. R Mangal
19.   Dr Jasveen Kaur
20.   Prof. Arvind Kumar
21.   Prof. Debabrata Mitra
22.   Dr. Sangale Babasaheb Rambhau
23.   Prof. G. P. Prasain
24.   Dr. M. Shivalingegowda
25.   Dr. Pushkar Nath
26.   Dr. R.U. Singh
27.   Dr. S. Ramesh
28.   Dr. H. C. Purohit
29.   Mr. Devesh Kumar
30.   Dr. Balwinder Singh (Secretary)

The meeting started with the warm welcome of the EC members by the Conference Secretary, Prof. Arvind Kumar and Organising Secretary, Dr. Pushpinder Mishra by presenting a flower and conference kit to each of the member. Secretary of ICA, Dr. Balwinder Singh informed the members about the sad demise of two of the Past

Presidents of ICA- Prof. Samiuddin and Prof. A. D. Shinde. Dr. B. P. Singh and Dr. T. A. Shiware, senior members of ICA introduced these two members to the house, their contributions and accomplishments and magnanimity of these personalities. The members observed two minutes silence in the memory of these members of ICA. The formal meeting began with the welcome of all the members by the President ICA, Prof. M. K. Singh. The President called upon the Secretary to proceed with the agenda of the meeting.

The following decisions were taken in the meeting of Executive Committee of ICA unanimously:

Item 1: Confirmed the minutes of the earlier meeting of the Executive Committee of the ICA held on April 16, 2016 at 12.00 noon at University of Mumbai, Mumbai, and the Action taken Report presented by the Secretary.

Item 2: RESOLVED to approve the report of the Secretary which will be presented by him in the GBM.

Item 3: RESOLVED to approve the audited accounts of the ICA for the year 2014-15 and 2015-16 and the Managing Editor's Report which is to be presented in the General Body Meeting of the ICA.

Item 4: RESOLVED to recommend to the Annual General Body (AGM) of the ICA for approval of the following recommendations of meeting of the Office Bearers of the Indian Commerce Association (ICA) held on August 6, 2016 at 08.00 am at University of Lucknow, Lucknow

a.   The members discussed the Issue of granting Annual Membership to applicants throughout the year and associated difficulties in maintaining accounting and postal records of dispatch of the Journal. It was recommended that Annual Membership should not be granted during the year. Only the Non- life members who attend conference shall be granted Annual Membership by charging Rs. 1000 in addition to Conference fee which is the practice in vogue.

b.   The members discussed the issue of Annual Subscription to Indian Journal of Commerce and associated difficulties in maintaining accounting

and postal records of dispatch of the Journal. It was recommended that the minimum subscription to the Journal should be for two years or 5 Years. The charges should be Rs. 3000 for two years and Rs 5000 for 5 years.

c. The members discussed the issue of Conference Fee of Rs. 1500 being charged presently. It was felt that it should be revised in the light of escalation of expenses for hosting a conference. It was recommended that the conference fee of Rs. 1500 should be increased to Rs. 2500 out of which Rs 500 should be paid to ICA. The fee for accompanying person (spouse) should also be raised to Rs 2500.

Further Recommended to bring the delegate fee of those research scholars who have fellowship like JRF, SRF, etc., at par with the general delegates. However, other Research Scholars would be given a concession of 40% in delegate fee.

Further Recommended that all those members who pay their delegate fee to attend the Annual Conference of ICA and are unable to do so and they inform the Conference Secretary and Secretary of ICA 72 hours before the start of the Conference, then the entire money paid by such delegates should be transferred to the Land and Building Fund of ICA.

Item 5: Considered the progress and issues related to AICMTSE-2016. The House also appreciated the efforts made by President Prof. M. K. Singh, Vice President Dr. Anant Deshmukh, Secretary Dr. Balwinder Singh, Managing Editor & Treasurer Prof. H. K. Singh, Joint Secretary Prof. M. Muniraju, Managing Trustee Dr. Ajay Kr. Singh, Past Presidents of ICA, and the Life Members of ICA, for laying the Foundation Stone Ceremony for the ICA House in 1000 sq. mt. land on Oct. 31, 2016 at Plot No. 33 B, Knowledge Park 1, Greater Noida, U.P., Delhi NCR. In this regard, EC suggested that all expenses and their accounting should be so done that it is all transparent.

The House appreciated the amount of donation of Rs.21,000/- made by Prof. B. P. Singh towards the Land and Building Fund of ICA and a donation of Rs. 5000 by Ms. Lamaan Sami, Assistant Professor, AMU for this purpose. It was also decided to approach Corporate Houses, Government Bodies, MPs, MLAs, etc., for raising fund for the construction of ICA House. The House appreciated the contribution of Rs.2 lacs made by Professor Ram Chandra Gowda towards to the Land and Building Fund out of the surplus generated during the Bangalore Conference and the House requested the current and the future conference Secretaries to generously contribute towards the Land and Building Fund of ICA. All the Universities where Commerce is being taught should be invited to become Institutional Life Members and all Commerce Teachers to become Life Members for which intense membership drive should be made and the Year 2016-17 (70th Year of ICA) should be named as Membership Year of ICA. All donations to ICA will get the benefit u/s 80 G of the Income Tax Act 1961.

EC also suggested that Certificate of Appreciation be given to those members who contribute significantly in enhancing the life membership base of the ICA.

Dr. Ajay Kumar Singh, Managing Trustee of ICA was authorized to

a. Prepare and sign all necessary documents to apply to National Skill Development Corporation for an appropriate tie up of ICA with NSDC and to also open a Centre for Skill Development at Plot number 33 B, Knowledge Park 1, Greater Noida, U.P., Delhi NCR.

b. Prepare and sign all necessary documents to apply to Niti Ayog for setting up of Atal Incubation Centre under Atal Innovation Mission.

RESOLVED to recommend to the Annual General Body (AGM) of the ICA for approval of the constitution of Committee for raising funds for building ICA House at Noida with the following members:
- Dr. B. B. Taywade - Chairman
- Prof. Ram Chandra Gowda
- Dr. T. A. Shiware
- Prof. H. Venkateshwarlu
- Prof. Debrata Mitra
- Dr. Ajay Kumar Singh, Managing Trustee
- All the Office Bearers of ICA

Item 6: RESOLVED to recommend to the Annual General Body (AGM) of the ICA for approval of the proposal of creating an app of ICA to be made available to existing and potential members of ICA through Google Play store

Item 7: RESOLVED to recommend to the Annual General Body (AGM) of the ICA for approval of the proposal of providing Online Payment Gateways and Processing (Paytm or Like) together with UPI (Unified Payment Interface) to ICA existing and Potential members for making various payments

Item 8: The members discussed the progress and issues related to All India Commerce and Management Talent Search Examination (AICMTSE) 2016 which was held on on 16, 17, 18, 19 October, 2016. Report related to the conduct of was presented and the house congratulated Prof. S. Ramesh for the conduct of exam.

RESOLVED to approve the report submitted by Prof. S. Ramesh, National Coordinator of AICMTSE. The EC further authorized Prof. S. Ramesh to take necessary decisions with respect to AICMTSE, 2017.

Item 9: Discussed the issue of Ranking Journals published in India on the lines of Australian Business Deans Council Rankings.

RESOLVED to appoint Professor K. Eresi, as the Chairman of the Committee for creating the framework for ranking the journals. He was authorized to co-opt members in the committee.

Item 10: RESOLVED to recommend to the Annual General Body (AGM) of the ICA that M/s Alok Sharma & Company, Chartered Accountants, BJ-57, Shalimar Bagh, Delhi - 110088, be authorized to Audit the accounts as Auditor for the year 2016-17.

Item 11: RESOLVED to recommend to the Annual General Body (AGM) of the ICA that Professor P. Purushottam Rao be appointed the Returning Officer for holding elections during 70ᵗʰ All India Commerce Conference.

Item 12: RESOLVED to approve the Life Membership of ICA of the new applicants

received by the Secretary ICA during the year 2016. **Item 13: RESOLVED** to invite the names in the prescribed format from the General Body of the ICA regarding the topics for the Seminar session, four Technical Sessions, and M. M. Shah Research Gold Medal Session to the held at the time of the 70ᵗʰ annual Conference of the ICA.

Item 14: RESOLVED to invite from the General Body of the ICA in the prescribed format the names of the Chairpersons and Co-chairpersons for the Seminar Session, four Technical Sessions, and M. M. Shah Research Gold Medal Session to be held at the time of the 70ᵗʰ Annual Conference of the ICA.

Item 15: RESOLVED to authorize Conference Secretary and President of ICA to nominate two members on BBAY Award Jury. **Item 16: RESOLVED** to authorize Conference Secretary and President of ICA to nominate

two members on M. M. Shah Research Gold Medal Award Jury.

Item 17: The following proposals for holding the 70ᵗʰ Annual Conference of ICA were placed before the EC:

a) Professor Subhash Garg, Professor, Department of Management, Dean & Director, Centre for Research, Innovation & Training (CRIT), The IIS University, ICG Campus Mansarovar, Jaipur, Rajasthan.

b) Dr. Jadhavar Sudhakar Udhavarao, Principal, Dr. Sudhakarrao Jadhavar Education Campus, Nahre-Dhayari Road, Pune - 41 (MIT Art, Design & Technology University, Pune), Maharasthra.

The EC further discussed the eligibilities of Institution who express their willingness to host the conferences.

a) It was decided that the University sponsoring the proposal should have commerce or management faculty/department.

b) The Conference Secretary should be either faculty in the university sponsoring the proposal or should be faculty in the affiliated college of the university sponsoring the proposal.

c) The conference fee of Rs 25000 to be increased to Rs. 50,000

Item 18: RESOLVED to recommend to the General Body of the ICA the name of Professor Arvind Kumar for the Post of the president of the ICA for the next term, i.e. from the conclusion of 69ᵗʰ AICC upto the conclusion of the 70ᵗʰ AICC of the ICA.

Item 19: Under any other item with the permission of the Chair, following decisions were taken unanimously:

a) **RESOLVED** to approve the proposal received from Dr. T. A. Shiware, Trustee, Chhatrapatui Shahu Institute of Business Education & Research Trust (CSIBER) for instituting "Prof. A. D. Shinde Memorial Research Fellowship." President and Secretary were authorized to finalize the details of the same to ensure that the Award can be started from the 70ᵗʰ Annual Conference of ICA. A committee of the office bearers of ICA was formed to finalize the modalities and get the approval of EC through circulation and implement it.

b) **RESOLVED** to approve the proposal received from Dr. Lamaan Sami D/o Late Prof. Samiuddin for

instituting 'Prof. Samiuddin Memorial ICA Research Scholar Award'. President and Secretary were authorized to finalize the details of the same to ensure that the Award can be started from the 70th Annual Conference of ICA.

c) **RESOLVED** to accept the proposal submitted by Dr. Ajay Kumar Singh, Managing Trustee of ICA, with signatures of 40 Life members to create the Chapter of ICA in the region of Delhi- NCR. It was further decided that the Committee which was constituted under the Chairmanship of Dr. T. A. Shiware for finalizing the guidelines for creation of new state Chapters of ICA be asked to submit its report at the earlier.

The Chairman thanked all the members.
The meeting ended with a vote of thanks to the Chair.

November 10, 2016

Dr. Balwinder Singh
Secretary, ICA

INDIAN COMMERCE ASSOCIATION MINUTES OF THE ANNUAL GENERAL BODY MEETING OF THE INDIAN COMMERCE ASSOCIATION HELD ON NOVEMBER 12, 2016

The Annual General Body Meeting of the Indian Commerce Association was held on November 12, 2016 at 4.30 pm at Chhatrapati Shivaji Ground, the University of Lucknow, Lucknow. under the chairmanship of Professor M K. Singh, President of ICA. The following decisions were taken unanimously:

Item 1 Considered the minutes of the last meeting of the General Body of the ICA held on November 7, 2015 at 4.00 pm in the Vinoba Bhave University, Hazaribagh

RESOLVED to approve the minutes of the last General Body Meeting of the ICA.

Item 2 Considered the Secretary's Report for the year 2016 as approved by the Executive Committee of the ICA

RESOLVED to approve the Secretary's Report for the Year 2016.

Item 3 Considered the recommendation of Executive Committee regarding audited accounts of the ICA for the years 2015 and 2016 and the Managing Editor's Report.

RESOLVED to approve Audited accounts of the ICA for the years 2015 and 2016 and the Managing Editor's Report

Item 4 Considered the report to the general body regarding the progress related to construction of ICA House at Greater Noida on the matters of laying of foundation stone, raising of funds, construction of boundary wall and formation of various committees for the achievement of the objectives.

RESOLVED to note and approve the following minutes of EC meetings held at Mumbai and Lucknow

Relevant Minutes of Executive Committee Meeting of the Indian Commerce Association (ICA) held on April 16, 2016.

The EC members discussed the building requirements in detail and decided that ICA Building should house Reception Counter, Canteen, Auditorium for 300 persons, two Conference Rooms for 100 persons and 50 persons each, Office Rooms, Rooms for Office Bearers, Library Room, Computer Room and 50 Rooms for Members' Accommodation. Dr B. B. Taywade presented a Building Plan drafted by an Architect. It was decided to get 4-5 Building Plans ready so that the Committee authorised for

the purpose by EC of ICA can finalize it for approval from Competent Authority (i.e. GMADA). Dr M. K. Singh and Dr Pushkar Nath offered to help ICA in this regard. It was further decided that a Committee of President, Immediate Past President, Treasurer, Secretary of ICA and Conference Secretary be authorized to get the boundary wall constructed and take related decisions in this regard. It was further decided that ALL EC members who have not paid Rs5000 for the Building Donation, as decided at Nagpur EC Meeting, should deposit the same within one month.

Relevant Minutes of Executive Committee Meeting of the Indian Commerce Association (ICA) held on November 10, 2016.

The House appreciated the efforts made by President Prof. M. K. Singh, Vice President Dr. Anant Deshmukh, Secretary Dr. Balwinder Singh, Managing Editor & Treasurer Prof. H. K. Singh, Joint Secretary Prof. M. Muniraju, Managing Trustee Dr. Ajay Kr. Singh, Past Presidents of ICA, and the Life Members of ICA, for laying the Foundation Stone Ceremony for the ICA House in 1000 sq. mt. land on Oct. 31, 2016 at Plot No. 33 B, Knowledge Park 1, Greater Noida, U.P., Delhi NCR. In this regard, EC suggested that all expenses and their accounting should be so done that it is all transparent.

The House appreciated the commitment of donation of Rs.21,000/- made by Prof. B. P. Singh towards the Land and Building Fund of ICA and a donation of Rs. 5000 by Ms. Lamaan Sami, Assistant Professor, AMU for this purpose. It was also decided to approach Corporate Houses, Government Bodies, MPs, MLAs, etc., for raising fund for the construction of ICA House. The House appreciated the contribution of Rs.2 lacs made by Professor Ram Chandra Gowda towards to the Land and Building Fund out of the surplus generated during the Bangalore Conference and the House requested the Current and the Future Conference Secretaries to generously contribute towards the Land and Building Fund of ICA. All the Universities where Commerce is being taught should be invited to become Institutional Life Members and all Commerce Teachers to become Life Members for which intense membership drive

should be made and the Year 2016-17 (70th Year of ICA) should be named as Membership Year of ICA. All donations to ICA will get the benefit u/s 80 G of the Income Tax Act 1961.

EC also suggested that Certificate of Appreciation be given to those members who contribute significantly in enhancing the life membership base of the ICA.

Dr. Ajay Kumar Singh, Managing Trustee of ICA was authorized to

a.   Prepare and sign all necessary documents to apply to National Skill Development Corporation for an appropriate tie up of ICA with NSDC and to also open a Centre for Skill Development at Plot number 33 B, Knowledge Park 1, Greater Noida, U.P., Delhi NCR.

b.   Prepare and sign all necessary documents to apply to Niti Ayog for setting up of Atal Incubation Centre under Atal Innovation Mission.

RESOLVED to recommend to the Annual General Body (AGM) of the ICA for approval of the constitution of Committee for raising funds for building ICA House at Noida with the following members:
- Dr. B. B. Taywade - Chairman
- Prof. Ram Chandra Gowda
- Dr. T. A. Shiware
- Prof. H. Venkateshwarlu
- Prof. Debrata Mitra
- Dr. Ajay Kumar Singh, Managing Trustee
- All the Office Bearers of ICA

Item 5 Noted the resolution of EC of ICA held on April 16, 2016 to approve the report of One Man Committee of Prof. H. Ventakeshwarlu for designing a separate Technical Session for research scholars.

RESOLVED to approve the report of One Man Committee of Prof. H. Ventakeshwarlu for designing a separate Technical Session for research scholars, with the amendments that there will be no coauthor of the papers. Further it was decided that the prizes for this session will be Rs.5000, 4000, 3000, 2000, 1000 for I, II, III, IV and V Best Research Scholar Awards respectively which will be paid by the Conference Secretary of the AICC. This session will be named as ICA Research Scholar Award Session. It was further decided that this session will be started from the ensuing 69th AICC at Lucknow. The President and Secretary of ICA were authorized to appoint Chairperson and Co-chairperson for the session.

Item 6 Considered the recommendation of EC of ICA held on April 16, 2016 regarding eligibilities of appointing Chairpersons/Co-chairpersons for the various technical sessions at the Annual Conferences of ICA to drop the condition of attending last three conferences. It was further proposed that only Life members of ICA will be appointed Chairpersons/Co-chairpersons in these conferences.

RESOLVED not to approve the said recommendation.

Item 7 Considered the recommendation of Executive Committee of ICA regarding annual membership fee, minimum subscription to journal and delegates' fee.

a.   Recommended that annual membership should not be granted during the year. Only the Non Life Members who attend the Annual Conference of ICA shall be granted Annual Membership by charging Annual Membership fee which is currently Rs.1,000/- in addition to Conference fee which is the current practice also.

b.   Recommended that minimum subscription to the Journal of ICA should be for two years or 5 years. The charges should be Rs.3,000/- for two years and Rs.5,000/- for five years.

c.   Recommended to increase the Delegate fee of the Annual Conference of ICA from Rs.1,500/- to Rs.2,500/- out of which Rs.500/- per registered delegate should be paid to ICA. The fees for the accompanying person (spouse) should also be raised to Rs.2,500/-. Further resolved to bring the delegate fee of those research scholars who have Fellowship like JRF, SRF, etc., at par with the general delegates. However, other Research Scholars would be given a concession of 40% in delegate fee.

d.   Further Recommended that All those Members who pay their delegate fee to attend the Annual Conference of ICA and are unable to do so and they inform the Conference Secretary and Secretary of ICA 72 hours before the start of the Conference then the entire money paid by such delegates should be transferred to the Land and Building Fund of ICA.

RESOLVED to approve the above a, b and c recommendations with the modification that the delegate fee be raised to Rs.2000 out of which Rs.400 per registered delegate should be paid to ICA. The fees for the accompanying person (spouse) was raised to Rs.2,000/-.

Further **RESOLVED** not to approve the above d recommendation.

Item 8 Noted the progress related to All India Commerce and Management Talent Search Examination (AICMTSE) 2016.

The members discussed the progress and issues related to All India Commerce and Management Talent Search Examination (AICMTSE) 2016 which was held on on 16, 17, 18, 19 October, 2016. Report related to the conduct of was presented and the house congratulated Prof. S. Ramesh for the conduct of exam.

RESOLVED to approve the report submitted by Prof. S. Ramesh, National Coordinator of AICMTSE. The EC further authorized Prof. S. Ramesh to take necessary decisions with respect to AICMTSE, 2017

Item 9 Considered the recommendation of Executive Committee of ICA regarding creating an ICA app to be made available to the members and potential members of ICA through Google Play store.

RESOLVED to approve the proposal of creating an app of ICA to be made available to existing and potential members of ICA through Google Play store

Item 10 Considered the recommendation of Executive Committee on the proposal of providing Online Payment Gateways and Processing (Like Paytm, Unified Payment Interface - UPI, etc.) to existing and potential members of ICA for making various payments.

RESOLVED to approve the proposal of providing Online Payment Gateways and Processing (Paytm or Like) together with UPI (Unified Payment Interface).to ICA existing and Potential members for making various payment

Item 11 Considered the recommendation of Executive Committee of ICA regarding issue of ranking journals published in India on the lines of Australian Business Deans Council of Rankings.

RESOLVED to appoint Professor K. Eresi, as the Chairman of the Committee for creating the framework for ranking the journals. He was authorized to co-opt members in the committee.

Item 12 Considered the recommendation of Executive Committee of ICA for instituting Prof. A.D. Shinde Memorial Research Fellowship

RESOLVED to approve the proposal received from Dr. T. A. Shiware, Trustee, Chhatrapatui Shahu Institute of Business Education & Research Trust (CSIBER) for instituting "Prof. A. D. Shinde Memorial Research Fellowship." President and Secretary were authorized to

finalize the details of the same to ensure that the Award can be started from the 70th Annual Conference of ICA. A committee of the office bearers of ICA was formed to finalize the modalities and get the approval of EC through circulation and implement it.

Item 13 Considered the recommendation of Executive Committee of ICA for instituting Prof. Samiuddin Memorial ICA Research Scholar Award.

RESOLVED to approve the proposal received from Dr. Lamaan Sami D/o Late Prof. Samiuddin for instituting 'Prof. Samiuddin Memorial ICA Research Scholar Award'. President and Secretary were authorized to finalize the details of the same to ensure that the Award can be started from the 70th Annual Conference of ICA.

Item 14 Considered the recommendation of Executive Committee of ICA regarding creation of the Chapter of ICA in the region of Delhi- NCR

RESOLVED to accept the proposal submitted by Dr. Ajay Kumar Singh, Managing Trustee of ICA, with signatures of 40 Life members to create the Chapter of ICA inthe region of Delhi- NCR. Dr. Ajay Kumar Singh was authorized to submit the report about the progress made in this regard including the activities done in the next meeting of EC and AGM. It was further decided that the Committee which was constituted under the Chairmanship of Dr. T. A. Shiware for finalizing the guidelines for creation of new state Chapters of ICA be asked to submit its report at the earlier.

Item 15 Reported the recommendations of the Executive Committee of the ICA that the General Body be given opportunity to elect the hosts of 69th ICA Conference and they be informed about the institutions from where the proposals have come along with the proposed Conference Secretary's name and elections be held by mentioning these details in the ballot papers. Each voter shall be given only one preference.

The proposals received are as follows:
1. MIT Art, Design & Technology University, Pune
   Dr Jadhavar Sudhakar Udhavarao,
   Conference Secretary
   Principal
   Dr Sudhakar Jadhavar Education Campus, Pune
2. The IIS University, Jaipur
   Prof. Subhash Garg, Conference Secretary
   Dean & Director,
   Centre for Research, Innovation & Training (CRIT),
   The IIS University

Item 16 Considered the recommendation of Executive Committee of ICA regarding appointment of Returning Officer for 2017 ICA elections.

RESOLVED to appoint Professor P. Purushottam Rao as the Returing Officer for holding elections during 70th All India Commerce Conference.

Item 17 Considered the recommendation of Executive Committee of ICA regarding appointment of auditor for the year 2017

RESOLVED to recommend to the Annual General Body (AGM) of the ICA that M/s Alok Sharma & Company, Chartered Accountants, BJ-57, Shalimar Bagh, Delhi - 110088, be authorized to Audit the accounts as Auditor for the year 2017-18.

Item 18 Conferred the honor of the Fellow of the Indian Commerce Association to the Chairpersons of the various Sessions of the 68th All India Commerce Conference and the new members of the EC of the ICA for their contributions made to the ICA in particular and academics in general in terms of the Resolution No 10 of the General Body Meeting of the ICA held on December 28, 2004 at Indore.

The honor of the Fellow of Indian Commerce Association was conferred upon the <u>following</u>:

- **Dr. Ram Uddeshya Singh**
  Associate Professor, P.G. Deptt. of Commerce, College of Commerce, Patna
- **Dr Sangita M. Jiwankar**
  Associate Professor, Department of Commerce, Dhanwate National College, Nagpur
- **Prof.D.M.Khandare**
  Director & Head, School of Commerce & Mgt. Sciences, SRTM University, Nanded
- **Dr. S. RAMESH**
  Dean, P.G. DEPARTMENT OF COMM. & Mgt., Mount Carmel College, Banglore
- **Dr Manjit Singh**
  Professor, School of Applied Management, Punjabi University, Patiala. Punjab, INDIA
- **Dr. H. C.PUROHIT**
  Professor & Head, School of Management, Doon University, Dehradun
- **Dr Khumukcham Tomba Singh**
  Profes sor, Department of Commerce, Manipur University , Manipur
- **Dr Subash Garg**
  Dean & Director, Centre for Research, Innovation and Training,The IIS University, Jaipur
- **Dr Kripa Shanker Jaiswal**
  DIRECTOR, Institute of Management Studies (IMS), M.G. Kashi Vidyapith, Varanasi
- **Prof. Parimal H. Vyas**
  Vice-Chancellor, The Maharaja Sayajirao University of Baroda. Vadodara,

Item 19 Considered the recommendations of the EC of the ICA regarding the topics for the Seminar session, four Technical Sessions and MM Shah Research Gold Medal Session to be held at the time of 70th Annual Conference of the ICA.

RESOLVED that committee comprising of the office bearers of the ICA and Past Presidents present in 69th AICC shall finalise the topics for the Seminar Session, Four Technical Sessions, and M. M. Shah Research Gold Medal Session to be held at the time of the 70th Annual Conference of the ICA. These shall be based on the suggestions received from the General Body of the ICA.

Item 20 Considered the recommendations of the EC of the ICA regarding the names of the Chair persons, Co-chair persons for the Seminar session, four Technical Sessions and MM Shah Research Gold Medal Session to be held at the time of 70th Annual Conference of the ICA

RESOLVED that committee comprising of the office bearers of the ICA and Past Presidents present in 68th AICC shall finalise the Sectional Chairpersons/Co- chairpersons for the Seminar Session, Four Technical Sessions and M. M. Shah Research Gold Medal Session to be held at the time of the 70th Annual Conference of the ICA. These shall be based on the suggestions received from the General Body of the ICA.

Item 21 Under any other item, the issue was raised and **RESOLVED** that members who want to receive the hard copy of the journal should apply for the same to the Secretary of ICA and Managing Editor of IJC and the members would have to bear the postage expenses.

Item 22 RESOLVED to approve the recommendations of the EC of the ICA that Prof. Arvind Kumar, Conference Secretary and Dean, Faculty of Commerce, University of Lucknow, Lucknow be elected as President of the ICA for the next term i.e. upto the conclusion of the 70th Annual Conference of the ICA

November 12, 2016

Balwinder Singh
Secretary, ICA

Indian Commerce Association
(www.icaindia.info)
Procedure of Membership of Indian Commerce Association

Category A: Membership through Cheque/ Demand draft

1. Deposit the Cheque/DD drawn in favour of 'Indian Commerce Association", payable at Amritsar in any Branch of Oriental Bank of Commerce in Account No. **14572191054283** of Indian Commerce Association **in your City** or Post it to Dr. Balwinder Singh, Secretary, Indian Commerce Association, Associate Professor, Department of Commerce, Guru Nanak Dev University, Amritsar-143001, Punjab, India.

2. Fill the form online at http://wwwJcaindiaJnfo/index.php/com

3. Open your Email and click on the link received from ICA to verify your email

Category B: Membership through Debit Card, Credit Card, Net Banking or Paytm

1. Open http://www.icaindia.info/paytm/paymentform and Make Payment (Do Remember your Order ID)

2. Fill the form online athttp://wwwJcaindia.info/index.php/component/chronoforms5/?chronoform=membe

3. Open your Email and click on the link received from ICA to verify your email

Category C: Membership through NEFT using IFSC Codes

1. Make Payment to **Bank:** Oriental Bank of Commerce, **Name:** Indian Commerce Association, **Account No:** 14572191054283, **IFSC code:** ORBC0101457, **Branch:** MAJITHA, AMRITSAR

2. Fill the form online at http://wwwJcaindiaJnfo/index.php/com

3. Open your Email and click on the link received from ICA to verify your email

Note: After Verification of your payment, we will allot you Provisional Membership Number through SMS and Add you in Our Membership Directory.

(http://icaindiaJnfo/index.php/component/chronoconnectivitv5/?cont=lists&act=in
The Membership Certificate and Receipt of Money shall be posted after Two Weeks. You can WhatsApp your details (Name, Mobile, Email and Correspondence Address)/ Queries on 9417272232

Balwinder Singh
(Secretary, ICA)

Membership of Indian Commerce Association
(http://icaindia.info/index.php/membership)

Category	Term	Rate
Life Membership- Individual*	Life	Rs.5000
Life Membership- Institution	Life	Rs.25000
Patron	Life	Rs.200,000
Honorary Membership	By Invitation	

* (With Commerce/Management/Economics Qualifications)

Subscription Rates of Indian Journal of Commerce w.e.f. January 1. 2017

Term	Rate
Two Years	Rs.3000
Five Years	Rs.5000

Note: Annual Subscription has been discontinued w.e.f. January 1. 2017

Mode of Payment:
Membership/Subscription fee is to be paid in the form of Demand Draft, drawn in favour of 'Indian Commerce Association', payable at Amritsar.

Fee can also be directly deposited. The details are as follows:

Bank	Oriental Bank of Commerce
Name	Indian Commerce Association
Account No	14572191054283
IFSC code	ORBC0101457
Branch	MAJITHA, AMRITSAR

70th All India Commerce Conference-2017
of
Indian Commerce Association
October 12-14, 2017

Organized by :
Faculty of Commerce & Management, The IIS University, Jaipur (Rajasthan)

Important dates

Last date for abstract and full paper submission	30th August, 2017
Last date for registration	30th August, 2017
Last date for registration with late fees of Rs. 500	14th September, 2017
Dates of Conference	12-14th October, 2017

Delegate Fees

Categories	Fees upto 30th August, 2017	Fees from 31st August, 2017 to 14th September, 2017
Life Member	Rs. 2000	Rs. 2500
Non-Life Member	Rs. 2000 + Rs. 1000	Rs. 2500+1000=Rs. 3500
Note:- 40% of the delegate fee will be reimbursed to those research scholars who will produce proof (on the spot) that they are not receiving scholarship/ fellowship from any agency by the competent authority of the concerned University/ College/ Institution		
Accompanying Person Fee (Only Spouse)	Rs. 2000	Rs. 2500

*No Conference kit will be provided to the accompanying person.

Note: As per the decision made in the EC meeting of ICA which was held on 12 July, 2015, all life members are requested to contribute Rs.1000 in addition to the delegate fee for the construction of ICA building. Those life members who have already paid the said amount need not pay again.

ON-THE-SPOT REGISTRATION IS NOT ALLOWED

Accommodation will be provided only to these outstation delegates who are Life Members of the ICA.

Website of 70th ICA Conference (for reference)
Web: www.70aicc2017.iisuniv.ac.in

INDIAN COMMERCE ASSOCIATION

Prof. Manubhai M. Shah Memorial
Award for Excellence in Commerce & Business Management

Last Application Date : 30th June 2017.

Indian Commerce Association (ICA), the premier professional association of India, is pleased to announce *Prof.Manubhai M. Shah Memorial Award for Excellence in Commerce & Business Management (MMSMA).* The Award shall comprise a cash prize of Rs.2,00,000/- (Rupees two lacs) [together with a certificate and trophy] for outstanding research, fundamental or applied, of creative nature in the field of Commerce & Business Management.

Through the general body meeting of ICA held at Pondicherry at the time of 64th All India Commerce Conference, it has been resolved that award shall be instituted for an amount of Rs. 2,00,000 (Rs. Two lacs) to be awarded each year with effect from year 2012.

All heads of institutes and departments of commerce and management are requested to forward the names of eligible candidates along with their publications for consideration of the case by the review and screening committee. ICA looks forward to wide participation and entries to make this award truly distinct and unique for perpetuating the high standards of academic and professional benchmarks in the field of Business and management education which was so dear to the heart of Late Professor Manubhai M. Shah in whose memory this award has been instituted.

Brief on Indian Commerce Association

Indian Commerce Association, is one of the premier professional association of India, a congregation of commerce, management and economics professionals. The association was set up way back in 1947 and has evolved as a committed body making significant contributions in the field and overall economic set up. Having an enviable professional might the association has to its credit many celebrated achievements and notable contributions which have made a mark on the landscape of commerce education and profession. Continuing its societal and academic enrichment spree, ICA has initiated the process of institution of an award in the memory of one of its past luminary Late Professor Manubhai M. Shah on the pattern of S.S.Bhatnagar Award so as to recognize the contribution of Prof. M. M. Shah.

Prof. Manubhai M. Shah
M. Com. (Bombay)
M. Sc. (Econ. & Bus. Admn.) (L.S.E., London)
Diploma of Distinction (Cambridge)
(Feb. 28, 1926 – Dec. 14, 2003)

Important Information

1. A candidate once nominated would be considered for a total period of three (3) years, if age-wise eligible.

2. The Award of the cash prize may be withheld by ICA in any year, if, in the opinion of the Jury, no sufficiently meritorious candidate(s) is/are found suitable in that year.

3. In the event, when the Jury selects more than one person or Team(s) to receive the Award, the cash prize will be shared equally by each member of the joint team recommended for the Award.

4. The Recipient(s) will be responsible for all individual expenses including applicable taxes, if any.

5. The Award shall be presented at the time of the Annual Conference of the ICA.

6. In all matters of Award of "Prof. Manubhai M. Shah Memorial Award", the decision of the ICA shall be final.

Judging Module

The award shall be adjudged by a six member jury comprising of people of eminence and distinction being accomplished educationists, industrial stalwarts, professionals and bureaucrats to make an unbiased and comprehensive judgment of the eligible candidate

Procedure of Participation

1. Nomination / Application has to be filled online at website
www.mmsma.coffeecup.com/forms/MMSMA/

2. Names of candidates may be proposed by (1).Vice Chancellors of Indian Universities (2).Directors of Private Institutions / Universities (3).Chairpersons of Institutions of National importance and (4).Directors of the Indian Institutes of Management (IIM).

3. University Faculties should forward the name(s) of persons for the award working in their faculty/institutions only and route nominations through their respective Vice Chancellors, while the Faculties in IIMs are required to send their nominations through their Directors.

5. Every application / nomination shall be accompanied with a processing fee of Rs.1000/- (Non Refundable) through demand draft drawn in favour of "M M Shah Memorial

Eligibility Criteria

1. Any citizen of India engaged in research in any field of Commerce & Business Management up to the age of Sixty (60) years as reckoned on 31st December of the year preceding the year of the award.

2. Overseas Citizens of India (OCI) &/or Persons of Indian Origin (PIO) working in India (or in collaboration with Indian citizen/s if residing outside India) are also eligible.

3. The person(s), in the opinion of ICA, should have made conspicuously important and outstanding contributions to human knowledge and progress in the discipline & profession of Commerce & Business Management.

4. The contributions made through work done in India during the Ten (10) years preceding the year of the grant of Award shall be considered.

5. The candidate must hold a Doctoral Degree from a recognized University established in India or abroad, considered equivalent thereto, by the Association of Indian Universities.

6. Each published research work of the nominee shall be evaluated in terms of quality of the publication as well as the journal(s) in which they have been published

7. Each published research work(s) would be evaluated in the terms of the following criteria:
   ° Originality of idea
   ° Research Methodology Rigour
   ° Discussion and interpretation
   ° Linguistic presentation
   ° Socio/Economic positive impact

CONTACT DETAILS

Dr. Balwinder Singh
Secretary,
Indian Commerce Association
Associate Professor,
Department of Commerce & Business
Management
Guru Nanak Dev University,
Amritsar-143001
Phone (Off.) 0183-2255564
Mobile 09417272232, Email: bksaini@gmail.com

SAURABH SHIWARE MEMORIAL YOUNG RESEARCHER AWARD
Indian Commerce Association

To recognize and reward the budding researchers and their initial efforts and to instill the spirit of active and world class researcher as they mature, ICA has instituted the Saurabh Shiware Memorial Young Researcher Award. The award aims to nurture the young talent which holds the potential to make meaningful contributions in the field of commerce and allied disciplines and thus improve the landscape of research in the country.

The award, Saurabh Shiware Memorial Young Researcher Award has been instituted to salute the entrepreneurial, innovative and the versatile spirit of Mr. Saurabh Tukaram Shiware. Mr. Saurabh Shiware was an enthusiast learner and hard worker since his early childhood. With his schooling from St. Xavier's Kolhapur Mr.Saurabh graduated from the Hinduja Institute of Management, Mumbai. To satisfy his entrepreneurial and innovative urge, Mr. Saurabh set up his own business in computer software. His dynamism and unflinching attitude landed him up with a lucrative job in Gulf Oil Corporation, Dubai. With his academic and professional commitments, Mr. Saurabh did remain an ardent lover of football and was in the school and college football team. A dedicated student, committed professional, zealous sportsperson, Mr. Saurabh was a real talent to reckon with. As destiny would want it, he had an untimely demise which put an abrupt end to his journey on this earth. To let his spirit and soul live beyond time and physical boundaries, ICA with the sponsorship of the very generous, Dr. T. Shiware has decided to announce this award for the young professionals in the discipline who have made some contributions which have the potential to make a difference to the research scenario and take research in the discipline to the mainstream. The motivating and exemplary personality of Mr. Saurabh Shiware stands as an inspiration for all those who have it in them and the award aims to recognize such potential for excellence in research.

The award shall comprise of a cash prize of Rs.25,000/ (Rupees Twenty Five Thousand Only), with a certificate of appreciation and a trophy to be awarded each year in the Annual Conference of ICA.

Eligibility Criteria for Award
*   Awardee must not be more than 35 years of age, as on the last date of Application.
*   He/she may be from academic/Professional bodies but engaged in research activities in form of publication of research papers, books, journals, seminar presentation, project work and other such related works during his life.
*   He/she is eligible to avail the benefit once in his/her life time.
*   He/she must have Post Graduate degree in Commerce, Management , CA, ICWA or related subjects.

Procedure of Participation
1. Submit Bio-data containing all research and allied activities undertaken. Bio-data may be divided in following parts: Title Sheet: Basic Information of Applicant along with passport size photograph
    a) Education qualification
    b) Employment Details (present & past)
    c) Research Activities Undertaken with complete details. In case of Journal / Book Publication, mention publisher name and citation of publication (if available).
    d) Your Contribution to the field of commerce till date.

e)   Your views to revolutionize field of commerce in next 10 years.

f)   Any additional information, you wish to provide.

g)   Enclose valid proof of your age.

2   The last date for submission of such Bio-data is 15th August, 2017.

3   Application should be dispatched to:

Dr. Balwinder Singh,
Secretary,
Indian Commerce Association (ICA),
Associate Professor,
Department of Commerce, Guru Nanak Dev University,
Amritsar.143005, Punjab, India
(M: 9417272232) (Email:icaindia47@gmail.com)

Other Information

1   The secretary, ICA after receiving all the applications will convene the meeting of expert committee on a suitable date and handover the same to the chairman of the said committee for final selection on the basis of the well defined parameters finalized . The decision of the committee is final and binding and cannot be challenged in any court of law.

2   Award shall be presented in the inaugural function of the AICC by the Chief Guest in presence of the Donor.

3.   The awardee so selected shall be paid third AC class TA to receive the prize and all facilities in the conference like other delegates, free of cost

Prof. Manubhai M. Shah Memorial Research Award (MMSMRA)

Manubhai M Shah Memorial Research Award was instituted under the auspices of the ICA with effect from 2010 and includes two Certificates of Honour and Gold medals for the Best Paper presented in the technical sessions of All India Commerce Conference.

Best Business Academic of the year award (BBAY Award)

The BBAY award has been instituted under the aegis of the ICA with effect from 2005 in order to encourage the youth in the field of research in Commerce and Management. The award comprises one Gold medal and four Silver medals for the Best Papers presented in the technical sessions of the All India Commerce Conference, every year.

Prof. Samiuddin Memorial ICA Research Scholar Award & Memorial Lecture

The SMICARSA Award has been instituted to encourage and motivate the budding researchers in the field of Commerce and Management. Research Scholars registered at Ph. D in a University and those who have submitted their thesis are eligible to take part in this session. The cash prize for the Best Research Scholar will be given under five categories, viz., Rs. 5000; Rs. 4000; Rs. 3000; Rs.2000; and Rs. 1000. To salute the valuable contributions of Prof. Samiuddin as the 45th president of the ICA and input made in the area of business and management research, a memorial lecture will be organized.
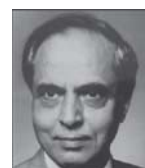
Prof. A. D. Shinde Memorial Lecture

This lecture to be delivered in the memory of Prof. A D Shinde who contributed enormously in the field of commerce and management. He had also served as the 34th President of the Indian Commerce Association in 1980.

Prof. A.D. Shinde Memorial Research Fellowship
Features

❑   Amount of Fellowship Rs. 50,000

❑   Maximum Duration of the Short term Research Project is One Year

❑   Received Research Proposals to be screened and finalised by a Committee of Experts to be appointed by ICA

❑   Winner of the Grant will be announced at the time of Annual Conference of ICA

❑   The Detailed Guide lines regarding eligibility, Format, Contents, Utilisation of Grants and other matters connected thereto shall be announced soon

TOPICS FOR 70th ALL INDIA COMMERCE CONFERENCE
12-14 October 2017

Web : www.70aicc2017.iisuniv.ac.in
Email : 70aicc2017@iisuniv.ac.in

Seminar	Chairpersons	Co-Chairpersons
Remonitisation : Politics vis-à-vis Economics	**Prof. Debabrata Mitra** Dept. of Commerce University of North Bengal Raja Rammohunpur Darjeeling (West Bengal)	**Dr. Anilkumar G Garag** Director Global Business School, Twin City Campus, Bhairidevarakoppa Hubballi(Karnataka)

Sessions

I	**Financial Sector : Regulation vis-à-vis Liberalisation**	**Prof. Bhagaban Das** Head & Dean, P.G. Dept. of Business Management, Fakir Mohan University, Balasar (Odisha)	**Dr. Rajendrakumar V. Raval,** Associate Professor, Commerce, C. C. Sheth College of Commerce, Navgujaray Campus, Ahmedabad-380014 (Gujarat)
II	**Cash to Cashless Economy : Challenges and Opportunities**	**Prof. M. Sulochna** (Retd.) Dept. of Commerce Osmania University Hyderabad, (Telangana)	**Prof. Pawan K. Poddar** Dean, Dept. of Commerce T.M.B. University Bhagalpur (Bihar)
III	**Employment and Entrepreneurship : Changing Paradigms**	**Prof. V. K. Shrotryia** Dept. of Commerce Delhi School of Economics University of Delhi (Delhi)	**Dr. Krishna Gupta** Associate Professor Dept. of EAFM University of Rajasthan Jaipur (Rajasthan)
IV	**GST : Implications for Indian Economy**	**Prof. Jaspal Singh** Head, Dept. of Commerce Guru Nanak Dev University Amritsar (Punjab)	**Dr. Amitava Samanta** Associate Professor Vinoba Bhave University Hazaribag (Jharkhand)

Manubhai M Shah Memorial Research Award Session (MMSMRA):
EMPIRICAL RESEARCHES IN THE AREA OF MARKETING

Prof. Prashant Kumar Dept. of Commerce Banaras Hindu University Varanasi (U.P.)	**Prof. Kavaldeep Dixit** Dept. of Marketing International School of Informatics & Management, Mansarovar, Jaipur (Rajsthan)

Prof. Samiuddin Memorial ICA Research Scholar Award Session

Dr. M.S. Subhas Vice Chancellor Vijayanagara Sri Krishnadevaraya University, Bellary (Karnataka)	**Dr. Sanjay Rastogi** Associate Professor Indian Institute of foreignTrade, New Delhi, (Delhi)