

JOB STRESS AND ITS IMPACT ON EFFECTIVE RESULTS

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Abstract :

Most of the organisations are in the aim of attaining more productivity and ends up burdening employees with overload of work to meet goals and this might have psychological and physical effects on the employees which may result in something contrary to what these organisations want to achieve. Especially in industry due to target pressure, loss of personal life, strange timings, downturn in the employment, competition, the employees suffer from greater workloads and work for longer hours which results in decrease in concentrations of employees, increase in absenteeism, hypertension, conflicts arises etc. which eventually has a severe impact on the productivity of the individual. Stress has become an inevitable part of everyday life. This study was intended to assess the components of job stress and its impact on effective results. The descriptive design was used with the sample size of 100 Employees at Big Bazaar in the Bangalore city to examine the relationship between time pressure, losing temper, sufficient number of breaks, getting irritated and producing effective result. The results shows that there is a significant relationship between time pressure and losing temper, which shows that due to time pressure, employee tend to lose temper, if there are no sufficient number of breaks then employees tend to get irritated, this irritation leads to ineffective results. There is inverse relationship between unrealistic time pressure and effective results for challenging tasks.

Keywords: Job Stress, Employee performance, Effective Results, unrealistic time pressure.

Introduction

The Indian retail industry has emerged as one of the most vibrant and fast-paced industries due to the entry of several new players. It accounts for over 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. India is the world's fifth-largest global destination in the retail space. The retail sector in India is emerging as one of

the largest sectors in the economy. Retail industry is expected to grow to US\$ 1.3 trillion by 2020, registering a CAGR of 9.7 per cent between 2000-2020

Job stress happens when requirements of the job do not match the capabilities, resources or needs of the worker. This leads to harmful physical and emotional strain. Job stress can even result in deprived health and also injuries.

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Stress happens if we feel that we cannot deal with burden and this burden comes in abundant shapes and forms, and triggers physiological responses. Nowadays this is accountable for added than fifty per cent of all illness.

The determination of this present abstraction is to actuate the capital confession for and after-effects of accent at work, and to acquisition the a lot of able means of avoiding it and arresting with it. The analysis as well analyses the all-embracing accepted bearings of accent at plan and as well considers some actual facts accompanying to the origins of stress. Stress is a body's method of reacting to a given task. Main need of the study is to know the factors affecting stress. When the factors affecting stress is studied it will help us in knowing the coping strategies in order to overcome stress at workplace which in return helps the employees to perform better and achieve organisation and individual goals as well.

Review of Literature

Johnson, David (1995) Studied "Stress and Stress Management among owner-managers of small and medium sized enterprises. It was observed that stress can result from conflict, poor communication skills etc. It was also observed that by implementing techniques like effective coping strategies, managing good diet and time, small firms were beneficial compared to other firms".

Berryman-Fink, Cynthia (1996), "Stress management strategies. This paper is about stress coping strategies in order to manage and reduce stress of the employees. Tips for managing one's stress are presented. They include: 1. Practice relaxation techniques. 2. Develop an exercise program. 3. Practice good

nutrition. 4. Socialize with people other than co-workers. 5. Develop a network of social support. 6. Practice time management. It can be concluded that by implementing and inculcating the above techniques employees stress at workplace can be reduced"

Murphy, Lawrence R (1998), "Employee behaviour before and after stress management. A quasi experiment was conducted to compare the behaviour of employees before and after stress management training. Organizational records on performance ratings, equipment accidents, employee absenteeism, and work injuries were obtained. It was found that the results provide limited support for relaxation training offered as a prevention activity in work settings"

Broadbridge Adelina (2000), "Stress and the female retail manager, the authors compare the stress levels of female retail managers with that of male retail managers. A research was done to draw results. Sex discrimination between female and male retail managers was observed which could spoil the reputation of the company. The main finding was that female retail managers were under more job stress compared to male retail managers"

Smith, Andrew (2001), "Perceptions of stress at work, the authors tell about the scale of perceived stress at work. This study determines the scale of perceived stress at work, effects of stress. The results revealed that approximately 20 per cent of the sample reported extremely high levels of stress at work majorly due to stressful working condition and which may even affect physical and mental health"

Burke, Ronald.J (2002), “Work stress and women’s health: Occupational status effects. This research examines the relationship of work stress and women’s health. This study tells us that work stressors had negative relationship with levels of job satisfaction. Findings said that women in lower occupational status job indicated less satisfaction at work and poorer emotional physical and mental health leading to work stress as they were more exposed to hazardous workplace compared to women in higher occupational status”

Ornelas, Sandy, Kleiner, Brian.H(2003), “New developments in Managing job related stress,the authors have stated that job stress is something which is found to be very common in people at workplace. Job stress is something which cannot be eliminated but can be reduce. This article tells us that by practicing few therapies such as yoga, acupuncture, healthy diet, regular exercise and also by implementing stress management strategies at workplace job stress can be reduced”.

Price, Kella B (2003), “his study on relationship between stress and job satisfaction and its impact on employee turnover. Research explores the relationship between job stress and job satisfaction as well as turnover, as it pertains to sales organizations. The research concluded that the stress factor could affect the employee turnover can also reduce the level of job satisfaction”.

Wilson, Tony (2004),”Managing battle against stress. This paper talks as to how to manage and battle against stress. It includes coping strategies in order to reduce stress. The tips would be to monitor your own levels of stress, identify the triggers that cause it to rise and always assess what may be the underlying

causes. Learn some relaxation techniques, get sufficient sleep, take regular exercise and eat well and nutritiously. It was also said that one must learn to take breaks and get away when you can-and don’t feel guilty about it”.

Delargy, Katrina, Chatten, Heather (2005), “HR and the parameters of knowledge stress and time. This article focuses on how the three elements are inter linked and, when managed effectively, can ensure personal and organizational effectiveness and well-being. It was found that these three factors if balanced well can be effective and yield good results to the individual and organization as well”.

Salopek, Jennifer. J (2005), “Job stress. This article tells us about what Is job stress can what can be done to reduce job stress. According to this research, in order to reduce job stress firstly a general awareness must be built within the organization. A good support is required for the program from top management. Effective training programs for the staff about technical know-how. Next the stressors must be identified which includes working conditions, stress levels, health conditions and job satisfaction. Lastly the progress must be evaluated regularly. This results in bringing awareness about stress in the organization and also helps in avoiding stress which leads to increased productivity without affecting the performance of the employees”.

Park, Jungwee (2008), “made a study entitled Work stress and job performance, the article focuses on how work stress factors are associated with productivity. This research was done on workers aged between 15 to 75 by selected characteristics. It included both men and women. Workers with high-strain jobs had reduced work activities compared to workers with low-strain job due to health problems. It

was also found that the reason for reduced work activities for men was high workplace social co-worker support and for women it was high emotional and informational support”.

John Boe (2010), “his research on twenty stress management tips for peak performance. This article gives twenty tips as to how stress can be managed and reduced. Tips like drinking lots of water, avoiding alcohol, maintaining positive mental attitude and many more were included. Research also indicates that a person will react to stressful situations based upon the his/her temper that he/she was born into. It was concluded that by inculcating these stress management tips, stress can be managed and reduced”.

Afshen Khalid, Ghulam Murtaza, Aliya Zafar, Mucum Aizaz Zafar, Lutfullah Saquid, Rizwan Mushtaq (2012). “The role of supportive leadership as a moderator between job stress and job performance. The results of the study revealed that supportive leadership had a negative impact on job stress but had a direct impact on job performance. It also revealed that supportive leadership moderates the relationship between job stress and job performance”.

Sharma SD, Chauhan, Anjali, Khanna, Swati, (2012), “Stress management through yoga practices in the corporate sector. This results tells us that practicing yoga helps reducing factors like depression, anxiety etc which in return helps in reducing and managing stress level of the employees”.

Alqahtani, Abdulmuhsen (2012),” Organizational stress: Causes and Management. The main findings were that stress is an inevitable segment of our life and cannot be completely

prevented since this kind of prevention is unrealistic but certain stress management steps can help in reducing the stress level of the employees and can have a positive impact on the productivity”

Kar, Ajitkumar (2013), “Occupational stress on women employees: its impact on job performance and productivity. It was found that women undergo more stress compared to men because of the responsibilities women have to take at home and at workplace as well. It was also found that poor mental health conditions like anxiety, depression, and chronic fatigue among women were more compared to men”.

Hassan Zarei Matin, Hamid Reza Razavi, Saied Emamghalizadeh (2014), “in the research paper entitled is stress management related to workforce productivity. The purpose of the study was to determine the relationship between stress management and workforce productivity. After analyzing the main hypothesis, the results confirmed that there was a positive and significant correlation between stress management and workforce productivity in this research”.

Mirela-Mihaela, Dogaru, Irina, Donciu(2014), “Stress and job performance, the authors talk about how to design effective selection system, training and development of the employees, good working environment with all required facilities etc. It also tells that the attributes like job description, job specification; job evaluation has major significance on organizational stress management. Major findings of the research were that improper working environment can have an impact on employee’s stress which in return affects the performance and the productivity of the organization”.

Boguslawska , Kate (2014), “what employers need to know about stress at work, the authors tell as to what the employers must do in order to reduce work stress of the employees. Employers must ensure that the employees have the entire requisite in the place, proper distribution of work, proper training programs. Employers must also identify the factors which lead to employee’s stress at work. Employers must help the employees in such a way that they overcome job stress. Management should act with sensitivity and reasonableness to balance the good of individual and the requirements of organization as well. This results in happy employees with good performance and more productivity”.

Goswami, Tulsee Giri (2015),”studied Job stress and its effect on employee performance in banking sector. This paper evaluates the impact of occupational stress on employees. It was found that lack of proper and healthy work conditions leads to work stress. Lack of career prospects at work place also causes low satisfaction and motivations and this can lead to poor performance of the employees and reduced productivity. Suggestions like providing proper and healthy working conditions, strong career planning and development, regular counselling sessions etc can improve the state of mind of employees and can overcome work

stress which helps in better performance of the employees and increased productivity”.

Research Objective:

1. To analyse the various factors leading to stress at work place.
2. To examine the relationship between time pressure and losing temper.
3. To assess the association between taking breaks and getting irritated.
4. To find the association between getting irritated and giving effective results.
5. To suggest appropriate stress coping strategies.

Research Methodology

A Quantitative research design was used to achieve the research objectives involving gathering of information received from a sample of 100 Employees selected by simple random sampling method in Bangalore from January 2016 to March 2016. The primary data was collected from employees through questionnaire which consist of set of questions with likert scale, the data gathered was analyzed using SPSS, and the data was interpreted based on the statistical tools results.

Analysis and Interpretation

Demographics:

Table 1: Age of employees

Sl. No.	Category	No. of Respondents	Percentage
1	<20	17	17%
2	21-30	62	62%
3	31-40	17	17%
4	41-50	3	3%
5	>51	1	1%
	Total	100	100%

Interpretation: It is denoted that 17% of the personnel are aged less than 20 and 62% of the employees come under the age group between 21-30, 17% of the employees come under the age group between 31-40, 3% of the employees lie under the age group between 41-50 and only 1% of the employees are aged more than 50.

Table 2: Gender of employees

Sl. No.	Category	No. of Respondents	Percentage
1	Female	52	52%
2	Male	48	48%
	Total	100	100%

Interpretation: From the above table it can be seen that 52% respondents are female employees and on the other hand 48% of the respondents are male employees.

Hypothesis testing:

Hypothesis 1

H₀: The relationship between time pressure and losing temper is not significant.

H₁: The relationship between time pressure and losing temper is significant.

Hypothesis 2

H₀: The association between taking breaks and getting irritated is not significant.

H₂: The association between taking breaks and getting irritated is significant.

Hypothesis 3

H₀: There is no association between getting irritated and giving effective results.

H₃: There is association between getting irritated and giving effective results.

Table 3: Results of Hypothesis Testing

Sl. No.	Hypothesis	Significant Value	Status
1	Hypothesis 1	0.01	Significant
2	Hypothesis 2	0.002	Significant
3	Hypothesis 3	0.05	Significant

*-Correlation is Significant at the 0.05 Level (2-Tailed)

** - Correlation is Significant at the 0.01 Level (2-Tailed)

Interpretation

H₁: The result shows that there is a significant relationship between time pressure and losing temper at 0.01 levels. It can be clearly said that employees lose their temper due to unrealistic time pressures.

H₂: The result shows that there is a significant relationship between taking breaks and getting irritated at 0.002 levels. From this it can be said that when the employees are unable to take sufficient breaks during work hours they get irritated.

H₃: The result shows that there is a significant

relationship between getting irritated and giving effective results at 0.05 levels. This tells that when the employees get irritated when someone unnecessarily intervenes in their work, they are unable to give effective results at work place.

Hypothesis 4

H₀: The relationship between unrealistic time pressures and giving effective results for challenging tasks is not significant.

H₁: The relationship between unrealistic time pressures and giving effective results for challenging tasks is significant.

Regression

Table 4: Model Summary

Model	R	R. Square	Adjusted R. Square	Std. Error of the Estimate
1	.699 ^a	.477	.462	1.34105

a. Predictors: (Constant), 8.I have time pressures

This table shows the R. and R2. Values. The R value denotes the simple correlation and is 0.699, which has a correlation of high degree. The R2 value indicates the variance in the dependent variable (effective results for challenging task) which can be explained by the independent variable (Unrealistic time pressure) which is 0.477, higher the value, better

the model. Adjusted R Square is the adjustment of the R-squared that penalizes the addition of extraneous predictors to the model, which is 0.462, if the gap between R and R square is very less. Then the Root mean square error should be low, lower the error, and better is the model

Table 5: anova calculation

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.745	1	2.745	1.526	.0220 ^a
	Residual	176.245	98	1.798		
	Total	178.990	99			

a. Predictors: (Constant), 8.I have unrealistic time pressures

b. Dependent Variable: 26.I try to give effective results for challenging tasks at work place

This ANOVA table shows the regression model which predicts that the dependent variable is significantly well. We can make out by looking at the “**Regression**” row and the “**sig**” column. This designates the regression model’s statistical

significance which was done. Here, $p < 0.0220$ and is less than 0.05, hence specifies that, generally, it is statistically significant and forecasts the conclusion variable and tells that it is a good fit for the data.

Table 6: Co-efficient

Model		Unstandardized Co-efficient		Standardized Co-efficient	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.383	.331		10.231	.000
	8.I have unrealistic time pressures	-.148	.120	-.124	-1.235	.0220

a. Dependent Variable: 26.I try to give effective results for challenging tasks at work place

$$Y = a + b X$$

$$Y = 3.83 - 1.48x$$

X (Independent variable) = Unrealistic time pressure.

Y (Dependent variable) = Effective result for challenging tasks.

Interpretation

When stress increases due to unrealistic time pressures, performance with respect to effective result for challenging tasks decreases. There is an inverse relationship between the dependent and Independent Variable.

Suggestions

Employees feel stressed due to long working hours hence the organisation must ensure there is an exact working hours for reducing the time pressure on the employees and suggesting to adopt Flexi-Time policy, which can have impact on effective results and also the organisation must give enough breaks to the employees so that they do not feel stressed.

- Reduce the long working hours
- Implement Flexi-time policy
- Provide sufficient number of breaks
- Unrealistic time pressure needs to be reduced.

Limitation

Although, all probable efforts to make the research analysis more comprehensive and significant, a study of present kind is bound to have certain limitations

The research has been attempted to understand the Job stress and its impact on effective results

of employees only at one branch of big bazaar with the sample size of 100 only, research is confined to one branch of Big Bazaar. The research aims at analyzing the factors influencing the Job stress and do not correlate with the demographic factors such as age, gender etc.

Conclusion

The employees must be given enough time to take breaks which in return will be an advantage for the company and employees as well. The organisation must practice proper time management. The organisation must plan an effective stress management strategy to reduce the harmful effects of stress in many ways. It is the responsibility of the organisation to take control measures regarding stress which the employees undergo and must help the employees to overcome the same. Employees need to be given training and development programs which helps in changing their views about stress. Job stress can be reduced when the employees are given few recreational facilities and involve them in such activities.

The organisation must train its employees in such a way that the employees are able to cope up with the job stress without letting it affect their job performance

Future Work

Advanced research could be conducted to analyze the factors leading to Job Stress in the other Branches of Big Bazaar across Bangalore. Advanced research should be conducted in order to give more insight on the concepts of Job Stress with similar kind of outlets with increased sample size. This study can be carried out in order to assess the relationship between demographic variables and Dimensions of Job Stress. Further research can be conducted by

analyzing the level of stress among the males and females.

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PERFORMANCE ANALYSIS OF GREENFIELD AIRPORTS IN INDIA

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Abstract:

This paper focuses on studying the performance of all the three Greenfield airports set up in India under Public-Private Partnership (PPP). The public private partnership model is one among the latest models for developing infrastructure in the country. Previously in India all infrastructure projects like roads, ports, airports etc. were built using the traditional model whereby the Government took the responsibility of construction, operation and maintenance. But, the capital available with the Government played a constraint leading to shortage of world class infrastructure in India. Thus about, two decades ago the Government started allowing private parties to participate in developing infrastructure projects thus paving way for PPP. Under PPP innumerable infrastructure projects have begun operations in the past decade. Major highways, ports, airports were constructed under this model. Thus this study focuses upon the 3 airports. The data related to the study are drawn from the secondary sources including balance sheet profit and loss accounts and websites and the same have been analysed using ratios to arrive to the necessary results.

Key words: Airport Infrastructure, Public Private Partnership and Performance Analysis.

Introduction

Infrastructure development has always been on priority for any developing country similarly it has been the top agenda for India, considering the current global economic dynamics as well as domestic growth necessities it has emerged as one of the single largest vital requisite which could seriously negotiate the economic growth route.

The Indian civil aviation industry has witnessed, and continues to witness unprecedented growth. To meet this expanded as well as the anticipated demand; there would be a need for

approximately 350-375 operational airports across the country. This implies that significant private investments will have to be attracted as the Airports Authority of India (AAI) alone will not be able to raise the required funds of approximately US \$ 30 billion. The “Five Year Plan estimates that almost \$15 billion of investments will be needed across airports in India and a significant portion of this investment will be driven by the private sector. The Government of India has taken number of initiatives to open the airport sector to private

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sector participation by modernizing existing brownfield airports (Mumbai and Delhi) as well as setting up of new Greenfield airports (Bengaluru, Hyderabad and Kochi) using the Public Private Partnership model. These five airports have demonstrated that Public Private Partnerships are successful and preferred models for the development of airport infrastructure in the country.

Greenfield airports refer to airports that have been constructed from the scratch. In India there are at present only three such airports. The successes of these airports are very essential for Government to take a call on whether investment in other such airports is called for or not. Further, establishment of Greenfield airport ensures high standards and stipulated time for project completion, they also ensure world class management and latest technology into airport construction and maintenance. Thus, these airports have become quintessential for the development of a country and looking at the booming Indian aviation sector it is need rather than want.

Objectives of the Study:

The study basically aims

1. To study the performance of 3 Greenfield airports in India
2. To compare the performance of 3 Greenfield airports and draw inferences.

Methodology

The study uses, passenger traffic, cargo growth and other ratios as a tool to draw inference on the performance of the three Greenfield airports. As there are only 3 Greenfield airports operational in India, all the three that is Bengaluru, Hyderabad and Kochi are chosen

for the study. The data used for the study is secondary in nature and is drawn from various secondary sources like the annual reports the websites of the three airports to name a few.

Analysis of data

Brief profile of Bangalore International Airport Limited (BIAL):

Bangalore International Airport is an airport set up in Devanahalli, Bengaluru Karnataka. The airport has a capacity of 50mppa (million passenger per annum) and is currently operating with about 11.5 mppa. The airport is spread around 4300 acres and hosts all prime facilities. It came up under the PPP model using the BOOT (Build Own Operate Transfer) model. The contract period is of 30 years and the name of the developer company is BIAL. The airport was built with a whopping project cost of INR 1930 crores.

Brief profile of Cochin International Airport Limited (CIAL)

Cochin International Airport is an airport set up in Nedumbassery, Cochin Kerela. The airport has a 3400 meter long runway. The airport is spread around 1200 acres and hosts all prime facilities. It came up under the PPP model using the BOO (Build Own Operate) model. The name of the developer company is CIAL. The airport was built with a meagre project cost of INR 303 crores.

Brief profile of Hyderabad International Airport Limited (HIAL)

Hyderabad International Airport is an airport set up in Shamshabad, Hyderabad Telengana. The airport has a capacity of 40 mppa (million passenger per annum) and is currently operating with about 5 mppa. The airport is spread

around 4000 acres and hosts all prime facilities. It came up under the PPP model using the BOOT (Build Own Operate Transfer) model. The contract period is of 30 years and the name

of the developer company is HIAL. The airport was built with a whopping project cost of INR 2480 crores.

Table: 1: Passenger Traffic at Bangalore International Airport Limited

Passenger Traffic at Bangalore International Airport Limited (in Millions)									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Domestic	8.6	7.1	8	9.4	10.3	9.5	10.2	12.5	15.6
International	1.6	1.6	1.9	2.2	2.4	2.5	2.6	2.9	3.4
Total Passengers	10.1	8.8	9.9	11.6	12.7	12.0	12.9	15.4	19

The passenger traffic has seen an increase from 10 million in 2007-08 to 19 million in 2015-16. This is an indication that the passengers preferring to travel through BIAL has increased

over the years. Though majority of the passengers travel within the country the international passengers have grown to almost double which is a great sign.

Table: 2: Passenger Traffic at Cochin International Airport Limited

Passenger Traffic at Cochin International Airport Limited (in Millions)									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Domestic	1.6	1.4	1.7	2	2.1	2	2.1	2.7	3.1
International	1.8	2	2.2	2.4	2.6	2.9	3.3	3.7	4.7
Total Passengers	3.3	3.4	3.9	4.3	4.7	4.9	5.4	6.4	7.7

The passenger traffic has seen an increase from 3.3 million in 2007-08 to 7.7 million in 2015-16. This is an indication that CIAL has been consistent in increasing the passenger traffic over the years. However, it is interesting to see that

CIAL boosts majority of international passengers which is not the case for bigger airports like BIAL and HIAL. This can be attributed to a number of Keralites who travel from gulf countries.

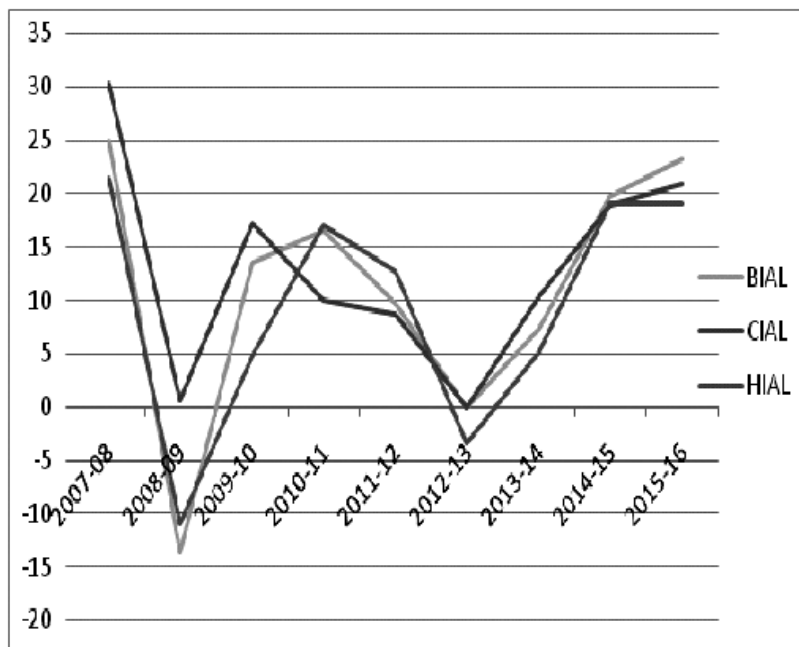
Table: 3: Passenger Traffic at Hyderabad International Airport Limited

Passenger Traffic at Hyderabad International Airport Limited (in Millions)									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Domestic	5.5	4.6	4.8	5.8	6.7	6.2	6.4	7.6	9.2
International	1.4	1.6	1.7	1.9	1.9	2.2	2.4	2.8	3.2
Total Passengers	7	6.2	6.5	7.6	8.6	8.3	8.7	10.4	12.4

The passenger traffic has seen an increase from 7 million in 2007-08 to 12.4 million in 2015-16. This is an indication that the passengers preferring to travel through HIAL has increased over the years but the rate of increase has been

slow. Though majority of the passengers travel within the country the international passengers have grown to almost double which is an indication towards awaited growth.

Chart: 1: Comparison of Growth of Passenger Traffic Across All the Three Airports



It could be seen that all the 3 airports have grown in the past. All airports faced a steep decline during the Recession of 2008. The highest hit was for BIAL. But, all of them have

eventually come out of it and are progressing in the direction of growth in more or less the same pace which is commendable for the economy of the country.

Table: 4:Percentage of Passenger Traffic handled by BIAL in comparison with all Airports

Percentage of Passenger Traffic handled by BIAL in comparison with all Airports									
Domestic	9.9	9.2	8.9	8.9	8.5	8.2	8.4	8.9	9.2
International	5.2	5.2	5.6	5.9	5.8	5.8	5.7	5.8	6.2
Total	8.7	8	8	8.1	7.8	7.5	7.6	8.1	8.5

Table: 5:Percentage of Passenger Traffic handled by CIAL in comparison with all Airports

Percentage of Passenger Traffic handled by CIAL in comparison with all Airports									
Domestic	1.8	1.7	1.9	1.9	1.8	1.7	1.7	1.9	1.8
International	5.9	6.4	6.5	6.2	6.3	6.8	7	7.4	8.5
Total	2.9	3.1	3.2	3	2.9	3.1	3.2	3.4	3.5

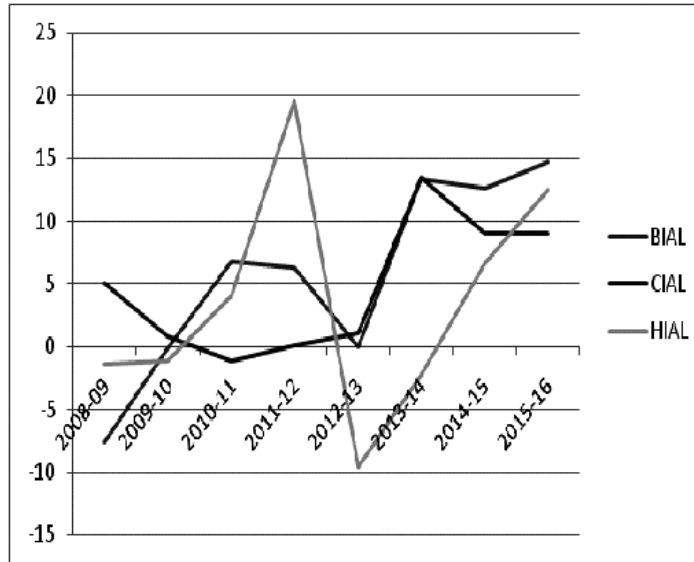
Table: 6:Percentage of Passenger Traffic handled by HIAL in comparison with all Airports

Percentage of Passenger Traffic handled by HIAL in comparison with all Airports									
Domestic	6.4	6	5.4	5.5	5.5	5.3	5.2	5.5	5.5
International	4.8	5	5	4.9	4.7	5.0	5.1	5.5	5.8
Total	6.0	5.7	5.3	5.3	5.3	5.2	5.2	5.5	5.5

The highest percentage of traffic is handled by BIAL followed by HIAL and then CIAL. Combined together they handle almost 18%

of total India's passenger traffic. This shows the important position of these green field airports in Indian aviation infrastructure.

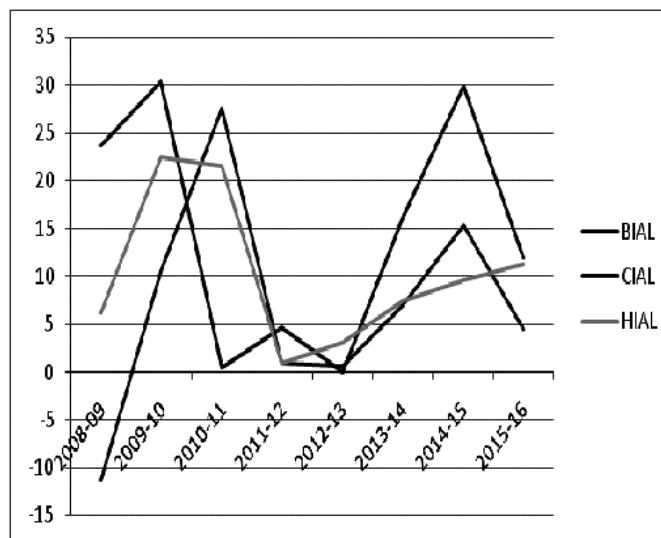
Chart: 2: Comparison of Growth of Air Traffic Movement (ATM) Across All the Three Airports



Air Traffic Movement (ATM) represents the number of arrival and departures that has taken place in an airport in a particular year. The comparison shows that though all the 3 airports are experiencing growth in the ATM at the

present, HIAL has been the most volatile with fluctuating ATM across the period of comparison whereas BIAL and CIAL have been relatively consistent.

Chart: 3: Comparison of Growth of Cargo Traffic Across All the Three Airports



The comparison of the cargo traffic shows that there has been a decline in the cargo traffic from 2014 onwards. HIAL though is steadily increasing in cargo traffic but both BIAL and CIAL has seen a deep fall in the cargo traffic.

Table: 7: Financial Performance of BIAL (2009-2013)

Year	2013	2012	2011	2010	2009
Earnings Per Share (Rs)	2.71	4.18	3.43	2.02	-2.52
EBIT Margin (%)	35.55	48.81	49.69	45.54	3.26
PAT Margin (%)	17.07	26.54	23.8	16.73	-31.35
ROA (%)	3.61	6.64	5.67	3.44	-4.35
ROE (%)	15.89	30.76	35.4	28.8	-41.42
ROCE (%)	8.83	14.33	13.52	10.59	0.51
Asset Turnover(x)	0.21	0.25	0.24	0.21	0.14
Sales/Fixed Asset(x)	0.3	0.31	0.28	0.24	0.16
Fixed Capital/Sales(x)	3.28	3.28	3.55	4.2	6.26
Net Sales Growth (%)	0.93	9.12	19.44	50.15	0
EBIT Growth (%)	-26.5	7.19	30.34	1998.97	0
PAT Growth (%)	-35.11	21.7	69.92	180.12	0
EPS Growth (%)	-35.11	21.7	69.92	180.12	0
Total Debt/Equity(x)	3.04	2.42	3.67	5.61	7.44

BIAL has seen reduction in Profit after Tax (PAT) from 2012 to 2013, but it has eventually outdone itself from 2009 where it made loss. The same is affected in the Earnings per Share (EPS) and others like Return on Assets (ROA), Return on Equity (ROE) and Return on Capital Employed (ROCE) which are all dependent

over profits. Sales here represent the total earnings of BIAL by rendering the services. There has been a steep reduction in the growth of sales in 2013. The debt equity ratio is on the higher verge but is still good as it is a huge organization.

Table: 8: Financial Performance of CIAL (2009-2013)

Year	2013	2012	2011	2010	2009
Earnings Per Share (Rs)	3.64	3.33	3.04	2.62	2
EBIT Margin (%)	49.58	52.32	51.24	54.08	47.78
PAT Margin (%)	38.6	39.27	38.42	42.55	40.57
ROA (%)	13.89	13.99	13.52	13.12	11.73
ROE (%)	21.4	21.85	21.5	20.3	16.88
ROCE (%)	27.48	29.08	28.57	25.67	19.77
Asset Turnover(x)	0.36	0.36	0.35	0.31	0.29
Sales/Fixed Asset(x)	0.48	0.46	0.44	0.38	0.35
Fixed Capital/Sales(x)	2.1	2.17	2.29	2.62	2.82
Net Sales Growth (%)	11.11	10.78	28.72	24.57	23.89
EBIT Growth (%)	5.29	13.11	21.96	41	30.71
PAT Growth (%)	9.19	13.24	16.24	30.63	26.77
EPS Growth (%)	9.19	9.54	16.24	30.63	26.77
Total Debt/Equity(x)	0	0	0	0	0.01

Though CIAL has seen reduction in Profit after Tax (PAT) from 2012 to 2013, but it is a very small dip and it could not be taken as a base for saying that the company hasn't performed well. It has been on a consistent rise from 2009 and has always managed to make profits. The same is affected in the Earnings per Share (EPS) and others like Return on Assets (ROA), Return on Equity (ROE) and Return on Capital

Employed (ROCE) which are all dependent over profits. Sales here represent the total earnings of CIAL by rendering the services. The company has been performing consistently over the years and earning good value for the shareholders. Furthermore it has managed to remain a zero debt company which is a rare feat for a company to achieve when all its contemporaries are highly leveraged.

Table: 9: Financial Performance of HIAL (2009-2013)

Year	2013	2012	2011	2010	2009
Earnings Per Share (Rs)	2.8	0.44	2.75	-2.89	-3.18
EBIT Margin (%)	51.34	43.72	38.93	23.62	10.78
PAT Margin (%)	15.06	2.79	20.13	-25.21	-31.43
ROA (%)	3.61	0.59	3.59	-3.55	-3.79
ROE (%)	27.1	5.08	40.4	-43.95	-39.59
ROCE (%)	13.24	9.59	7.21	3.62	1.45
Asset Turnover(x)	0.24	0.21	0.18	0.14	0.12
Sales/Fixed Asset(x)	0.26	0.23	0.19	0.15	0.14
Fixed Capital/Sales(x)	3.84	4.38	5.26	6.48	7.28
Net Sales Growth (%)	17.06	16.24	19.23	13.45	0
EBIT Growth (%)	37.45	30.54	96.51	148.67	0
PAT Growth (%)	532.77	-83.91	195.21	9	0
EPS Growth (%)	532.77	-83.91	195.21	9	0
Total Debt/Equity(x)	5.16	7.05	7.59	13.56	8.36

HIAL has seen growth in Profit after Tax (PAT) from 2012 to 2013, it has eventually outdone itself from 2009 and 2010 where it made loss. The same is affected in the Earnings per Share (EPS) and others like Return on Assets (ROA), Return on Equity (ROE) and Return on Capital Employed (ROCE) which are all dependent over profits. Sales here represent the total earnings of BIAL by rendering the services. There has been steady increase in the performance of the airport which is a sign of relief as the company was in loss for 2 consecutive years. The debt equity ratio has declined over the years and is attributable as a good sign.

Findings

1. The passenger traffic of BIAL has seen an increase from 10 million in 2007-08 to 19 million in 2015-16.
2. The passenger traffic of CIAL has seen an increase from 7 million in 2007-08 to 12.4 million in 2015-16.
3. The passenger traffic of HIAL has seen an increase from 3.3 million in 2007-08 to 7.7 million in 2015-16.
4. The highest percentage of traffic is handled by BIAL followed by HIAL and then CIAL.

5. The comparison shows that though all the 3 airports are experiencing growth in the ATM at the present, HIAL has been the most volatile with fluctuating ATM across the period of comparison whereas BIAL and CIAL have been relatively consistent
6. The comparison of the cargo traffic shows that there has been a decline in the cargo traffic from 2014 onwards
7. It could be seen that all the 3 airports have grown in the past in passenger traffic. All airports faced a steep decline during the Recession of 2008.
8. BIAL has seen reduction in Profit after Tax (PAT) from 2012 to 2013
9. The debt equity ratio of BIAL is on the higher verge
10. CIAL has seen reduction in Profit after Tax (PAT) from 2012 to 2013
11. CIAL has been on a consistent rise from 2009 and has always managed to make profits
12. CIAL has remained a zero debt company
13. HIAL has seen growth in Profit after Tax (PAT) from 2012 to 2013
14. There has been steady increase in the performance of HIAL which is a sign of relief as the company was in loss for 2 consecutive years
15. The debt equity ratio of HIAL has declined over the years

Conclusion

The comparison of performance of airports show that CIAL has been the consistent performer but it hasn't been able to reach the top most position in passenger traffic cargo traffic or air traffic movement. Even though, it has made profits every year. The airport is built at the lowest cost and provides all necessary amenities as per international standards. It is the only airport with more international passenger movement than domestic.

BIAL and HIAL have more or less been similar in majority of things like in terms of their financial

performance, both made losses in the initial year but made up for it. They both have come up under the BOOT approach of PPP with concessional agreements lasting for 30 years. They have state of the art infrastructure and all necessary amenities. Though BIAL has an upper hand in passenger traffic HIAL is not lagging very far.

Thus it can be concluded that ball the 3 green field airports are performing well and are setting new examples for successful implementation of PPP in Indian Airports.

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USING SOCIAL MEDIA AS A TOOL FOR MONITORING CREDIT RISK IN BANKING

Mr. Harish Kamath*
Dr. Noor Firdoos Jahan**

Abstract

Credit risk is unavoidable part of the banking business. Credit risk refers to the risk of inability of borrower to repay the principal to meet contractual obligation. This is also termed as default risk. The credit risk is assessed at the beginning of the loan origination. The best way to handle such risk is to identify, quantify, monitor and control upfront. Credit risk should be monitored and reported to regulatory authorities, as a part of regulatory compliance. It's an important strategic planning for any financial institution to build a sound Credit Risk Management System (CRMS).

There are multiple risk assessment and mitigation strategies in place to control such risk. It would vary from bank to bank. The primary parameters for any Credit Risk Management System are 'ability to repay' and 'willingness to repay'. The current Credit Risk Management Systems use the static values for the risk parameters. In other words, the values of any parameters are not validated for any change since the data was collected. This study attempts to capture and use the dynamic values for the Credit Risk Management system.

Social Media could be a very good source for collecting the value of 'ability to repay' and 'willingness to repay'. Though the social media is not an authentic data source to base the Credit risk, we can derive a model which can help better quantify the risk, which can then be used for monitoring continually and gets us the most accurate risk index. The Source of data includes but not limited to Twitter, Facebook, News Portals, Weather portals, Public Economic surveys results published in various social portals.

Key words: Bank, Credit risk, Loan, Risk management, Borrower, Lender.

Introduction

Credit risk emanates from a bank's dealings with an individual, corporate, institution etc. As per the Reserve Bank of India Guidelines (RBI), Each Banks which are under the purview of RBI, need to have a Credit risk Management

system in place. There are similar guidelines by various competent authorities. The primary purpose of this is to reduce the Credit risk of the Banks and ensure reduced Non-Performing assets (NPA) [1]. In the present credit risk framework, Value of parameters is static in

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nature. In other words the value of parameters used for assessing the credit risk at the beginning of a loan origination may have changed but the risk systems do not track them. Same risk data is used for risk monitoring also. The parameters include periodic Plant visit, Industry study, employment verification etc.

Social media is term used to paraphrase the group of internet based applications or technologies that enable people to create, share or exchange ideas among its members. Social media has its presence in the form of Facebook, blogging and Micro blogging, Twitter, Collaborative projects like Wikipedia, Content communities like YouTube, Social news networking like Digg and Leakernet, Virtual social worlds like SecondLife etc.

Social Media has opened avenues of opportunities in the field of Analytics. There is a huge dataset available for the Analysis of various dimensions of human behaviour. With Social media, the data cannot be verified for its trueness. That's the downside of the dataset. There have been several commercial usages of the Social media dataset. This is used to understand the taste of customer for the future products, Feedback from customers on its current range of products. What change people want to see? How often they want changes to products etc. Fashion Designers, Consumer durables, are the key innovators, leveraged the social media for its product design and feature addition or removal.

Banking and Financial institutions have been the watchers on Social media to leverage the datasets. Due to the credibility of the data being posted on the Social media, the Banking and Financial institutions have been sceptic to leverage such huge treasure of dataset. Social

media contains the dataset which can potentially be used to identify any possible credit risk at individual level or at the portfolio level. Social media contains the dynamic and most current data points which can be used to analyse the lifestyle, current status of job, increased expenses etc.

Literature Review

Banks are often limited by static dataset and keep them captured for their credit risk assessment. Credit risk monitoring cannot be driven by static data points like Salary certificate, IT returns statement etc. These data points would vary from month on month. Dynamic nature of lifestyle and social influence would have a positive or negative impact on the credit risk. Credit risk can arise from either capacity to repay or from willingness to repay. Each of these data points is dynamic in nature.

The literatures have been studied in three primary areas.

1. Credit Risk – Basic understanding of Credit risk and opportunity for improvement
2. Sentiment Analysis Basic understanding and application
3. Social Media dataset Facts and figures

1.1 Credit risk

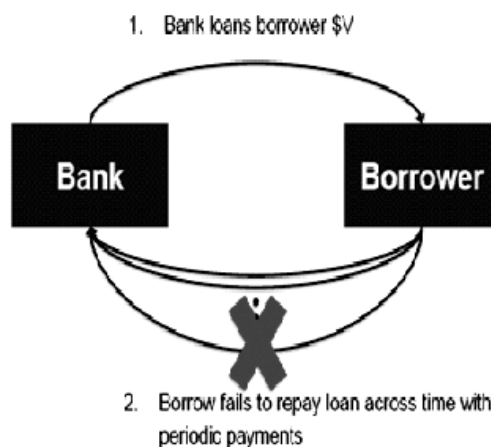
- Credit risk is most simply defined as the potential that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. ⁱⁱ
- “Credit risk is the risk of loss due to a debtor’s non-payment of a loan or other line of credit.”

The Risk management journal, by Bank for International Settlement (BIS) says,

- “Principle 3: Banks should identify and manage credit risk inherent in all products and activities. Banks should ensure that the risks of products and activities new to them are subject to adequate risk management procedures and controls before being

introduced or undertaken, and approved in advance by the board of directors or its appropriate committee”ⁱⁱⁱ

- Credit risk monitoring refers to incessant monitoring of individual credits inclusive of Off-Balance sheet exposures to obligors as well as overall credit portfolio of the bank.^{iv}



Source: Global association for Risk professionals. The GARP Risk Series
CREDIT RISK MANAGEMENT, Chapter 1 | Credit Risk Assessment deck Slide 6

Risk Monitoring contains three parts. Risk Identification, Risk measurement and Risk Monitoring

Risk Identification

All types of risk must be identified and their likely effect in the short-run is understood. A bank that has international operations may experience different intensity of credit, market and operational risks in various countries when compared with a pure domestic bank. Also, even within a bank, risks will vary in its domestic operations and its overseas arms.

Risk Measurement is also part of Risk

monitoring. Acceptable risk thresholds can be set to generate the alerts, while monitoring the risks.

Risk Measurement

Measurement means weighing the contents and/or value, intensity, magnitude of any object against a yardstick. The objective should be to find out and understand the exact degree of risk elements in each category in the operational environment. While a very simple qualitative assessment may be sufficient in some cases, sophisticated methodological/statistical models may be necessary in others for a quantitative value. In bank lending activity, a simple one –

page credit rating system along with simple financial analysis may be sufficient for a relatively low credit limit. But for higher credit limits, detailed qualitative and quantitative analysis with sophisticated credit rating models may be required because the size of the credit limit would indicate the size of default risk and its ultimate effect on the institution

Risk Monitoring

Keeping close track of risk identification measurement activities in the light of the risk, principles and policies is a core function in a risk management system. For the success of the system, it is essential that the operating wings perform their activities within the broad contours of the organizations risk perception.

Sentiment analysis

Sentiment analysis (also known as opinion mining) refers to the use of natural language processing, text analysis and computational linguistics to identify and extract subjective information in source materials. Sentiment analysis is widely applied to reviews and social media for a variety of applications, ranging from marketing to customer service. (Source: Wikipedia)

Sentiment Analysis is now part of commercial applications. Sentiment Analysis has grown beyond the Research papers and now being used in the real-world. It has several applications.

Approach to sentiment analysis, is to, find all positive words in text and increment positive count for each positive word. Similarly find all negative words in text and increment negative count for each word. At the end, which ever count is greater, you can say text is polarized

to that sentiment. There are 3 approaches available for performing Sentiment Analysis.

1. **Lexicon based** - considers lexicon dictionary for identifying polarity of the text
2. **Machine learning based approach** - Needs to develop classification model, which is trained using pre-labeled dataset of positive, negative, neutral content.
3. **Combined approach** - Which uses lexicon dictionary along with pre-labelled data set for developing classification model.

1.2 Social media Dataset for Credit Risk Monitoring.

Social media penetration

Social media has a large volume of data. The dataset includes Facebook, Twitter, Instagram, Weather Portals, News feeds, National economic Statistics for public consumption etc. Here are the statistics on few of the key Social media components. Source: Pew Research^v

- There are just over 3 billion active Internet users
- Nearly 2.1 billion people have social media accounts
- 3.65 billion mobile users have access to the internet via smartphones and tablets
- Close to 1.7 billion people have active social media accounts
- There are nearly 1.4 billion Facebook users
- 47% of all Internet users are on Facebook
- 4.5 billion likes are generated daily
- Twitter has 284 million active users at last count

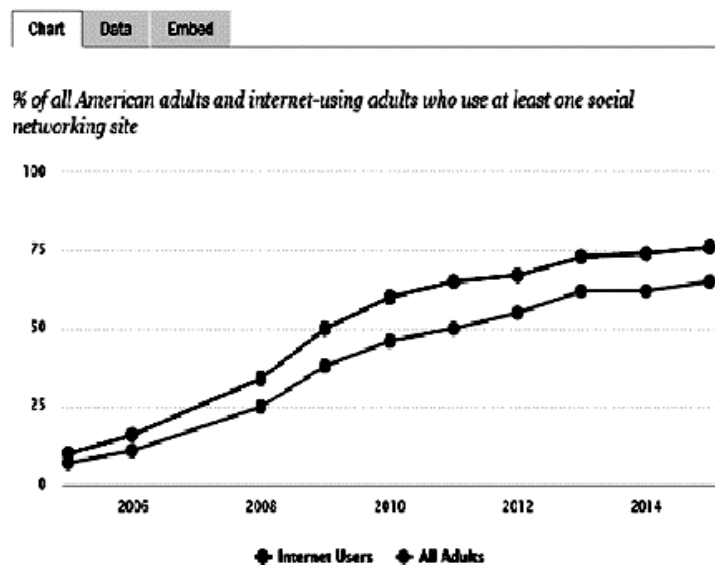
- Google+ has 363 million users
- Instagram has 300 million users
- 70 million photos and videos are sent daily
- 53% of internet users aged 18-29 use Instagram
- LinkedIn has 347 million registered members
- Viber has over 200 million users
- There are 639 million users on Qzone (China)

- 600 million users on Whatsapp
- Facebook messenger has 500 million users

The usage has gone up drastically over the last decade. 65% of adults now use social networking sites – a nearly tenfold jump in the past decade^{vi}

The following image shows the usage of social media over the decade. This gives us a rich dataset to explore and perform the sentiment Analysis in the context of credit risk.

Social Networking Use Has Shot Up in Past Decade



Source: Pew Research Center surveys, 2005-2006, 2008-2015. No data are available for 2007.

Objective of the study

Banks currently use a risk model, giving varied weights to different parameters^{vii}. These parameters will have different degrees of

importance. All of these parameters are mostly static in nature, which means the data collected once are not validated at regular intervals for these dynamic parameters. This raises the need for development of dynamic Risk assessment

model, which can perform its risk assessment based on the dynamic values. Banks want to reduce its level of Non-Performing Assets (NPA) in Personal loan or mortgage loans by tightening its credit policy. The development of such framework will standardize the judgment and remove the element of bias and subjectivity.

Method

The Model will leveraging the Sentiment Analysis Methodology to mine the social media and segregate the sentiments into positive or negative in the context of Credit risk

Identify the parameters impacting the credit risk.

Identify the parameters that affect credit risk of scoped loan. The first step in the development of the model is the identification of the various risks and the parameters to be taken into consideration. For this purpose, the various manuals and websites pertaining to the credit appraisal for corporate loans would be carefully studied. Credit risk score done by internal risk monitoring system will be taken into consideration. Both quantitative and qualitative aspects will be taken into consideration while computing the risk levels. Assessment will be undertaken to surface top 20 parameters that need to be taken into account while evaluating a prospect. These parameters would be classified under two heads namely Willingness and capability risks. Weights developed in this study were based on a conceptual understanding and the importance attached by people proficient in this area.

Obtain the Social media dataset

Social media dataset will be the source of Analysis. Data from Facebook, Twitter,

LinkedIn, Job Portals, and Weather Portals can be obtained for more accuracy.

Perform Sentiment Analysis

Sentiment Analysis is an application of Natural Language Processing which targets on the identification of the sentiment (positive vs. negative vs. neutral), the subjectivity (objective vs. subjective) and the emotional states of the document. We would label each sentiment which can impact eh credit risk negatively or positively. We will not pay attention to neutral sentiment. There are multiple tools available for Sentiment analysis. These are Python NLTK (Natural Language Toolkit), R, TM (text mining) module, RapidMiner.

Perform Discriminant Analysis

Discriminant Analysis can be used to develop a function to discriminate between three categories of risk (moderate risk clients, high risk clients and very high risk clients). We need to find the factors which contribute the maximum in discrimination. To build the discriminant model the value of the dependent and the independent variables for the set of loans can be entered in the SPSS or any other competent software and the weights/coefficients for all the parameters can be computed.

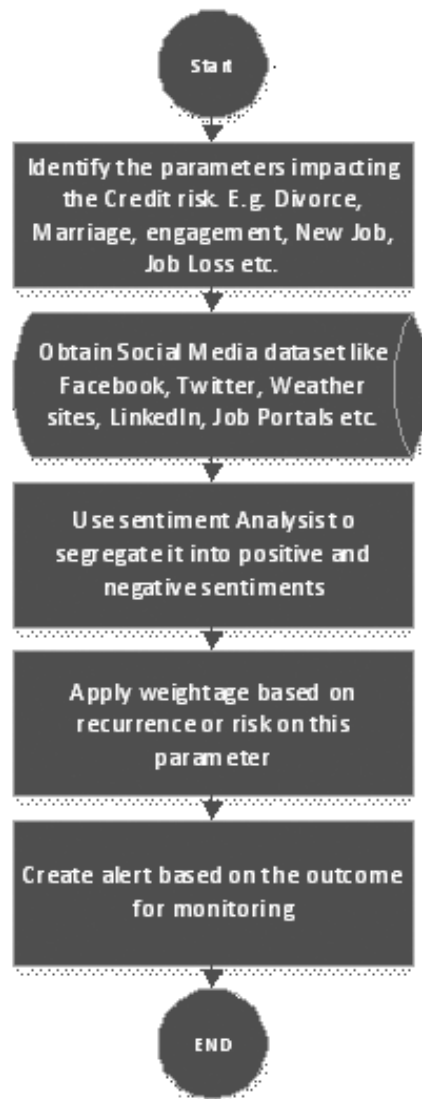
Assign Weightage based on recurrence of risk for that parameter

Identify the parameters which are more likely to impact and assign the relative weightage to other parameters. The number of occurrence and the Amount which is at stake, if the risk occurs.

Compute the risk score

Compute the risk score based on the weightage assigned to each of the parameter, derived from

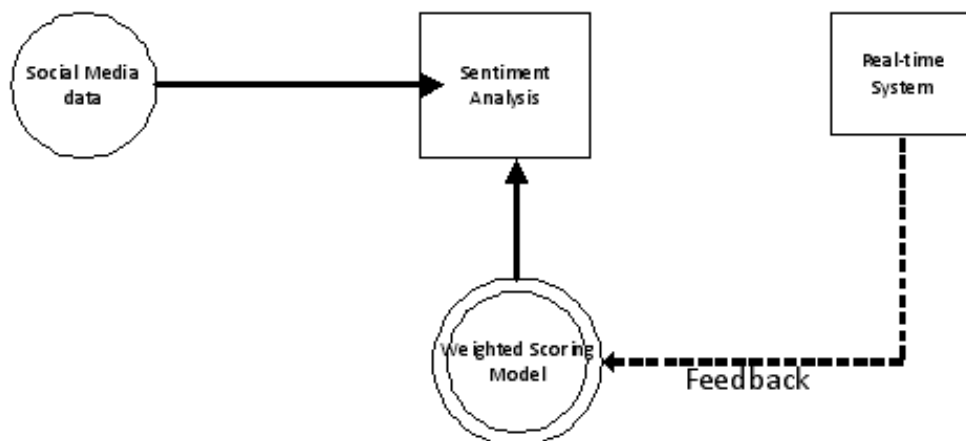
the Sentiment Analysis. This will help to generate the alerts for Monitoring system.



Feedback system

Feedback Mechanism is the critical part of this model. The Real-time systems will record the actual default and give the feedback to the system. There are cases where the default has

happened from totally un-captured parameter. The Feedback mechanism will help to add that to the scoring system and make the weighted scoring mechanism more robust.



Conclusion

The fundamentals of any Credit risk a.k.a. default risk, lies in multiple factors and omission of the dynamic human factor cannot be ignored. There a huge dataset available in the Internet for capturing the dynamic human factors impacting the Credit risk positively or negatively.

Using the sentiment Analysis, which has been established its credentials over the time. Using the statistical models like Discriminant Model to classify those into Positive or negative in the context of Credit risk.

Weightage can be assigned to each kind of event or label and compute the credit risk score. This will help capture the dynamic risk, and make the model more robust, which otherwise is not factored into risk model.

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ⁱAs per latest RBI guidelines vide RBI/2013-14/62 dated July 1, 2013, an asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank.

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<https://www.bis.org/publ/bcbsc125.pdf>

ⁱⁱⁱ Principles for the Assessment of Banks' Management of Credit Risk, it cites this principle about risk management. (<https://www.bis.org/publ/bcbsc125.pdf>)

^{iv}Commercial Credit Risk Monitoring & Control Efforts.Linkedin Article on Credit risk monitoring by Jim RiceManaging Director at Supporting Strategies - Orlando/Rohester

^vPew Research CenterInternet, Science & Tech

^{vi} Source: Pew Research CenterInternet, Science & Tech. http://www.pewinternet.org/2015/10/08/social-networking-usage-2005-2015/?beta=true&utm_expid=53098246-2.Lly4CFSVQG2lphsg-KopIg.1&utm_referrer=http%3A%2F%2Fwww.pewinternet.org%2Ffact-sheets%2Fsocial-networking-fact-sheet%2F

^{vii}**Credit risk Monitoring parameters**

1. Credit files are neatly organized and cross-indexed;
2. Credit files should not be removed from the institution's premises without the requisite
3. approval;

4. Insurance policies are properly assigned to the institution and premiums are current;
5. Credit facilities are disbursed only after all contractual terms and conditions have been
6. met and all required documents received;
7. Security documents are duly executed and properly protected from fire, theft etc;
8. Collateral value is periodically ascertained and monitored;
9. The borrower is making timely repayments on interest, principal and any agreed to fees
10. and commissions;
11. Information on credit provided to the financial institution's management is accurate and
12. timely;
13. Credit administration responsibilities within the financial institution are adequately
14. segregated;
15. Funds disbursed under the credit agreement are used for the purpose for which they were
16. granted;
17. Established policies and procedures, as well as relevant laws and regulations, are being
18. complied with; and
19. Assessments of borrower's business are conducted through regular inspections.

Source: http://www.eccb-centralbank.org/pdf/credit_risk.pdf

Terminology

For the purposes of this proposal, the following descriptions of terms will apply.

'Origination' will be used to refer the part of the loan processing where the borrower applies for new loan and a lender process the application. This process generally includes all organization specific steps from applying to loan to disbursement of funds to the borrower. The primary step at this stage is to verify the capability of the borrower to repay the loan. At present CIBIL score is used as one of the tool to verify the capability of an individual to repay along with one's Salary certificate, tenure of one's job or the stream of income as applicable.

'Capability' will be used in the context of repayment of the mortgage. Assessment of borrower's stream of income at disposal to ensure that borrower can repay the mortgage beyond meeting his regular monthly expenses.

'Willingness' will be referred to depict the willingness of the borrower to repay the loan. Willingness may vary due to various reasons during the life of the loan. Those could be conflicting priorities, Social obligations, slow appreciation of property value or moving to out of current location, causing lose interest in the current property subjected to mortgage

'Loan Servicing' is the process by which a company (mortgage bank, servicing firm, etc.) collects interest, principal and escrow payments from a borrower. In India mostly this is done by the lender. The other option for loan servicing could be delegating the loan servicing to third party.

‘Credit risk’ is the Probability of loss from a debtor’s default. In banking, credit risk is a major factor in determination of interest rate on a loan, Longer the term of loan, usually higher the interest rate. Credit risk is also called credit exposure. It is the process of identification, measurement, monitoring and control of its activities which would have an adverse impact on the money lent

‘CIBIL score’ Credit Information Bureau (India) Limited (CIBIL). This is India’s first Credit Information Company. CIBIL collects and maintains records of an individual’s payments pertaining to loans and credit cards. These records are submitted to CIBIL by member banks and credit institutions, on a monthly basis. This dataset is used with custom built analytics and formulas to arrive at credit

risk score for an individual. This score plays a vital role to determine the sanction of loan. This plays as a credit risk tool during loan origination.

‘Loan origination’ is the process by which a borrower applies for a new loan, and a lender processes that application. Origination generally includes all the steps from taking a loan application up to disbursal of funds (or declining the application).

‘Loan servicing’ covers everything after disbursing the funds until the loan is fully paid off. Loan origination is a specialized version of new account opening for financial services organizations. Certain people and organizations specialize in loan origination. Mortgage brokers and other mortgage originator companies serve as a prominent example.

Sample Labels determining the sentiments

Itemized indicators	Sentiment type	Source
Family outing - very often	Negative	Facebook, Twitter, Instagram etc.
Addition of family members	Negative	Facebook, Twitter, Instagram etc.
Divorce	Negative	Facebook, Twitter, Instagram etc.
Marriage	Negative	Facebook, Twitter, Instagram etc.
Engagement	Negative	Facebook, Twitter, Instagram etc.
Family functions	Negative	Facebook, Twitter, Instagram etc.
newly found Love interest	Negative	Facebook, Twitter, Instagram etc.
Betting	Negative	Facebook, Twitter, Instagram etc.
Frequent to Gaming sites	Negative	Data from Gaming sites on Social Media
increased visit to parties	Negative	Facebook, Twitter, Instagram etc.
House price is lesser than purchase price	Negative	News, Economic updates
Low appreciation of house rate than interest rate	Negative	News, Economic updates
Real estate market is not doing well	Negative	News, Economic updates
Value of the subject, for which loan was obtained is lower due to market volatility	Negative	News, Economic updates
probable Natural calamity in the borrowers locality	Negative	Weather Portals, News
Transfer to other location within the country	Negative	LinkedIn & Other Social media
Transfer to other location outside the country	Negative	LinkedIn & Other Social media
Moving to a location which has cheaper cost of living	Positive	LinkedIn & Other Social media
probable Natural calamity in the borrowers locality	Negative	Weather Portals, News
Increased expense due to Natural calamity	Negative	Weather Portals, News
The segment in which the borrower is employed is facing downturn	Negative	News, Economic updates
Got a new job	Positive	LinkedIn & Other Social media
Job Loss	Negative	Job Portals, LinkedIn

ROLE OF CSR IN CORPORATE LONG TERM SURVIVAL AND LONG TERM SUSTAINABLE DEVELOPMENT – A STUDY OF SHIMUL, SHIMOGA

Krupa V.D.*
Sushmitha K. C.**

Abstract:

CSR is a business strategy that works in a world where brand value and reputation are increasingly seen as an organization's most valuable asset. It can build the loyalty and trust that ensure a bright sustainable future. In our complex, global society, corporations are becoming increasingly visible. These businesses are not judged on their results but on their behavior too. Thus CSR should have become an integral part of every aspect of business life and this brings improvement in financial performance, increases productivity, better risk and crisis management, increased worker commitment, good relations with government and communities, enhanced brand value and reputation this brings to long term survival and sustainable growth to the business. On the basis of these, this study is under taken to know whether CSR practice of SHIMUL has impacted on the long term survival and sustainable development of the business, the study used structured questionnaire and interview method to collect the data from the respondents. The study has used chi square method to check two hypotheses and both the alternative hypothesis are accepted and study reveals that factors of CSR practice of the corporates impacts on long term survival and sustainable development of the business. So, there is a need for SHIMUL to improve the CSR practice and reporting it regularly.

Key words: Survival, Sustainable development, Communities, Integral.

1. Introduction

Corporate Social responsibility (CSR) means a doctrine that claims that an entity whether it is government, private corporations or public organization has a responsibility to society. CSR is a concept that reduces costs and risks, increases the brand value and reputation, effectiveness and the efficiency of employees, improves transparency, and clarity in the

working environment of the business house and enhances sustainable development of corporates.

According to research by the trade association business for social responsibility, corporations report publicly on their CSR activity to meet the demands of stakeholders and other interested individuals-such as employees, consumers, clients, suppliers, shareholders, law

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marks and regulators-who are asking companies to be accountable not only for their own performance, but also for the effect of their products, the performance of their supply chain and the well- being of their own performance, but also for the effect of their own performance, but also for the effect of their products and the performance of their employees.

In India, the concept of CSR is governed by clause 135 of the Companies Act, 2013, which was passed by both Houses of the Parliament, and had received the assent of the President of India on 29th August 2013. The CSR provisions within the Act is applicable to companies with an annual turnover of INR 1,000 crore and more, or a net worth of INR 500 crore and more, or a net profit of INR 5 crore and more. The new rules, which will be applicable from the fiscal year 2014-15 onwards, also require companies to set-up a CSR committee consisting of their board members, including at least one independent director. The Act encourages companies to spend at least 2% of their average net profit in the previous three years on CSR activities. The ministry's draft rules, that have been put up for public comment, define net profit as the profit before tax as per the books of accounts, excluding profits arising from branches outside India.

1. Literature review

Prabjot Kaur made a study on, "Corporate Social Responsibility: Present scenario in India", He states that, India's emerging CSR regime and its potential strength and weakness also he continued with the corporate reputation is an important strategic asset that contributes to firm-level persistent profitability and affirms that strong reputation is linked with superior financial performance and sustainable development.

Ramendra Singh and Sharad Agarwal made a study on, "Corporate Social Responsibility for social impact: approach to measure social impact using CSR impact index". They states that, most companies in India engage with local communities near their areas of operations, and the beneficiaries of CSR activities are generally the local population, these companies should try to develop scalable models of CSR that can be extended across the nation using local NGO's in each geographical area, a very helpful resource yet at a low cost, scalable models will be helpful in expanding the socio-economic impact of CSR activities of the corporate.

Rajeev Prabhakar and Sonam Mishra made a study on, "Corporate Social Responsibility in Indian organization: an-introspection", now a days stakeholders are questioning more on CSR initiatives of the companies today, they are challenging the companies. It has become imperative to incorporate it for stakeholders.

Venugopal, R made a study on, "Corporate Social Responsibility and the insurance sector". He states that, it is not enough if a company makes a profit, if should also play a critical role in the life of the community. The board of directors of the company has to observe the needs of their immediate community and take steps in ameliorating them in a suitable manner, thereby earning the epithet of a 'good corporate citizen'. Indian insurers have so far involved in both direct as well as indirect CSR activities. Apart from being involved indirectly in the mobilization of funds for the development of national economy, they are also directly involved in many socially responsible causes. The US, insurance companies are the major contributors for CSR. They have donated \$147mn, also other largest companies they invest in funding the building of road, schools

and other public projects. They also provide capital for research expansions through investments in corporate equities and bonds. Any company that needs to call itself a good corporate citizen' ought to spend at least 1% of its previous years pre-tax profit for CSR purposes.

Nitin Kumar made a study on, "Corporate Social Responsibility: An analysis of impact and challenges in India". He states, that, CSR has evolved from being regarded as detrimental to a company's profitability, to being considered as somehow benefiting the company as a whole, at least in the long run. The challenges facing CSR initiatives in India are lack of community participation in CSR activities, needs for capacity building of the local non-governmental organizations. Issues transparency, non-availability of well-organized non-governmental organizations, ect. In the recent years corporate business houses have substantially involved towards societal responsibilities. Companies have started to realise the importance of CSR and initiating the steps towards it. This effort will also motivate other corporate house to join the league and play an effective role in addressing issues such as access to education, health care and livelihood opportunities for a large number of people in India through their innovative CSR practices.

Ananda Das Gupta made a study on, "Implementing Corporate Social Responsibility in India: issues and the beyond". He states that, the government of India initiated corporate responsibility for environmental protection (CREP) initiated by the Indian government recently in 2003, set guide-lines of non-mandatory norms for 17 polluting industries. Corporate social responsibility is essentially a

new business strategy to reduce investment risks and maximize profits by taking all the key stakeholders into confidence. In the emerging perspective CSR enjoins upon corporations to analyze profits in conjunctions with social prosperity. Corporate gives stress on them as the stake-holders, in a business are not just the shareholders, sustainable development and economic sustainability, corporate profits to be analyzed in conjunction with social prosperity. Thus, ethical business is more a fundamental need, emerging trend on the international since. In an ethical business, the main trust is on social values and business is conducted in consonance with broader social values and the stakeholder's long-term interest.

3. Objectives of the Study

- To analyze the CSR factors which influenced on the long term survival and sustainable development of the SHIMUL (Shivamogga Co-operative Milk Union Limited).
- To give some suitable suggestions for accelerating CSR initiatives in SHIMUL

4. Research Methodology

4.1 Type of research

This study is an empirical in nature, conducted to know how CSR practice can become tool for survival and sustainable development of the corporate sector.

4.2 Scope of the Study

The study conducted to know about the perception of employees about the CSR practices in the corporates and to analyse how it become tool for survival and sustainable development of corporates. The study only

restricted to SHIMUL at Shivamogga (District, Karnataka state).

4.3 Sample Design:

- **Sampling Method:** Convenient sampling method is used to select the sample.
- **Sample Size:** The sample size of this study is 60 respondents.
- **Sample Frame:** Employees of SHIMUL.

4.5 Hypothesis

H0: CSR is not a tool for Corporate Long term Survival and Long Term Sustainable Development.

H1: CSR is a tool for Corporate Long term Survival and Long Term Sustainable Development.

4.6 Hypothesis Test:

The outlined hypothesis of the study is tested with the help of chi square.

4.7 Sources of Data

The study has used both primary and secondary data.

The primary data of this study has collected from respondents (employees of SHIMUL) through structured interview and questionnaire method.

The secondary data for this study has collected from published sources such as articles, various corporate CSR reports, books, journals and periodicals.

5. Analysis and Interpretation

Discussion and Conclusion:

Table no - 5.1: Profile of respondents.

Gender		
	No. of Respondents	Percentage (%)
Male	30	50
Female	30	50
Total	60	100%
Age Group		
18-25	20	33
26-35	19	32
36-50	7	12
50 and above	14	23
Total	60	100%

Work Experience		
0-10 years	39	65
11-20 years	11	18
21-30 years	7	12
Above 31 years	3	5
Total	60	100%
Annual Income		
Below Rs. 50, 000	2	3
Rs. 50,001 to Rs. 1,00,000	8	13
Rs. 1,00,001 to Rs. 2,00,000	2	3
Rs. 2,00,001 and Above	48	80
Total	60	100%
Education level		
Below PUC	9	15
UG	21	35
PG	26	43
Diploma	4	7
Total	60	100%

(Source: Primary data)

The above table shows that, there is an equal proportion of male and female respondents are taken for this study and majority of them belongs to 18 to 35 age group. All the respondents are

educated and majority of them completed UG and PG and their annual income is more than Rs 2,00,000. Majority of the employees working experience is 0 to 20 years.

Table no 5.2: Respondents awareness about CSR activity

Awareness	No. of Respondents	Percentage (%)
Yes	60	100
No	0	0
Total	60	100

(Source: Primary data)

From the above table it clears that, all respondents are aware about CSR activities of the SHMUL.

Table no 5.3: Means through which Respondents came to know about SHMUL's CSR practice

Means	No. of Respondents	Percentage (%)
Friends, Relatives	0	0
Media	0	0
Through company report	0	0
Website of the SHMUL	60	100
Total	60	100

(Source: Primary data)

From the above table it is clear that, majority of the respondents are aware about CSR practice through companies website.

Table no 5.4: SHIMUL community Development initiatives under CSR practice

Community Development	No. of Respondents	Percentage (%)
Local heritage	31	52
Disability	1	2
Conservation	6	10
Youth development	7	12
Underprivileged	3	5
Poverty alleviation	4	7
Sports	5	8
Culture	2	3
Others	1	2
Total	60	100

(Source: Primary data)

The above table shows that, under CSR the company made more investments on development of local heritage and they have concentrated less on other areas.

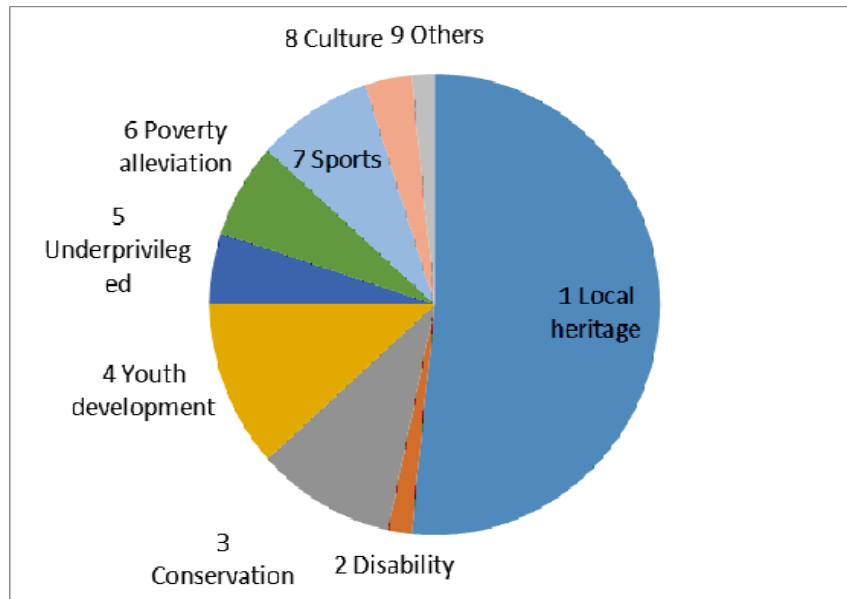


Figure – 5.1: SHMUL community development initiatives under CSR practice

Table no 5.5: Respondents opinion towards CSR as a tool for corporate long term survival and sustainable growth

Capacity building & Sustainable development	No. of Respondents	Percentage (%)
Strongly agree	38	63
Agree	19	32
Neutral	3	5
Disagree	0	0
Strongly disagree	0	0
Total	60	100

(Source: Primary data)

The above table shows that, majority of the respondents strongly agreed that CSR is a tool for the corporate long term survival and sustainable growth.

Table no 5.6: Factors influenced on the long term survival of the organization through CSR practice

Variables	SA	A	N	D	SD	Total
Meets clients requirements improves relationship	33	21	5	1	0	60
Improves stakeholders and management relationships	18	28	9	2	3	60
Improves economic performance	15	32	9	2	2	60
Motivates top management	20	26	13	1	0	60
Improves marketing, public relations and corporate image	19	24	12	2	3	60
Gains a competitive advantage	18	21	17	3	1	60
Increases efficiency and productivity	18	27	12	2	1	60
Improves relationship with financial institutions	18	19	18	4	1	60
Achieve relevant accreditation (environmental, quality, health and security etc)	23	20	16	1	0	60

(Source: Primary data)

(SA-Strongly agree, A-Agree, N-Neutral, D-Disagree, SD-Strongly disagree)

H0: CSR is not a tool for Corporate Long term Survival

H1: CSR is a tool for Corporate Long term Survival

$$X^2 = \sum_{i=1}^n \frac{(O_i - E_i)^2}{E_i}$$

Table value @ 1% level of significance	Table value @ 5% level of significance	Computed value	Degree of freedom
32	26.30	41.938	32

The table value for 1% level of significance is 32. The table value for 5% level of significance is 26.30. The computed value is 41.938. Since, the computed value is more than both the table

values. So alternative hypothesis is accepted and its result indicates that all the factors are influenced on the long term survival of the organization through CSR practice.

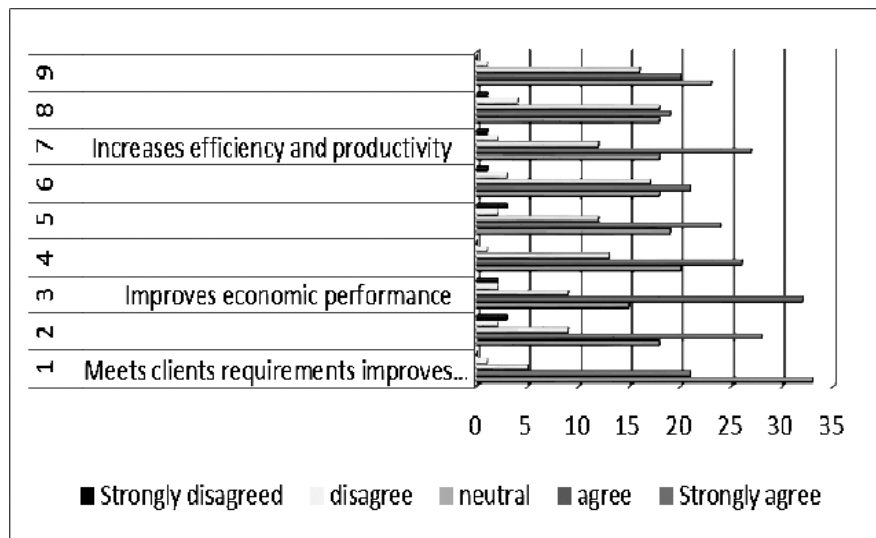


Figure – 5.2: Factors influence on the survival of the organization through CSR

Table no– 5.7: Respondents opinion towards sustainable development through CSR practice

Variables	SA	A	N	DA	SDA	Total
Customer satisfacti on and awareness	37	18	5	0	0	60
Quality product at an affordable rate	28	26	5	1	0	60
Retention of employees	23	22	14	0	1	60
Motivate and improve employees morale	23	29	7	1	0	60
Corporate donarship and volunteerism	14	27	13	5	1	60
Support social integration	17	27	12	2	2	60
Developing employment and infrastructure	20	26	7	7	0	60
Greater efficiency and less waste	14	27	12	6	1	60
Attract green and ethical investment	21	25	11	1	2	60
Environmental friendly products, services	18	30	10	0	2	60
Compliance with regulations and standards	25	28	4	3	0	60
Protection of natural resources	28	22	9	1	0	60

(SA-Strongly agree, A-Agree, N-Neutral, D-Disagree, SD-Strongly disagree)

H0: CSR is not a tool for Corporate Sustainable Growth

H2: CSR is a tool for Corporate Sustainable Growth

$$X^2 = \sum_{i=1}^n \frac{(O_i - E_i)^2}{E_i}$$

Table value @ 1% level of significance	Table value @ 5% level of significance	Computed value	Degree of freedom
32	26.30	56.274	44

The table value for 1% level of significance is 32. The table value for 5% level of significance is 26.30. The computed value is 56.274. Since, the computed value is more than both the table

values. So alternative hypothesis is accepted and its result indicates that all the factors are influenced on the sustainable development of the organization through CSR practice.

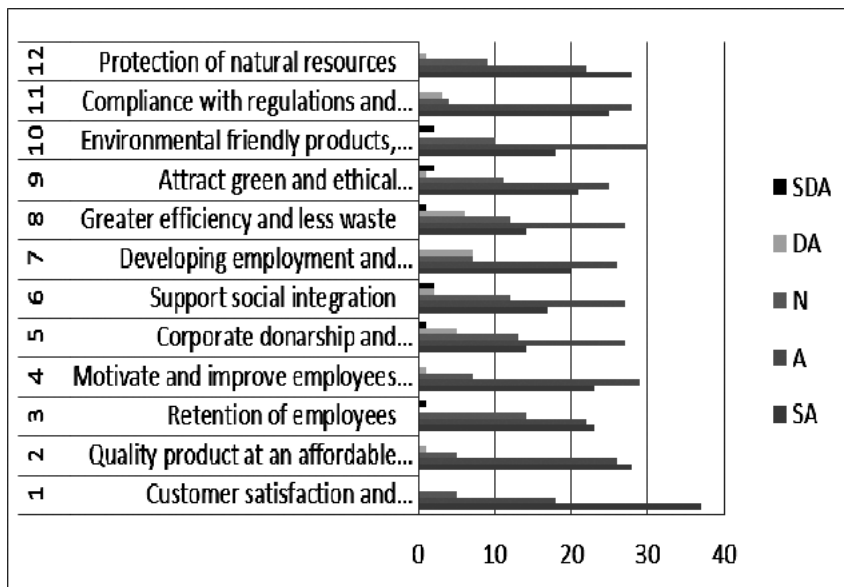


Figure – 5.3: Respondents opinion about sustainable development through CSR practice

Table no– 5.8: Environmental protection programmes under taken by the organisation in CSR practice

Measures	No. of Respondents	Percentage (%)
Energy saving programmes	38	30
Life cycle assessment processes	11	9
Waste recycling	32	25
Management of environmental system	11	9
Mobility management	12	9
Use of renewable resources	11	9
Development of environmental friendly product	12	9
Total	127	100

(Source: Primary data)

Under CSR practice the company has under taken some environmental protection programmes. Among 127 total responses, majority of the respondents opined that, energy saving programmes and waste recycling are the measures which is majorly under taken by the company and for rest of the programmes they concentrated less.

Table no– 5.9: Problems faced by employees from improper management of CSR practices

Problems	No. of Respondents	Percentage (%)
Less employee safety	24	40
Women rights not given	8	13
Irregular work load on employees	25	42
Unfair pay	3	5
More child labour	-	-
Total	60	100

(Source: Primary data)

This shows that, by improper management of CSR practice the organisation facing certain problems internally. Among the above problems less safety for employees and irregular load from the top management are the major problems employees are facing.

Table no – 5.10: Reasons for improper management of CSR practice.

Obstacles	No. of Responses	Percentage (%)
Lack of human resources	15	13
Lack of funds	32	28
Lack of time	29	25
Lack of specific legislation on CSR	8	7
Lack of employee motivation	9	8
Lack of knowledge	13	11
Lack of support from top management	5	4
Business benefits not immediate	5	4
Total	116	100

(Source: Primary data)

This shows that, there are number of reasons which influenced on the improper management of CSR practices in the organisations. Among those, lack of fund and time are the major constraints.

6. Findings

- All the employees in SHIMUL are aware about the CSR practice conducted in their organizations and majority of them are aware about it through the company website.
- SHIMUL regularly allocating and the budgeting amount for CSR implementation and it is above Rs 150000 PA.
- SHIMUL regularly providing resources for CSR in the means of money and in kind.
- SHIMUL invested more in local heritage and youth development as a part of its community investment initiatives under CSR practice and less concentrated on other community development activities.
- SHIMUL adopted the purchasing policy/ quality standards and they conduct the employees satisfaction survey, regularly as a part of CSR practice.
- All the employees in the SHIMUL agreed that “CSR is a tool for long term survival and sustained growth”.
- CSR report is not prepared by the SHIMUL but some information is disclosed in websites.
- Employee safety and irregular work is the major problems recently faced by the organization by improper management of CSR practice.
- The potential benefits of the business and nature of the benefits of CSR for an organization depending on the nature of the enterprise, as a result it is difficult to quantify.
- Majority of employees of the organization agree that there is a relationships between profitability and CSR activities of the organization
- Organization adopts energy savings, waste recycling measures to reduce environmental impact.
- The biggest obstacle faced by the organization to practice CSR is lack of human resources, lack of funds and time.

- Social responsibility of business have created a better image and goodwill to the company. Which will becomes an instrumental in attracting customers, employees and also investors. Which carries the organisation for long term sustainable development.
- ◆ Results of first hypothesis: **H1:** CSR is a tool for Corporate Long term Survival
- CSR meets clients requirements to improve the relationship
- CSR improves stakeholders and creates good relationship with the management
- It also improves economic performance of the company
- Motivates top management to perform activities effectively
- It improves companies marketing, public relationships and also creates good corporate image
- Through its possible for the company to gain competitive advantage
- It improves relationship with financial institutions
- It has also facilitated relevant accreditations such as environmental, quality, health and security etc.
- ◆ Results of second hypothesis: **H2:** CSR is a tool for Corporate sustainable development
- CSR helps in sustainable development as it gives customer satisfaction and awareness
- CSR helps to customers to get quality products at an affordable rate and it helps to retain the customers
- It motivates employees to improve morale and retain with the company
- It increases donarship and volunteerism and also supports for social integration
- It attracts companies for green and ethical investment. It helps the companies to produce environmental friendly products and services
- CSR also helps in protection of natural resources.

7. Suggestions

- CSR is needed for parent corporates for their long term survival and sustainable development. So the corporates need to practice CSR regularly. Everyone in the organization needs to recognize their own role in promoting CSR and companies should also need to provide wider professional development activities.
- Training, conferences and seminars should be organized to disseminate and generate new knowledge and information about CSR practice.
- A strong budgetary support would definitely help to grow CSR practice and research related to respective organization would enhance the organizations contribution.
- Government regulations which are supporting in this direction could attract more response from organizations. All this would also lead to benchmark for CSR activities.
- Organization should publish the CSR report regularly.
- Organization need to involve their CSR activities which build long term partnerships with stakeholders which would lead to creating a strong image and brand identity.
- Companies must set a network of activities

to be taken up in a consortium to tackle major environmental issues. It would also provide an opportunity to learn from each other.

- Accounting bodies need to create CSR accounting standard which helps to maintain uniform method of CSR accounting.
- CSR activities enhance corporate social objective under areas of net income contribution, Human resource contribution, public contribution, environmental contribution, product or service contribution.
- With the transparency of social cost and benefits in money terms. However, it is necessary in order to improve the heads of reporting in the context of dynamic socio-economic environment.
- The challenges are now the flexible modules for the CSR to be implemented, directive to its arrangement with the corporate world.
- Organizations should conduct periodic review of the CSR activities which will be conducted by a particular organization.
- Top management support, encouragement to CSR activity is necessary in the form of providing information about fund and other resources.
- Organization need to take steps to reduce environmental impact they should follow energy savings, waste recycling, use of renewable resources, development of environmental friendly product, mobility management etc.
- By adopting appropriate technology or infrastructure, organization can control over the irregular work, and can improve children work, women rights, employee safety, and fair pay issues.

- In the production process organization should improve safety measures to employees.

8. Conclusion

The CSR practice has definitely become a tool for corporate long term survival and sustained growth of the organization. The study reveals that, improper management of CSR led to the SHIMUL to face problems such as employee safety, women rights and irregular work load for employee. Those problems can be expunged by the proper management of CSR practice because every good work it really appreciated by everyone so the CSR by the organization it attracts the people for effective working principles like increasing business competitiveness and market access, creating shareholder value and increasingly access to capital, enhancing brand reputation through credible assurance on ethical purchasing decisions, improving employee recruitment, retention and performance by empowering workers, improving work-related skills and raising awareness on the enterprise's commitment to job satisfaction and good working conditions, provide safety measures to employees, provide equal rights to women, risk management and cost saving initiatives, improving product quality, improving supply chain management, enhancing operational efficiency, strengthening stakeholder relationships, enhancing community development and support, and showcasing responsible leadership, practicing Corporate Social Responsibility in different sectors of business this can help for the corporates long term survival and sustainable development.

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SYNERGIZING PERSONALITY ATTRIBUTES AND PERFORMANCE FOR ENTREPRENEURIAL SUCCESS AND BUSINESS GROWTH

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Abstract:

“Control your own destiny or someone else will” - Jack Welch

The aforesaid emphatic statement by Jack Welch speaks volumes about entrepreneurs’ personality attributes to meet the challenges of Business Growth. Entrepreneurs effectively utilize their resources to achieve sound economic performance which is the foundation for profitable results and the progress thereupon. Entrepreneurs face many challenges from the day one of their venturing into the incubation of the Business enterprise till they achieve their business objectives and grow constantly.

The dynamic and challenging multistructured activities of enterprise require appropriate controlling and decision making capabilities and effective performance. Eventually, entrepreneurs need a set of Personality attributes in order to be effective & successful. One such important Personality attributes is Machiavellianism. Synergizing it with the organisational performance is a real challenge for the entrepreneurs. This research work is focused on understanding the role of Machiavellianism in achieving entrepreneurial success and Business Growth.

The current study focuses on the Personality attributes of 100 Medium and Small Scale Entrepreneurs, who manufacture Automotive Components/OEMs and in turn supply to Automotive Component Giant BOSCH Ltd. An explorative research was conducted using survey method by administering a structured questionnaire to the Entrepreneurs and their responses were collected and analyzed. The research has unearthed that entrepreneurs with higher Machiavellianism are found to be more successful. Hence, without any exception, every entrepreneur should have higher Machiavellianism to achieve his entrepreneurial success and Business Growth.

Key words: Business Growth, Entrepreneurial Success, Challenges, Personality Traits, Machiavellianism.

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1. Introduction

Is **Machiavellianism** an attribute for entrepreneurial success? Why is it important?

Achieving excellence and improving on a continuous basis is a basic crux of life. In absence of improvement, life becomes futile and frustrating.

Individuals with higher ambition levels and higher achievement orientation, end up becoming entrepreneurs. Their achievement is just the satisfaction derived out of doing something on their own' itself. Enough reviews & success formula have been deciphered from a large number of entrepreneurs. While there are a large number of entrepreneurs all around, only a sizable number of them have been able to establish themselves well in the sphere of their activities.

Personality attributes play very important role in achieving the Entrepreneurs' success, which is synonymous with his business success.

The demand for success can be fulfilled only when the entrepreneurs are closely involved in satisfying customer requirements - Right product, Right Quantity, Right Quality, at the Right time, Right place, Right Cost, etc., for the right set of customers.

Entrepreneurial success is a combination of three components-**Investor needs, customer needs & entrepreneurial capabilities**. While success is the end result of many ingredients, it is also dependent on the success characteristics of an entrepreneur. **Machiavellianism** is one such important entrepreneurial attribute.

This research work is a sincere effort to identify

whether **Machiavellianism** contributes to the entrepreneurial success, sustainability and Growth.

Machiavellianism

- Persons can be classified into **High Machs and Low Machs**, according to their Machiavellian levels.
- **High Machs** tend to take control, especially in loosely structured situations;
- **High Machs** tend to be more logical, rational and pragmatic than Low Machs
- **High Machs** are often skilled at influencing and coalition building.

It can be viewed in both positive and negative connotations, but, in this research work, it is looked from the positive connotation.

Objectives of the study

Based on the research questions, the researcher set the following objectives for this research work:

- To determine Machiavellian levels among Entrepreneurs of automotive industry suppliers.
- To ascertain the impact of these traits on entrepreneurial success.

Scope of the study

- Personality traits play very important role in achieving the Entrepreneurs' success. This in turn helps to achieve business objectives.
- This demand for success can be fulfilled only when the suppliers/entrepreneurs are closely involved with the customer to supply: Right product, Right Quantity, Right Quality, Right

customer, Right time, Right place, Right Cost, etc.

- This calls for Excellent Entrepreneurship attribute. The study helps to analyse an important Entrepreneurship attribute – Machiavellianism that is known to help the entrepreneurs to achieve their business objectives.
- The respondents to this study are entrepreneurs - vendors of Automotive Industry, supplying various components such as raw materials, chemicals, packing materials, turned/machine components, etc. to BOSCH, Bangalore.

Operational Definitions of Concepts

(a)Machiavellianism:

- This is an important personality attribute of entrepreneurs. It is the ability of an

entrepreneur to manipulate people, events, process, and situations for the attainment of organizational objectives.

- Since Machiavellianism involves **manipulation** of people and resources, it is often viewed in negative connotations; however, it is looked at from a positive connotation in this research study. In order to achieve their objectives, entrepreneurs definitely need this trait, though they may not take disadvantage of this trait on their people. While using this trait, they may ensure that their people are safeguarded in terms of their interests and may also protect them from causing any personal damage to them. Rather using this trait may be strategic.
- Scores of Machiavellian test can range from 40 to 160. The higher the score, the higher the Machiavellianism tendencies.

Scores	Mach Type	Leadership style	Remarks
40-80	Low Machs	Democratic	Desirable(to some extent)
81-120	High Machs	Democratic + Autocratic	Most Desirable(Ideal)
121-160	Very High Machs	Autocratic	Less Desirable

(a)Performance:

- This refers to the annual sales figures/ turnover achieved by the entrepreneurs.
- For the purpose of determining performance level of entrepreneurs, data on their annual turnover target and the corresponding achievement for five consecutive years are collected in order to arrive at their average performance, expressed as a percentage to their target.
- The average performance thus derived is

corroborated with their personality trait-Machiavellianism, to draw out implications.

- Any performance above 90% to the target, on an average for five consecutive years, is considered as **performance** for the purpose of this research work.

Identification, definition and statement of problem

Research is always aimed at finding solutions to problems for whom solutions are unknown yet. A problem is said to be almost half solved

when it is understood and defined better. This is of crucial importance in any research process. Hence understanding the problems faced and providing appropriate solutions is the goal of any research.

Personality attribute such as Machiavellianism influence decision making in business and hence, entrepreneurs need to realize the importance of such an attribute without which, their entrepreneurial success may be affected to a great extent. Successful entrepreneurs possess personality attribute that stand them apart from the rest. Hence, identifying such a specific attribute that directly contributes to their success, becomes important, especially since a large number of factors contribute to success.

The present research enlists the information about Machiavellianism as Entrepreneurial success attribute. Therefore, the problem chosen for this study is **to determine Machiavellian level among entrepreneurs and determine whether Machiavellianism contributes to entrepreneurial success.**

Machiavellianism is required for manipulating people and things, to a certain extent in the present management scene. Machiavellianism, if used in the positive direction, results in organisational effectiveness.

Hence, the main focus of this research work is: Identifying Machiavellianism Level and its' impact on entrepreneurial success, with special reference to Automotive Industry Suppliers in Bangalore.

Materials & Methods - Research Methodology

Research involves collection of vital information from data sources. The totality of all the

members of the source is known as **population**. All the suppliers of automotive components to BOSCH constitute the population of this study. **An explorative research design is adopted for this study.**

Population size: In this study, the number of automotive component suppliers to BOSCH is 150.

Sampling technique: Random Sampling technique (using Lottery Method) is adopted in this Research work.

Sample size:

100 suppliers, i.e., 70% of suppliers out of approximately 150 suppliers available, are considered to be ideal and selected for this study.

After clearly defining the problem chosen for the study, the researchers determined the data required for arriving at a solution for the problem. A structured Questionnaire designed exclusively for this research work, keeping the objectives of the study in mind, was administered to the identified respondents chosen by using random and convenient sampling techniques. Initial results suggested a relationship between **Machiavellianism** and entrepreneurial success, sustainability and Growth.

Results

All the respondents seem to experientially opine that shrewd planning and executing abilities/skills along with rational thinking process contribute to entrepreneurial success, sustainability and Growth. Their opinion is also corroborated by their high Machiavellian levels scored by them through the scientifically designed Questionnaire administered to them.

Incidentally, their average annual business performance over the last Five Years is also found to be 103% to their respective target.

Tables and Graphs

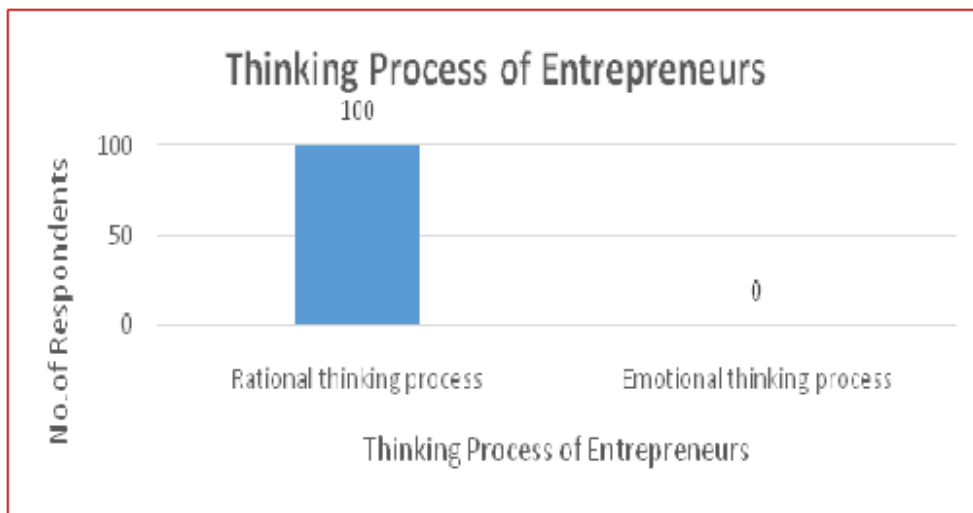
Few important questions and related tables, graphs and analysis are presented in the following section.

Question: While planning your business activities, please specify your thinking process?

Table: Thinking Process

Sl. No	Choices	No. of Responses	%
1	Rational thinking process	100	100
2	Emotional thinking process	0	0
	Total	100	100

Fig: Thinking Process



It is interesting to observe that none has opted to think emotionally while planning their business activities. Ubiquitously, all the respondents seem to be smart enough to think rationally while planning their business activities.

It is well known that a business activity is a serious issue and demands thinking logically so that the actions can be justified. When achieving pre-determined business objectives are a concern, business activities will have to be

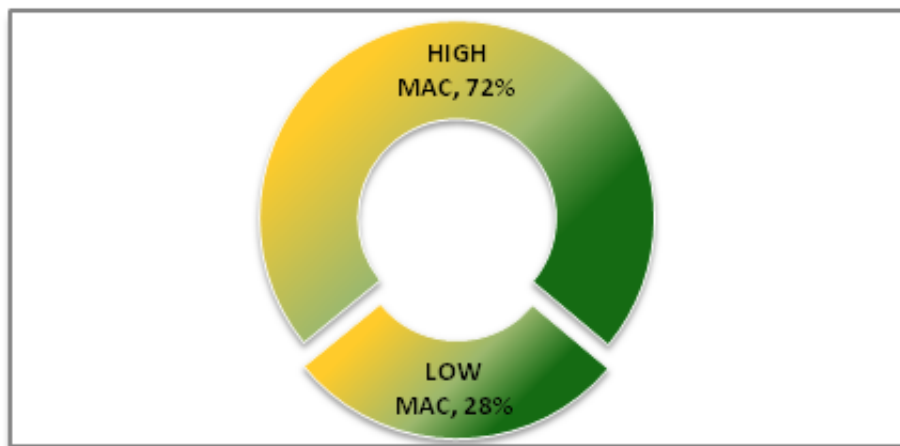
definitely rationalistic. Perhaps these respondents may have been driven by these thoughts. While the entrepreneurs have to be passionate about their entrepreneurial

objectives, their business planning will have to be positively rationalistic. That is how all the respondents may have responded so.

Machiavellianism Score of 100 Entrepreneurs

Machiavellianism Score	N	%
LOW MAC	28	28
HIGH MAC	72	72
Total	100	100

Fig: Machiavellianism Score of 100 Entrepreneurs



Majority of the entrepreneurs are found to be High Machs, which is an important observation as the Business leaders need to think and act practically, take pragmatic decisions in order to ensure that their business enterprise is running

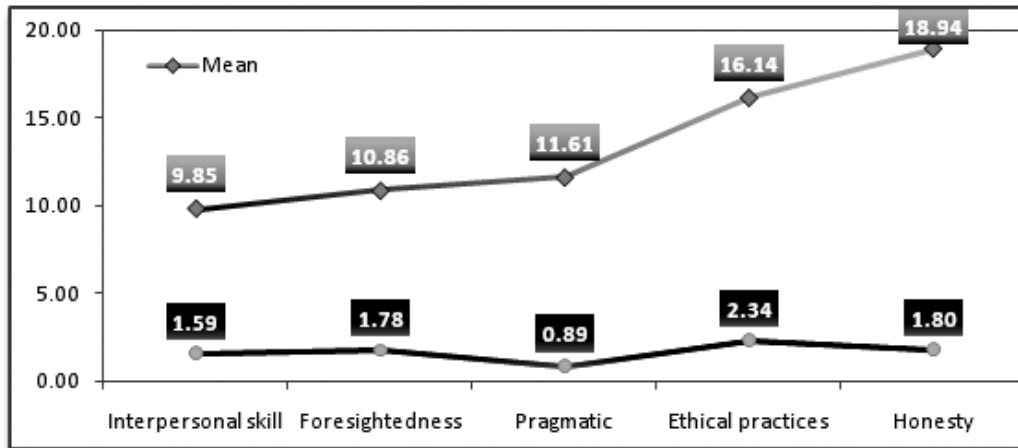
smoothly and flourishing year on year. Business enterprises in the current situation require leaders who are pragmatic and articulate, which depicts the nature of Machiavellianism.

Machiavellianism attributes Mean and Std. Deviation Scores

Table: Attribute Mean and Std. Deviation Scores

Attributes	N	Mean	Std. Dev
Interpersonal skill	100	9.85	1.59
Farsightedness	100	10.86	1.78
Pragmatic	100	11.61	0.89
Ethical practices	100	16.14	2.34
Honesty	100	18.94	1.80

Fig: Attribute Mean and Std. Deviation Scores



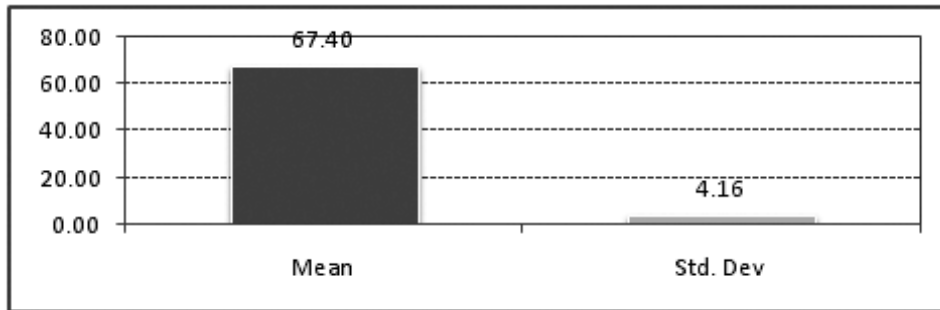
Entrepreneurs have given more prominence to honesty and ethical practices, probably because, these entrepreneurs may believe that

honesty is the best policy. After all, honesty & ethical practices are integral characteristics of an entrepreneur.

Table: Machiavellianism Score - Mean and Std. Deviation

	N	Mean	Std. Dev
Machiavellianism Score	100	67.40	4.16

Fig: Graph: Machiavellianism Score - Mean and Std. Deviation



Mean Machiavellianism score of all the 100 Respondents is 67.40

Entrepreneurs might have often experienced the need for converting the situations into favourable ones to them and hence Machiavellian score seems to be 67.40.

Likert scale used in this research study, provides a score range from a minimum of 20 to a maximum of 100 and from 40 to 120 when a correction factor of 20 is added to the same. The higher the score, the higher the Machiavellianism tendencies.

The average Machiavellianism score is calculated by taking an average of all the scores scored by the 100 respondents, in order to determine the Machiavellianism level. Hence,

the Range of the Mach score varies from a minimum of $40 \times 100 = 4000$ to a maximum of $120 \times 100 = 12000$. When the scores of all the 20 questions for the 100 responses are summed up, it adds up to 6740. When a correction factor of $(100 \times 20 = 2000)$ is added to this, it comes to 8740 (as shown).

Sum of Scores for 100 Respondents=6740;
correction factor= $100 \times 20 = 2000$

Sum Total score= $6740 + 2000 = 8740$, Average Mach score for 100 Entrepreneurs= $8740 / 100 = 87.40$

Thus, the average Machiavellianism score of the 100 respondents is 87.40, which falls under the bracket of High Mach.

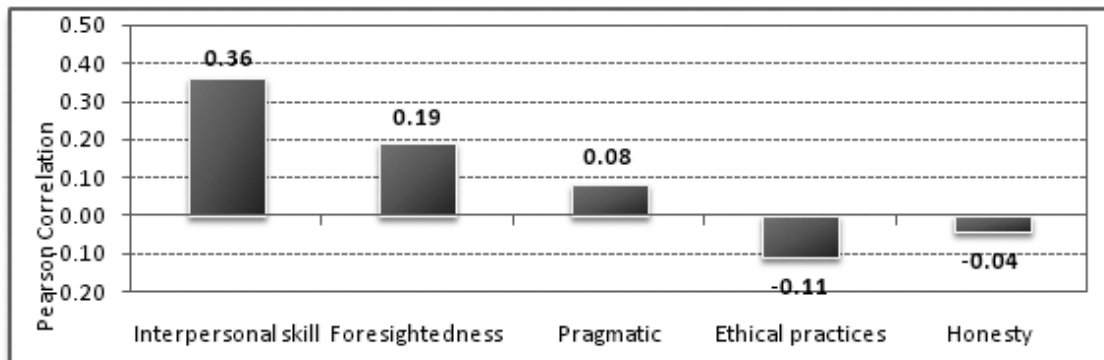
Table: Correlation Scores – Machiavellian Attributes vs. Average Turnover

Correlation	Average Turnover	
Interpersonal skill	Pearson Correlation	.359**
	Sig. (1-tailed)	0.00
	N	99
Farsightedness	Pearson Correlation	.189*
	Sig. (1-tailed)	0.03
	N	99
Pragmatic	Pearson Correlation	0.084
	Sig. (1-tailed)	0.21
	N	99
Ethical practices	Pearson Correlation	-0.110
	Sig. (1-tailed)	0.14
	N	99
Honesty	Pearson Correlation	-0.043
	Sig. (1-tailed)	0.34
	N	99

**Correlation is significant at the 0.01 level (1-tailed).

*Correlation is significant at the 0.05 level (1-tailed).

Fig: Correlation Scores – Machiavellian Attributes vs. Average Turnover



Interpersonal skills, Farsightedness and pragmatism have a correlation of 0.359, 0.189, and 0.084 with Locus of control respectively.

Machiavellian attributes Interpersonal skills,

Pragmatism and Farsightedness have a positive correlation with Average Turnover probably entrepreneurs with good interpersonal skills have an ability to control the happenings in their lives.

Table showing Annual Business Performance of the entrepreneurs

Sl. No.	Financial Year	Average Annual Target (in Million Rs)	Average Performance-Turnover (in Million Rs.)	Average achievement in % to target
1	2008-09	100	78.53	78.53%
2	2009-10	115	93.82	81.58%
3	2010-11	138	113.47	82.22%
4	2011-12	165.6	174.9	105.62%
5	2012-13	198.72	220.6	111.01%
Average of 5 years		143.46	136.26	94.98%

Source: Primary Data

Hence, the **average performance** of 100 respondents over 5 year's period is: **95%**

Therefore, it can be concluded that Personality attribute when it is synergised with Performance results in Entrepreneurial success and Business Growth.

Discussion and future scope of Research

Regulating one's own thinking, planning and executing skills along with rational thinking process as per the dynamics of the market situation and strategizing approaches with a constant eye on the bottom lines of business operations demands an important Personality attribute, viz. Machiavellianism. Self-reliance on one's own ability to handle structured and unstructured situations has a direct relationship with entrepreneurial success.

Other investigators elsewhere have already established the role of Machiavellianism in academic accomplishments and scarcely in few other industries. Its contribution to individual success is substantiated in this research as well.

Since the results of this research work support the hypothesis of the researchers that Machiavellianism impacts entrepreneurial success, now another set of questions arise in the minds of the researchers as to whether Machiavellianism alone can make a successful entrepreneur. Or are there any other contributing traits for the entrepreneurial success? Research reports abound claiming the influence of few other personality traits Viz: Locus of Control, Achievement Orientation, Extroversion & Introversion, Authoritarianism, etc. This thirst for further knowledge paves way for further research.

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PARAMETERS OF CORPORATE GOVERNANCE PRACTICES IN INDIAN BANKS FROM CUSTOMERS PERSPECTIVE

Dr. T. V. Raju*
Praveen Kumar R.**

Abstract

Corporate Governance (CG) refers to a process of adhering rules and policies established to control Corporate Functions. Generally, Corporate Governance essentially involves Accountability and an act of Balancing the Interests of the many stakeholders in a company - these include its shareholders, management, customers, suppliers, financiers, government and the community at large. Since Corporate Governance also provides the framework for attaining a company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to Performance Measurement and Corporate Disclosure. Financial discipline and Corporate Governance plays an important role in the transformation process of Accountability and Responsibility towards the stakeholders of the Business Organization. Though, every business organization's prime objective is to make profits and this objective will sustain in the long run if the business is run by being transparent. Banks have a greater Responsibility and Accountability towards stakeholders in achieving the desired objectives. This paper deals with a survey on the Parameters of Corporate Governance Practices from Customers Perspective.

Keywords: Corporate Governance (CG), Balancing the Interests, Accountability and Responsibility.

Introduction

Definition/Meaning of 'Governance'¹

Is "The Establishment of policies, and continuous monitoring of their proper implementation, by the members of the governing body of an organization. It includes the mechanisms required to balance the powers

of the members (with the associated accountability) and their primary duty of enhancing the prosperity and viability of the organization."

Governance² is a synonym for government, or "the act or process of governing, specifically authoritative direction and control".

¹ <http://www.businessdictionary.com/definition/governance>.

² Webster's Third New International Dictionary (1986:982)

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Governance³, in general terms, means the process of decision making and the process by which decisions are implemented (or not implemented), involving multiple actors. Good governance is one which is accountable, transparent, responsive, equitable and inclusive, effective and efficient, participatory and which is consensus oriented and which follows the rule of law.

Corporate Governance⁴

Corporate governance refers to “The set of systems, principles and processes by which a company is governed. They provide the guidelines as to how the company can be directed or controlled such that it can fulfil its goals and objectives in a manner that adds to the value of the company and is also beneficial for all stakeholders in the long term. Stakeholders in this case would include everyone ranging from the board of directors, management, shareholders to customers, employees and society. The management of the company hence assumes the role of a trustee for all the others.”

Corporate Governance is based on principles such as conducting the business with all integrity and fairness, being transparent with regard to all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner. Fundamentally, there is a level of confidence that is associated with a company that is known to have good corporate

governance. The presence of an active group of independent directors on the board contributes a great deal towards ensuring confidence in the market. It is also known to be one of the criteria that foreign institutional investors are increasingly depending on when deciding on which companies to invest in. It is also known to have a positive influence on the share price of the company. Having a clean image on the corporate governance front could also make it easier for companies to source capital at more reasonable costs.

According to Shri Kumar Mangalam Birla “fundamental objective of corporate governance is the ‘enhancement of the long-term shareholder value while at the same time protecting the interests of other stakeholders.’”

Global Genesis of concept of Corporate Governance

The seeds of modern Corporate Governance were probably sown by the Watergate scandal in the United States. As a result of subsequent investigations, US regulatory and legislative bodies were able to highlight control failures that had allowed several major corporations to make illegal political contributions. This led to the development of the Foreign and Corrupt Practices Act of 1977 in USA that contained specific provisions regarding the establishment, maintenance and review of systems of internal control.

This was followed in 1979 by the Securities and Exchange Commission of USA’s proposals for mandatory reporting on internal financial

³What is corporate governance? Lisa Mary Thomson, ET Bureau Jan 18, 2009.

⁴What is corporate governance? Lisa Mary Thomson, ET Bureau Jan 18, 2009.

controls. In 1985, following a series of high profile business failures in the USA, the most notable one of which being the Savings and Loan collapse, the Treadway Commission was formed. Its primary role was to identify the main causes of misrepresentation in financial reports and to recommend ways of reducing incidence thereof. The Treadway report published in 1987 highlighted the need for a proper control environment, independent audit committees and an objective Internal Audit function. It called for published reports on the effectiveness of internal control. It also requested the sponsoring organizations to develop an integrated set of internal control criteria to enable companies to improve their systemic measures.

Accordingly COSO (Committee of Sponsoring Organizations) was born. The report produced by it in 1992 stipulated a control framework which has been endorsed and refined in the four subsequent UK reports: Cadbury, Ruttman, Hampel and Turnbull. While developments in the United States stimulated debate in the UK, a spate of scandals and collapses in that country in the late 1980s and early 1990's led shareholders and banks to worry about their investments. These also led the Government in UK to recognize that the then existing legislation and self-regulation were not working.

Companies such as Polly Peck, British & Commonwealth, BCCI, and Robert Maxwell's Mirror Group News International in UK were all victims of the boom-to-bust decade of the 1980s. Several companies, which saw explosive growth in earnings, ended the decade in a memorably disastrous manner. Such spectacular corporate failures arose primarily out of poorly managed business practices.

It was in an attempt to prevent the recurrence

of such business failures that the Cadbury Committee, under the chairmanship of Sir Adrian Cadbury, was set up by the London Stock Exchange in May 1991. The committee, consisting of representatives drawn from the top levels of British industry, was given the task of drafting a code of practices to assist corporations in U.K. in defining and applying internal controls to limit their exposure to financial loss, from whatever cause.

With this background of genesis of Corporate Governance practices across the globe, it may be pertinent to recall the earliest definition of Corporate Governance by the Economist and Noble laureate Milton Friedman. According to him, "Corporate Governance is to conduct the business in accordance with owner or shareholders' desires, which generally will be to make as much money as possible, while conforming to the basic rules of the society embodied in law and local customs."

Corporate Governance Practices in Banks

Adoption of Corporate Governance practices in banks has begun to reflect changes in the style of governance and their growth pattern. Before we embark on further study of its role in banking system, a quick look at the pace of growth of banking sector will help us crystallize our views. The following sections will provide a snap shot of how the banks have broadly done in the recent years. These sections will also attempt quantification of performance of banks in the capital market which has a better correlation with the policy of corporate governance measures.

More emphasis is laid globally on evolving best practices in corporate governance. Good governance is the sine-quo-non of running

organisations to enhance their prospects of growth. The standard of governance of companies has also come to be known as the pulse of advancement of civilization. A set of well-run companies in a country can contribute to the enhancement of stake holder value that goes to enrich the society. Hence it is essential that the principles of corporate governance and its regulatory system needs to be reinforced to keep up a productive corporate culture. There have been glaring instances of failure of key companies across the globe, more particularly in the last few years exposing the vulnerability of corporate sector to failures in governance. Such failure of companies has multiple ramifications. Beginning with the identity of the company, all the stake holders and even the society at large are forced to experience irreparable loss.

Corporate Governance as a school of thought is globally practiced as an ethical, board driven policy prescription that can put companies on a sustained growth trajectory having potentiality to contribute substantially to the society. Presence of a large number of such successful companies builds up a productive environment forging a constructive alliance with the economic development of the country. Hence establishment of a high standard of corporate governance is necessary for consistency in economic development. But many times certain companies are unable to effectively disseminate the principles of corporate governance to the top management stream leading to their failure. Such failed institutions are detrimental to the stakeholders and welfare of the society.

Globalised economies seeking to maximise stakeholder values many times build up a tendency to fall prey to look for short term gains leading to breakdown of systemic controls and

many times resulting in the closure of the units. The demise of the corporate begins with the break down in adhering to the ethical values, sacrificing good governance and succumbing of the management to the temptation to make large non existing profits for earning lump sum bonus and higher remunerations. In the sustainable interest of the organisation, effectiveness of checks and balances in protecting the value system of the organisation assumes more importance.

Broad Principles of Corporate Governance guidelines for Banks

Effective corporate governance practices are essential to achieving and maintaining public trust and confidence in the banking system, which are critical to the proper functioning of the banking sector and economy as a whole. Poor corporate governance may contribute to bank failures, which can pose significant public costs and consequences due to their potential impact on any applicable deposit insurance systems and the possibility of broader macroeconomic implications, such as contagion risk and impact on payment systems. In addition, poor corporate governance can lead markets to lose confidence in the ability of a bank to properly manage its assets and liabilities, including deposits, which could in turn trigger a bank run or liquidity crisis. Indeed, in addition to their responsibilities to shareholders, banks also have a responsibility to their depositors.

The OECD principles define corporate governance as involving “a set of relationships between a company’s management, its board, its shareholders, and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining

those objectives and monitoring performance are determined. Good corporate governance should provide proper incentives for the board and management to pursue objectives that are in the interests of the company and its shareholders and should facilitate effective monitoring. The presence of an effective corporate governance system, within an individual company and across an economy as a whole, helps to provide a degree of confidence that is necessary for the proper functioning of a market economy.”

From a banking industry perspective, corporate governance involves the manner in which the business and affairs of banks are governed by their boards of directors and senior management, which affects how they function:

Set corporate objectives:

- Operate the bank’s business on a day-to-day basis;
- Meet the obligation of accountability to their shareholders and take into account the interests of other recognized stakeholders;
- Align corporate activities and behavior with the expectation that banks will operate in a safe and sound manner, and in compliance with applicable laws and regulations; and
- Protect the interests of depositors.

Supervisors have a keen interest in sound corporate governance as it is an essential element in the safe and sound functioning of a bank and may affect the bank’s risk profile if not implemented effectively. As the functions of the board of directors and senior management with regard to setting policies, implementing policies and monitoring

compliance are key elements in the control functions of a bank, effective oversight of the business and affairs of a bank by its board and senior management contributes to the maintenance of an efficient and cost-effective supervisory system. Sound corporate governance also contributes to the protection of depositors of the bank and permits the supervisor to place more reliance on the bank’s internal processes. In this regard, supervisory experience underscores the importance of having the appropriate levels of accountability and checks and balances within each bank. Moreover, sound corporate governance practices are especially important in situations where a bank is experiencing problems, or where significant corrective action is necessary, as the supervisor may require the board of directors’ substantial involvement in seeking solutions and overseeing the implementation of corrective actions.

Genesis of Corporate Governance in Indian Banks

As a prelude to institutionalize Corporate Governance in banks, an Advisory Group on Corporate Governance was formed under the chairmanship of Dr. R.H. Patil. Following its recommendations in March 2001 another Consultative Group was constituted in November 2001 under the Chairmanship of Dr. A.S. Ganguly: basically, with a view to strengthen the internal supervisory role of the Boards in banks in India. This move was further reinforced by certain observations of the Advisory Group on Banking Supervision under the chairmanship, Shri M.S. Verma which submitted its report in January 2003. Keeping all these recommendations in view and the cross-country experience, the Reserve Bank

initiated several measures to strengthen the corporate governance in the Indian banking sector.

Indian banking system consists of Public/Private sector banks having a basic difference between them as far as the Reserve Bank's role in governance matters relevant to banking is concerned. The current regulatory framework ensures, by and large, uniform treatment of private and PSBs in so far as prudential aspects are concerned. However, some of the governance aspects of PSBs, though they have a bearing on prudential aspects, are exempt from applicability of the relevant provisions of the Banking Regulation Act, as they are governed by the respective legislations under which various PSBs were set up. In brief, therefore, the approach of RBI has been to ensure, to the extent possible, uniform treatment of the PSBs and the private sector banks in regard to prudential regulations.

In regard to governance aspects of banking, the Reserve Bank prescribed its policy framework for the private sector banks. It also suggested to the Government the same framework for adoption, as appropriate, consistent with the legal and policy imperatives in PSBs as well. Hence the endeavor is to maintain uniformity in policy prescriptions to the best possible extent for all types of banks.

Since role of Independent Directors form the basis for effective implementation of corporate governance in banks, it is necessary to reproduce the code of conduct prescribed under SCHEDULE IV [section 149(7)] as prescribed in Companies Bill 2012 for the guidance to the companies. These are reproduced from the Companies' bill 2012.

Literature review:

HemaliChokshi, (2015)Corporate governance is an age old concept which provides for a set of transparent relationships between an institutions management, its board, shareholders and other stakeholders. Corporate governance is gaining centre stage in the recent times due to failure of corporate and wide dissatisfaction among the people with the way corporate works and hence became a widely discussed topic worldwide. Bank and Financial Institutions are the backbone of the economic sector of any country. The healthy economic condition of a nation is depicted through the sound functioning of its banks. Banks form a crucial link of a country's economic sector hence they are universally regulated industry and their wellbeing is imperative for the economy. Working of banks is different from other corporate in many important respects, and that makes corporate governance of bank not only different but also critical. Hence corporate governance is conceptually different for banks. If a corporate fails, the fall outs can be restricted to the stakeholders, but if a bank fails, the impact can spread rapidly through other banks with potentially serious consequences for the entire financial system and the macro economy. Thus though various guidelines are provided for working of a bank, corporate governance cannot be overlooked or discarded. Regulations, guidelines and corporate governance are complementary to each other in banking industry.

Lev Ratnovski, Luc Laeven, Hui Tong 2014 Bank distress during the recent crisis caused significant damage to the real economy. Appropriately, the policy response focused on stronger bank supervision and regulation. This column asks if there is a role for improvements

in bank corporate governance. Based on the literature the authors suggest that better risk management, regulation of pay, and enhanced market discipline can help make banks safer. However, corporate governance cannot substitute for strong supervision: it can at best provide a helping hand.

Michael Pomerleano, Robert E.Litan V. Sundararajan 2002 Policymakers and analysts are still sifting through the wreckage of the Asian financial crisis of 1997 and the subsequent crises in Russia, Turkey, and Argentina to discern key lessons so that similar crises will not recur. Some lessons are by now well understood. Pegged exchange rates can encourage excessive borrowing and expose countries to financial collapse when foreign exchange reserves run dry. Inadequate disclosures by both private companies and public bodies can lead to similar dangers. Although many factors undoubtedly contributed to these crises, it is now widely recognized that each suffered from a failure in “governance,” and in particular a failure in governance in their financial sectors. Accordingly, the World Bank Group, the International Monetary Fund (IMF), and the Brookings Institution devoted their fourth annual Financial Markets and Development Conference, held in New York from April 17-19, 2002, to the subject of financial sector governance in emerging markets. This conference report summarizes some of the highlights of the conference, whose full proceedings will be published as a Brookings book in the fall of 2002.

Shashank Pant & Anish Ohlan 2015 Corporate governance is gaining center stage in the recent times due to failure of corporate and wide dissatisfaction among the people with the way corporate works and hence became a widely

discussed topic worldwide. Corporate Governance is now recognized as a paradigm for improving competitiveness and enhancing efficiency and thus improving investors’ confidence and accessing capital. If a corporate fails, the fall outs can be restricted to the stakeholders, but if a bank fails, the impact can spread rapidly through other banks with potentially serious consequences for the entire financial system and the macro economy. Thus though various guidelines are provided for working of a bank, corporate governance cannot be overlooked or discarded. Regulations, guidelines and corporate governance are complementary to each other in banking industry.

A.P. Pati 2006 Banks being the most influential institutions in the financial sector their governance is of crucial importance. The post implementation scenario of corporate governance policies in Indian banking, which was undertaken after the recommendations of Advisory Group (2001) and others, has brought mixed outcomes. Along with qualitative changes in disclosure practices most of the banks have shown handsome profit and low NPAs. Statistically significant correlations of governance with important financial variables on expected lines have been found for banking in India. Strong impact of governance has also been observed for all the variables in public sector banks and in all scheduled commercial banks. A greater degree of disintermediation in the financial sector has put pressure on the bank deposit mobilization and on the other side the opening of economy has brought more global integration with an adverse impact on loan disbursement. The growth of other channels of savings, growth of capital market and the possibility of full capital account convertibility

in future will put bank governance for a litmus test. More dispersed ownership, withdrawal of safety nets, reduction of pre-emptive norms, more exposure to market discipline and spirited implementation of various measures are required for ensuring better governance in Indian banking.

Hamid Mehran Lindsay Mollineaux 2012 We identifies the tension created by the dual demands of financial institutions to be value-maximizing entities that also serve the public interest. We highlight the importance of information in addressing the public's desire for banks to be safe yet innovative. Regulators can choose several approaches to increase market discipline and information production. First, they can mandate information production outside of markets through increased regulatory disclosure. Second, they can directly motivate potential producers of information by changing their incentives. Traditional approaches to bank governance may interfere with the information content of prices. Thus, the lack of transparency in the banking industry may be a symptom rather than the primary cause of bad governance. We provide the examples of compensation and resolution. Reforms that promote the quality of security prices through information production can improve the governance of financial institutions. Future research is needed to examine the interactions between disclosure, information, and governance.

Dr Rana Zehra Masood 2015 The fundamental objective of Corporate Governance is to enhance the long-term shareholder value while protecting the interests of other stakeholders, Maximizing long-term shareholder value in a legal and ethical manner, Ensuring fairness,

courtesy and dignity in all transactions within and outside the Bank with customers, employees, investors, partners, competitors, the government and the society, Open transparent, responsible and merit-based management.

Rajat Deb 2013 Corporate Governance has fast emerged as a benchmark for judging corporate excellence in the context of national and international business practices. From guidelines and desirable code of conduct some decade ago, corporate governance is now recognized as a paradigm for improving competitiveness and enhancing efficiency and thus improving investors' confidence and accessing capital, both domestic as well as foreign. What is important is that corporate governance has become a dynamic concept and not static one.

Objectives of the Study

1. To analyse the scope of Corporate Governance in Indian Banks.
2. To analyse the relevant Parameters of Corporate Governance and its Effectiveness
3. To study which Parameters have received Major importance

Research Question

To identify which criteria's Parameter have been considered important by the respondents?

Research Methodology

The Research was based on a Primary Survey conducted on the Respondents by administering a set of questionnaires prepared on the basis of Likert's 5 point scale and Nominal Scale.

Respondents Category

Sl.No.	Respondents Category	Number of respondents
1	Lecturers	22
2	Chartered Accountants/Practicing Company secretary	06
3	Employees Working in Banks	05
4	Employees Working in IT sector	04
5	Principal of College	01
6	Students who are pursuing MBA/MCOM	25
Total		63

Data Analysis

Respondents were administered ⁵Likert's 5 point Scale focussed on the following: Attributes of Good Corporate Governance in Indian Banks for Investment Criteria. Attributes of Good Corporate Governance in Indian Banking Sector, should Corporate Governance Standards be enforced through Regulations or should they be Principle based and rate of importance of the factors in improving Corporate Governance Standards.

Respondents were administered Nominal scale classified into Very Important, Moderate important and Not Important and focussed on the following: Effectiveness of Audit Committee in Preventing Fraud, Achieving the Maximum

Effectiveness in terms of Good Corporate Governance and Biggest Risk to Corporate Governance in India.

Limitations of Research

1. The Research done based on survey method is just an understanding on various categories of very important, Moderate Important and Not Important Parameters of Corporate Governance.
2. The number of respondents for the survey is very less.
3. Generalization of the findings cannot be done. Since it is based on limited respondents.

⁵ Scales were adopted from "An Empirical Investigation of Corporate Governance Scenario in Public Vs Private Banks In India" – Dr. DR. MAMTA BRAHMBHATT, International Journal of Marketing, Financial Services & Management Research, Vol.1 Issue 10, October 2012,

Analysis and Findings

Part-A:

Attributes of good Corporate Governance in Indian Banking Sector for Investment Criteria								
Parameters	1.00	2.00	3.00	4.00	5.00	Total	Weighted Ar. Mean	Ranks
						15.00		
1. Ensuring Ethical Practices	3.00	5.00	16.00	24.00	15.00	63.00		
Weighted Score	3.00	10.00	48.00	96.00	75.00	232.00	15.46	5
2. Protecting Minority Shareholding Interests	1.00	11.00	20.00	21.00	10.00	63.00		
Weighted Score	1.00	22.00	60.00	84.00	50.00	217.00	14.46	6
3. Adhering to all Legal Compliance of Governance	2	5.00	18.00	13.00	25.00	63.00		
Weighted Score	2.00	10.00	54.00	52.00	125.00	243.00	16.2	1
4. Ensuring Shareholders Value	0	4.00	22.00	22.00	15.00	63.00		
Weighted Score	0.00	8.00	66.00	88.00	75.00	237.00	15.8	2
5. Sound Risk Management Principles	0	7.00	14.00	30.00	12.00	63.00		
Weighted Score	0.00	14.00	42.00	120.00	60.00	236.00	15.7	4
6. Transparency of Financial Statements	1	9.00	13.00	21.00	19.00	63.00		
Weighted Score	1.00	18.00	39.00	84.00	95.00	237.00	15.8	2

A. The analysis on the Parameters focussed on Good Corporate Governance for Investment Criteria (taken on Likert's 5 point scale.) shows the following:

1. Adhering to all Legal Compliance Ranks 1st.
2. Ensuring Share Holders Value and Transparency of Financial Statements Ranks 2nd.
3. Sound Risk Management Principles Ranks 4th.
4. Ensuring Ethical Practices Ranks 5thand
5. Protecting Minority Shareholding Interest Ranks

How much score do you give to Attributes of Good Corporate Governance? (Please rate your answer on 5 point Likert Scales, Where 1 is Least Important and 5 is Most Important.)								
Parameters(Weights)	1.00	2.00	3.00	4.00	5.00	Total	Weighted Ar Mean	Ranks
1. Share Holding Patterns	0.00	4.00	34.00	20.00	5.00	63.00		
Weighted Score	0.00	8.00	102.00	80.00	25.00	215.00	14.33	6
2. Appropriate Governance Structure	0.00	7.00	12.00	28.00	16.00	63.00		
Weighted Score	0.00	14.00	35.00	112.00	80.00	242.00	16.13	3
3. Presence of a Strong and Independent Board of Directors	0.00	5.00	17.00	20.00	21.00	63.00		
Weighted Score	0.00	10.00	51.00	80.00	105.00	246.00	16.40	1
4. Adequate Committee Structure	0.00	7.00	15.00	26.00	15.00	63.00		
Weighted Score	0.00	14.00	45.00	104.00	75.00	238.00	15.86	4
5. Means of Communication	0.00	2.00	18.00	27.00	16.00	63.00		
Weighted Score	0.00	4.00	54.00	108.00	80.00	246.00	16.40	1
6. High Level Disclosure	2.00	3.00	18.00	27.00	13.00	63.00		
Weighted Score	2.00	6.00	54.00	108.00	65.00	235.00	15.66	5

B. The analysis on the Parameters focussed on Attributes of Good Corporate Governance. (Taken on Likert's 5 point scale.) shows the following:

1. Presence of a Strong and Independent Board of Directors and Means of Communication Ranks 1st.
2. Appropriate Governance Structure Ranks 3rd.
3. Adequate committee Structure Ranks 4th.
4. High Level of Disclosure Ranks 5th.
5. Share Holding Pattern 6th.

Should Corporate Governance Standards be enforced through regulations or should they Principle based. (Please Rate your answer on 5 point Likert's Scales, Where 1 is Least Important and 5 is Most Important)								
Parameters	1	2	3	4	5	Total	Weighted Ar. Mean	Ranks
1. Completely Principle Based Standards	7.00	5.00	23.00	18.00	10.00	63.00		
Weighted Score	7.00	10.00	69.00	72.00	50.00	208.00	13.86	4
2. Principle based with Moderate regulations	3.00	7.00	25.00	18.00	10.00	63.00		
Weighted Score	3.00	14.00	75.00	72.00	50.00	214.00	14.26	3
3. Strong Regulatory Review Mechanisms	3.00	5.00	12.00	17.00	26.00	63.00		
Weighted Score	3.00	10.00	35.00	68.00	130.00	247.00	16.46	1
3. Completely Enforced through Regulations	1.00	9.00	16.00	16.00	21.00	63.00		
Weighted Score	1.00	18.00	48.00	64.00	105.00	236.00	15.73	2

C. The analysis on the Parameters focussed on Corporate Governance enforcement through regulations or Principle Based. (Taken on Likert's 5 point scale.) Shows the following:

1. Strongly Regulatory Review Mechanisms Ranks 1st.
2. Completely enforced through regulations Ranks 2nd.
3. Principle based with Moderate Regulations Ranks 3rd.
4. Completely Principle Based Standards Ranks 4th.

Rate the importance of the following Factors in Improving Corporate Governance Standards. (Please rate your answer on 5 point Likert Scales, Where 1 is Least Important and 5 is Most Important.)								
Parameters	1	2	3	4	5	Total	Weighted Ar. Mean	Ranks
Enhancing the Power of Independent Directors	3.00	6.00	33.00	16.00	5.00	63.00		
Weighted Score	3.00	12.00	99.00	64.00	25.00	203.00	13.53	4
Considerable Enhancement in Financial Disclosure	1.00	7.00	15.00	20.00	20.00	63.00		
Weighted Score	1.00	14.00	45.00	80.00	100.00	240.00	16.33	2
Enhancing rights of Minority Shareholders	2.00	4.00	26.00	24.00	7.00	63.00		
Weighted Score	2.00	8.00	78.00	96.00	35.00	219.00	14.53	3
Improvement in Risk Management Processes.	5.00	4.00	9.00	17.00	28.00	63.00		
Weighted Score	5.00	8.00	27.00	68.00	140.00	248.00	20.55	1

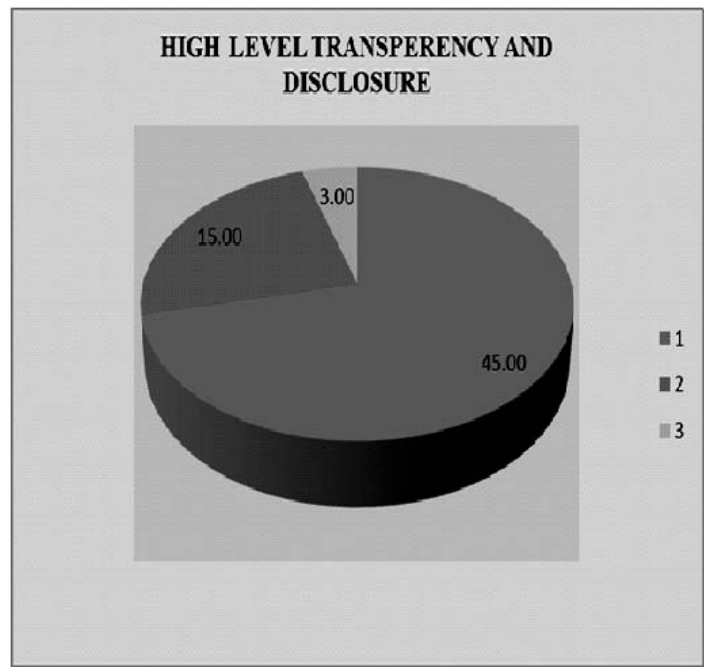
D. The analysis on the Factors in Improving Corporate Governance Standards (taken on Likert's 5 point scale.) shows the following:

1. Improvement in risk Management Processes Ranks 1st.
2. Considerable Enhancement in Financial Disclosure Ranks 2nd.
3. Enhancing Rights of Minority Shareholders Ranks 3rd.
4. Enhancing the Power of Independent Directors Ranks 4th.

Part-B

What is your Opinion about the importance of Reporting to ensure a High Level of Transparency and Disclosure? (Answer any one of the Parameters)

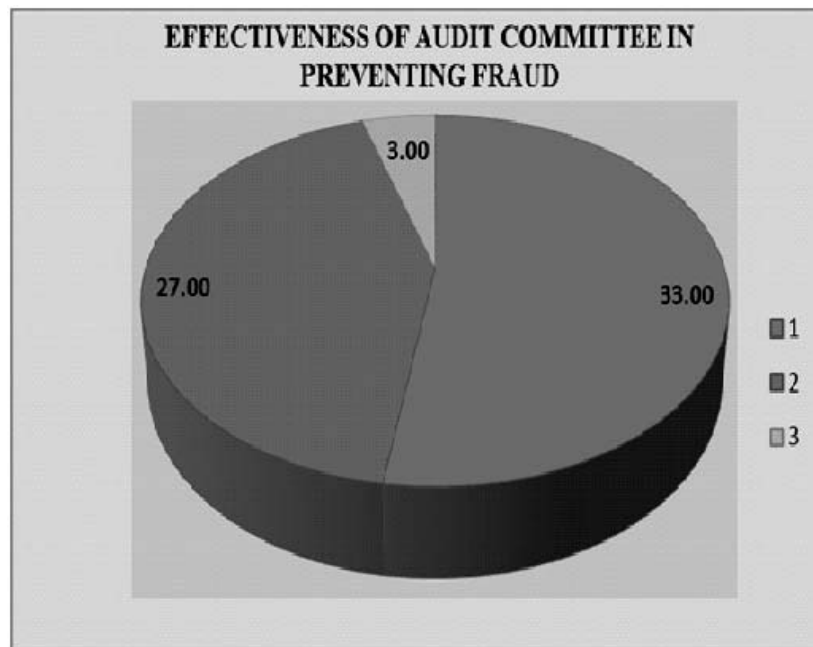
Parameters	Respondents Score
Very Important	45
Moderate Important	15
Not Important	3



A. The analysis on the Parameters focussed on the Opinions about the importance of Reporting to ensure a High Level of Transparency and Disclosure. (Taken on Nominal Scale) shows the following:

1. 45 Respondents agree as Very Important.
2. 15 of them agree it is Moderate Important and
3. 3 of them agree as Not Important

What is your Opinion about the Effectiveness of Audit Committee in Preventing Fraud?(Answer any one of the Parameters)				
Parameters	Respondents Score			
Very Important	33			
Moderate Important	27			
Not Important	3			

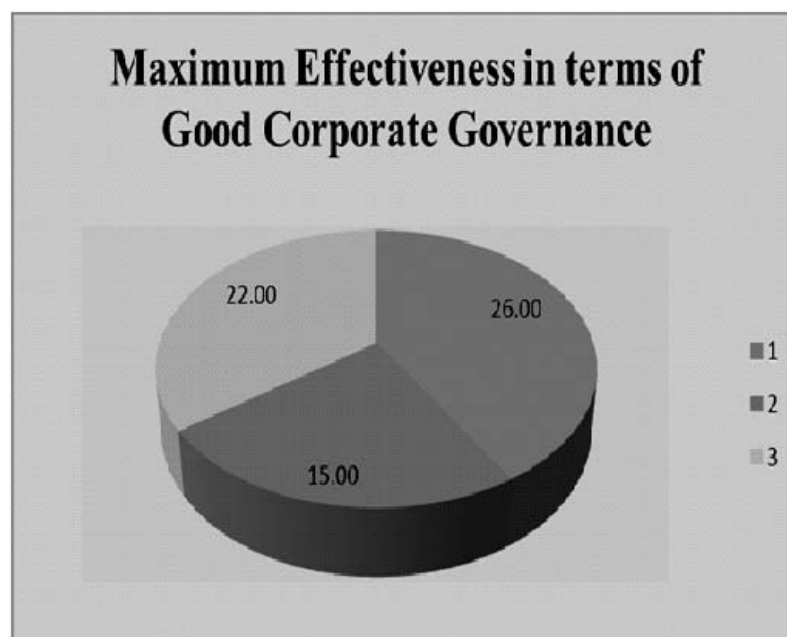


B. The analysis on the Parameters focussed on the Opinion about the Effectiveness of Audit Committee in Preventing Fraud? .(Taken on Nominal Scale) shows the following:

1. 33 Respondents Agree as Very Important
2. 27 of them agree it is Moderate Important and
3. 3 of them agree as Not Important.

Do you think Banks achieve the Maximum Effectiveness in terms of Good Corporate Governance? (Answer any one of the Parameters)

Parameters	Respondents Score
Yes	26
No	15
Don't Know	22



C. The analysis on the Parameters focussed on Banks achieving the Maximum Effectiveness in terms of Good Corporate Governance. (Taken on Nominal Scale) shows the following:

1. 26 Respondents Agree Yes
2. 15 of them agree No and
3. 22 of them say Don't Know.

Conclusion

The Survey is a mere attempt to know the opinions of Customers of various categories on the selected Parameters of Corporate Governance. This study can also be considered to know the extent of the knowledge and general expectations of customers regarding Corporate Governance practices in Indian Banks.

This study establishes further scope on investigation and enhancement of Knowledge on the above topic.

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FACTORS THAT MOTIVATE SPECIAL EDUCATORS IN NGOS IN BANGALORE

Dr. Ramesh T. A. *

Dr. R. Krishna **

Abstract

Education is a platform that offers skills to cope with the challenges of the world. Differently abled individuals rather need more facilitation through Special Educators who work with compassion & enthusiasm and equip them with the required life skills. The current Research describes the factors that Motivate Special Educators in NGOs in Bangalore. Interview, observation and document review data, collected from 50 Special Educators from among 150 of them, are used to describe and explain motivational factors of Special Educators. Findings indicate that, Empathy for the Special Children, Challenging & Interesting work and Salary are some of the factors that precisely motivate special educators in Bangalore. The Hypothesis that 'more than 50% of Special Educators in Bangalore are highly motivated' is found to be true and hence it is accepted. Co-workers, family pressure and inflexibility in work timings are the de-motivating factors that negatively influence the special educators. There is a need for special education teachers to receive the moral and material support appropriate to their level of responsibilities. Research findings reveal a positive correlation found between the job design factors and teachers' motivation. It is observed that, there is no significant difference in the special education teachers' choice of job motivation factors due to differences in their gender, age, level of special education training/education, years of experience and type of disability served. Findings and conclusions of the research work close-in on suggestions that, the special education allowances should be reviewed regularly to compensate for the challenges posed by the nature of the job of these teachers, provide with an adequate working environment with resources and materials necessary to facilitate good teaching and to boost their morale and make them part of curriculum development in special education.

Keywords: Education, Differently abled, Special Educators, Motivational factor, Teacher, Life Skills.

1. Introduction

Education is the process of facilitating learning. Knowledge, skills, values, beliefs, and habits of a group of people are transferred to other

people, through storytelling, discussion, teaching, training, or research.

The term "disability" broadly describes impairment in a person's ability to function,

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caused by changes in various subsystems of the body, or to mental health. The degree of disability may range from mild to moderate, severe, or profound. A person may also have multiple disabilities. Another term used for them is “Differently-abled”.

Special Schools serve children with Disabilities. They are different from Main stream schools as they don't follow any specific curriculum but Individual Development Programme will be created in consultation with Parents by the Special Educators who play a vital role in the overall progress of the disabled person. Special Educator is an individual with various specialized skills to teach and improve the overall progress of a disabled person. Special Educator works with passion, love, affection and dedication.

Review of selected Literature

Why do we need motivated Special Educators? The answer is survival (Smith, 1994). Motivated Special Educators are needed in our rapidly changing workplaces and Education System. Motivated Special Educators help NGOs survive.

Motivated Special Educators are more productive. To be effective, NGOs need to understand what motivates employees within the context of the roles they perform. Of all the functions a NGO performs, motivating Special Educators is arguably the most complex.

Educating learners with special needs involves long teaching hours with little observable students' progress and lack of perceived success on the job can affect the teachers' motivation to teach (Schmid and Nagata, 1983). In support of this notion RoK (1999), asserts that special education teachers work with children, some of whom have severe to

profound impairments. It further states that some children require the physical support of the teacher while their pace of learning too slow thus needs a lot of patience on the part of the teacher.

Need for the research

The researcher has decided to research this subject in Bangalore due to following reasons:

1. Previous data was not available on this subject
2. Researcher's interest in a Special Education
3. Hardly any studies were conducted on Motivational factors of a Special Educator
4. Outcome of the research might help various NGO Managements to fill the gap by introducing schemes to improve Motivation of Special Educators.

Scope of the research

This research is vital. The researcher has tried to identify the Motivational factors that influence performance of Special Educators in Bangalore.

The research covered an understanding of what motivates Special Educators and how were they motivated. Motivation gives confidence, enthusiasm, increases commitment to work and helps in constant positive energies to work with socially less privileged persons.

The researcher had carried out this research in Bangalore in Karnataka. He chose 50 Special Educators from among about 150 of them, who are working with various small to medium size Special Schools run by NGOs in Bangalore.

Inputs of Special Educators were the sources of data related to this research.

Limitations of the research

Every research will have its own limitations. This research is carried out under the following limitations:

- There are many types of organizations catering education to special children. This research is confined to special education provided by small and medium sized NGOs in Bangalore only.
- There are many educators all around. This research covered special educators who cater to mentally challenged, hearing impaired, visually challenged, etc., only.
- While there are more than 150 organised special educators in Bangalore, this research covered 50 of them only.
- There are about 60 small and medium sized NGOs working in the field of special education in Bangalore. The researcher randomly selected about 20 of them, from among whose Special Educators, who number more than 100, 50 of them are selected.

Research design

This research employed an **Explorative and Descriptive method, using survey approach.**

Sampling Technique

There are about 150 special educators in Bangalore which constitutes the population. Hence, 30% of the population, i.e. 50 of them are taken into consideration for the purpose of primary data collection. They are selected

based on convenience. In other words, NGOs are selected by **Convenient Sampling technique**, while the Special Educators in each NGO are then selected at Random. Therefore, it is **Random Sampling Technique.**

Data Collection

Primary data is collected from the Special educators working in different NGOs in Bangalore, by administering a **structured questionnaire & interview** method. The questionnaire, with closed & open ended questions, was developed in consultation with the research guide. It is also subjected to Cronbach Alpha test to establish its validity & reliability, using item analysis. At a Cronbach Alpha value of 0.810, it is found to be highly valid & reliable.

Secondary data is obtained from the literature survey in journals, books, HRM text books and reports available through internet & other sources.

Field work

The researcher called on the said respondents personally to administer the questionnaire for collecting the necessary data and conducted personal interview for a hands-on experience. Name, Age, Gender, Marital status, Years of Experience, Highest Qualification, Training in Special Education & Service Disability Category of the respondents and Name and Area of the School, etc. are captured as part of the Survey.

Findings of the Research work

In current survey, it is found that majority of the respondents are happy to moderate extent. Generally it is observed that the NGO's where these special educators work, offer them a not

so good a pay scale compared to other industries.

attach high priority to money, but they work because of other factors.

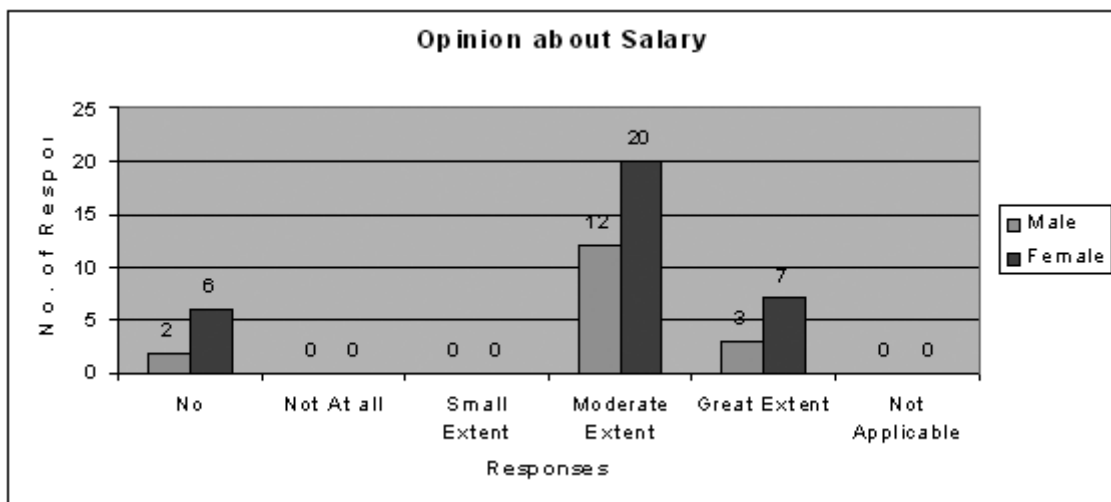
This shows that these special educators do not

Serving category of disability by the respondents:

Sl. No.	Category of Disability	Male		Female	
		No. of Respondents	Percentage	No. of Respondents	Percentage
1	Mentally Challenged	02	04%	13	26%
2	Physically Challenged	05	10%	03	06%
3	Visually Challenged	05	10%	08	16%
4	Hearing Impaired	05	10%	07	14%
5	Others	00	00%	02	4%
	Total	17	33%	34	66%

Majority of the respondents feel that their job offers them a significantly a good working condition to the extent of moderate to good. Female respondents, constituting 54% of all the respondents, feel that their working condition varies from great or to moderate extent.

It is observed that majority of 62% of the respondents also feel that their organization provides them a good opportunity for advancement to the extent of either moderate or good. This is one of the major factors for retaining the employees by the NGOs.

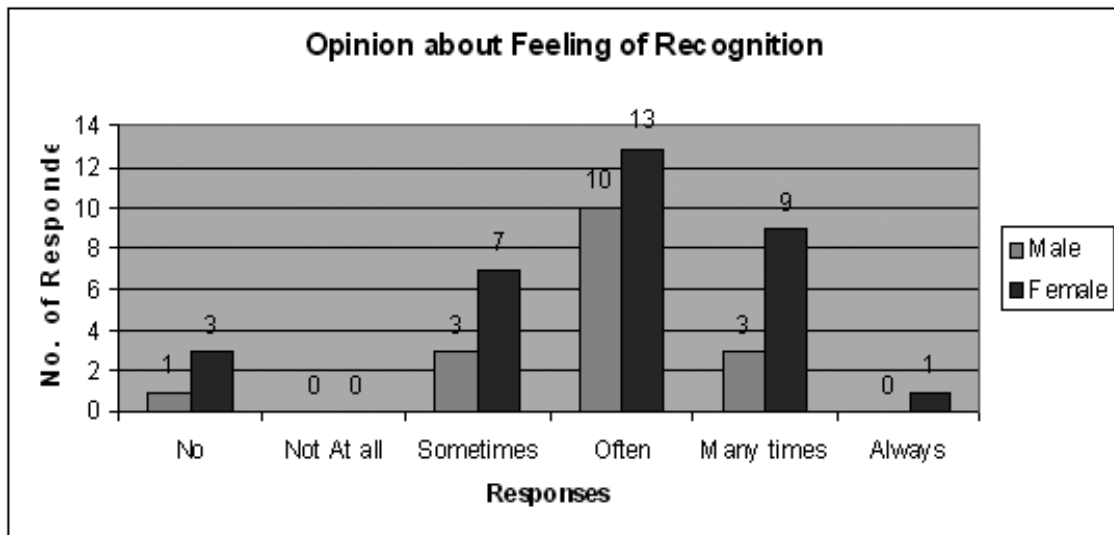


In special schools run by NGOs where amount of salary is less, but provided a good sense of security, make the special educators motivated enough to continue to work for the organization.

In this case, 40% of the female respondents feel secured, either to moderate or great extent compared 12% of male respondents. This may be one of the reasons that female special

educators tend to feel secured by the way the NGO's operate, which may offer them flexibility or good work conditions. 22% of all the respondents feel 'Not' secure in their current job, may be due to various reasons, like industry

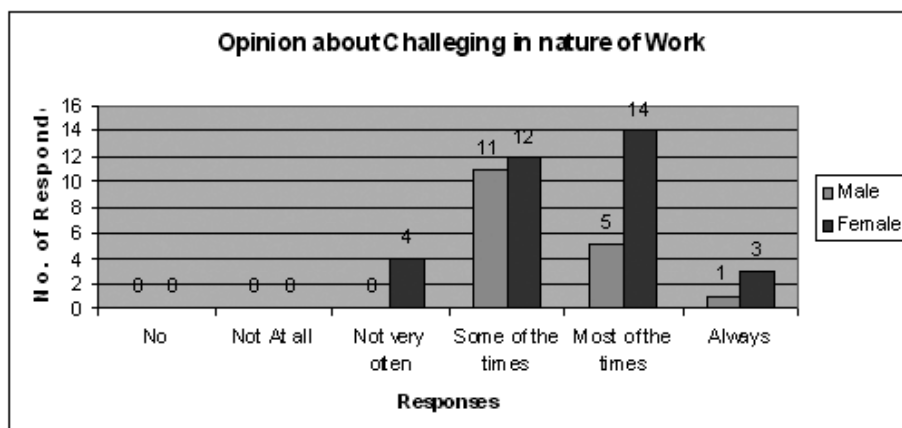
recession, social status, peers or stress at work. 10% of all the respondents feel sense of security to the extent of 'Great', which is a very positive sign to the organization.



In case of special education, the recognition by the parents of special children boosts the morale of special educators to a great extent, which is reflected during the survey.

A positive stroke from their senior, peer or parent makes the special educators to work to the extent of feeling of oneness. In the current survey, 44% of female respondents either feel

recognized either to the extent of 'often' or 'many times' and this may be due the reason that females being more sensitive and understanding, compared to the males (26%). Recognition may be tangible or in-tangible, but any form of recognition is appreciated. Definitely, recognized special educators will surge forward for their work.



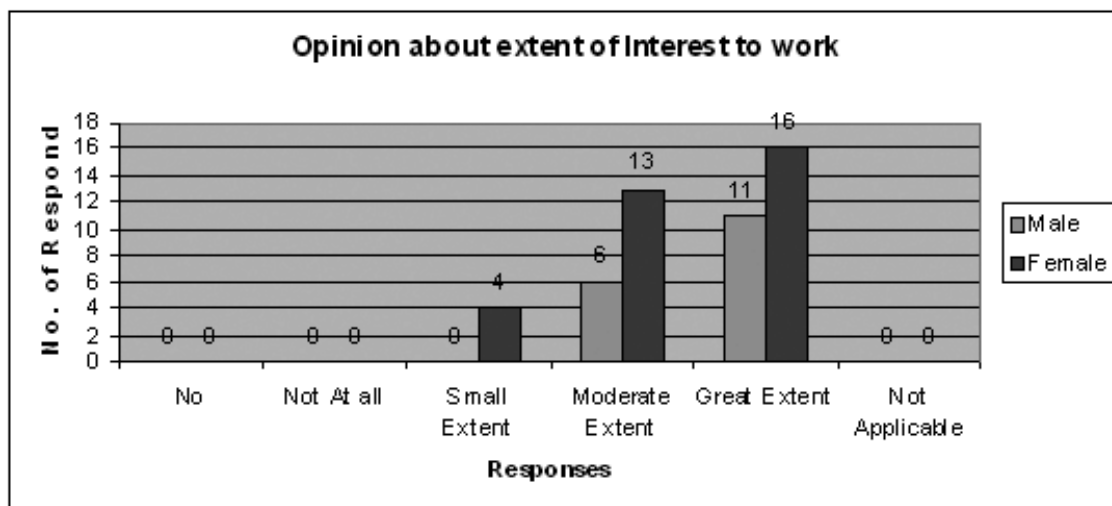
It is observed that, 46% of the all the respondents feel their work to be ‘some of the times’ as challenging and another 38% of them find it to be so ‘most of the times’. Overall, it reflects that special education is a challenging work. This is one of the factors which is keeping their motivation level high. Higher the degree of challenge (which can be coped with), higher the motivation level. It is also observed that 28% of the female respondents feel their work as challenging ‘most of the times’, probably due the factors like interest, flexibility, progression and pressure, to which most females are normally quick to respond.

Teachers who have to work constantly with special needs learners have to deal daily with the emotions aroused by them, which, sometimes, can be painful and stressful. Educating learners with special needs involves long teaching hours with little observable progress and lack of perceived success on the job, can affect the teachers’ motivation to teach (Schmid and Nagata, 1983). In this current survey also, we can observe this, as 54% of all the respondents feel that they are performing

well ‘sometimes’ and out of whom, 36% of them are female respondents.

40% of all the respondents feel that they are performing well either ‘most of the times’ or ‘always’, which may be due to high morale or the factors such as coping strategy, experience, good working conditions, etc..

Participation in decision making by a subordinate is assumed to result not only in greater job satisfaction, but also in higher productivity. The current survey reflects that 58% of all respondents feel that they get an opportunity for independent thought and action, which may be evident from the information that the NGO’s where they are working, provide them every opportunity to learn and use their specific skills. However, results by Lewin et al., (1999) suggest that under some conditions, higher productivity may be achieved by using more autocratic methods. Probably because of this reason, 28% of them have given a negative response by mentioning that they don’t get opportunity for independent thought and action, but this a minor data.



The current survey reveals that majority of the respondents feel their work to be interesting to the extent of 'small to great', this may be due to the fact that the special educators were looking for varied, stimulating and creative job objectives and work activities, i.e., a job that allows them to express and develop their creative side.

Cole and Walker (1989) argue that many responsibilities of special education teachers may be viewed as "dirty work", at least by the society at large.

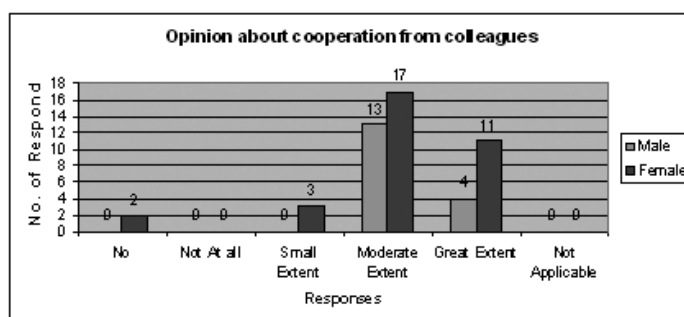
Having these above factors in mind, we can observe in the current survey that 94% of all the respondents feel that they yield positive results to the extent of 'small to great', which is really a positive sign for the special education system as a whole. 54% of female respondents feel that they yield positive results to the extent of 'moderate to great', probably this due to the fact that, females have more patience, perseverance and are focused.

Teaching material is the main source of aids used in special schools to teach special children. They play a vital role in practicing, re-modelling, role play, etc., Generally, NGO's who run the special schools will not be able to provide the appropriate teaching materials on time, due to financial issues and lack of technical knowledge in creating or maintaining the same.

In the current survey, it is observed that, the respondents provided positive response, mentioning that the availability of the teaching material was to an extent of 'some of the times' to 'always'.

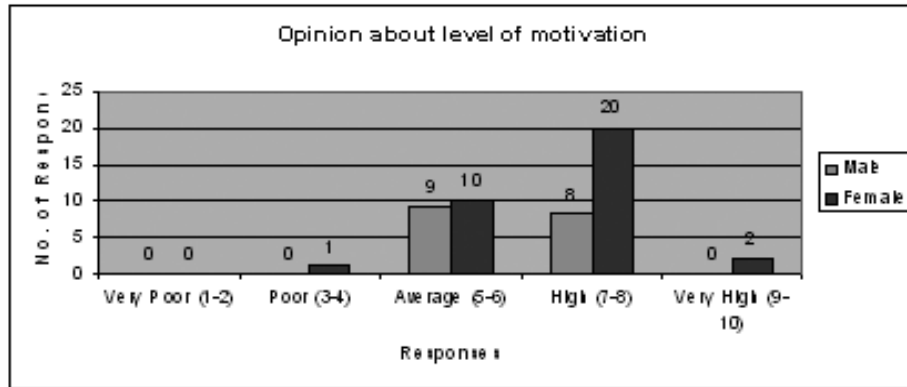
There is a big gap between the course the students undergo and the work they would be performing during their career. This may be due to curriculum structure or covering more subjects in minimum time or evaluation methods, etc. 80% of the respondents feel that the training they underwent is meeting the reality, which shows that the special education training curriculum follows practical oriented methods to sticking to the theory.

Contrary to the above, 52% of all the respondents, did not feel interference in their work due to routine duties and paperwork, among whom, 38% of them were female respondents. Agreeing to the above studies, 48% feel that there as an interference in their work due to routine duties and paperwork, to the extent of 'small', 'moderate' and 'great'. In general, the special schools, will have to have lot of paperwork like documentation of daily/weekly/monthly reports, individual development programs, checklists, guidelines, etc., on a continual basis, which is a time consuming activity. Higher interference may bring down the morale due to stress in managing time and activity.



90% of all the respondents feel that their colleagues are either cooperative to the extent

of 'moderate' or 'great', out of which 56% are female respondents.



More than half of the responds are highly motivated and more than one third feel their motivation level to be average. Motivated educators will give a positive result and they become more productive compared to the less motivated educators, as they influence negatively. Overall, the personal, organizational and social objectives of special educations are met optimistically.

trends are changing widely, but still, during this current survey, it is observed that the respondents feel stay with the organization because of their personal loyalty to the employer.

More than half of the responds are highly motivated and more than one third feel that their motivation level is average, which is a positive sign. The lower side of the result may be due to various factors such as time, stress level, mood, not understanding the question, etc.

Special Educators work with passion, love, affection and dedication. They generally tend to build a special bondage and relationship with their students, so that the objectives are met. As these educators work with socially under privileged children, lot of attachment will be built during the course of teaching.

Personal loyalty is felt more because of various factors like charisma, ethics, values, moral responsibility, possessiveness, attachment, etc. This is one of the major factors because of which the labor turnover is less in countries like India, where loyalty to the employer is viewed as ethical. There are several instances where for over three decades, continuous service is offered with the same employer, i.e., entry to retirement, with the same employer. But the

They participate in empowering the parents, siblings and their families and society as a whole. High motivation is achieved only when the person enjoys what he does and has belief in his strength and focuses on the goals. It's more of emotional bonding because of which the special educators tend to give results than just teaching them autocratic way. 10% of the respondents feel that they don't have special bondage with their students, which may be a temporary phase, because special education is such a field where lot of stress, patience, continuous learning, creativity and challenging

work is needed. Other factors such as peer pressure, cooperation from management, timelines, wages, etc., would have triggered them and might be reactive to the situation.

Maslow's hierarchy of needs theory illustrates that workers need a wage sufficient to feed, shelter & protect them and their families satisfactorily. This implies that pleasure comes from something the task leads to, such as money.

But in the current survey, Salary as a motivation factor, is ranked fourth, which may be because, most of the respondents are females and they may not be the primary bread winners of the family. Surprisingly, male respondents are also claim to be happy to the extent of moderate (13) to great (2) out of 17 respondents. In the current survey, opportunity to use personal skills is ranked at fifth, above the good working condition and job security. This may be due to satisfaction felt more when opportunity to use personal skills is provided.

Most employees also value locations that are close to home, offer cleanliness, adequate tools & equipment and buildings that are in good conditions, among others. Because of the same reason, in the current survey, good working condition is a motivation factor, ranked at sixth, above job security. Employees will look for personal growth in their work and will actively seek out new responsibilities. Probably due to this reason, Job security and personal growth in the organization are ranked at eight and ninth place as motivation factors. Many times, the special educators look for policies to be more flexible, but in reality, that mayn't be possible for the management to offer, as these will be the least priority for them to run the organization. Hence, in the current survey, it is observed that

the respondents ranked this as a last motivational factor for them as they may not be getting good support from the management. It is mostly true in all other industries also.

36 of 37 respondents mentioned that the special children are the major motivating factor. This might be due to the reason that the special education is a field where empathy, love, passion, affection are prioritized. 18 of the respondents also mentioned that Salary is their second motivation factor. Other than these two, job security, social recognition, cooperation from management, job satisfaction, working environment, etc. are listed.

Most of the respondents feel that their relationship with their colleagues is not good and a de-motivating factor. As mentioned earlier, generally, people enter into special education as in-service, part time job. But later, they find it interesting & challenging and continue in the same field.

As they will not have proper qualification and skills, they tend to feel factors like qualification, handling pressure, etc. as de-motivating factors. Experienced and qualified professionals also feel the pressure, but they cope with them quickly.

Out of 24 respondents, 22 of them list 'special children' as the factor to bring back their motivation level high. Other factors listed are Salary and Family support. Personal bonding and commitment/ empathy to help special children are the factors that drive the special educators to work productively. Probably because of this reason, whenever they are de-motivated, they tend to spend time with them.

Hypothesis framed

- Null Hypothesis: Ho- More than 50% of Special Educators in Bangalore are highly Motivated.
- Alternate Hypothesis: H1- The number of Special Educators with high motivation are less than 50% in Bangalore.

From the findings of the research, it is evident that, 57% of special educators in Bangalore are highly motivated. Therefore null hypothesis is found to be true and hence it is accepted. Consequently the alternate hypothesis is untrue and therefore it is rejected.

Contribution of the Research work:

- Empathy for the Special Children, Challenging & Interesting work and Salary are the factors that precisely motivate special educators in Bangalore.
- Co-workers, family pressure and inflexibility in work timings are some of the demotivating factors that negatively influence the special educators.
- The research has come out with suitable suggestions and recommendations and the same are listed in the following paragraphs.
- The research has provided definite insight into the current motivational level of special educators.

Conclusions of the research

The current research explains the complicated nature of the work of special education teachers. This research breaks down teachers' work into specific job factor categories. The findings of this research are hoped to lead to greater and deeper exploration of this matter concerned

among special education teachers in future studies.

The main task for the stakeholders is not merely to ensure that the key elements highlighted in the present research are present, but also to state what these elements are and how they are vital in improving teacher motivation.

Based on the findings of the present research, there is a crucial need to address the factors affecting the motivation of special education teachers. There is a need for special education teachers to receive moral and material support appropriate to their level of responsibilities.

The special education allowances should be reviewed constantly to compensate for the challenges posed by the nature of the job of these teachers. This will make it possible for them to live with dignity and not be forced to engage in additional income generating activities in order to make up for the low pay.

The special education teachers should be provided with an adequate working environment with resources and materials necessary to facilitate good teaching and to boost their morale.

They should be able to receive in-service training and to attend workshops and seminars regularly in order to share ideas and to keep in touch with new trends and developments in the field of special education.

The special education teachers should obtain continuous support and feedback from their administrators through organised forums where they can openly exchange views and opinions.

They should be included in all activities concerning special education. They should also contribute to national debates on special

education as they possess valuable experience as practicing classroom teachers constantly in touch with students with special needs. This can consequently enhance their motivation and confidence in the system.

The teachers should also be represented in curriculum development in special education since they can recommend what is workable, based on their experience.

The curriculum should be adapted to the diversity of special learning needs. The special education component should be incorporated into teacher education curriculum at all levels of teacher training.

Frequent seminars, workshops and refresher courses should be organised for teachers educating special needs students which will enable them to update their skills, methods and strategies for dealing with their students, helping to enhance their confidence and job motivation. Similarly, teachers need to be provided with the opportunity to interact with fellow colleagues from other

special schools in conferences with the aim of presenting experiences, views and knowledge and to simply encourage each other.

Administrative personnel in charge of the issues of special education need to receive frequent in-service special education to enable them to acquire a working knowledge of special education so that they can handle these matters adequately. Preferably, qualified persons with disabilities should be appointed to administrative posts.

Suggestions and Recommendations:

This research analyzed the special educators' work by delineating it into various work

categories. In doing so, more detailed information has been obtained and thus more precise procedures and actions can be taken to improve the motivating potential of teachers' work.

A positive correlation is found between the job design factors and teachers' motivation. Special education teachers in the current research cite "workload", "satisfaction with management", "coworkers" as demoralizing factors. Some trends in the results concur with the theory by Herzberg, which posits that extrinsic job factors usually cause dissatisfaction to the employees. Herzberg's also shows that hygiene factors affect the context in which work is conducted and when such factors are not gratified, negative attitudes are created producing job dissatisfaction.

Measures should be taken such as reducing the class size, workshops on team work and teachers' workload and establishing forums where the teachers can air their views as well as their problems and experiences to the special education administrators. Such forums should be organized regularly to enhance positive relations between the teachers and the administrators, while at the same time improve the working conditions of the teachers.

The current research found that some special needs children often require the physical support of the teacher. Furthermore, their learning pace is slow, which can be often frustrating and hence, requires a lot of patience among the teachers.

Curriculum planners should be in a position to address issues concerning extra burdens that exceptional students may present to the teachers to attend to and hence, introduce ways of reducing them. When teachers become overwhelmed with unreasonable workloads,

they become frustrated in their efforts to provide appropriate teaching for the students. The potential for laxity and negligence may be high especially among teachers in crowded classrooms. This, therefore implies that for learning to be effective, teachers in special schools need to be allowed to handle smaller classes, while regular classroom teachers, who integrate special needs students need to be allowed to have fewer such students in the light of the extra demands that are placed on them.

Many teachers report that their daily work with students constitutes only a part of their responsibilities and that the planning involved in Individualized Education Programs (IEP) and counseling students, among others, involve after school and weekend time. It is important that ways of compensating teachers for this extra time are explored.

Possibilities such as the provision of teacher-aides and team teaching may allow the special education teachers adequate time to handle some of these extra responsibilities during regular school days. Rather than reducing instructional effectiveness, these proposed strategies should actually increase the quality of instruction.

Scope for future research:

The present research can be extended to:

- To include the schools run by the Public/ Large NGO organizations, viz., BHEL, Military Schools etc., and State and Central Governments.
- To other disability sectors like Autism, ADHD, Cerebral Palsy, Neurological disorders, Psychiatric disability, etc.

- To include all the special educators in Bangalore to ascertain the results of the research more accurately.
- To include all the special schools catering to all the disability sectors in Bangalore.

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A STUDY ON SOURCES OF SIZE EFFECT IN INDIAN STOCK MARKET WITH SPECIFIC REFERENCE TO NSE

Jayavaram Suma Meghana *

Abstract

Including India, in many of the countries in world the extensively documented in capital markets is the size effect. This project is all about examining the sources of size effect in Indian market with specific reference to NSE. The data for the study is considered from 2011 to 2015 to find whether size effects the operating, financial and liquidity characteristics of the firms. The sample for the purpose of the study consists of 5 large capital companies and 5 small capital companies based on the market capitalization. This study measures Stock Liquidity, Operating Profit, Asset Turnover, ROCE, Debt Equity, Interest Coverage, Current Ratio, Dividend Payout Ratio, Distress Level and Institutional Ownership. These characteristics were used to carry out ANOVA to find the effect of size in the stock market. Out of 13 measures it is found that 9 measures stated that the operating, financial and liquidity characteristics substantially differentiates small cap firms from that of large cap firms.

Key words: *Size Effect, Stock Market, NSE, Operating and Financial Characteristics, Stock Liquidity.*

Introduction

For the organizations to raise money one of the imperative sources is the stock market. Organizations can trade publicly or can raise extra monetary capital for the development in public market by offering the shares of the organization and giving possession rights to them. This gives the ability for the investors to sell the securities quickly and easily because of liquidity afforded by the stock market. For this feature of stocks, investors are attracted to invest in stocks than in other less liquid investments. Companies can actively increase the liquidity position by trading in their own shares.

Share prices and some different assets are a fundamental part of the elements of financial development as found ever. Rise in the stock market is an indicator of an upcoming economy. It is told that securities exchange is considered as a vital marker for financial strength and advancement of a nation. Increment in business investment is connected with ascend in share prices. Share prices likewise affect the utilization of households as their wealth relies upon the speculation. Therefore for the smooth operation of monetary framework especially in control of the conduct of the stock market, Central banks tend to keep an eye. This smooth functioning encourages economic growth and development in low expenses and promotes

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employment opportunities. In this way it contributes to the increase in country's prosperity.

Investment strategy based on size was found to offer economically possible additional returns and this "size effect" leads to investment strategy of arbitrage which could be explained as buy small firm stocks and sell short large firm stocks. Usually small firms are less liquid and are neglected more by the institutional investors. Everyone perceives small firms are having low operating profitability along with financial leverage. Further, there is a belief that small firms have more presence in certain sectors that are performing very poor in the economy like chemicals, textiles, consumer durables etc., whereas large firms are found in high profitable sectors like IT, banking and FMCG. But in reality size effect is not the only factor for any sector premium it depends on specific factors related to firms. This study is exhaustive and it is a rich contribution on the security market. So the knowledge about this issue and the extent of impact of size effect on stock market is very essential for an investor to assess the risk and effectively exploit them to get maximum return. This is an interesting topic for academicians, researchers and policy makers. This study not only helps investors but also useful for mutual fund managers and financial analysts for framing the investment strategies that are based on size of the firms to get extra normal returns in the stock market in Indian context.

Theoretical Background:

There are certain anomalies exist in the stock market that attracts the interest of the investors. Without any warning these anomalies will appear, disappear and reappear in the stock

market that affects the stock prices. They are Size effect, January effect, Low Book Value, Neglected Stocks, Reversals, Days of the Week and Dogs of the Dow.

- Size effect is one of the major anomaly that tells about the small firms outperform.
- January Effect says that stocks which are not performed well in the fourth quarter of the last year likes to perform well in the markets in January. This effect leads to more pressure on selling before January and there is excess buying pressure after January to avoid the tax loss selling.
- The third anomaly is the low book value indicates that stocks with below average price to book ratios gives market beating better performance in the market.
- The fourth anomaly is neglected stocks usually occurs on less liquidity stocks which do not have even minimum support from analysts. These stocks will do well as these companies are identified by the investors. Neglected stocks have lower volatility though there is correlation between the performance and size.
- The fifth anomaly is Reversals shows that companies at the either corners of the performance range will tend to show the reverse action over a period of time. In stock market, the company that performs well yesterday can become the underperformer in today's market and vice-versa. It is common that stocks that are over-priced shows under performance whereas stocks that are underpriced outperform well in stock market.
- The next anomaly is days of the week shows

that stocks tend to move more on Fridays than Mondays creating a bias towards positive market performance on Fridays. Investors may have more interest towards trading, and they can allot time for reading about the market on weekends and feels gloomy to trade on Monday are some of the psychological factors that support this anomaly.

- The last anomaly is the Dogs of the Dow means that investors should select the stocks to invest in based on the Dow Jones Industrial Average which have certain value attributes. According to this theory, investors select 10 highest Dow yielding stocks and take only 5 stocks from that list which are having low absolute stock price and hold those for a year. The highest Dow yielding stocks are underperformers relatively and those are expected to outperform later.

Review of Literature:

Pandey and Sehgal (2015) analyzed BSE 500 companies with the information from October 2003 to January 2015. They found that profits diminish monotonically along with the size of the firm by controlling the penny stocks. They got vigorous findings for various options size measures, for example, market capitalization, net fixed assets, net sales, total assets, net working capital, and enterprise value. They found there was an opposite seasonality effect and non-synchronous exchanging inclination in stock market. It was observed that size effect is clarified by the market, size, value and business cycle elements whereas liquidity and momentum elements have very little role.

Prasad and Verma (2013) clarified that around the world in the securities exchange, one of the

prominent anomalies observed was the size effect. This study finds out whether the portfolio of small stocks yields higher returns vice-versa. And also finds out whether there was a size effect in Indian securities exchange. From April 2001 to March 2010 of monthly returns of the S&P CNX 500 index was the sample they considered. Two equal portfolios were constructed by taking 30 smallest and largest stocks by taking total assets and market capitalization as criteria. The result of the correlation analysis exhibits that the size effect was not present in the Indian securities exchange as the returns on portfolio of small stocks are not totally different from the returns of portfolio of the large stocks.

Subramanian (2012) examined the presence of asset pricing anomalies which includes size, liquidity, momentum, accruals, value, profitability and net stock issues in India. The effect of size is one of the most grounded irregularities that had 4.4% contrasts between enormous stock and small stock companies. Accruals, stock issues and returns were directly related with each other whereas profitability and returns were indirectly related with each other. CAPM does not clarify these oddities with the rejection of new stock issues. The Fama French (FF) model can catch the values, profitability and accruals. Size and short term momentum were consistent and hence continue to cause challenge to rational asset pricing in India. The steadiness of size and momentum anomalies may recommend that there is role for extra risk factors in returns.

Welc (2011) perceived small firms carry higher investment risks than that of larger firms because of higher money related and working risks. Empirical research exhibited that small

companies would fluctuate with large companies by their long term ordinary returns and variability in those benefits. As regards to statistical implication, scope, stability and direction of firm size and long term risks and returns relationship the findings of the study were a long way from being unmistakable. They considered polish securities exchange for the study and analyzed the size effect on it in the middle of 1999-2011 years by utilizing elective measures for organization size. They affirmed there was a solid negative relationship exists in the middle of size of the organization and long term return on stocks and it is significant statistically.

Shijin et.al (2007) inspected the risk-return attributes of regular stocks in Indian business sector. To discover the way of relationship between three elements to be specific market risk, size and value they projected auto regressive method, Granger-Causality tests and variance decomposition analysis. They discovered market risk proxy effectively affected returns in securities exchange in India. There was causal relationship between market risk variable and non-market based measures. This study gave better comprehension with respect to the size, value and market risk outcome on stock prices to speculators in India.

Tripathi (2003) explained that including India for most of the world capital markets, size effect has been extensively documented. They examined the causes of the size effect in Indian stock market. They tried the distinction of small firms with expansive firms considerably through working, budgetary and liquidity attributes. They also confirmed whether small firms are innately more dangerous than large firms. The observational results highlight the covering of size and value effects i.e., BE & ME whereas

in US they were observed to be an autonomous risk components. The findings may have suggestions for mutual fund administrators and other investment strategies as a major part of the size premium which they saw as an arbitrage opportunity could actually be a compensation for unaccounted risk.

Mohanty (2002) reported the consequences of a research were intended to inspect the firm particular characteristics by illuminating the cross sectional disparity in stock returns using Fama and Macbeth's methodology. It was found that size, market leverage, price-to-book value, earnings-to-price ratio were highly correlated with stock returns. The outcome demonstrated that these two proportions were extremely associated with stock returns. While size and price-to-book value were negatively associated with stock returns, earnings-to-price and market influence were observed to be positively correlated.

Jan Annaert et.al (2002) analyzed the premium for both size and value for European stocks. Previously there were number of studies that found returns from small stock exceeds from that of big stocks which was called as size premium. Similarly value stock returns exceeds the growth stock returns which was called value premium. They found in whole European market, there was large size premium but it exists only in cross section. The technique will never again be productive if stocks were chosen in the light of the market size of a nation. Annually there was impressive premium of 7% when portfolios of value and growth were weighted equally.

Statement of the Problem:

The size effect is considered to be one of the

prominent factors that have been pragmatic in the stock markets throughout the world. This study attempts to examine the causes of the size effect in the Indian Stock Market which helps in finding out whether operating, financial and liquidity characteristics significantly distinguish the small firms from that of large firms which verifies whether small firms are inherently riskier than larger firms.

Objectives:

- To study the presence and sources of size effect in Indian stock market for a recent time period.
- To find whether operating characteristics substantially differentiate small firms from large firms.
- To evaluate whether financial characteristics substantially differentiate small firms from large firms.
- To examine whether liquidity characteristics substantially differentiate small firms from large firms.

Hypothesis:

Null Hypothesis H_0 = The operating, financial and liquidity characteristics does not substantially differentiate smaller firms from that of larger firms.

Alternative Hypothesis H_1 = The operating, financial and liquidity characteristics substantially

differentiate smaller firms from that of larger firms.

Research Design:

Quantitative and Analytical method was used to know the sources of size effect on the Indian stock market.

Sources of Data:

Secondary data includes –

- Data related to accounting and finance of selected companies was taken from the respective company’s website.
- The daily traded share volume of the sample companies was considered and the data was collected from NSE website.
- Other relevant information was collected from website, journals, newspaper and books.

Sampling Design:

The Judgemental sampling was used as the sample companies are selected based on the market capitalization.

Sample size:

The sample for the purpose of the study consists of 10 companies listed in NSE. The sample includes 5 large capital companies and 5 small capital companies.

Sector	Large Capital Company	Small Capital Company
Banking	HDFC	Dhanalaxmi Bank
Auto Ancillaries	Bosch	ANG Industries
Pharmaceuticals	Sun Pharma	Alpha Labs
Tele Communication	BhartiAirtel	MTNL
Finance Investments	Bajaj Finserv	Reliance Capital

Data Analysis:

A detailed analysis was done using statistical tool like Anova. The following steps are used for the analysis of data:

- The selected sample companies are ranked on the basis of market capitalization at the end of March 2016.
- Two similarly weighted portfolios are framed on the basis of ranking where one is a portfolio consists of 5 sample companies with lowest market capitalization and on other hand a portfolio consists of 5 companies with largest market capitalization.
- Then these two portfolios are measured by the various operating, financial and liquidity characteristics of the firms at the end of the year. The parameters incorporates number of shares outstanding, trading volume, share holding pattern, book value per share, market price per share, long term debt, equity capital, operating profits, net sales, fixed interest charges, capital employed, total assets, current assets and current liabilities. These were taken at the end of March every year as proxies for size.
- To know the difference between two portfolios ANOVA test was used at 5% level of significance.

Characteristics	Measure	Operational Definition
Stock Liquidity	Average Daily Trading Volume	Arithmetic mean of the number of shares traded per day during a year.
Operating and Financial Characteristics	Operating profit ratio	$\frac{\text{Profit before interest and taxes}}{\text{net sales}}$
	Asset Turnover	$\frac{\text{Net Sales}}{\text{Total Assets}}$
	Return on Capital Employed	$\frac{\text{Net Profits before profits and taxes}}{\text{Capital Employed}}$
	Debt-Equity Ratio	$\frac{\text{Total long term debt}}{\text{Equity Share Capital}}$
	Interest Coverage Ratio	$\frac{\text{Profits before interest and taxes}}{\text{Fixed Interest Charges}}$
	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
	Dividend pay out	$\frac{\text{Total Final Dividends}}{\text{Net profits after Taxes}}$
Distress Level	Book equity to market equity ratio	$\frac{\text{Book value per share}}{\text{Market value per share}}$
	Earnings Yield	$\frac{\text{Earnings per Share}}{\text{Market price per share}}$
	Dividend Yield	$\frac{\text{Dividend per share}}{\text{Market price per share}}$
	Cash flow yield	$\frac{\text{Cash Earnings per share}}{\text{Market Price per share}}$
Neglect	Institutional Ownership	Percentage of common stock holdings held by various institutional investors

Limitations of the Study:

- Small number of companies is selected for the study.
- In this study only one anomaly is used i.e., sources of size effect on stock market.

Other asset pricing anomalies like value, momentum, liquidity, accruals, profitability and net stock issues in India are not considered.

Data Analysis and Discussion

Stock Liquidity:

Table showing Average Trading Volume of the Small Cap Firms:

SI. No	Stocks	Average Trading Volume
1.	Dhanlaxmi Bank	744366.65
2.	ANG Industries	44447.2463
3.	Alpa Laboratories	12420.22351
4.	MTNL	1980562.489
5.	Reliance Capital	3176743.299

Table showing Average Trading Volume of the Large Cap Firms:

SI. No	Stocks	Average Trading Volume
1.	HDFC Bank	2450774.471
2.	Bosch LTD	12960.40708
3.	Sun Pharma	2124322.421
4.	Bharti Airtel	4800778.421
5.	Bajaj Finserv	101235.6806

Regression Statistics	
Multiple R	0.034470821
R Square	0.001188238
Standard Error	1577003.694
Observations	5

ANOVA for Average Trading Volume

	df	SS	MS	F	Significance F
Regression	1	8875775052	8875775052	0.003568953	0.956119081
Residual	3	7.46082E+12	2.48694E+12		
Total	4	7.4697E+12			

The calculated F value is 0.0035 which is less than the tabulated value 0.956 at 5% level of significance. The correlation $r=0.034$ indicates that there is a weak linear correlation exists in between the stock liquidity of both the small and large cap firms. Coefficient of Determination (r^2) indicates that 0.12% of the variation in the average trading volume between small cap firms and large cap firms has been accounted due to the size of the firm.

As calculated F value is less than the significant F value at 5% level of significance it belongs to critical region, therefore H_0 is accepted. That means there is no significant difference in average daily traded volume of the stocks of small capital and large capital firms. Therefore there is no size effect on stock liquidity characteristics of the firms.

Operating and Financial characteristics:

Operating Profit Ratio:

Regression Statistics	
Multiple R	0.783780224
R Square	0.61431144
Standard Error	0.392345826
Observations	5

Table showing ANOVA for operating profit ratio

	df	SS	MS	F	Significance F
Regression	1	0.735548259	0.73555	4.7783	0.116698262
Residual	3	0.461805741	0.15394		
Total	4	1.197354			

The calculated F value 4.7783 which is greater than the table value 0.1167 at 5% level of significance. The correlation r value 0.784 indicates operating profits of both the small cap firms and large cap firms has strong positive correlation. Coefficient of Determination (r^2) indicates that 61.43% of the variation in the operating profit ratio between small cap firms and large cap firms has been accounted due to the size of the firm.

As calculated F value is greater than the significant F value at 5% level of significance it belongs to critical region, therefore H_0 is rejected. That means there is a significant difference in operating profit ratios of small capital and large capital firms. Therefore there is a size effect on operating profit ratios of the small and large capital firms.

Asset Turnover Ratio:

Regression Statistics	
Multiple R	0.768391835
R Square	0.590426012
Standard Error	0.190621862
Observations	5

Table showing ANOVA for Asset Turnover Ratio:

	df	SS	MS	F	Significance F
Regression	1	0.157144717	0.15714	4.32468	0.129053433
Residual	3	0.109010083	0.03634		
Total	4	0.2661548			

The observed value of F is 4.32468 which is greater than the tabulated value 0.1290 at 5% significance level. The correlation r value 0.768 indicates asset turnover of both the small cap firms and large cap firms has strong positive correlation. Coefficient of Determination (r^2) indicates that 59.04% of the variation in the asset turnover ratio between small cap firms and large cap firms has been accounted due to the size of the firm.

As calculated F value is greater than the significant F value at 5% level of significance it belongs to critical region, therefore H_0 is rejected. That means there is a significant difference in asset turnover ratios of small capital and large capital firms. Therefore there is a size effect that differentiates small cap firms with large cap firms.

Return on Capital Employed:

Regression Statistics	
Multiple R	0.002344701
R Square	5.49762E-06
Standard Error	0.206564353
Observations	5

Table showing ANOVA for Return on Capital Employed

	df	SS	MS	F	Significance F
Regression	1	7.03735E-07	7E-07	1.6E-05	0.997014637
Residual	3	0.128006496	0.04267		
Total	4	0.1280072			

The calculated F value is 0.000016 which is less than tabulated value 0.9970 at 5% significance level. The correlation $r = 0.0023$ that shows there is a weak correlation between the return on capital employed of both the small cap and large cap firms. Coefficient of Determination (r^2) indicates that 0.00124% of the variation in the return on capital employed between small cap firms and large cap firms has been accounted due to the size of the firm.

Since calculated value is less than significant value at 5% level of significance it belongs to critical region, therefore H_0 is accepted. That means there is no significant difference between small cap firms and large cap firms on return on capital employed. Therefore there is no size effect on the return on capital employed of the firm.

Debt Equity Ratio:

Regression Statistics	
Multiple R	0.84194405
R Square	0.708869784
Standard Error	31.47188673
Observations	5

Table showing ANOVA for Debt-Equity Ratio

	df	SS	MS	F	Significance F
Regression	1	7235.124267	7235.12	7.304667225	0.073616651
Residual	3	2971.438963	990.48		
Total	4	10206.56323			

The observed F value is 7.304 which is greater than the table value 0.07 at 5% significance level. The correlation $r=0.842$ shows that there is a strong positive correlation between the debt equity ratios of small cap firms and large cap firms. Coefficient of Determination (r^2) indicates that 70.89% of the variation in the debt equity ratio between small cap firms and large cap firms has been accounted due to the size of the firm.

Since calculated value is greater than significant value at 5% level of significance it belongs to critical region, therefore H_0 is rejected. That means there is a significant difference between small cap firms and large cap firms on debt equity ratio. Therefore there is a size effect on the debt equity ratio of the firms.

Interest Coverage Ratio:

Regression Statistics	
Multiple R	0.422674679
R Square	0.178653885
Standard Error	1.740663767
Observations	5

Table Showing ANOVA for Interest Coverage Ratio:

	df	SS	MS	F	Significance F
Regression	1	1.977139396	1.977139396	0.65254056	0.478317601
Residual	3	9.089731052	3.029910351		
Total	4	11.06687045			

The calculated F value is 0.652 which is greater than the table value 0.478 at 5% level of significance. The correlation is 0.4 in interest

coverage ratio between small cap firms and large cap firms indicate a weak correlation between them. Coefficient of Determination (r^2)

indicates that 17.68% of the variation in the interest coverage ratio between small cap firms and large cap firms has been accounted due to the size of the firm.

As calculated F value is greater than the significant F value at 5% level of significance it

belongs to critical region, therefore H_0 is rejected. That means there is a significant difference in interest coverage ratios of small capital and large capital firms. Therefore there is a size effect that differentiates small cap firms with large cap firms.

Current Ratio:

Regression Statistics	
Multiple R	0.957589611
R Square	0.916977864
Standard Error	3.959054367
Observations	5

Table showing ANOVA for Current Ratio

	df	SS	MS	F	Significance F
Regression	1	519.3607615	519.3607615	33.13494115	0.010417416
Residual	3	47.02233444	15.67411148		
Total	4	566.383096			

The observed F value is 33.135 which is greater than the significance value 0.0104 at 5% level of significance. The correlation $r=0.957$ shows that there is a very strong correlation between the current ratio of both the small cap and large cap firms. Coefficient of Determination (r^2) indicates that 91.69% of the variation in the current ratio between small cap firms and large cap firms has been accounted due to the size of the firm.

As calculated F value is greater than the significant F value at 5% level of significance it

belongs to critical region, therefore H_0 is rejected. That means there is a significant difference in current ratios of small capital and large capital firms. Therefore there is a size effect that differentiates small cap firms with large cap firms.

Dividend Payout Ratio:

Regression Statistics	
Multiple R	0.820529963
R Square	0.67326942
Standard Error	0.127527806
Observations	5

Table showing ANOVA for Dividend Payout Ratio:

	df	SS	MS	F	Significance F
Regression	1	0.100537976	0.100537976	6.181877011	0.088770873
Residual	3	0.048790024	0.016263341		
Total	4	0.149328			

The calculated F value is 6.181 which is greater than the tabulated value 0.0887 at 5% level of significance. The correlation $r=0.820$ indicates there is a strong correlation between the dividend payout ratio of both large cap firms and small cap firms. Coefficient of Determination (r^2) indicates that 67.32% of the variation in the dividend payout ratio between small cap firms and large cap firms has been accounted due to the size of the firm.

As calculated F value is greater than the significant F value at 5% level of significance it belongs to critical region, therefore H_0 is rejected. That means there is a significant difference in dividend payout ratios of small capital and large capital firms. Therefore there is a size effect that differentiates small cap firms with large cap firms.

Table Showing Summary of all the measures of the Operating and Financial Characteristics

Measures	Interpretation
Operating profit Ratio	There is a significant difference between small cap and large cap stocks
Asset Turnover Ratio	There is a significant difference between small cap and large cap stocks
Return on Capital Employed	There is no significant difference between small cap and large cap stocks
Debt-Equity Ratio	There is a significant difference between small cap and large cap stocks
Interest coverage Ratio	There is a significant difference between small cap and large cap stocks
Current Ratio	There is a significant difference between small cap and large cap stocks
Dividend Payout Ratio	There is a significant difference between small cap and large cap stocks

Out of 7 measures in operating and financial characteristics only one measure accepted null hypothesis rest all measures rejected null hypothesis indicating that there is a substantial differentiate between the large cap and small cap firms.

Distress Level of the Firms:

It is the circumstances where a firm is

confronting trouble in meeting its monetary commitments. If the firm has high fixed expenses, illiquid resources and incomes that are sensitive to monetary downturns then there is more risk of expanding the money related distress levels of the company. This outcomes in less productive workers and it increments both the money related and opportunity costs.

Book Equity to Market Equity Ratio:

Regression Statistics	
Multiple R	0.280962866
R Square	0.078940132
Standard Error	1.428758507
Observations	5

Table showing Anova for Book Equity to Market Equity Ratio

	df	SS	MS	F	Significance F
Regression	1	0.524866557	0.524866557	0.257117267	0.647030916
Residual	3	6.124052611	2.04135087		
Total	4	6.648919168			

The calculated F value is 0.257 which is less than the significant value 0.647 at 5% level of significance. The correlation $r=0.280$ indicates that there is a weak linear correlation between the book value to market value ratio of both the small cap firms and the large cap firms. Coefficient of Determination (r^2) indicates that 7.89% of the variation in the book equity to market equity ratio between small cap firms and large cap firms has been accounted due to the size of the firm.

As calculated F value is less than the significant F value at 5% level of significance it belongs to critical region, therefore H_0 is accepted. That means there is no significant difference in book value to market value ratios of small capital and large capital firms. Therefore there is no size effect that differentiates small cap firms with large cap firms.

Earnings Yield Ratio:

Regression Statistics	
Multiple R	0.982556168
R Square	0.965416623
Standard Error	0.065151247
Observations	5

Table showing ANOVA for Earnings Yield

	df	SS	MS	F	Significance F
Regression	1	0.355479113	0.355479113	83.74687795	0.002758399
Residual	3	0.012734055	0.004244685		
Total	4	0.368213168			

The calculated F value is 83.746 which is greater than the tabulated value 0.0027 at 5% level of significance. The correlation $r=0.982$ indicates that there is a positive linear correlation between the earnings yield ratio of both the small cap firms and large cap firms. Coefficient of Determination (r^2) indicates that 96.54% of the variation in the earnings yield ratio between small cap firms and large cap firms has been accounted due to the size of the firm.

As calculated F value is greater than the significant F value at 5% level of significance it belongs to critical region, therefore H_0 is rejected. That means there is a significant difference in earnings yield ratios of small capital and large capital firms. Therefore there is a size effect that differentiates small cap firms with large cap firms.

Dividend Yield:

Regression Statistics	
Multiple R	0.621667611
R Square	0.386470619
Standard Error	0.008459823
Observations	5

Table showing ANOVA for Dividend Yield:

	df	SS	MS	F	Significance F
Regression	1	0.000135246	0.000135246	1.889741375	0.262914977
Residual	3	0.000214706	7.15686E-05		
Total	4	0.000349952			

The calculated F value is 1.8897 which is greater than the tabulated value 0.2629 at 5% level of significance. The correlation $r=0.621$ indicates that there is a strong positive correlation between the dividend yield ratios of both the small cap firms and large cap firms. Coefficient of Determination (r^2) indicates that 38.64% of the variation in the dividend yield ratio between small cap firms and large cap firms has been accounted due to the size of the firm.

As calculated F value is greater than the significant F value at 5% level of significance it belongs to critical region, therefore H_0 is rejected. That means there is a significant difference in dividend yield ratios of small capital and large capital firms. Therefore there is a size effect that differentiates small cap firms with large cap firms.

Cash Flow Yield:

Regression Statistics	
Multiple R	0.427354514
R Square	0.182631881
Standard Error	0.194314638
Observations	5

Table showing ANOVA for Cash Flow Yield:

	df	SS	MS	F	Significance F
Regression	1	0.025309944	0.025309944	0.670316875	0.472924008
Residual	3	0.113274536	0.037758179		
Total	4	0.13858448			

The calculated F value is 0.670 which is greater than the tabulated value 0.472 at 5% level of significance. The correlation $r=0.42$ which indicates there is a weak linear correlation between the cash flow yield ratio of both the small cap firms and the large cap firms. Coefficient of Determination (r^2) indicates that 18.26% of the variation in the cash flow yield ratio between small cap firms and large cap firms has been accounted due to the size of the firm.

As calculated F value is greater than the significant F value at 5% level of significance it belongs to critical region, therefore H_0 is rejected. That means there is a significant difference in cash flow yield ratios of small capital and large capital firms. Therefore there is a size effect that differentiates small cap firms with large cap firms.

Table showing summary of all the measures of distress level of the firms:

Measures	Interpretation
BE/ME Ratio	There is no significant difference between small cap and large cap stocks
Earnings Yield	There is a significant difference between small cap and large cap stocks
Dividend Yield	There is a significant difference between small cap and large cap stocks
Cash Flow Yield	There is a significant difference between small cap and large cap stocks

Out of 4 measures in budgetary distress level attributes, 3 measures rejected null hypothesis. Only one measure that is book to market equity proportion acknowledged null hypothesis that demonstrates there is no significant contrast between the large cap companies and small cap companies.

Institutional Ownership:

It refers to the measure of the stocks in an organization that are claimed by mutual funds, insurance companies, financial institutions, investment firms, private foundations and other large institutions that deals with the assets in

the interest of others. The organization that has more stocks held by institutional speculators is an ideal circumstance for the organization. This impacts other potential individual financial specialists to put resources into that organization which has high institutional possession. Institutions also work to raise the price and to build the estimation of the shares of a specific organization in light of the fact that even they are the proprietors of the organization through TV, publishing articles in prominent magazines, giving presentations at the speculator’s gatherings.

Table showing Institutional Ownership of Small Cap Firms:

SI No	Stocks	Institutional Ownership
1.	Dhanlaxmi Bank	19.19
2.	ANG Industries	0.24
3.	Alpa Laboratories	0
4.	MTNL	22.11
5.	Reliance Capital	28.93

Table showing Institutional Ownership of Large Cap Firms:

Sl. No	Stocks	Institutional Ownership
1.	HDFC Bank	53.51
2.	Bosch LTD	19.32
3.	Sun Pharma	35.37
4.	Bharti Airtel	26.76
5.	Bajaj Finserv	15.35

Regression Statistics	
Multiple R	0.063779953
R Square	0.004067882
Standard Error	15.2540193
Observations	5

Table showing ANOVA for Institutional Ownership:

	df	SS	MS	F	Significance F
Regression	1	2.851205294	2.85121	0.01225	0.918847932
Residual	3	698.0553147	232.685		
Total	4	700.90652			

The calculated F value is 0.0122 which is less than the tabulated value 0.918 at 5% level of significance. The correlation $r=0.063$ indicates that there is a weak linear correlation between the institutional ownership of both the large cap firms and the small cap firms. Coefficient of Determination (r^2) indicates that 0.406% of the variation in the institutional ownership between small cap firms and large cap firms has been accounted due to the size of the firm.

As calculated F value is less than the significant F value at 5% level of significance it belongs to critical region, therefore H_0 is accepted. That means there is no significant difference in institutional ownership of small capital and large capital firms. Therefore there is no size effect that differentiates small cap firms with large cap firms.

Findings and Conclusion

Including India, in many of the countries in the world the extensively documented in capital markets is the size effect. Generally small firms are considered to be more dangerous than large cap firms for speculators to contribute as result of numerous components like low volume of operations, targeting only one market, no proper access to capital market, low liquidity, low standards, depends totally on proprietor and so forth. It has been seen that small firms have less liquidity position and they are ignored more by the institutional financial specialists and analysts. Normally it has been viewed that small firms are exposed to more risk and because of their poor performance small firms lost their market value.

Small firms does not have proper customer database with outdated technology, less category of product lines and relatively lower access to financial markets. Small firm's stock prices tend to be more sensitive for the economic changes as they cannot survive in adverse situations. But if they run the business efficiently even small firms can perform well in the economy by growing slowly and less efficient firms may not survive with high growth rate.

A parametric test ANOVA has been used to test the difference among the means of various measures. Out of 13 measures, it is found that 9 measures acknowledge alternative hypothesis that tells there is a significant difference between the small cap firms and the large cap firms. It is clear from this research that there is the presence of size effect in stock market that affects operating, financial and liquidity characteristics. Remaining measures are return on capital employed, book to market value in the operating and financial characteristics and

also distress level that stated there is no substantial difference between the small cap and large cap firms. It is clear that even there is no substantial difference in the stock liquidity of both the large cap and small cap firms. There is no size effect on the average daily traded volume of the stocks.

The institutional ownership also stated that there is no substantial difference between the neglect of large cap and small cap firms. The measures that state that there is a significance difference between the firms are operating profit ratio, asset turnover, debt equity, interest coverage ratio, current ratio, dividend yield out, earnings yield out and cash flow yield.

The results of this research might have implications on the choices of investment strategists and the mutual fund directors while picking the stock. This size premium actually what they perceive as arbitrage opportunity could become a reward for unaccounted risk.

There is size effect on stock market in India may be due to under reaction of investors regarding the financial information of the small companies. This happens because of inadequate information provided by the company, investors not having clarity on the information they have or may be due to investors neglecting nature of the small companies. Along with this investors are not considering the past data of the large cap companies as they are presently successes and over reacting to the information of small cap companies as they are losers.

Suggestions:

- Small cap companies should ensure that the data regarding the company should be made available readily to the investors. This creates more awareness about the company

and its transparency that makes the stocks easily picked by the investors.

- Usually Investors don't want to take more risk so they prefer to invest in less risky stocks. So there is a need on the part of small cap firms to minimize the risk associated with them by reducing the unnecessary costs.
- Small cap enterprises should improve their corporate earnings from which they can outperform better than large cap stocks. Because both the potential and current investors can see the performance of a company through this corporate earnings.
- By including small cap stocks in portfolio investor can diversify and manage the risk as small cap stocks do not move in lock steps with the overall market.
- Investors should choose the stocks by considering the factors that are associated with the company's risk.

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Annexure

Table Showing Summary of all the measures of the Operating and Financial Characteristics

Firms	Average Operating Profit Ratio	Average Asset Turnover	Average Return on Capital Employed	Average Debt Equity Ratio
Small Cap Firms				
Dhanlaxmi Bank	0.008	0.089	0.091	120.313
ANG Industries	0.104	0.648	-0.001	9.071
Alpa Labs	-0.003	0.565	-0.333	0.789
MTNL	-0.736	0.258	0.111	18.846
Reliance Capital	0.807	0.114		69.753
Large Cap Firms				
HDFC Bank	0.350	0.089	0.034	570.622
Bosch	0.188	1.537	0.437	4.287
Sun Pharmaceuticals	0.231	0.370	0.123	6.830
Bharti Airtel	0.225	0.651	0.206	6.813
Bajaj Finserv	0.753	0.075	0.059	0.000
Firms	Average Interest Coverage Ratio	Average Current Ratio	Average Dividend Payout Ratio	
Small Cap Firms				
Dhanlaxmi Bank	0.0132	29.8352	0.027	
ANG Industries	0.8508	3.1188	0	

Alpa Labs	0.8706	3.8678	0
MTNL	-2.8266	1.1632	0
Reliance Capital	1.2654	5.8018	0.438
Large Cap Firms			
HDFC Bank	0.663	8.6922	0.1614
Bosch	979.108	2.384	0.1918
Sun Pharmaceuticals	1737.71	2.1582	0.1574
Bharti Airtel	11.6692	0.916	0.0768
Bajaj Finserv	0	0.5916	0.2808

Table Showing Summary of all the measures of the Distress Level Characteristics

Firms	Average Book Equity to Market Equity Ratio	Average Earnings yield	Average Dividend Yield	Average Cash Flow Yield
Small Cap Firms				
Dhanlaxmi Bank	4.1204	-0.4884	0.0056	-0.345
ANG Industries	3.2548	-0.1106	0	0.125
Alpa Labs	1.331	-0.0272	0	0.0358
MTNL	2.382	-0.6404	0	-0.1048
Reliance Capital	1.0512	0.0502	0.0216	0.053
Large Cap Firms				
HDFC Bank	0.2112	0.0356	0.0072	0.0392
Bosch	0.091	0.0162	0.0036	0.0222
Sun Pharmaceuticals	0.0874	0.0036	0.0042	0.0048
Bharti Airtel	0.428	0.056	0.005	0.103
Bajaj Finserv	0.072	0.0038	0.001	0.0036

