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SDM P. G. Centre for Management Studies and Research, Mangaluru

(MBA Program)

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mission

To bring professionalism in all spheres of life. Enrich the quality of life by creating and sustaining the urge to continuous learning for life. Encourage competitive spirit for organizational excellence bu leveraging intellectual human capital. Instill entrpreneurial quality of life of individual bu encouraging to believe in personal integrity, hard work and honesty in public life. Develop leadership, entrepreneurship quality among the people with patriotism, modern outlook and positive attitude towards life. Develop self confidence to lead motivate people through case study, practical training and exposure to global business and industry.

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Editorial

Dear Readers

Contribution to society through the creation of knowledge is a lofty goal for an academic institution which strives for excellence. As our institution completes 10th year of imparting quality management education, we are proud to bring out yet another issue of Journal of Management Studies and Academic Research with ISSN No:2455 4960. with its main objective of disseminating knowledge of Management Research in the area. The current edition consists of interesting scholarly research articles on financial inclusion, Digital Banking, Employee Motivation, Kisan Credit Card and great place to work.

As the world is a volatile place where everything can be unpredictable, people practice and teach management to identify technologies that could affect day to day life and prepare accordingly could survive and succeed. If we don't aspire for change, we will not grow and move towards excellence. Learning to change, changing to learn and changing for better performance acceptance in the changing world has become the reality, 21st century is emerging as the "Digital Century" and even though we may not be in a position to change ourselves overnight, but an attempt in anticipation of adaptability proves that we are willing to accept the change. It is not the fittest who will survive but the most adaptable; hence one need not think too much of the limitations and adaptability; hence one need to think too much of the limitations and hurdles that one could come across.

Bearing this in mind SDM PG Centre for Management Studies and Research has stepped into a tie-up with Apollo Med skills to offer E-MBA programme which is yet another feather in the cap of our prestigious institution.

We hope that our efforts will take the institution to greater heights with the support and guidance of Padmavibhushan Dr.D.Veerendra Heggade and blessings of Lord Manjunatrha Swamy.

Contents

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AN ANALYSIS OF PERFORMANCE OF SELECTED BANKS IN BAHRAIN

* DR. IQBAL T. H.

Abstract:

The main puirpose of this study is to examine the financial performance of retail and wholesale conventional banks in Bahrain. The study covers a period of five years from 2009 to 2013. Ratio analysis was used to analyse the comparative financial efficiency of banks under study and correlation analysis was used to test the significance. Descriptive statistical analysis was used to measure the dispersion and the stability-variability of the ratios. The results indicate that wholesale banks are more efficient than retail banks in terms of overall cost to income and asset utilisation whereas retail banks are more efficient than wholesale banks in staff cost to income and operations. Correlation analysis showed a high positive correlation of staff cost to income ratio with operational efficiency ratio and cost to income ratio in retail banks and positive correlation of staff cost to income ratio with operational efficiency ratio and cost to income ratio in wholesale banks.

Keywords: ***Conventional banks; Efficiency; Performance, Ratios.***

Introduction

Banks play an important role in the economic development of any country. Banks provide financial assistance for industries, investors and public in general. The measurement of financial performance of banks can be expressed in terms of profitability, efficiency, solvency and liquidity. It guides all stakeholders to assess how a bank is using its resources to generate revenues. Conventional and Islamic banks operate in Bahrain to carry out the financial transactions. There are retail conventional banks to serve the financial transactions of individual customers and wholesale conventional banks to meet the financial transactions of industries and other entities with huge amount of funds. The financial performance analysis of these retail and wholesale banks provide an awareness and understanding of the comparative position of both banks which would be useful for stakeholders.

Several studies have been carried out on the comparative measurement and analysis of financial performance of the Islamic and conventional banks in Bahrain and other Gulf countries. The present study is carried out to understand and analyse the performance in terms of efficiency of retail and wholesale conventional banks in Bahrain as there was no previous studies on the performance analysis of retail and wholesale conventional banks. This study examines the performance of conventional banks using relevant ratios.

Review of Literature :

Through review of literature an attempt is made by the authors to understand the diffeerent dimensions of performance analysis of banks operating in Bahrain and other countries.

Hameeda Hussain and Jasim Al-Ajmi (2011) in their study emphasized that Bahrain Banks have a clear understanding of risk, and have efficient risk management practices. The results of the study revealed that the Islamic and conventional banks are facing credit, liquidity and operational risk. However, Islamic banks differ significantly from conventional banks in managing risk. The results of

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the study revealed that the level of risk faced by Islamic banks is significantly higher than conventional banks in Bahrain.

Al-Ethawi et al (2014) stated that though there was so difference in the performance of conventional and Islamic banks, the risk management practices of Islamic banks were highly complex compared to that of conventional banks. Ika and Abdullah (2011), Yahya (2012) and Metwally (2012) also showed that there is no significant difference between the performance of Islamic and conventional banks.

Hussein and Hussein (2013) reported that conventional banks were better than Islamic banks in cost management practices. The study analysed factors such as liquidity, growth, level of risk, quality of assets and capital adequacy. The authors found that the Islamic banks performed better than conventional banks during and post financial crisis. Shah (2012) also found that Islamic banks are better than conventional banks.

Kamarudin et al (2013) stated that the cost efficiency in conventional banks were better than profit efficiency. The study revealed that large sized conventional banks operated at constant return to scale and decrease return to scale and the small banks operated at constant and increase return to scale. Thus size of the banks had an impact on its profitability. Abu-Alkheil, et al (2012) mentioned about the impact of size of banks on efficiency and profitability. Fayed (2013) and Abbas (2016) also stated that conventional banks were better than Islamic banks. Hussein (2010) observed that conventional banks are better than Islamic banks in liquidity.

A. Mobarek and A. Kalonov (2014) studied the performance analysis of conventional banks in pre-crisis and crisis periods of 18 OIC countries and found that there was dominance of conventional banks performance over other banks. There was no evidence in the studies on the impact of crisis on the performance of conventional and Islamic banks. The authors stated that there was impact of size of the bank on their performance. The large sized conventional banks showed better performance. It was found that there was negative relationship between solvency and efficiency of banks.

Lawrence Tai (2014) studied the efficiency and performance of GCC national banks from the period of 2003 to 2011 and found that conventional banks were better than Islamic banks. The performance in terms of liquidity, profitability and solvency was comparatively better than other counterparts during the earlier part of the study period whereas the liquidity, profitability and solvency performance was better than conventional banks during the later part of the study period. The study showed that the return on average assets (profitability) of the banks depend on the bank size, general economic conditions, financial development and type of banks.

The studies had two folded findings. Few studies stated that conventional banks performed better than its competitors in the industry and in case of some studies, Islamic banks were better than conventional banks. The present study is conducted to examine the performance of retails and wholesale conventional banks in Bahrain.

Objectives :

Based on review of literature the following objectives are framed.

1. To examine the efficiency of retail and wholesale conventional banks in Bahrain using ratios.
2. To compare the performance of retail and wholesale conventional banks in Bahrain.

Hypotheses:

To empirically analyse the performance of retail and wholesale conventional banks in Bahrain the following null hypotheses have been developed.

Hypothesis 1: There is no positive correlation among staff cost to income ratio, cost to income ratio, asset utilisation ratio and operating efficiency ratio of retail conventional banks in Bahrain.

Hypothesis 2: There is no positive correlation among staff cost to income ratio, cost to income ratio, asset utilisation ratio and operating efficiency ratio of wholesale conventional banks in Bahrain.

Hypothesis 3: There is a significant difference between performance of retail and wholesale conventional banks in Bahrain.

Research Methodology :

The study is based on six retail and seven wholesale conventional banks operating in Bahrain. The selected six retail conventional banks are: National Bank of Bahrain (NBB), Bank of Bahrain and Kuwait (BBK), Ahli United Bank (AUB), Bahrain Development Bank (BDB), BMI Bank, and Eskan Bank. The seven wholesale conventional banks selected for the study are: Arab Bank, Arab Banking Corporation, Bahrain Middle East Bank, Gulf International Bank, Gulf International Bank, Investcorp Bank, TAIB Bank. The study covers a period of five years from 2009-2013.The required data for the study are collected from website of banks, published financial statements and investors' guide. The collected data were analysed using SPSS and Microsoft Excel. The performance of retail and wholesale conventional banks are measured using ratio analysis. Hypotheses have been tested using correlation technique.

Analysis and Discussion :

In order to meet the objectives of the study, we used efficiency related ratios and correlation technique.

Cost/Income Ratio:

The cost to income ratio is a tool used to measure the efficiency of the bank. The cost/ income ratio is calculated by dividing operating expenses and operating income. A lower cost/income ratio is better for the bank. It measures how costs are changing in relation to income.

Table 1: Cost/Income ratio of retail and wholesale conventional banks

Year	Retail banks				Wholesale Banks			
	Min	Max	Mean	SD	Min	Max	Mean	SD
2013	31.45	88.08	55.39	23.47	29.87	140.83	67.19	35.65
2012	32.58	96.46	58.58	25.54	24.17	323.69	89.32	107.73
2011	33.80	76.41	54.97	18.92	21.32	310.25	70.11	110.19
2010	30.62	75.62	49.51	17.92	20.63	1316.9	280.76	478.44
2009	33.97	54.74	41.91	17.73	22.51	60.67	40.33	14.54

SD-Standard Deviation :

The data presented in Table 1 reveals that the retail conventional banks have lower cost to income ratio compared to wholesale banks in Bahrain. The standard deviation indicates that there is high variation in the ratio for wholesale banks over the study period. However, the variation is more or less consistent in case of retails banks. The descriptive statistics presented above reveal that as compared to wholesale banks, the retail banks show efficiency with regard to the cost to income ratio.

Staff Cost/Income Ratio:

The staff cost to income ratio shows the percentage of a bank's income spent on staff expenditure. This ratio helps the bank in understanding the staff cost associated with their income. The comparison of staff cost to income ratio between retail banks and wholesale conventional banks are shown below.

Table 2: Staff cost / income ratio of retail and wholesale conventional banks

	Retail Banks				Wholesale Banks			
Year	Min	Max	Mean	SD	Min	Max	Mean	SD
	(%)	(%)	(%)		(%)	(%)	(%)	
2013	19.99	51.09	31.17	12.61	21.33	78.38	37.86	16.93
2012	18.85	53.21	32.92	14.50	18.33	149.32	45.05	47.15
2011	21.41	42.52	31.58	8.52	18.95	156.41	40.14	57.53
2010	18.62	44.29	28.515	8.74	14.09	216.63	68.14	63.64
2009	20.06	30.86	26.58	5.99	14.56	150.13	39.96	54.96

SD-Standard Deviation :

Table 2 shows that the staff cost/income ratio of wholesale banks was very high in the year 2010. However, for the remaining three years it is consistent. The standard deviation of this ratio for the wholesale banks is 16.93 in the year 2013 which means this ratio is less volatile. For the retails banks the ratio has increased over a period of study. However, the standard deviation indicates no much variation in this ratio.

Asset Utilization Ratio:

Asset Utilization Ratio is tool employed to measure how well the assets of the banks are used to generate revenue. It signifies the efficiency of the management in employing its asset for productive use. It is computed by dividing the total revenue by the total assets of the bank.

Table 3: Asset utilization ratio of retail and wholesale conventional banks

Year	Retail Banks				Wholesale Banks			
	Min	Max	Mean	SD	Min	Max	Mean	SD
2013	1.32	2.89	1.8923	0.66662	1.35	17.32	6.4889	5.0567
2012	1.14	2.85	1.675	0.62561	1.44	23.24	7.4543	6.348
2011	1.15	2.90	1.7283	0.73752	1.76	3.18	5.026	5.126
2010	0.99	3.21	1.9383	0.9196	0.84	16.09	4.9014	4.5778
2009	0.94	3.86	2.0211	1.09367	1.14	17.95	4.6299	5.2358

SD-Standard Deviation :

It can be observed from Table 3 that the ratio of asset utilization is higher among the wholesale banks compared to retail banks. The asset utilization ratio is almost stable in among the retail banks and less volatile as indicated by the standard deviation. Though the ratio shows an increasing trend it is volatile as indicated by standard deviation. However, comparatively wholesale banks have performed well in terms of asset utilization.

Operating Efficiency Ratio:

The Operating efficiency ratio is a tool to measure the bank's productivity. The efficiency ratio signifies the bank's ability to support its net income from its operation. The operating efficiency ratio is calculated by dividing non-interest expense by net interest income of the bank.

Table 4: Operating efficiency ratio of retail and wholesale banks

Year	Retail Banks				Wholesale Banks			
	Min	Max	Mean	SD	Min	Max	Mean	SD
2013	31.47	90.08	55.38	23.47	30.02	142.83	68.19	35.65
2012	34.58	94.28	58.58	25.54	25.17	331.65	54.12	129.55
2011	33.83	78.41	54.96	18.91	25.04	317.15	53.44	149.77
2010	30.62	75.62	49.50	17.91	20.64	1316.9	245.19	494.16
2009	34.97	54.47	41.91	17.73	22.51	60.67	13.35	55.02

SD-Standard Deviation :

It is clear from Table 4 that the ratio of operating efficiency is higher in case of wholesale banks when compared to retail banks as indicated by the mean. However, it is highly volatile in case of wholesale banks.

Hypothesis 1: There is no positive correlation among staff cost to income ratio, cost to income ratio, asset utilisation ratio and operating efficiency ratio of retail conventional banks in Bahrain.

Table 5: Correlation between different ratios of retail conventional banks

		Staff cost to income ratio	Cost to income ratio	Asset utilization ratio	Operating efficiency ratio
Staff Cost to income ratio	Pearson correlation	1	0.996**	-0.968**	0.996**
	Sig. (2-tailed)	.	0	0.007	0
Cost to Income ratio	Pearson correlation	0.996**	1	-0.959*	1.00**
	Sig. (2-tailed)	0	.	0.01	.
Asset utilization ratio	Pearson correlation	-0.987**	-0.959*	1	-0.968*
	Sig. (2-tailed)	0.007	0.01	.	0.01
Operating efficiency ratio	Pearson correlation	0.998**	1.00**	-0.978*	1
	Sig. (2-tailed)	0	.	0.01	.

The result of correlation analysis of retail conventional banks between various performance indicators showed that existence of significant positive correlation of staff cost to income ratio with operational efficiency ratio and cost to income ratio with value 0.996 and 0.996 respectively which is significant at 0.01 level. The result of correlation analysis also depicts that asset utilization ratio is negatively correlated with staff cost to income ratio, operating efficiency ratio and cost to income ratio with values -0.968, -0.959 and -0.959 respectively which is significant at 0.05 level. The null hypothesis is accepted at 0.01 levels of significance. Thus, there is a positive relationship among staff cost to income ratio, operational efficiency ratio and cost to income ratio.

Hypothesis 2: There is no positive correlation among staff cost to income ratio, cost to income ratio, asset utilisation ratio and operating efficiency ratio of wholesale conventional banks in Bahrain.

Table 6: Correlation between different ratios of wholesale conventional banks

		Staff cost to income	Cost to income	Asset utilization	Operating efficiency
Staff cost/ income ratio	Pearson correlation	1	0.978 **	-0.103	0.968**
	Sig. (2-tailed)	.	0	0.87	0.003
Cost to income ratio	Pearson correlation	0.998**	1	-0.097	0.985**
	Sig. (2-tailed)	0	.	0.876	0.002
Asset utilization ratio	Pearson correlation	-0.113	-0.095	1	0.047
	Sig. (2-tailed)	0.872	0.878	.	0.938
Operating efficiency ratio	Pearson correlation	0.982 **	0.985**	0.049	1
	Sig. (2-tailed)	0.003	0.002	0.938	.

The result of correlation analysis of wholesale conventional between various performance indicators showed that existence of significant positive correlation of staff cost to income ratio with operational efficiency ratio and cost to income ratio with value 0.968 and 0.978 respectively and cost to income ratio with operational efficiency ratio with the value 0.985 which is significant at 0.01 level. The result of correlation analysis also depicts that asset utilization ratio is negatively correlated with staff cost to income ratio and cost to income ratio with values -0.103 and -0.097 respectively which is not significant at 0.01 or 0.05 level. On the basis of above correlations, the null hypothesis is accepted as negative correlations are not significant at 0.01 or 0.05 level. Thus, there is a positive relationship among staff cost to income ratio, operational efficiency ratio and cost to income ratio.

Hypothesis 3: There is significant difference between performance of retail and wholesale conventional banks in Bahrain.

Table 7: Performance of retail and wholesale conventional banks

	Conventional Banks	Mean	Std. Deviation	Mean Difference	t - Value	Sig. (2-tailed)
Staff Cost Ratio	Retail Banks	29.8308	2.96325	-37.0671	-1.207	0.294
	Wholesale Banks	66.9856	68.17727			
Cost to Income Ratio	Retail Banks	52.241	6.54972	-52.5067	-1.314	0.259
	Wholesale Banks	106.5429	97.29485			
Asset Utilization Ratio	Retail Banks	1.812	0.1465	-3.546	-2.06	0.108
	Wholesale Banks	5.358	3.88139			
Operating Efficiency Ratio	Retail Banks	52.071	6.54972	-35.1424	-0.826	0.521
	Wholesale Banks	87.2134	98.33141			

It is clear from Table 7 that the mean staff cost to income ratio of retail banks and wholesale banks are 29.8308 and 66.9856 respectively. The mean difference between retail banks and wholesale banks are -37.0671, the t-value between the banks are -1.207 with p-value 0.294. Therefore, null hypothesis is accepted i.e. the mean difference is not significant as the p-value is less than 0.05 with 95% confidence level.

The mean cost to income ratio of retail and wholesale banks is 52.2411and 106.5429 respectively. The mean differences between the banks are -52. 5067, the t-value between the banks are -1.314 with p-value 0.259. Therefore, null hypothesis is accepted i.e. the mean difference is not significant.

The mean asset utilization ratio of retail and wholesale banks is 1.812 and 5.358 respectively. The mean difference between the banks are -3.546, the t-value between the banks are -2.06 with p-value 0.108. Therefore, null hypothesis is accepted i.e. the mean difference is not significant.

The mean operating efficiency ratio of retail and wholesale banks is 52.071 and 87.2134 respectively. The mean difference between the banks are -35.1424, the t-value between the banks are -0.826 with p-value 0.521. Therefore, null hypothesis is accepted i.e. the mean difference is not significant. We conclude that, there is no significant difference between performance of retail and wholesale conventional banks as the p-value is less than 0.05 with 95% confidence level.

Conclusion:

The conventional banking system is one of the primary financial institution in the development of Bahrain. There are retail banks which serve the individual financial requirements and wholesale banks which basically cater to the requirements of firms and industry houses. In this study, an attempt is made to understand and analyse the performance in terms of efficiency of retail banks and wholesale conventional banks in Bahrain. Based on the results of the study it can be concluded that wholesale banks are better than retail banks in terms of cost to income and asset utilisation but in case of staff cost to income and operational efficiency, retail banks better than wholesale banks. The testing of hypothesis reveled that there is a high positive correlation of staff cost to income ratio with operational efficiency ratio and cost to income ratio in retail banks and positive correlation of staff cost to income ratio with operatingl efficiency ratio and cost to income ratio in wholesale banks. We conclude that there is no significant difference between performance of retail and wholesale conventional banks. The future research in this direction could focus on the profitability and liquidity dimension of retail and wholesale banks.

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AN EMPIRICAL STUDY OF THE AWARENESS AND ACCESS OF FINANCIAL INCLUSION SCHEMES IN MANGALURU CITY, KARNATAKA

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Abstract

Financial inclusion is the delivery of financial services or products at inexpensive costs to the underprivileged and lower income sections of the society. By providing these financial services to the people with no access to banking activities, country can achieve the goal of financial inclusion. RBI and Government of India has taken many steps and introduced many schemes in order to bring the people of the unbanked area under financial inclusion. Recently Government has come up with several financial inclusion schemes, among all those schemes Pradhan Mantri Jan Dhan Yojana has given big push for the financial inclusion in the country. This was followed by the two life insurance scheme with low premium amount and one pension scheme. Government also introduced Pradhan Mantri Mudra Yojana which will provide financial assistance to the small business units. The main objective of this study was to study the awareness of financial inclusion schemes among the customers of Mangaluru branch of a nationalized Bank.

The Study was conducted to make an attempt to understand the preference and awareness of financial inclusion among the customers of Mangaluru branch of a nationalised Bank. After getting the responses from the bank customers it was found that, majority of the people are aware about PMJDY followed by the two insurance schemes of financial inclusion. 20 percent of the people opted for both the insurance schemes and about 59 percent of the people who have enrolled for these insurance schemes are those who didn't had any insurance policy before. It was also found that majority of the respondents came to know about these schemes from the advertisement given by the Government, so it is evident that advertisement given by the Government on financial inclusion schemes has been effective. From the responses of PMJDY account holders it was found that, account holders are not operating their account frequently, most of the respondents are operating their account semi-annually. There was lack of awareness among the respondents about the Atal Pension Yojana and Pradhan Mantri Mudra Yojana loan. The number of people enrolled for APY was just 05 in the bank. It was found that the bank has given majority of Pradhan Mantri Mudra Yojana loan under Shishu scheme followed by the Tarun scheme.

Key words: ***Financial inclusion, PMJDY, Financial Literacy, Economic Growth***

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Introduction :

Financial inclusion is the delivery of financial services or products at reasonable costs to the disadvantagedand lower income segments of the society. In a contrast to financial exclusion these financial services or products are not available or affordable to these sections of the society. According to the report of United Nations, it was estimated that over 2 billion working age peoplearound the world do not have any access to any types of formal financial services which is delivered by financial institutions of their country.

In Indian context, despite country is achieving higher economic growth rates compared to most of the developed countries in recent years, country's major portion of the population still remains unbanked. In India financial inclusion is a new socio-economic concept that targets to change this current situation by providing financial services at reasonable rates to the people who cannot be able to take these products. Creating the awareness about the availability of finance products as among these people is also considered as the part of financial inclusion scheme. Global developments have shown that, in order to reach inclusive growth and development in the underprivileged society, expansion of financial services to all the sections of society is necessary for achieving the goal of financial inclusion. As the income levels among the peoples of country is increasing consequently as well as increase in savings habit of rural people, it is necessary to help these people to manage their funds and help their receipts and payments. Allowing people to create simple no frills accounts, relaxing know your customers' norms and crediting subsidies and other benefits directly to the account holders will boost an inclusive approach to finance in rural areas and thereby achieving the goal of financial inclusion.

Objectives of the study :

1. To understand the financial inclusion and its importance.
2. To overview the current status of financial inclusion in the country.
3. To understand the measures and initiatives taken by the Government of India and RBI for promoting financial Inclusion in the country.
4. To study the preference and awareness of financial inclusion schemes among the customers of the bank through survey.

Scope of the study :

The study helps to understand the concept of financial inclusion. By conducting the survey and interview with the bank manager relevant information can be obtained. The Study helps to understand preference and awareness of bank customers towards financial inclusion schemes. This study is useful to understand the success of these schemes towards achieving financial inclusion.

Research Methodology :

The required data for the study are collected from two sources, Primary data and Secondary data sources. Primary source includes the data collected through the discussions and personal interviews with bank officials and survey of bank customers regarding their awareness and preference towards financial inclusion schemes. Secondary data includes information collected from, magazines, bank websites, RBI websites etc.

Literature Review :

The research paper titled, the role of Banking sector on financial inclusion development in India by Dr. A. Tamilarasu (February 2016). This paper tries to discuss about the overview of the financial inclusion in the country. The study states that low income households often lack access to bank account and have to spend time and money for several visits in order to get the banking services. The findings of the study shows that, there has been an increase in a number of bank branches, ATM installation, aggregate deposits and credit grants but decreasing trend in population per branch office from the year 2011 to 2015.

The research paper titled, Financial inclusion - means of inclusive growth authored by Purvi Shah and Medha Dubhashi (March 2015). In this paper author rolls out the importance of technology in delivering the financial products and mentions about the importance oftechnology in delivering financial products of the banks in distant areas.Thus suggests banks require restructuring their strategies to initiate specific plans in order to encourage financial inclusion among low income group people andconsidering it both as a business purpose as well as part of their social responsibility campaign.

The article titled Let's put the inclusive back in financial inclusion, published in the American Banker magazine in December 2015 which was authored by Christine Duhaime. In this article author mentions about the availability of services such as credit and insurance. Duhaime states that these services depend on individual's perception as well as they might think these services as relevant or irrelevant. According to author financial inclusion refers to financial services that are delivered in a stable and competitive market. Author also feels that financial inclusion also should take teenagers into consideration. According to Christine Duhaime every person and business has a right to essential banking services.

The research paper titled, Financial Inclusion in India - a review of initiatives and achievements authored by Sonu Garg and Dr. Parul Agarwal (2014). The study analyzes various approaches to achieve financial inclusion such as product based approach,bank led approach, regulatory approach, technology based approach, and Governments initiatives. The study also examined the performance and achievementsall scheduled commercial banks including RRBs towards reaching out to the unbanked area under financial inclusion plans.

The article titled financial inclusion; how banking is coming to India's countryside which was published on April 2008 authored by Gabriele Parussini. In this article author mentions about the role of banking system in India to bring people of the country under financial inclusion. He also stated that India is using subsidies to bring more people into financial inclusion. Author mentioned the importance of post office as well by making post offices as a payment agency, which will help the people in the rural areas to get access to financial needs. According to him poor banking infrastructure and poor service from the bank employees are the hindrances of financial inclusion in the country.

Conceptual Overview :

In India the term "financial inclusion" was first used in April 2005 by Y. Venugopal Reddy, the Governor of Reserve Bank of India during that time. Later on, this concept of financial inclusion gained importance and came to be widely used in India and as well as in abroad also. It was recognized that banking practices in the country was excluding large sections of the society than attracting these sections into the banking practices. This made banks in the country to review their existing banking practices and align them with the objective of financial inclusion.

In January 2006, the RBI permitted banks to make use of the services of nongovernmental organizations, self-help groups' and micro finance institutions as intermediaries for providing financial and banking services especially in rural areas. These intermediaries are being intended to use as a business facilitators by commercial banks. RBIsuggested the commercial banks in different regions of the country to start a 100 percent financial inclusion campaign on a pilot basis. As a result of this campaign, states and union territories likeHimachal Pradesh, Kerala and Puducherry, announced 100 percent financial inclusion in theirall districts.

Role of RBI in promoting Financial Inclusion in India

The Reserve Bank of India has taken several steps and introduced various initiatives to further financial inclusion in the country. Recently, RBI has issued licenses to payment banks and small banks, which will benefit the people of rural to get access to their financial requirements. RBI has introduced several schemes and measuresto achieve greater financial inclusion in the country, such as opening of branches in unbanked rural centers, opening of no frills accounts, relaxation on know your customer norms, introduction of General Cred it Card, simplified branch authorization etc.

Benefits of financial inclusion:

- The rural population will get access to banking activities like cashpayments, cashreceipts and withdrawal of money through ATMs.This will create financial literacy among the rural people.
- There will be absence of nature of savings among the people of rural areas. Financial inclusion will helps to promote the habit of savings among these rural area people.
- Savings habit among the people will bring more money to the banking system, thus there will be increase in capital formation and giving an economic boost to the country.
- Direct transfer of subsidies and benefits to the bank accounts of the beneficiary, instead of physical cash payments will ensure funds will reach to the actual beneficiary.
- Easy availability of credit facilities from banking channels will exhibit the skill of entrepreneurship among the people and thereby it will encourage small and medium manufacturing units in the country.

Various financial inclusion schemes :

Over the past one year, Government of India has introducedvarious schemes with an objective of expanding the financial inclusion in India. This was carried out in order to provide financial services such as banking, insurance and others financial products available to the citizens of the country, especially for the low and middle class category people and make them financially secure. Various financial inclusion schemes introduced by the Government of India are:

Pradhan Mantri Jan DhanYojana (PMJDY) :

PMJDY is an initiative implemented by the Government of India with an aim of providing bank account to an every Indian household. Account under this would be a normal savings bank account and it can be opened with zero balance. The account holder is liable to get the overdraft facility of Rs.5,000, if the account kept active for 6 months after opening. This account can be opened by a minor with age above 10 years. PMJDY has been implemented in 2 phases that is first phase from 28th August 2014 till 15th August 2015 and August 2015 till August 2018.

Pradhan Mantri Suraksha Bima Yojana (PMSBY):

PMSBY is considered as the cheapest accidental death cum disability insurance policy with an annual premium of just Rs.12. This scheme is introduced in the country because; nearly 80 percent of the country's population does not have any type of insurance policy. The insurance cover under this scheme is Rs.2,00,000 for accidental death and Rs.1,00,000 for partial disability. Under the scheme of policy holder need to pay the insurance premium till he attains the age of 70.

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) :

PMJJBY is also another type of cheapest life insurance policy which is similar to PMSBY. This policy comes up with annual premium amount of Rs.330. The insurance cover offered is scheme is Rs.2,00,000 and after the holder reaches the age of 55 years the policy gets terminated.

Atal Pension Yojana (APY) :

APY scheme was introduced with a purpose of providing pension to the workers from unorganized sector in order to meet their daily requirement after their retirement. Contribution for this scheme can be done monthly or quarterly or for every 6 months and also Government of India contributes equal amount. Pension amount receivable is from the range of Rs.1,000 to Rs.5,000. To join APY, minimum age for an individual is 18 years and maximum age should be 40 years. There won't be any tax on the amount deposited under APY and person can claim deduction under the section 80CCD

Pradhan Mantri Mudra Yojana (PMMY) :

The primary product of Mudra will providelending facilities to micro business units. Under the scheme of PMMY businesses which includes proprietorship or partnership firms running as small manufacturing units, shopkeepers, beauty parlors, transporters, cooperatives or body of individuals,self-help groups, repair shops, food processors, professionals and service providers etc. in both rural and urban areas with financing assistance up to Rs.10 lakh. It has been proposed to fund the units based on the stage of growth and funding needs of an entrepreneur or a micro unit. There are three products available under the scheme of PMMY, they are, Shishu, Kishor and Tarun.

Shishu: Loan amount up to Rs.50,000, this is the first stage when the business is just starting up.

Kishor: Loan amount of above Rs.50,000 and up to Rs.5 lakh.

Tarun: Loan amount above Rs. 5 lakh and up to Rs.10 lakh.

Current Status of Financial Inclusion India :

Government of India has taken a number of steps to further strengthen the process of financial inclusion in the country. Even the efforts of Reserve Bank of India to the changing needs of the economy and enabling greater access to financial services to the unbanked rural areas and less penetrated segments are praiseworthy. In India, savings generated by the household sector is more than the savings of private corporate and public sectors. So number of steps and plans has been taken by the Government and RBI to route these savings into the bank accounts.

The statistics on financial exclusion in India provides a very depressing picture. Out of over 6,00,000 rural population in the country, only about 30,000 or just 5 percent have a commercial bank branch. The population having bank accounts are about 40 percent across the country. The proportion of people having any kind of life insurance policy is only 20 percent. People having debit cards comprise as low as 13 percent and credit card holders just 2 percent.

Out of the total number of saving bank accounts the majority of the accounts are zero balance or nil account. Status of active 'no frill accounts' is less than 10 percent. Because of the absence of financial literacy, people who are active with their banking operations are very few, as a result number of people receive bank credit are very less. Hence millions of people across the country, because of lack of financial resources, are not given the opportunity to exhibit their entrepreneurial skills and increase their earning capacity.

So in order to bring the people of the country under financial inclusion, Government of India came up with number of schemes in the last 2 years. The big push towards financial inclusion in India has comein August 2014 from the PMJDY, followed by the 2 insurance schemes namely, PMSBY and PMJJBY.These two insurance schemes are considered as the cheapest insurance schemes which comes with annual premium amount of Rs.12 and Rs.330. Along with these two insurance schemes, in order to benefit the people of unorganized sector Government came up with the pension scheme called Atal Pension Yojana, in which pension schemes comes up in a range between Rs.1,000 to Rs.5,000. Pradhan Mantri Mudra Yojana is the another financial inclusion scheme, which will benefit small business units in the country. MSME employs a large number of people in the country. So this Pradhan Mantri Mudra Yojana will help MSME sector both in urban as well as in rural areas by providing financing requirements up to Rs. 10 lakh. So in this way RBI and Government of India has taken many steps and introduced several schemes in order achieve the financial inclusion in the country.

RBI and Government of India have the vision for 2020 to open nearly 600 million new customers' bank accounts and service them through a variety of channels with the help of information technology. However, illiteracy, low income savings and lack of bank branches in rural areas continue to be problem for financial inclusion in the country.

Financial inclusion at IOB, Mangaluru Branch :

Mangaluru branch of IOB also made its contribution towards financial inclusion in the region of its operation. Employees of the banks once participated in an initiative called walk in bank, where employees of the bank went to door steps of the people and created awareness about the banking products and schemes as well as suggested the importance of having an bank account among the people. Bank has opened 42 accounts under PMJDY and provided them with the RuPay debit cards. Bank employees also informed their customers about the insurance schemes which is introduced by the Government of India, namely PMSBY and PMJJBY. Under PMSBY, 282 people and under PMJJBY 182 people enrolled for these particular insurance schemes. 5 people enrolled for the Atal Pension Yojana in the bank. IOB Mangaluru branch also gave loan to 98 people under the scheme of PMMY, which will fund the businesses with the stage of growth and funding needs of the business unit or entrepreneur. Bank gave the loan of Rs.49.78 lakh under this financial inclusion scheme and thereby helping the entrepreneurs and business units of the nearby regions.

Data Analysis and Interpretation :

In this study, 100 responses of bank customers are taken using questionnaire and arrived at the conclusion. The objective behind this study was to understand the preference and awareness of financial inclusion schemes among the customers of a nationalized Bank, Mangaluru branch. After obtaining the responses from the bank customers, data was analyzed through the software called SPSS. Following are the output of the survey conducted;

Table No. 1: Table showing gender composition of the respondents

		Frequency	Percent
Valid	Male	53	53.0
	Female	47	47.0
	Total	100	100.0

Interpretation: Among the survey conducted of 100 bank customers 53 percent are male respondents and 47 percent are female respondents.

Table No. 2: Age group of the respondents

		Frequency	Percent
Valid	Below 20 years	2	2.0
	20 - 30 years	15	15.0
	31 - 40 years	36	36.0
	41 - 50 years	26	26.0
	50 years above	21	21.0
	Total	100	100.0

Interpretation: Majority of the people involved in the survey belongs to the age group of 31 to 40 years that is they form more than 36 percent of the total number of respondents and 26 percent of respondents belongs to the age group of 41 to 50 years. Survey also included 21 percent of respondents above the age of 50 years and remaining 17 percent of the respondents were from the age group of below 30 years. So this survey included 83 percent of the respondents from the age group of above 30 years.

Table No. 3: Table showing type of account respondents have at IOB

		Frequency	Percent
Valid	Savings Bank A/c	90	90.0
	Savings Bank A/c & Fixed Deposit A/c	9	9.0
	Savings Bank A/c & Recurring Deposit A/c	1	1.0
	Total	100	100.0

Interpretation: Among the respondents of 100 people, 90 percent of the people only have savings bank account in Mangaluru branch of IOB. Remaining 8 percent of the people have savings bank account along with fixed deposit account and 1 percent has savings bank along with recurring deposit account.

Table No. 4: Table showing reason for opening above mentioned account

		Frequency	Percent
Valid	To save money	79	79.0
	To request for a loan	21	21.0
	Total	100	100.0

Interpretation: From the above diagram it is clear that the main reason behind people opened account is to save money rather than to request for a loan. The respondents who had given their reason for saving money is 79 percent and the people who opened account in order to get loan facilities in the bank is 21 percent.

Table No. 5: Table showing awareness about the following financial inclusion schemes in the bank

		Yes	No
1.	PradhanMantri Jan DhanYojana (PMJDY)	83	17
2.	Atal Pension Yojana (APY)	33	67
3.	Pradhan Mantri SurakshaBimaYojana (PMSBY)	66	34
4.	Pradhan Mantri Jeevan Jyoti BimaYojana (PMJJBY)	59	41
5.	Pradhan Mantri Mudra Yojana (PMMY)	29	71

Interpretation: Among all the schemes included in financial inclusion people have highest awareness of PMJDY which can be interpreted by analyzing the above table and chart. Following PMJDY people are also shown good awareness about the insurance schemes that is PMSBY and PMJJBY. But on an average about 69 percent of people involved in the survey does not have enough knowledge about APY and PMMY.

Table No. 6: Table showing financial inclusion schemes for which respondents enrolled for in the Mangaluru IOB branch

		Frequency	Percent
Valid	PMJDY	35	35.0
	PMSBY	19	19.0
	PMJJBY	7	7.0
	PMMY	14	14.0
	APY, PMSBY& PMJJBY	5	5.0
	PMSBY & PMJJBY	20	20.0
	Total	100	100.0

Interpretation: From the above diagram it is clear that, people who have enrolled for the insurance scheme is more than the other financial inclusion schemes. Among the survey conducted, 44 people are enrolled for PMSBY and 32 people enrolled for another insurance called PMJJBY. It is evident from the above diagram is that 20 percent of the respondents are opted for both the insurance schemes, so as 5 percent of the respondents opted for APY as well along with these 2 insurance schemes. Among the survey, people who have opened account under PMJDY are 35 percent and respondents who have taken loan under PMMY are 14 percent.

Table No. 7: Table showing how the respondents get to know about the financial inclusion schemes which they are enrolled for

		Frequency	Percent
Valid	Advt. by the Government	39	39.0
	Bank employees	27	27.0
	Friends	13	13.0
	Family members	21	21.0
	Total	100	100.0

Interpretation: As per the responses received from the survey conducted about 39 percent people have the opinion that they have got knowledge about various schemes involved in financial inclusion is through the advertisement initiatives done by the government and about 27 percent of the people from bank employees. Remaining 34 percent of the respondents came to know about these schemes from their family members and friends.

Table No. 8: Table showing awareness of the respondents who has opened PMJDY account in the bank

1.Are you aware about the overdraft facility of Rs. 5000?			
Yes	Percent	No	Percent
28	80	7	20
2.Are you aware about accident insurance of Rs. 1,00,000?			
Yes	Percent	No	Percent
14	40	21	60
3.Have you taken RuPay Debit card?			
Yes	Percent	No	Percent
35	100	0	0

Interpretation: Among all the people involved in the survey conducted among customers of Mangaluru IOB branch 80 percent of the people are aware of the overdraft facility of Rs.5,000 provided under this scheme ofPMJDY. But about 60 percent of the people are unaware about accident insurance cover of Rs.1,00,000. All the customers involved in the survey have taken the RuPay Debit card.

Table No. 9: Table showing how often PMJDY account holders do transaction with their PMJDY account

		Frequency	Percent
Valid	Monthly	3	8.6
	Quarterly	8	22.9
	Semi-Annually	16	45.7
	Yearly	8	22.9
	Total	35	100.0

Interpretation: As per the survey results most of the people involved in the survey that is about 45 percent of respondents use their PMJDY account semi-annually and very less number of people use it on a monthly basis. About 23 percent of people use their PMJDY account quarterly and yearly. So from this we can note that people are not doing regular transaction in their PMJDY accounts.

Table No. 10: Table showing reason of respondents who have opened PMSBY and PMJJBY in bank

		Frequency	Percent
Valid	There was no insurance cover before	30	58.8
	Very low amount of premium	19	37.3
	Easy payment of premium amount through auto debit system from S.B A/c	2	3.9
	Total	51	100.0

Interpretation: As per the study conducted the main reason for people to opt for PMSBY and PMJJBY scheme is to get an insurance cover which they didn't had earlier. About 37 percent of the respondents have the opinion that the main reason for opting for these schemes is that, premium amount for these schemes is very less; this made them to take these insurance schemes. Only 4 percent of the respondents feel that easy payment of premium amount through auto debit system from their savings bank account influenced them to take these schemes.

Table No. 11: Table showing respondents opinion about amount covered under PMSBY and PMJJBYis too less or not

		Frequency	Percent
Valid	Yes	5	9.8
	No	46	90.2
	Total	51	100.0

Interpretation: Among the people involved in the survey felt that amount covered under PMSBY and PMJJBY schemes is not too less. According to them, as the premium amount of these insurance schemes are very low the amount covered is also comparatively worth. Only 9.8 percent of the respondents felt that amount covered under these 2 insurance schemes is less. They wanted insurance cover of Rs.3,00,000 to Rs.4,00,000 for these schemes.

Table No. 12: Table showing reason of respondents for not opting PMSBY and PMJJBY insurance schemes

		Frequency	Percent
Valid	Already covered under some other life insurance scheme	21	42.9
	Not aware about these schemes	28	57.1
	Total	49	100.0

Interpretation: According to the respondents who were not opted for financial inclusion insurance schemes, the main reason for not opting for these schemes is that they are not aware about these schemes. 57 percent of respondents mentioned as they were not aware of PMSBY and PMJJBY insurance schemes. Remaining 47 percent of the people were already covered under some other life insurance schemes, so this made them to not to opt for these schemes.

Table No. 13: Table showing reason of respondents for opting for APY

		Frequency	Percent
Valid	To get monthly income after the age of 60	5	5.0

Interpretation: Among the responses of 5 people who were enrolled for APY, all had same reason behind opting for this scheme. All respondents had the reason that, they want to get monthly income after the age of 60 that is the reason why these people enrolled for this scheme.

Table No. 14: Table showing Pension amount enrolled by the respondents under APY

		Frequency	Percent
Valid	Rs.1,000	1	20.0
	Rs.2,000	1	20.0
	Rs.5,000	3	60.0
	Total	5	100.0

Interpretation: Among the 5 people who were enrolled for the APY, 3 respondents are opted for the monthly pension amount of Rs.5,000. 2 respondents are opted for the monthly pension amount of Rs.1,000 and Rs.2,000 respectively.

Table No. 15: Table showing under which scheme of PradhanMantri Mudra Yojana (PMMY) respondents has taken loan

		Frequency	Percent
Valid	Shishu	12	85.7
	Kishor	2	14.3
	Total	14	100.0

Interpretation: From the survey conducted, 14 respondents had taken loan under PMMY. Among 14 respondents, 12 had taken PMMY loan under Shishu scheme, under which person can get loan up to Rs.50,000 and 2 respondents had taken loan under Kishor scheme, under which loan amount ranges from Rs.50,000 to Rs.5,00,000. We can see here bank has given major portion of PMMY loan under Shishu scheme that is 85.7 percent of the respondents took loan under this scheme.

Major Findings :

This study was about understanding the preference and awareness of financial inclusion schemes among the customers of Mangaluru branch of Indian Overseas Bank. The major findings of the study are as follows;

1. Among the five schemes of financial inclusion, bank customers are more aware about the PMJDY compared to other four schemes. Two insurance schemes namely PMSBY and PMJJBY are next two schemes which the customers are more about. APY and PMMY are the less known financial inclusion schemes among the respondents.
2. PMSBY and PMJJBY are the most enrolled financial inclusion schemes among the respondents. It was found that most of the people who have enrolled for PMJJBY, enrolled for PMSBY as well because it's cheap premium amount.
3. APY is the second less known scheme among the survey respondents. It is also a less enrolled scheme and only 5 people have enrolled for this scheme in the bank. The main reason behind these people opting for this scheme is to get monthly income after the age of 60.

4. Advertisement given by the Government on various financial inclusion schemes influenced majority of the respondents to open or enroll for the particular schemes. So it is evident from the survey that advertisement given by the Government has been effective in making people aware about these schemes. Even the employees of the bank also played their role in creating awareness about these financial inclusion schemes.
5. Most of the respondents who had opened account under PMJDY are aware about the overdraft facility of Rs.5,000 and majority of people are unaware about the accident insurance of Rs.1,00,000. The bank has given RuPay debit card to all the account holders of PMJDY.
6. Most of the account holders of PMJDY account are operating their account semi-annually and yearly. The account holders who operate their account regularly or monthly are very less.
7. Majority of the respondents who have enrolled for the insurance scheme of PMSBY and PMJBY didn't had any insurance cover before. The very purpose behind the launch of these two schemes is that 80 percent of the people in the country didn't had any insurance cover. As the premium amount for these schemes is very less, this influenced the people to opt for these schemes. Few people also mentioned as a very low amount of premium is also the reason for opting these schemes.
8. About 90 percent of the respondents had the opinion that amount covered under PMSBY and PMJBY are not too less because the premium amount also for these schemes are very less. Only about 10 percent of the people expressed as insurance cover should range from Rs.3,00,000 to Rs.4,00,000. The majority of people who were not covered under these schemes were not aware about these schemes.
9. Among the survey conducted it was found that, major portion of the loan given under the scheme of PMMY are given under Shishu scheme. Overall bank has given 83 loans under Shishu and 15 loans under Tarun scheme. Bank has not given any loan under Kishor scheme of PMMY.
10. As the PMMY loan is given for the small business units, the most common businesses for which loan has been taken is tailoring shop, hotel business, fish storage, dry coconut business, cloth shop etc. Providing these businesses will boost the manufacturing activities and thereby adding the people into financial inclusion.

Suggestions :

1. The bank should create awareness among its customers about APY, for which only 5 people enrolled so far in bank. Also communicate to the customers about the insurance schemes, which are being considered as the cheapest life insurance scheme available in the country.
2. Bank should try to educate PMJDY account holders and should encourage them to regularly operate their account. By informing the benefit of carrying out regular transactions, that is overdraft facility of Rs.5,000, bank can encourage account holders keep their account active and get more money into the bank.
3. Bank should inform its customers about loan facilities under PMMY. It will encourage small business units to grow and thereby increasing the manufacturing activities around the region.

Conclusion :

Inclusive financing is very necessary for the developing nation like India, where most of the people still do not have any bank accounts, insurance policy and lack credit facilities to carry out the business operations. In order to avoid all these problems and bring these unbanked or the people who still do not have any access to banking operations financial inclusion plays an important role. The recent few financial inclusion schemes such as PMJDY, PMSBY, PMJJBY, APY and PMMY have given boost to financial inclusion in the country.

In the study conducted it was found that people who didn't had the insurance policy took insurance cover in the bank is a positive result for the campaign of financial inclusion. So as many of the people took loan under PMMY in order to carry out their business activities seems to be the useful way to promote the small business units. Even though few financial inclusion schemes got positive response from the people other few schemes yet to reach to the public, one among is that APY, under which only 5 people enrolled their name for this scheme. The PMJDY accounts also are not being operated regularly by the account holders. Bank should try enroll more people for APY and must encourage PMJDY account holders do keep their account active. If these things get settled, then the bank's contribution towards reaching out to the goal financial inclusion will have positive results.

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EFFECTIVE UTILIZATION OF UNTAPPED MANPOWER: A case study of inmates

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Abstract

Prisons are places where there is ample availability of human resource but most of times it remains unutilised. Using management principle, the human resource and potential can tapped, managed and routed for better use of the inmates as well as the society. Hence, prisons can be reformed into a place where there would a complex interweaving of business activities and governmental interest. It would have a twofold agenda profit with social control. The researchers through this paper are using the example set by Kannur Central Jail, Kerala as to how efficiently untapped human potential in prisons could be utilized and a multi crore eatery business could be set up. The prisons in Kerala are turning out to be excellent cash recipe for the governments with an influx of 14 crores revenue into the kitty of Kerala government, there by converting them into assets rather than liabilities. This paper is a case study of how the Kerala government has successfully converted their prisons in to Rehabilitation centers rather than punitive places.

Key words: ***Prisons, convicts, eatery business, profit, rehabilitation***

Introduction

Punishing the offenders has been one of the primary functions of all civilized societies. Globally prisoners are known to have existed throughout the history. Rigorous isolation and custodial punishment were believed as reforming measures for offenders. During the past two hundred years, the practice of punishment and public opinion has seen a wave of transformation mainly due to the rapidly changing social values of the people. From time immemorial, punishment was used with an intention of reducing the incidence of criminal behavior either by dissuading the potential offenders or by incapacitating and preventing those from repeating the offence or by reforming them into law abiding citizens. Till the beginning of the nineteenth century prisons have been a place where offenders have been kept captive and punished for the wrong doings. But belied this expectation often imprisonment had the opposite effects, with development of various behavioral theories, the process of handling inmates began to change. In the past few decades inmates been reformed into a rehabilitation centre's where in more emphasis is laid on ameliorating the conditions in the jail so that they have healthy impact on the prison inmates in developing a positive attitude towards the society and their own life. The objective of today's prisons is more of integrating the offenders / prisoners into the society after their release rather than punishing them for their offences.

Need for the study and objectives

Prisons are places where there is ample availability of human resource but most of times it remains unutilized. Using management principle, the human resource and potential can tapped, managed and routed for better use of the inmates as well as the society. Hence, prisons can be reformed into a place where there would a complex interweaving of

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business activities and governmental interest. It would have a twofold agenda profit with social control.

Brief History of Prisons in India

Prisons in India were setup by the British regime and most of our prisons are more than 150 years old. The prison reforms in India was Initiated in 1836 on the recommendations of Lord Macaulay who was a British historian and Whig politician. The Indian jails committee of 1919 had made very progressive recommendations were unfortunately were never carried out. A beginning of jail reforms was made in the states with the installation of popular Governments in 1937 when political leaders with the first hand experience of prison applied in their minds to removing some of the rigors of prison. In recent days jail authorities are incorporated many skill development programmes, which makes the prison inmates economically self-reliant.

Prisoners in India

According to the Global Report on Crime and Justice 1999, the rate of imprisonment in our country is very low, ie 25 prisoners per one lakh population, in comparison to Australian(981 prisoners), England(125 prisoners), USA(616 prisoners) an Russia (690 prisoners) per one lakh population.

A Snap shot of the Human Resource in Jails

Total Number of jails in India 1391

Jail type	Capacity of Inmates	Population of Inmates
Central jails	1,51,421	1,83,525
District jails	1,26,909	1,70,979
Sub jails	46,993	43,281
Women jails	4,827	3,396
Open jails	4,316	1,224
Borstal schools	2,438	3,027
Special jails	10,490	6,300
Other jails	465	260
Total	3,47,859	4,11,992

Source: NATIONAL CRIME RECORDS BUREAU

Training

A total of 63,977 inmates were trained under various vocational training programmes in various

Jails during the year 2013.Like previous year, maximum number of training (10,084) was imparted in weaving followed by tailoring (6,090), carpentry (5,299) and agriculture (5,041) during 2013.

A Journey from being a liability to assets

Reformation and rehabilitation of jail inmates is a principle laid down in the UN Standard Minimum Rules, 1955, and is the corner-stone of the correctional policy of the Government of India. There are 1391 jails in India and in it reside nearly 4.12Lakh inmates as per National Crime Records Bureau (NCRB), 2013. Majority of the inmates work in general maintenance assignments including cleaning, repair and support functions. Experts agree that employment at jails provide important benefits. First, by keeping the inmates in productive work, it reduces the tensions within the jails. Second, it equips inmates to learn new work habits and routines and earn better wages. Finally, research studies indicate the rate of recidivism is lower for inmates with some skill exposure.

Most Jails in India offer skill development, work, entrepreneurship and empowerment programmes to the inmates. Most of these initiatives are targeted at creating small manufacturing or agri-based programs with majority of produce for self consumption. Efforts are being made by Jails to create scalable and sustainable business that can build long term economic benefits to jail inmates and overall prison development. Various rehabilitation and reform studies and research is done on changing the behaviour of the inmates and trying to reduce re-offences.

Tihar Jail has been considered as a pioneer in the economic rehabilitation program in India. It has nearly 12000 inmates. Tihar Jail Factory produces and markets products under the brand TJ's. It involves in various activities namely: Carpentry, Weaving, Tailoring& Baking School. Some products manufactured cater tothe state government requirement while products like bread and pickles manufactured are sold in the market through the TJ outlets in and around Delhi. The approximate earnings of the Jail factory is Rs 10 to 15 crores. According to data from National Crime Records Bureau (NCRB) 2013, 63,977 inmates were trained during the year. Weaving, Tailoring, Carpentry, Agriculture and Handloom are major training areas.

The Andhra Pradesh Jails have also been in manufacturing and selling various products through the Jail factory. Some of the products manufactured are Steel Furniture, Soap, Agricultural Produces (Pulses and fruits), Bakery Products, Printing and Candles. The total revenue earned by all the jails in Andhra Pradesh was Rs. 5.31 crores for year 2010-11. The old Surat Jail and Sabarmati Central Jail in Ahmedabad have pakoracentres. Snacks are sold cheaper than market rates. Profits accruing from sale of pakoras are used to pay prisoner's labour charges. It also contributes to their jail welfare fund. The snacks centre of the Surat jail has a turnover of Rs.60 lakh a year.

State of Prison	Amount Earned (Rs. In Laks)
Delhi	2,792.9
Kerala	2,509.7
Bihar	1,423.1
Tamil Nadu	1,293.6
Maharashtra	1,248.1
Uttar Pradesh	1,057.6
The highest earning per inmate	
Kerala	33,937.8
Chandigarh	29,879.0
Delhi	20,608.8

Change Management:-An Innovative Method of handling Inmates

A Case Study of Kerala Jail:

As per statistics given by national crime records Kerala stands number 1 with 455.8 cases recorded for every 1,00,000 people. This alarming statistics made the government judicial system to probe into the reason for such high crime record and also had them thinking about how to reform and rehabilitate the convicts apart from providing the traditional training on carpentry, masonry, sewing etc. They thought about innovative means to keep the inmates occupied and make them better suited for the society when released. The traditional theory in Prisons was to keep the culprits away from the society and save the society from evil. Whereas today the prisons follow Correctional theory, which suggests that the culprits should be reformed and made liveable in the society.

Genesis of an Innovative Idea

The idea behind the genesis of this movement can be traced back to DGP Dr. Alexander Jacob who was the Director General of police (Prison) in Kerala. He started this idea of cooking in prisons as he wanted to teach the prisoners some useful skill along with carpentry, masonry etc. This idea has created a win-win situation to the government as well as the inmates and is helping in rehabilitation of the prisoners. One of the jails that incorporated this corrective theory is Kannur Central jail, Kerala. It started off in the year 1867 with 88 acres of land and jail building occupying 37 acres of land. It houses 1100 male inmates. The work done by these inmates included agriculture, carpentry, masonry, tailoring, weaving and book binding. But from the past two years the Jail inmates are busy with culinary arts that has resulted in a profit of 2 crores for the government.

Cooked food from prisons started 2 years ago at the central jail in Thiruvananthapuram, Kerala. The state prison was literally taken by surprise at the response the received and this encouraged it to spread the programme to several other jails. Today eight, including three central prisons in Kerala are carrying the operation food with success. In the year 2013 the Kerala government received as much as 14 crore rupees from this cash generating recipe. This year the anticipated earning from eatery business is 22 crore rupees. Besides this the prison inmates are even recruited by many restaurants as cooks. For convicts the job offer dissuades them from returning to crime after being released and besides as they regularly remit money to their houses from prison their family too doesn't have to do anything illegal to survive.

Benefits from the programme to the inmates:

1. The inmates get a wage of Rs. 117/- per day as against the other places which is Rs. 69/-. At the end of the month prisoners remit as much as Rs. 3500 to their families monthly. A good cook earns up to 1000 Rs per day equivalent to the earning of the jailor.
2. A portion of the money can be sent to their home and can also be used to buy essentials
3. Remission of sentence for the prison inmates -4 days per month (mounting to 48days a year)
4. Inmates get fully engaged in their work , hence avoid idle mind and also result in a positive attitude towards their jobs
5. Are in a position to learn new jobs and hence can be self-sufficient when they are released from the prisons
6. Have ample chances of being recruited in hotels /restaurant businesses through campus recruitment drive
7. Can even start their own business ventures with the vocational training they have received in eatery business.

Benefits from the programme to the government :

1. Easy management of prison inmates as they are occupied in the work which keeps them occupied most of the day
2. Availability of cheap labour
3. Government need not worry about funding the jails as economic returns reaped by the jails are enormous
4. The government need not worry about rehabilitating the prisoners back into the society as they are well trained to become self-sufficient and independent
5. On the whole the training given in the jails helps reduce the incidence of criminal behaviour.

Modus operand:

The inmates supply over 40,000 chapattis and curry a day. The biryani gets ready by afternoon and daily there are around 400 takers. The vegetables used are organic and are grown by the inmates. Kannur jail has also started paddy, coconut, rubber Tapioca, plantain and flower farming. Chicken is also reared in the jail compound. The Kannur jail sells 50kgs of ladoo and 200 kgs of banana chips a day. During festive seasons the sale multiplies. Animal husbandry too is practiced in Kannur jail. The animal waste and the food waste is used for biogas preparation and as fertilizers for organic farming. The hygiene maintained and quality assured in the food products with low cost has resulting in high demand for the food items prepared in the jail. It has also resulted in reducing the cost of food products in the neighboring areas of the jail. For eg. The cost of a chapatti was Rs. 6/- , but was supplied by the jails at Rs. 2/-. This has resulted in the hotels reducing the cost of chapatti to Rs. 2/- now adding to the pleasure of the civilians.

Pricing:

Product	Price	
1.	10 Chapattis	Rs. 20
2.	Vegetable curry	Rs. 15
3.	Egg curry	Rs. 15
4.	Chicken curry	Rs.25
5.	Chicken biriyani	Rs. 60

The quality products offered to the general public has been well received and during the last 1.5 years two crore rupees has been given to the government by Kannur jail alone. From being a liability prisons are turning out to be assets for the government. Jails are sprouting with culinary talent as healthy, tasty and affordable food is very much demanded by the general public. This idea received divine proportion when devotees of Sabarimala temple too opted to get this food during their travel. This acceptance by the public actually shows that there has been a radical change in the way the prison inmates are being accepted in the society. Finally prisons are turning out to be places were reformation is brought about and no longer remain as a place where people are punished for their mistakes.

Conclusion

In conclusion, we the researchers would like to state that an idea generated in the mind of a dynamic DGP changed the position and practices of prisoners. A radical change has been brought about in the way prisoners are being viewed. From being liability they are now converted into assets , effective utilization of untapped manpower. The jails are now not rehabilitation centre but re-enabling centers. If this reformation would be brought about countrywide, an economic reformation would follow.

The difference between what we do and what we are capable of doing would suffice to solve most of the world's problem:

- Mahatma Gandhi

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A STUDY ON THE PERCEPTION OF CUSTOMERS TOWARDS DIGITAL BANKING: A Special Reference to Vijaya Bank, Nitte.

* Dr. ASHALATHA K.

Introduction:

The IT revolution has had a great impact on the Indian banking system. Technological advancement made the term digital banking more popular. Now banks are focused on the concept of digital banking, a term that incorporates internet banking, mobile banking and all other areas as well as other electronic delivery channel. As a result banks are continuing to explore more opportunities. This underscores the growing trend in which how customer wants to interact in digital age.

A bank is a financial intermediary that creates credit by lending money to the borrowers. Lending activities can be performed either directly or indirectly through capital markets. Due to their importance in the financial system and influence on national economies, banks are highly regulated in most countries. Banking in India, in the modern sense originated in the last decades of the 18th century. Among the first banks were the bank of Hindustan, which was established in 1770 and liquidated in 1829-32; and the General Bank of India, established 1786 but failed in 1791.

The largest bank, and the oldest still in existence, is the State Bank of India. It originated as the Bank of Calcutta in June 1806. In 1809, it was renamed as the Bank of Bengal. This was one of the three Banks funded by the presidency government. The other two were the Ban k of Bombay and the Bank of Madras. The three banks were merged in 1921 to form the Imperial Bank of India, which upon India's independence, became the State Bank of India in 1955. For many years the presidency banks had acted as quasi-central banks, as did their successors, until the Reserve Bank of India was established in 1935, under the Reserve Bank of India act, 1934.

Objectives of the study

The main objectives of conducting the study are as follows

- To find out the perception of consumers towards digital banking.
- To understand the preference of consumer in past, present and future regarding the digital banking.
- To study the implications of digital banking in Vijaya Bank, Nitte.

Methodology

The methodology used for the collecting the data are as follows.

Primary data:

To collect the primary data, questionnaire pertaining to the survey was adopted. This helped in direct interaction and the discussion with the respondents as well as branch manager of the Vijaya Bank. The questionnaire was prepared and edited with the objective of study.

Secondary data :

This data was collected from newspapers, various journals, magazines, internet sites and other reference books to meet the obligation of research study.

Sampling size and method :

The sample size has been fixed to 20 customers keeping in mind statistical considerations and practical difficulties. The main method adopted is

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the convenience and judgment sampling method. This method is undertaken by collecting data from a sample group of customers of Vijaya Bank.

Limitations of the study

- The time period was limited and study has to be conducted with a short span of time.
- The results are based on assumptions that respondents have given the accurate information.
- Due to shortage of time, the study has been conferred to only 20 respondents.
- As the respondents perception and other associated factors keeps changing, the findings of the study may not hold good in the long run.
- The area of the study is restricted only to Nitte.

Digital Banking in India

The use of the computers has led to the introduction of the online banking in India. The use of computers in the banking sector in India has increased manifold after the economic liberalisation of 1991 as the country's banking sector has been exposed to the world's market. Indian banks were finding it difficult to complete with the international banks in terms of customer service, without the use of Information technology.

Digital banking is set to overtake branch networks as the main way customers interact with their bank. The rapid rise of digital banking offers banks the opportunity to improve relationship with customers and differentiate themselves from competitors. However, the fast pace of change in this sector makes it difficult for providers to keep up with increasingly tech-savvy customers.

Customers focus is often a stretch for the banking industry. When it comes to innovation, banks have been relatively slow movers as a result of regulatory and compliance challenges digital modernisation gives traditional banks a second chance. A smart, enterprise-wide approach positions them to deepen customer's satisfaction and loyalty, driving long-term relationships and profitability. Such an approach also has the potential to meet customers' expectations and bring banking back to the business.

Digital banking is set to overtake branch networks as the main way customers interact with their bank. The new digital tipping point'. PwC conducted research with over 3,000 banking customers across nine developed and emerging markets and found that most consumers, including those in India, are willing to pay more for digital banking services if they believe they offer convenience and value. Banking in India is currently undergoing a transformation, and digital banking is a key driver. India ranked 11th out of 32 countries studied in Capgemini's 2014 retail banking customer experience index, a measure of consumers' attitudes, preferences and behaviors related to banking.

In Digital Banking, the internet banking portal of banks, enables its retail banking customers to operate their accounts from anywhere anytime, removing the restrictions imposed by geography and time. It's a platform that enables the customers to carry out their banking activities from their desktop, convenience of the Internet.

Using Internet banking services, we can do the following normal banking transactions online:

- Funds transfer between own accounts.
- Third party transfers to accounts maintained at any branch
- Inter Bank Transfers to accounts with other Banks
- Online standing instructions for periodical transfer for the above
- Credit PPF accounts across branches
- Request for Issue of Demand Draft
- Request for opening of new accounts
- Request for closure of Loan Accounts
- Request for Issue of Cheque Book

Apart from these, the other salient value-added features available are:

- Utility bill payments
- Ticket booking for travel by Road, Rail and Air
- LIC and other insurance premium payments
- Mutual funds Investments

- Credit Card dues payments
- Tax Payment • Income, Service, State Govt
- Customs Duty Payment
- Online Share Trading
- Online Application for IPO
- Fee Payment to select educational institutions

Literature review

Sl. No	Author	Title of the study	Year	Type of the study	Sample size	Findings
1.	Economic Intelligence unit.	Third time lucky; Digital banking	2013	Descriptive	-	In moving to digital era, banks risk losing their most profitable clients while gaining the ones who are most promiscuous in their relationships with banks
2.	Bridging the Digital age	Brace, Rebecca	2014	Descriptive	-	By Digital banking the Banks can bridge a uniformity. It helps to build a digital transforming world.
3.	consumers open to pure digital banks	Progressive Media	2014	journal	-	People want to move from traditional system to digital banking system

Vijaya Bank

Vijaya Bank was established by Shri Balakrishna Shetty at Bunts Hostel in Mangalore on October 23, 1923.Since it was established on vijayadashami day, it was named 'Vijaya Bank. The objective was to promote banking habits, thrift and entrepreneurship among the farming community of dakshina kannda district in Karnataka State. The bank became scheduled banks in 1958. Vijaya Bank steadily grew into a large All India bank, with nine smaller banks merging with it during 1963-68. The bank was nationalised banks on April 15, 1980. Vijaya Bank Online Banking services are fast, secure and user-friendly. It may be noted that Vijaya Bank is a premier Indian commercial bank. The bank offers a host of products and services and serves wide client base.Vijaya Bank Online Banking facilities are available for both retail and corporate banking. Login facilities for both these kind of services are available at the bank's official website.

Vijaya Bank Net Banking services are also available to customers in the form of the 'e- payment' scheme. This 'e- payment' scheme facilitates the online payment of direct taxes. For availing this facility taxpayers, who are Vijaya Bank customers need to possess a net-banking account with the bank.

Services offered by vijaya bank in digital banking.

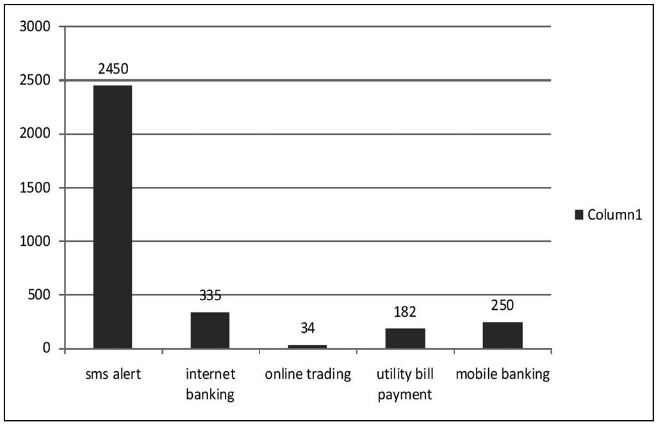
- Insta Debit Card
- Free Cheque Book
- SMS Alert
- Internet Banking
- E- Deposit
- Utility Bill Payment
- Mobile Banking/ IMPS
- RTGS/NEFT
- Online Tax Payment
- Online Trading
- Demat / ASBA

Analysis and Interpretation

Table5. 1 :Table showing the services used by customers in vijaya bank

Sl. No	Services preferred	Number
1	Sms alert	2450
2	Internet banking	335
3	Online trading	34
4	Utility bill payment	182
	Mobile banking	250

Figure 5.1 :



Analysis:

From the above table it is inferred that out of 5000 people, most of the people opt for SMS alert in the phone. 600 customers prefer mobile banking. The rest of them prefer internet banking, online trading and utility bill payment.

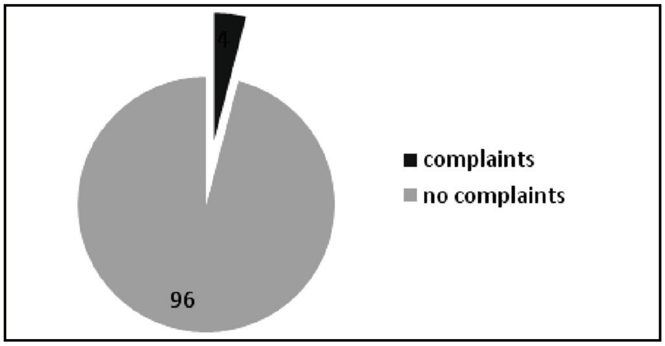
Interpretation:

People prefer one or other service which is provided by bank in digital banking. They like to transact more through online than directly coming to bank and queuing. from the graph it is cleared that all services have a great future in coming days.

Table 5. 2: Table showing the customers who have complaints regarding the safety of digital banking

Particulars	Percentage
Complaints	4%
No complaints	96%

Figure 5.2:



Analysis

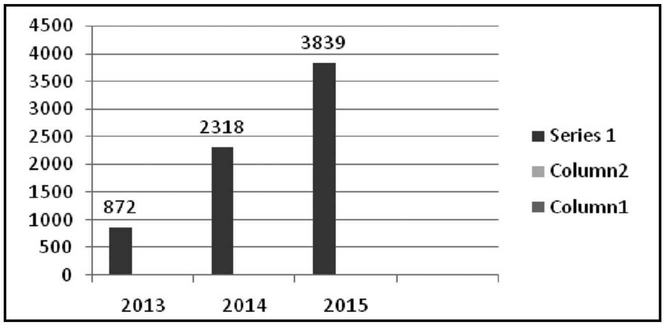
From the information given by bank that only 3% of the people reported in bank regarding the safety of the digital banking and rest have no complaints. It is inferred that people are more convenient in using the services in digital banking.

Interpretation

Considering the past, people were scared to do transaction in digital banking because of safety, but due to the improvement of technology and digital era the complaints of safety has been reduced.

Table 5.3: Comparison of users of digital banking of Vijaya Bank

Figure:5. 3



Analysis

In the year 2013 there were 872 users of digital banking. It ahas risen to 2318 in the year 2014 and now it has increased to 3839 in 2015. We can see that there is a hike in the users of digital banking year by year.

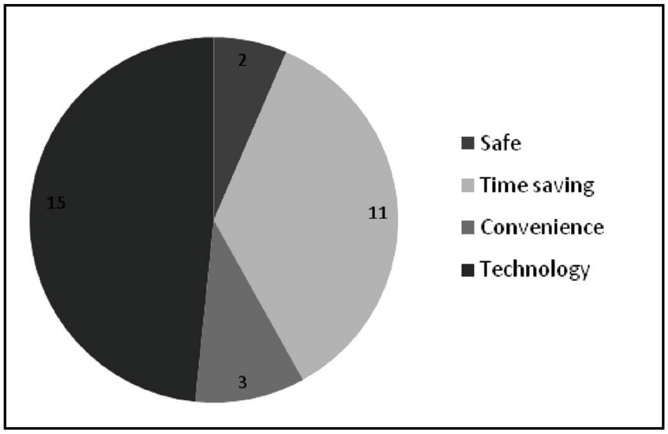
Interpretation

The number of people who uses digital banking is increasing day by day. The new technologies, time saving and less expensive are the reason towards this hike shift.

Table 5.4: Reasons for customers to choose digital banking

Sl. no	Factors	Respondents
1.	Safe	2
2.	Time Saving	1
3.	Convenience	3
4.	Technology	15
	Total	20

Figure :5. 4



Analysis:

Most of the people use digital banking facility because of the reason that it is technology oriented. And it is followed by convenience, time saving and safe.

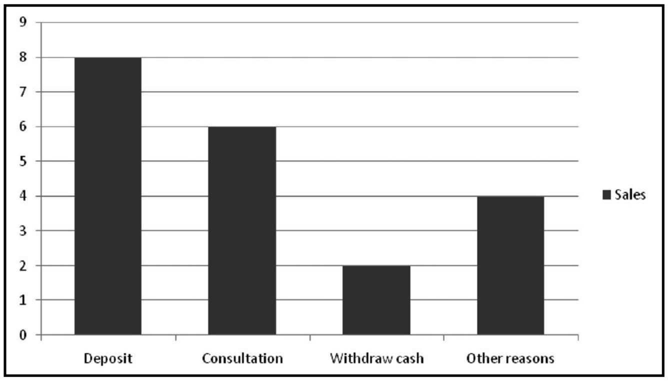
Interpretation:

The technology is one of the reasons why people are shifting from brick and mortar bank to digital age of banking. This will help to make an impact on the digital policy programme which is introduced by our prime minister.

Table 5.5: The reason why customers typically visit Vijaya Bank

Sl. no	Reason	Respondents
1	Make deposit	8
2	Consultation	6
3	Withdraw cash	2
4	Other reason	4

Figure : 5.5



Analysis:

Most of the people visit banks to make deposit. The rest of them are followed by consultation regarding online transactions, withdraw cash and other reasons.

Interpretation :

Even though the main reason are to make deposit. A considerable number of people come to bank to get the details of various services in digital banking and consultation regarding it.

Observation from the Study

- Even the customers as well as bank has an opinion that digital bank is a matter of survival in this technological word.
- People have positive attitude towards the digital banking. From the survey it understood that the number of customers who prefers digital banking are increasing year by year.
- Most of the respondents demand the digital banking services because they considered it as a trend.
- Having a digital banking facility increase the image and reputation of the bank.
- People don't want to become a part of brick and mortar system.
- Most of the educated people prefers digital banking rather than uneducated
- The second reason why people visit the particular vijaya bank is to consult and get advice regarding the digital banking system

- ✎ The problems that customers facing while using digital banking is comparatively less.
- ✎ Most of the people do not know how to use digital banking facility effectively.

Suggestions:

- ✎ Educate the customers regarding the usage and importance of digital banking
- ✎ Making campaigns in the rural area/

Conclusion:

The customers who are using the digital banking facility are increasing year by year. Due to this technological advancement, people transforms from brick and mortar building to digital age. The prime ministers digital making India will again make a hike in the number of users and it will make a difference in banking sector.

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ANNEXURE

Questionnaire pertaining to survey

Dear Sir/ madam,

I am conducting a study on "A Study on the Perception of Customers towards Digital Banking: A Special Reference to Vijaya Bank, Nitte". It will be of immense help, if you would kindly spare a few minutes in filling up this questionnaire. Your information in this questionnaire shall be used only for the academic purpose.

1)Personal details

1) Name:
2) Age:
3) Place:
4) Gender: male female

2) Does your bank provide digital banking facility to the customers?

Yes No

3) What are the services in digital banking that you are offering to customers?

4) How many customers are visiting your branch?

5) Rate the following

Comments Agrees	Strongly agrees	Neither agree or disagree	disagree Strongly disagree
Building a digital banking is a matter of survival			
Having a digital banking facility helps to increase the productivity and image of the bank			
The number of customers which prefers the digital banking facility is increasing year by year			
It will negatively affect the relationship banking experience with the customers			
It is time saving and convenient.			

6) The main reason that customers typically visit your branch?

A. To make a deposit
B. To get advice and consultation regarding digital banking facilities
C. to withdraw cash
D. others

6) How many customers have digital banking facility?

- o Less than 1000
- o 1000-1500
- o 1500-2000
- o More than 2000

7) Have customers complained about the safety?

Yes No

8) Do the customers have any problem in digital bank?

Yes No

9) Are the customers able to understand internet?

Yes No

10) The educated lot probably understand the internet of everything? What about others?

11) How can you improve the digital banking facility in upcoming days?

12) What role banks play in the Digital India Mission launched recently by the prime minister to transform the Indian economy?

Thank you for your co-operation.

AN OBSERVATIONAL STUDY ON EMPLOYEE ATTRITION, A MAJOR CHALLENGE IN BPO/ITO SECTOR, MANGALURU

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*** MR. KARTHIK RAJ KUDROLI

Abstract

Employee attrition is the rate at which there is reduction in workforce by means of resignation, retirement and death. Employee attrition involves high cost to the organization, which includes recruitment, training, lost in productivity to the organization. Today, India is the hub for any company which wants to outsource its business processes. The magnetism of India is contributed through three main factors - Cost, Human resource and Environment. When it comes to cost like employee salary, infrastructure cost, management cost and the tax structure, India is very competitive with high quality of work in return. It beats all its competitors on the people front as well. Availability of cheap labor has led to the manifold increase of outsourcing business in the field of BPO/ITO. Like any other industry during its development stage, this industry is also going through its share of turmoil. The growth has been very quick and hence its tribulations. High attrition rate is the major challenge that any BPO/ITO sector faces with a drastic effect on the revenue of the organization. Attrition means not only loss of talent, but also comprises the cost of training the new selects. Employee's leaving the organization happens usually in the first couple of weeks of joining. The reasons could be any of them like - high stress level, repetitive nature of the job, demand-supply discrepancy and lack of career growth prospective on the professional front; loss of individuality, mismatch with the job recruited for, change of life style and lack of comfort on the personal front. In addition to this, organizations have adopted poaching strategy which in turn has contributed to the increase in attrition rate. In this context, the researcher gives an insight into the finer portrait of reasons that lead to attrition. The paper will also touch upon its consequences in the present business scenario and the retention strategies the organization can adopt to retain its top talents.

Key Words : ***BPO, attrition, human resource, challenge, retention***

Introduction

Attrition is a blazing problem for the potential industry of BPO/ITO, especially because it fails to knock the optimum utilization of the human resources and wastes much of its time, money and resources due to this. Attrition is defined as a reduction in the number of employees through retirement, resignation or death. Attrition rate is defined as the rate of shrinkage in size or number. Attrition of employees in a restricted number is enviable for the invasion of new ideas and innovations in an organization. It helps organizations to maintain their dexterity in a rapid dynamic environment. It brings in new blood, opens up new landscape for change, development and enhancement, shows avenues to expand operations and add to the creative lines of the organizations. Attrition in a limited measure can prove beneficial for the organization, however if increases beyond the line of control, the gains are transformed into pains. Recruiters explain that high attrition rates significantly increase the investment made on

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employees. Significant investments in time and money need to be made for acquiring employees in any organization. These can never be translated into profit when attrition is high. Finding the right candidate and sustaining it is now becoming a setback.

Calculation of Attrition Rate

It is imperative to calculate the Attrition rate and analyze the trend in order to have a close watch on the attrition of an organization

$$\frac{\text{No. Of Attritions per month}}{\text{Average MTD Team Strength } \frac{(\text{Opening FTE + Closing FTE})}{2}} * 100$$

Impact of the organization

Attrition in BPO/ITO has terrible effects on the organization. The high attrition costs increases the costs to the organization considerably. They have to combat the amount of disruption due to unplanned exits. The more the people leave an organization, the more it is a drain on the company's resources like recruitment expenses, training and orientation resources and the time. The high attrition rate also affects the productivity of the organization. Therefore, it is extremely important to curb attrition not only for an individual firm but also for the industry as a whole.

Impact of attrition can be summarized under the below broad headers.

Loss of Expertise: When top talents decide to resign, the organization gets into a bad shape as the expertise is lost with the fear of challenges in replacing this employee with the best fit.

Loss of Business: Most of the cases, the outsourced clients are dependant and completely rely on few employees who are star performers and when they resign from the organization, the clients decide to move along with them to the company he/she would join next.

Reduced Productivity: Unplanned attritions lead to reduction in the productivity as there would be anxiety on the burden of the tasks till the replacement and training of the new employee is done.

Image of the company is affected: When the number of attritions of a company is high then there would definitely raise a question on the brand image of the company as to why the employees prefer other companies over the present one.

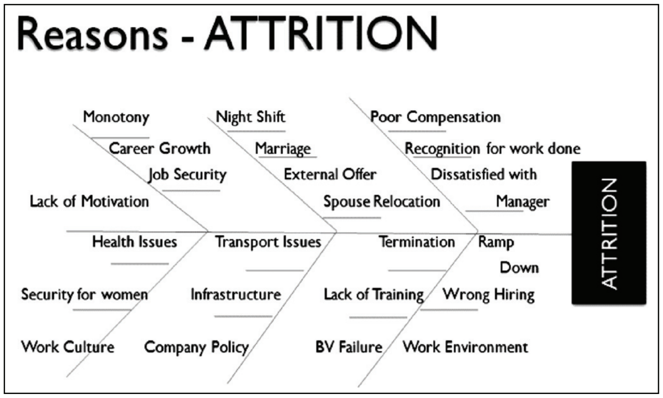
Other employees are stressed : The stress level of the existing employees will be high as they would be burdened with the task of the employee who would be leaving until a right replacement is done.

Monitory Cost : Attrition leads to increase in the Recruitment Cost, Training Cost and also Administrative Cost.

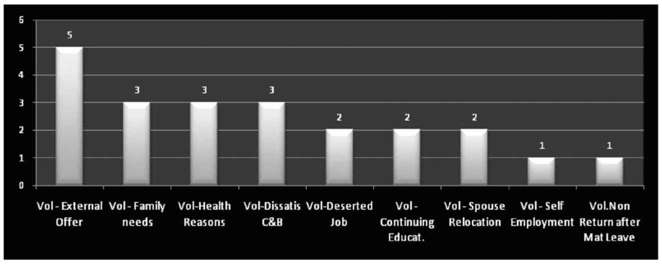
Discussion on the reasons that lead to Employee attrition

The primary reason for people departing the industry is because this industry is observed as a gap filler occupation. The industry has been largely reliant on youth who take out time to work, make money in the process while thinking of career options. Hence for this group BPO/ITO is never a long term career but only as a part time job. The easy availability of BPO/ITO jobs is only a source of easy money till the time there is no other source of funding. Also, the unfriendly working conditions, late night work shifts, high tension jobs act as a deterrent for people to stick to this industry for long time. In addition to this, the BPO/ITO jobs are not being taken with a positive spirit by the society at large. Research says that nearly 50 per cent of those who quit leave the industry.

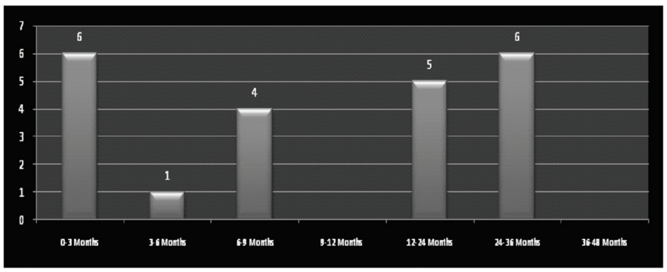
FISH BONE ANALYSIS



Attrition Analysis of a Quarter (Feb'16 to Apr'16) in reference to one of the BPO/ITOs



Tenurity-Wise Attrition Analysis of the above scenario



Suggestions/ Recommendations to tackle attrition Problem

The industry players are trying out all the tricks in the book to tie down their employees and keep them locked in a safe.

- ***Revisit Compensation Pattern:*** Timely review of compensation pattern should be encouraged as any changes in the annual union/state budget will lead to the need to change the compensation pattern.
- ***Night Shift allowance:*** It is imperative to understand that Night shift is a unique feature of this industry and hence Night Shift allowance should be considered separately and paid as a separate allowance which shall be acknowledged and appreciated by the employees.
- ***Retention Bonus:*** These attract candidates and also urge the importance to remain in the organization till the employees receive their retention bonus. Meanwhile they get acquainted with the work culture and environment and disregard their opinion of leaving the organization.
- ***Fun Friday's:*** These are key elements that engage employees and keep them motivated at work and enhance their ability to handle stress at work. Employees will look forward to work on Friday's as each Friday would be different and an entertaining one. Individuals like showing off their captures of happiness at work on social networking sites and hence can add to retention of employees.
- ***Rewards & Recognition:*** RnR programme should be planned and executed regularly - Monthly/Quarterly. When there is a miss, the employees shall lose trust on the organization and can get attracted to external offers. Rewards and recognition programs should be conducted regularly in a grand fashion in the presence of the family members which adds a lot of value to the employees when awarded in front of their family for the hard work put in. An organization should follow transparent and honest rewards and recognition policy with promotion policy which is the prime requirement of the employees.
- ***Employee Exchange Program:*** It is a very motivating factor to send employees on exchange programmes to other branches of the same organization. Employees of Mangalore branch should be sent to Pune branch which inspires employees to perform better and also contributes to best practice sharing between two sites of operations.
- ***Constructive feedback:*** Management should always be open to constructive feedback which enhances the performance of the organization

as well as the individuals as the employees actively participate in management and develop the sense of belongingness.

- ***Give Autonomy:*** Sometimes it works well to give autonomy to the subordinates in decision making in consultation with the supervisor. Since the employees are actively involved in production all the time, suggestions and decisions contributed by them have wider scope for progress
- Career Progression should be clearly defined during the induction phase itself that can give a clear view of where an employee can see him/herself in the next 2 or 3 years and plan their own strategy in the career ladder.
- ***IJP's/Relocation/Redeployment/Job Rotation:*** In cases of employees sharing their intensions to leave the organization due to marriage or spouse relocation, organization should overwhelmingly offer transfer to that employee so that he/she shall still be the employee of the same organization though moved to a different location.
- ***Advanced Trainings (Company portal/ Instructor led trainings etc):*** Nowadays, individuals are more concerned of their personal growth with the growth of the organization and hence there should be multiple training opportunities that contribute to the individual growth of the employee like certification courses etc.
- ***Clarity in Key Result Areas:*** It was observed that employees leave as they are unable to perform due to the lack of clarity in the KRA's hence the front line managers should play a key role and communicate the KRA's to the employees and also document that the KRAs have been shared and agreed by the employees.
- ***HR Connects regularly:*** This can contribute to sharing of issues & concerns faced by the employees and give an opportunity to the management to work on the issues in order to maintain employee satisfaction. HR connects should be scheduled regularly.
- ***"Interviewing Skills" (Training for managers):*** HR Recruiters and Frontline managers should be trained on interviewing skills that can assist them in placing right candidate in the right job. Sometimes taking a decision on hiring a candidate becomes a tough task and may lead to wrong hiring which in turn leads to attrition.
- ***Succession Planning:*** Succession planning should be given importance in comparison to lateral hiring as this motivates the experienced employees to reach greater heights in their career. A systematic training programme should be designed to empower the eligible candidates who can adorn managerial positions in the organization.

Conclusion

Adding up to the above pointers, there are further practices that are also being followed to retain employees. Organizations have been offering excellent infrastructure facilities in the form of ergonomically designed work stations and spacious, air-conditioned offices. They have been offering industry specific benefits like 24/7 cafeterias and home pick-up and drop facilities apart from regular benefits like retirals and loans at low interest rates. They have been arranging special weekend parties and offering incentives like tickets to exclusive music shows and dance parties. Some players are also sponsoring the higher education of their employees. This is one of the best ways of retaining a skilled employee for 2-3 years with a company. All this really goes well with a typical employee, who is in his early twenties, fresh out of college and unmarried. At the industry level, companies have tried to get into informal agreements with competitors to avoid poaching. Though these agreements have no legal sanctity, they are based on mutual faith of the companies. For example, GE, HSBC, Nipuna, Microsoft, etc. informally agreed that they would not recruit someone who has worked for less than a year with his employer or someone who has switched 3 jobs in 2 years (Sengupta, 2010). Similarly, Tracmail, Infowavz, Transworks, Epicenter and Global Telesystems have all entered into an informal understanding to arrest poaching. In spite of all these measures, the attrition rates have remained high. All these attempts by the employers have resulted in only partial success. Any fresh graduate in need of a job would say that working during odd hours and adapting to a new life style is not a problem, but when it actually comes to adapting to a completely different way of life, they find it difficult to reorient themselves (Sengupta S. a., 2008). Adequate care should be taken in choosing and employing candidates in the entry level positions. Companies should also be willing to invest in training employees to take up higher responsibilities as team leads and managers (Naidu, 2009). A strong middle and senior management helps in arresting attrition at the lower levels and consolidates the organizational culture and character.

Moreover, a detailed analysis on the track record has to be done on who hired the candidate that separated from the organization, review the comments as to why the hiring was made, identify the gap in the hiring and fix the gap.

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HR PRACTICES AND ITS IMPACT ON EMPLOYEE'S RETENTIONS

* DOLAN CHAMPA BANERJEE

Abstract

There are many principles about HR practices in changing workplace formulated by many stalwarts in the field of management but the question is whether they are followed? Whether the HR management are allowed to implement their knowledge and expertise or simply utilized by the companies to justify their move of lying off by complicated statistics and intricate graphs and pie charts.

To meet the objectives of this study, a field research through personal interview via telephone and face to face interaction were conducted. Shoppers Stop retail outlet was targeted for this study. Relevant question were asked to the Heads of the store. As research design is exploratory in nature, hence the overall design is flexible. Non-probability sampling design is focussed. There is no pre-planned design for analysis. It is observational design hence unstructured instrument is used for collection of data.

This research paper is also based on secondary data for finalization of views and opinions which has been sourced from published literature.

Keywords: ***HR practices, Changing work place, Employee relationships***

Introduction

The story of a farm boyliving in the outskirts of Oklahoma and became the richest man of America in the 80's is no less intriguing than a pulp fiction. Sam Walton with his strategies created the brand called Wal-Mart which is considered to be the world's largest retail business.Wal-Mart with 1.3 million employees in the United States alone is praised for its low prices, efficiency, and brand power (Basker, 2007). On the other hand, the company also experiences strong pressure from outside stakeholder groups regarding the retailer's allegedly unethical behavior in the form of low wages and poor working conditions for employees (Palazzo and Basu, 2007).

To deal with any business there are many principles about HR practices in changing workplace formulated by many stalwarts in the field of management but the question is whether they are followed? Whether the HR management are allowed to implement their knowledge and expertise or simply utilized by the companies to justify their move of lying off by complicated statistics and intricate graphs and pie charts. When Wal-Mart is not above controversies the action of other retailers are bound to be under the surveillance of the watchdogs.

The HR practises are best followed when the profit margin is high. When the survival of a company is at stake, leave apart HR, following any policies is a distant dream and attrition is an obvious choice. Here the main discussion will be about the HR practices with special reference to Shoppers Stop retail outlet in a competitive market assuming a considerable profit margin of the company. It is generally observed that each company have their own theory of employee handling so generalising is a difficult proposition altogether. But few common policies can always be discussed mentioning some interesting practices by some of the retail chain company.

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Literature Review

Jo Manion (2008) in her study focused on some of the question which goes with self-evaluation like "Does my work use my strength and talents? To what degree am I engaged in and by my work? Does my work have a meaning? Do I find pleasure and joy in my work? Do I need a change? Where do I go from here?" She also has recommended to "talking to others incomparable positions to learn what might be needed to move into these jobs".

Harald Biong, Arne Nygaard,Ragnhild Silkoset (2010) in their study focused on recent cases in retailing reflect that ethics havea major impact on brand sand performance, in turn, demonstrating that brand owners, employees, band consumers focuson ethical values.In this study, they analyze how varioussourcesof social power affect corporate ethical values, retailer's commitment to the retail organization, and ultimately sales and service quality.

Objectives

- To understand the concept of self- evaluation.
- To focus on various HR practices a retail outlet follows.
- To understands whether these practices directly help the employees and make them contented.
- To suggest some measures to build a strong relationship.

Methodology

To meet the objectives of this study, a field research through personal interview via telephone and face to face interaction were conducted. Shoppers Stop retail outlet was targeted for this study. Relevant question were asked to the Heads of the store. As research design is exploratory in nature, hence the overall design is flexible. Non-probability sampling design is focussed. There is no pre-planned design for analysis. It is observational design hence unstructured instrument is used for collection of data.

This research paper is also based on secondary data for finalization of views and opinions which has been sourced from published literature.

Discussion

Summary of Shoppers Top

Shoppers Stop is an Indian retailing company promoted by the K Raheja Corp Group, started in the year 1991 with its first store in Andheri, Mumbai. Shoppers Stop Ltd has been awarded "The Hall of Fame" and won "the Emerging Market Retailer of the Year Award", by World Retail Congress at Barcelona, on April 10, 2008. Shoppers Stop is listed on the BSE. As of 2013, Shoppers Stop has 73 stores in India.(Wikipedia).The various diversified categories in the store are retails clothing, accessories, handbags, shoes, jewelry, fragrances, cosmetics, healthcare products, beauty products, and home furnishing and decor products. It is a well- organized multi-brand retail outlet with number of employees working in between 10 a.m. to 9.30 p.m.

The retail business comes up with various strategies. One of the important strategies they focus on is the membership card. Various brands go with different kind of membership card.

Name of the Brand with their Card name:-

Particulars	Shoppers's Stop	Lifestyle	Titan group	Big Bazaar/Central/Brand Factory/ Home Town
Card Name	First Citizen	The Inner Circle	Encircle	Payback

Source: - Actual study result

Other important strategies multi-brand retail outlet focuses on are cleanliness, organised arrangement of merchandise, suitableilluminations, and enjoyable music and of course diversified brands. This enhances the décor of the store.

Concept of Self Evalustion

Honesty is the best policy in self-evaluation. Self-evaluation is a personal tactics to evaluate oneself taking into consideration the existing environmental conditions. They should highlight the strength and weaknesses as well as their opportunities and threats. Proper evaluation will help them to identify the intensity of the gap they possessand the area where they need corrections. Everybody understands one-self better than anybody else. Too much of negativity and too much of positivity cannot come up with concrete results. Exaggeration is the basic problem of self-evaluation. One should be honest enough to judge himself/herself so that proper planning and goal settingcan be done.

5.3 HR Practices followed by Retail Outlet and its effect on employees.

According to me the word Retail comprise of R- Rhythm, E- Elegance, T- Trial, A- Ambience, I- Identity, and L- Lights.

The various HR practices followed are as follows-

1. Recruitment
2. Timing
3. Leave
4. Work force diversity
5. Employee empowerment
6. Human Resource Planning
7. Training
8. Employee welfare
9. Performance appraisal
10. Career planning
11. Managing conflicts
12. Security
13. Managing attrition
14. Managing employees

Let me explain these points one by one:-

1. Recruitment- The recruitment process in Shoppers Stop is basically through walk-ins. The media used here is references from relatives, friends etc.
2. Timing- Timing for boys is 12 o'clock to 9.30 p.m. and for girls it is 10 o'clock to 8 p.m.
3. Leave- Employees can take leave which is adjusted from their CL and EL.
4. Work force diversity- Diversity is based on gender, age limits various from position to position, work experience, educational qualification, cultural background, family income etc.
5. Employee empowerment- Employees know their job and handle customers according to the company's policy.
6. Human Resource Planning- Planning is basically deciding in advance what to do, how to do, when to do, whom to do. It bridges the gap between where we are and where we want to go. Human Resource Planning is a practice which is there in the store. They have daily plans, weekly plans as well as monthly plans and also yearly objectives.
7. Training is given as and when required.
8. Employee welfare- Loan scheme options, Gift vouchers given, Employee discount cards
9. Performance appraisal is measured according to different parameters like efficiency, dedication, involvement,
10. Career planning- Constant interaction with employees regarding their career plans and development. Frequent career development programs are also arranged. They are also told how they can develop in their career with the brand Shoppers Stop.
11. Managing conflicts- Conflicts are comparatively less because everyone is clear about their job profile. Transparency is vividly followed.
12. Security- Personal level security as well as work related security prevails.
13. Managing attrition- Each time an essential employee leaves an organization, this employee must be replaced. Associated with theirplacementof this employee are direct costs incurred by the employment organizationas a new employee is recruited, selected, and trained for the position (Curtis and Wright 2001; Gustafson 2002; Hendrie2 004; Masters2004). Hence to reduce attrition rate store should counsel employees and also should give career guidance suggestion so that they keep moving in their lives.
14. Managing employees- Happy employees are productive and creative, make good decisions, and work well with others. They are healthier than unhappy employees and less likely to miss work (Jo Manion, 2008). Hence if employees are happy they can create a healthy environment

to work and in the long run they also can make customers happy. So tactics play a very important role to manage employees through counseling, empowerment, engagement, diverse leadership, reducing unsafe working conditions and moreover to understand them individually.

Data Collection and Analysis

1. Employees in the outlet are from both the genders.
2. Maximum age limit of employees is 30 years.
3. The age limit varies with designation.
4. The basic hierarchy is store manager followed by store operator, departmental manager followed by employees.
5. The basic qualification of employees are Bachelor degree (BCom/ BBM).
6. The employees are not only from Mangalore but also from different places like Chikmagalur, Puttur etc.
7. Most of the employees want to work to sustain a good standard of living.
8. Most of the employees have the urge to go for higher studies.
9. Employees attend different training sessions as and when necessary.
10. Brand policies are transparent so everyone is clear about their goals.

7. Findings and Suggestions

Finding by survey

1. Outlet is doing lot of activities to retain employees. They find at this point of time attrition rate is manageable but they have to think out of the box strategies to manage it in future.
2. Day by day mind-set of the employeesis changing, so organization is exploring different opportunities for higher studies to the employees.
3. To retain employees both monetary benefits and non-monetary benefits are necessary.

Findings

The Boston Consulting Group has released a report titled "Job Seekers Trends 2015". The key findings is noted that the most effective channel for job seeking in India is job referral from family/ friends amounting to 85%.

51% of Indians have no change in income when shifting jobs.

74% respondents feel their work environment and relation with co-workers has worsened with a change in jobs.

67% people feel that their role has worsened with change in jobs.

Suggestions

1) Empowering employees leads to customer satisfaction.
2) Proper advertisement so that right candidate can be chosen for the store.
3) Proper facilities to reduce the attrition rate.
4) Focus on team work so that too much dependency on individual can be avoided.
5) Employees should be well versed with the terms and conditions.
6) Employees should be well versed with the local language, Hindi and English.
7) Employees should feel comfortable at work and should convey the problems easily to the head.
8) Mutual understanding should be given importance.

Conclusion

Employee retention technically means the efficiency of the organisation in retaining its workforce. It is easier said than done.Researchers (Martin et al. 1981) have found a positive relationship between performance and intention to leave. Hence companies have to be very tactfulin their strategies to manage and retain employees. According to Henry Fayol "To manage is to forecast and plan, to organize, to command, coordinate and to control". Hence patience, understanding, tactics, persistent motivation, perseverance and determination play an important role in employee retention. Focus should be on team effort rather than individual dependency.No one should think he is indispensible and without him the store will disintegrate like a pack of cards.

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MONETARY AND NON- MONETARY BENEFITS:
A Technique to Motivate the Employees

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Abstract

Managers are constantly searching for ways to create a motivational environment where employees to work at their optimal levels to accomplish company objectives. Employee motivation has been broadly defined as the psychological forces that determine the direction of a person's behavior in an organization, a person's level of effort and a person's level of persistence. Employee motivation is the level of energy, commitment, and creativity that a company's workers bring to their jobs. Whether the economy is growing or shrinking, finding ways to motivate employees is always a management concern. Workplace motivators include both monetary and non-monetary incentives. Monetary benefits are where employees receive benefits as money, so special allowances or commissions. However, non monetary benefits are those benefits that do not involve money. Monetary benefits enhance the direct satisfaction of employees and non-monetary rewards are helpful for the recognition of employees and that recognition is a motivational tool for the employees and leads to the work engagement. Most of the research studies have shown consistently that the encouragement and appraisal or reward system for the employees resulted in higher employee retention rates, productivity, and job satisfaction. Monetary and non-monetary incentives vary in their roles, effectiveness, and appropriateness, depending on the type of incentive. A balance between monetary and non-monetary incentives should be used to satisfy the diverse needs and interests of employees. This paper explores the importance of monetary and non-monetary benefits on employee motivation. This paper lists out the various monetary and non-monetary benefits provided to the employees. The paper also assesses the impact of employee benefits on the productivity of the organization.

Key words : ***Rewards, Motivation, Employee satisfaction, Recognition***

Introduction:

It is widely accepted by the organizational theorists that manpower is one of the most important assets of an organization because things are getting done through employees. In other words, the success of an organization in realizing its objectives heavily depends on the performance of its employees. Therefore, it is important to focus on the factors affecting the performance of the employees. Performance is considered to be related with the concepts of ability, opportunity and motivation (Ivancevich & Matteson, 1988). Ability is a function of skills, education, experience and training. Opportunity refers to the infrastructure needed to perform a job. Finally, motivation is the desire to achieve a goal and willingness to exert effort for it. Motivation is something that can lead to better performance when other conditions are met. But, it has an advantage over others in the sense that while the opportunity and ability tend to be stable and difficult to change for the personnel, motivation has flexibility, that is, it can be changed by some means. All organizations, whether public or private,

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need motivated employees to be effective and efficient in their functioning, in addition to the other factors. Employees who are motivated to work energetically and creatively toward the accomplishment of organizational goals are one of the most important inputs to organizational success. Consequently, the challenge for organizations is to ensure that their employees are highly motivated.

Objectives of the study:

1) To study the importance of monetary and non-monetary benefits on employee motivation.
2) To identify the various monetary and non-monetary benefits provided to the employees.
3) To assess the impact of employee motivation on the productivity of the organization.
4) To examine the problems associated with monetary and non-monetary incentives.

Methodology of Study:

This paper is based on secondary data which consist of journals, research paper, books and websites.

Meaning:

Rewards are divided by Armstrong (2007) into two groups; these are monetary and non- monetary rewards. The monetary rewards include base pay, merit pay, incentives, commission, bonus and healthy allowances. Non-monetary rewards include recognition, decision making roles, promotion, flexible working hours and company uniforms.

Importance of Monetary and non-monetary Benefits:

Bates (2006) indicates, for money to motivate, merit pay rises must be at least seven percent of base pay for employees to perceive them as motivating and to catch anybody's attention. Recent studies for example by Locke (1998) on the four methods of motivating employees indicated that money rated the second among lower-level employees. Such evidence demonstrates that money may not be the only motivator, but it's difficult to argue that it doesn't motivate. This therefore opens up the debate that non-financial rewards such as recognition, decision making and job security have a role to play in the internal motivation of employees that monetary rewards cannot address. To assume that financial incentives will always motivate people to perform better is therefore as simplistic as to assume that they never motivate people to perform better. The only issue that is certain about this is that multiplicities of interdependent factors are involved in motivating employees ranging from money to non-monetary.

Another stream of analyses points out that people never rate money as their main motivator, most achieve-ments are reached for reasons other than money, and it is a factor that attracts people but does not play a big role in retaining and motivating. Robert and Shen (1998) point out, salary and other hygiene factors yielded dis-satisfaction and only motivators directly influence motiva- tion beyond the psychological neutral level. In a recent survey, by (Ellis and Pennington, 2004) direct financial reward played a critical role in attracting talented employees, but they have only a short term impact on the motivational levels of employees.

Wallace and Zeffane (2001) noted, management depend upon rewards like money as the main factor of motivation because according to Maslow's hierarchy of needs, money is a unique reward that can satisfy different needs such as physiological need for food. In McClelland's acquired needs theory, money is an important source of performance feedback for high -need achievers. Non-monetary rewards on the other hand attract persons with a high need for affiliation through verbal recognition, and high achievers through challenging jobs. Skinner (1953) argued that, the use of rewards in the classic work performance paradigm is based primarily on the reinforcement theory which focuses on the relationship between a target behavior such as high performance and its consequences for example pay. This study was framed from Herzberg's two factor theory and Skinner's Reinforcement

Herzberg (1957) proposed that employees are influenced or driven to work by two factors (motivators and hygiene factors). Hygiene factors ensure that employees do not become dissatisfied but does not lead to high motivation, but without them; motivators cannot achieve their goal since the employees will be dissatisfied. Hygiene factors involve the process of providing rewards or threats of punishment to cause someone to do something. Salary is one of the hygiene factors hence money does not lead to high levels of motivation but impact on motivation in a way. Motivator factors are needed to drive an employee into higher performance. These factors result from inter-nal generators in employees. As stated in Value based Management (2008) a combination of the two factors results in four scenarios which are important in the relationship between employee motivation and rewards. These include, High hygiene + High motivation= employees highly motivated with few complaints and high performance. High hygiene + low motivation = employees have few complaints but are not highly motivated. Low hygiene +High motivation = employees are motivated but have a lot of complaints, job is exciting and challenging but salaries and work conditions are poor hence motivation keeps on diminishing as a result of complaints. Low hygiene + low motivation = result in unmotivated employees with lots of complaints and consequently performing poorly.

Monetary and Non-Monetary Benefits:

Monetary Benefits:

The purpose of monetary incentives is to reward associates for excellent job performance through money. Monetary incentives include:

- Profit sharing
- Project bonuses
- Stock options and warrants
- Scheduled bonuses
- Additional paid vacation time.

Non-monetary Benefits:

The purpose of non-monetary incentives is to reward associates for excellent job performance through opportunities.

Non-monetary incentives include:

- Flexible work hours
- Training
- Pleasant work environment
- Executive recognition

Incentives Across Generations :

Research suggests that desired monetary incentives differ for associates based on career stage and generation. Surveys by the American Association of Retired Persons (AARP) have shown that most workers will work past retirement age if offered flexible schedules, part-time hours, and temporary employment (Nelson, 1999). The generations covered in the AARP surveys include "Mature Workers" (those born between 1930 and 1945), "Baby Boomers" (those born between 1946 and 1963), "Generation X'ers" (those born between 1964 and 1981), and "Generation Y'ers" (those born after 1982). The information presented in Table 1 lists non-monetary incentives that are important to each generation covered in the surveys (Nelson, 1999).

Table1:Non-monetary incentives that are important to each generation covered in the surveys (Nelson, 1999).

Mature Workers	Baby Boomers	Generation X'ers	Generation Y'ers
Flexible schedules	Retirement planning	Flexible work schedules	Flexible work schedules
Part-time hours	Flexible retirement options	Professional development	Professional development
Temporary hours	Job training	Feedback	Feedback
	Sabbaticals	Tangible rewards	Tangible rewards
		Work environment	Work environment
			Attentive employers

Source: http://www2.inc.com/search/16431.html (Nelson, 1999)

Impact of Motivation on Employee Productivity:

Motivated employees are inclined to be more productive than non-motivated employees. Most businesses make some pains to motivate workers but this is normally easier said than done. Employees are all individuals with different like's dislikes and needs, and different things will motivate each.

1. Motivated Employees Are More Productive: If employee will satisfied and happy then he/she will do his /her work in a very impressive way, and then the result will be good, on the other hand motivated employee will motivate other employees in office.
2. Decision-making and practical Expectations: It is important to engage employees in the decision making process, but create realistic expectations in the process.
3. Job Description, Work Environment and Flexibility: Employee doing the right job for his personality and skill set, and performing well at the job greatly increases employee motivation and satisfaction. A safe and non-threatening work environment is necessary to maintain a high level of employee motivation. Flexible human resource policies, flexible time, work from home, childcare also be liable to have happier and more motivated workers.
4. Pay and Benefits: Keeping employees motivated with good benefits is easy, where to draw the line at generous benefits that motivate all employees, versus raises and larger salaries to retain and attract the best workers and keep them happy and motivated to be working for you, are more difficult.
5. Company Culture: Creating a positive and employee-friendly company culture is a great motivational tool.

Problems with Monetary and Non Monetary Incentives:

Alfie Kohn (1993) argues that monetary incentives encourage compliance rather than risk-taking because most rewards are based only on performance. As a result, employees are discouraged from being creative in the workplace. Another argument Kohn presents is that monetary incentives may be used to circumvent problems in the workplace. For example, incentives to boost sales can be used to compensate for poor management. Employers also may use monetary incentives as an extrinsic rather than an intrinsic motivator. In other words, employees are driven to do things just for the monetary reward versus doing something because it is the right thing to do. This can disrupt or terminate good relationships between associates because they are transformed from co-workers to competitors, which can quickly disrupt the workplace environment (Kohn, 1993).

Generational non-monetary incentive differences are affected by career stage and proximity to retirement. The older the associate, the more the focus is placed on retirement or supplementing retirement income with part-time or temporary jobs. The younger the employee, the more the focus is placed on job satisfaction and the work environment. The bottom line is that incentives must be tailored to the needs of the workers rather than using the "one-size-fits-all" approach, which is impersonal and sometimes ineffective.

Recommendations:

In order to create and improve the feelings of employees towards their workplace, their feelings about management needs to be improved. For this following is necessary:

- Developing and improving face-to-face communications with employees and giving them enough information, as well as proving their credibility and improving it through honesty and good morals.
- Showing care for and respect to employees by expressing appreciation and gratitude, creating chances to improve, getting employees involved with solving Organizational problems, being receptive to new ideas, and caring about the Employee's problems.

- Encourage open book managing. Build trust. Show employees that they are worth of it.
- Maintain their dignity &self-respect.
- Ensure that successful performance is recognized

Conclusion:

Monetary and non-monetary incentives vary in their roles, effectiveness, and appropriateness, depending on the type of incentive. Alfie Kohn (1993) argues that incentives actually hamper associates and companies by decreasing associates' motivation, interest, and job satisfaction. This is just the opposite of what incentives were created to do. Incentives must take into account the workers for whom they were created. A balance between monetary and non-monetary incentives should be used to satisfy the diverse needs and interests of associates. Creating a balance sheet is a simple exercise that can be used for evaluating incentive programs. On one side of the balance sheet list all the incentive programs (both monetary and non-monetary) of your organization. On the other side list all the outcomes (whether desired or not) that can be attributed to these incentives. Areas of improvement would be those outcomes identified as undesirable.

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A STUDY ON PERFORMANCE EVALUATION OF ASSET ALLOCATION FUNDS IN INDIA

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Abstract

During the last few years, many changes have been seen in the mutual fund industry which were extraordinary. Due to the changed environment, it becomes important to investigate the mutual fund performance. The need for evaluating the performance of mutual fund schemes in India to see whether the mutual fund schemes are outperforming or underperforming than the benchmark and to see the competency of schemes to make out a strong case for investment.

The present paper investigates the performance of all mutual fund which comes under the category of asset allocation for the period from January 2011 to December 2015 (five years) of transition economy. Data have been used to calculate the returns from the fund schemes. Nifty 50 has been used as benchmark to calculate market portfolio. The risk and return relationship and market volatility is measured of selected mutual funds. The historical performance of the selected schemes were evaluated on the basis of Sharpe, Treynor, Jensen's measure and Fama's measure whose results will be useful for investors for taking better investment decisions.

KEYWORDS: Jensen measure, Mutual funds, performance evaluation, Sharpe measure, Treynor measure, Fama measure.

Intoduction

The Indian mutual funds industry is witnessing a rapid growth as a result of infrastructural development, increase in personal financial assets, and rise in foreign participation. With the growing risk appetite, rising income, and increasing awareness, mutual funds in India are becoming a preferred investment option compared to other investment vehicles like Fixed Deposits (FDs) and postal savings that are considered safe but give comparatively low returns, according to "Indian Mutual Fund Industry". Mutual fund industry has seen a lot of changes in past few years with multinational companies coming into the country, bringing in their professional expertise in managing funds worldwide.

Development of an economy necessarily depends upon its financial system and the rate of new capital formation, which can be achieved by mobilising savings and adopting an investment pattern, be it self-financing(i.e. direct or indirect) where financial intermediaries like banks, insurance and other financial companies come in the picture and mediate between savers and borrowers of funds. The last decade has seen enormous expansion in the size of mutual fund industry in India. Especially, the private sector has shown galloping growth. Now investors have a wide range of Schemes to choose from depending on their individual profiles.

Asset allocation is an investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance and investment horizon. The three main asset classes - equities, fixed-income, and cash and equivalents - have different levels of risk and return, so each will behave differently over time. An asset allocation fund is a mutual fund that provides investors with a portfolio of a fixed or variable mix of the three main asset classes - stocks, bonds and cash equivalents - in a variety of securities. Some asset allocation funds maintain a specific proportion of asset classes over time, while others vary the proportional composition in response to changes in the economy and investment markets.

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Objectives

The major objective of the study was to evaluate performance of asset allocation mutual fund schemes floated by various asset management companies in India.

1. To evaluate performance of all asset allocation schemes of the mutual funds based on based on the Sharpe, Treynor, Jensen ratios and Fama's measure.
2. To analyse the risk and return relationship of these mutual fund schemes .

Research Methodology

Data collection: The study is purely based on secondary data which was collected through the official website of Mutual Fund India and Ace mutual funds.

Sample size: A period of five years data i.e. January 2011 to December 2015 were consider for analysis. In this paper, an attempt has been made to evaluate the performance of 54 mutual fund schemes which belong to the category of Asset allocation. Performance has been analyzed by comparing the average returns of the funds with that of Indian stock market benchmark NIFTY 50. The risk free rates are calculated from three month treasury bill rates taken from RBI website.

Methodology: To analyse the data, statistical techniques are used. Parameters like coefficient of determination (R2), systematic risk i.e. beta, intercept, average return for the scheme and the market, standard deviation , their correlation and time tested models given by Sharpe, Treynor, Jensen and Fama's measure were applied. The study basically concentrates on return - risk analysis and performance measurement.

In order to calculate the risk-adjusted returns of investment portfolios the most important widely used measures of performance are:

Sharpe's Model : In this model, performance of a fund is evaluated on the basis of Sharpe ratio, which is the ratio of returns generated by the fund over the risk free rate of return and the total risk associated with it. According to Sharpe, it is the total risk of the fund that investors are more concerned about. So, the model evaluates funds on the basis of reward per unit of total risk. Symbolically, it can be written as:

Sp = (RP - RF)/? p

SP = Sharpe's index

RP= Portfolio average return

Rf =Risk free rate of return

?P= Standard deviation of the return

Treynor's performance index: It was given by Jack Treynor in 1965, it is expressed as a ratio of returns to systematic risk i.e. beta. It adjusts return based on systematic risk; therefore it is relevant for performance measurement when evaluating portfolios separately or in combination with other portfolios

Treynor Index =

$$\frac{\text{Portfolio Average Return(Rp) - Risk Free Rate of Return (Rf)}}{\text{Beta Coefficient of Portfolio}}$$

Jensen's performance index: It is a regression of excess fund return with market return given by MC Jensen in 1968. It is also popularly known as Jensen's alpha based on Capital Asset Pricing Model (CAPM). It reflects the difference between the return actually earned on a portfolio and the return of the fund was expected to earn, given its beta as per the CAPM.

Alpha (?) = (Rx¯- Rf)-?(Rm¯-Rf)

The Risk free rate is chosen based on the Treasury bill rates and it is calculated on daily basis to get the time series data. The standard deviation of company return and market return is calculated on the basis of five yearly moving average as it will be a better representation of data than taking one data as average of the entire data of ten years. Standard deviation is the deviation of returns from their moving averages. Beta for Treynor ratio is been calculated using the regression analysis of dependent variable(company return) and independent variable(market return). How Beta for Jensen's measure is based on the regression analysis of their excess return. The top twelve fund schemes is been identified from these ratios and a portfolio is constructed which has shown a better performance. The summary measures of the funds are analysed and interpreted.

Fama's Measure : The Fama's Net Selectivity Measure is an absolute measure of performance. It is given by the annualized return of the fund, deducted the yield of an investment without risk, minus the standardized expected market premium times the total risk of the portfolio under review.

$$NS_{p,t} = \left[E_t(R_{p,t}) - R_f\right] - \left\{\left[\frac{E_t(R_{m,t}) - R_f}{\hat{\sigma}_{R_m}}\right] \times \hat{\sigma}_{R_p}\right\},$$

where NSpt is net selectivity

$R_{p,t}$ is the return on the fund considered over period;

$R_{m,t}$ is the return on the market portfolio considered over period;

R_f is a proxy for the riskless rate;

R_p ^ is the standard deviation of the fund return over period;

R_m ^ is the standard deviation of the market portfolio return over period.

The Fama's Index gives the excess return obtained by the manager that cannot have been obtained investing in the market portfolio. It compares the extra return obtained by the portfolio manager with a specific risk and the extra return that could have been obtained with the same amount of systematic risk.

Literature review

According to mean-variance performance measures, fund manager's main concern is the return and the associated risk of his investment.

Treynor (1965) examined the performance of mutual funds on a characteristic line graphically by developing Treynor index (Tn) which measures the risk premium of the portfolio using the measure of systematic risk in the denominator. This measure shows that higher index number is an indicator of better performance. Sharpe (1966) developed the Sharpe index (Sn) to measure the performance of the mutual funds by using the measure of total risk in the denominator and risk premium in the numerators. Like Tn, the higher Sn index shows better performance. McDonald and John (1974) identified the existence of positive relationship between return and risk which indicated that more aggressive funds experienced better results. Carlson (1970) examined the market efficiency and also the predictability of the future performance of mutual funds and found that the past performance showed predictive value of past results in forecasting future performance. Elton, Gruber, Grindblatt and Titman (1989) also found some empirical evidence that mutual fund investors make purchase decision on the basis of past performance. Some studies reveal that there is only a slight positive relationship or no relationship at all between previous performance and current returns. Blake et al (1993), Bogle (1992), Brown and Goetzmann (1995) raised the question of why poorly performing funds still survive for which Harless and Peterson (1998) explained that investors tend to choose funds based on previous performance but stick to these funds despite their poor return in a recent study of consumers and the mutual fund purchasing decisions. Grinblatt and Sheridan (1992) also concluded that the past performance of a fund is useful for investors while investing in mutual funds.

Carhart (1997) used Capital Asset Pricing Model described in Sharpe (1964) and Lintner (1965), his own four-factor model and Fama and French's (1993) three factor model for performance measurement and found his model more efficient in finding a strong negative relation between performance and size, expense ratios, turnover and load fees. Tripathy and Sahu(1998) evaluated 17 Indian mutual fund schemes with one year data using the measure developed by Treynor, Sharpe, Jensen and Fama and suggested that performance analysis should lead to adjustment of portfolios. Sapar & Narayan(2003) examines the performance of Indian mutual funds in a bear market through relative performance index, risk-return analysis, Treynor's ratio, Sharp's ratio, Sharp's measure, Jensen's measure, and Fama's measure with a sample of 269 open ended schemes (out of total schemes of 433). The results of performance measures suggest that most of the mutual fund schemes in the sample of 58 were able to satisfy investor's expectations by giving excess returns over expected returns based on both premium for systematic risk and total risk. Hsu & Lin(2007) applied data envelopment analysis (DEA) to measure the performance of Taiwan domestic equity funds to test performance persistence and the results showed that there exists a significant the technical efficiency measure but not under sharpe's ratio. Agrawal Deepak & Patidar Deepak (2009) studied the empirically testing on the basis of fund manager performance and analyzing data at the fund-manager and fund-investor levels. The study revealed that the performance is affected by the saving and investment habits of the people and at the second side the confidence and loyalty of the fund Manager and rewards- affects the performance of the mutual fund industry in India. Mehta (2010) analyze the performance of mutual fund schemes of SBI and UTI and found out that SBI schemes have performed better then the UTI in the year 2007-2008.Petajisto(2013) used active share and tracking error to sort equity funds based on various categories of active management and found that most active stock pickers outperformed their benchmark indices.

Analysis and Discussion

The 54 asset allocation schemes which belong to various asset management companies are tested based on their average returns, standard deviation, beta, correlation and four different ratios which analyses the performance of these funds.

Scheme Name	Average	σ	Beta	Corr	Tr	F	S	α
DSPBR Dynamic Asset Allocation Fund-Reg(G)	0.06	0.15	0.15	0.81	0.24	0.02	0.24	0.02
DSPBR Dynamic Asset Allocation Fund-Reg(MD)	0.06	0.15	0.15	0.81	0.24	0.02	0.24	0.02
DSPBR Dynamic Asset Allocation Fund(G)-Direct Plan	0.06	0.15	0.15	0.81	0.26	0.03	0.26	0.02
DSPBR Dynamic Asset Allocation Fund(MD)-Direct Plan	0.06	0.15	0.15	0.81	0.26	0.03	0.26	0.02
Birla SL Asset Alloc-Aggr(D)	0.13	0.71	0.76	0.86	0.14	0.06	0.15	0.04
Birla SL Asset Alloc-Aggr(G)	0.13	0.71	0.76	0.86	0.15	0.06	0.15	0.04
Birla SL Asset Alloc-Cons(D)	0.08	0.29	0.88	0.59	0.07	0.02	0.21	0.02
Birla SL Asset Alloc-Cons(G)	0.08	0.29	0.88	0.59	0.07	0.02	0.21	0.02
Birla SL Asset Alloc-Mod(D)	0.11	0.55	0.99	0.36	0.09	0.01	0.17	0.04
Birla SL Asset Alloc-Mod(G)	0.11	0.55	0.99	0.36	0.09	0.01	0.17	0.04
FT India Asset Allocation Fund-Conservative Gth-Div	0.01	0.20	0.00	0.01	1.17	0.01	0.01	0.00
FT India Asset Allocation Fund-Balanced Growth	-0.01	0.26	0.04	0.64	-0.51	-0.04	-0.08	-0.03
FT India Asset Allocation Fund-Balanced Growth-Div	0.01	0.20	0.01	0.04	0.42	0.00	0.01	0.00
FT India Asset Allocation Fund-Conservative Growth	0.01	0.20	0.09	0.23	0.03	-0.02	0.01	0.00
FT India Asset Allocation Fund-Inflation Hedge	0.01	0.20	0.40	0.40	0.01	-0.02	0.01	-0.01
FT India Asset Allocation Fund-Inflation Hedge-Div	0.01	0.20	0.00	-0.01	-1.89	0.01	0.01	0.00
FT India Asset Allocation Fund-Pure Growth	0.01	0.20	0.02	0.16	0.11	-0.01	0.01	0.00
FT India Asset Allocation Fund-Pure Growth-Div	0.01	0.20	0.01	0.06	0.43	0.00	0.01	0.00
FT India Asset Allocation Fund-Steady Growth	0.01	0.20	0.03	0.16	0.09	-0.01	0.01	0.00
FT India Asset Allocation Fund-Steady Growth-Div	0.01	0.20	0.00	0.04	0.49	0.00	0.01	0.00
IDFC Asset Alloc-Aggr-Reg(G)	0.10	0.40	0.41	0.82	0.19	0.05	0.20	0.04
IDFC Asset Alloc-Mod-Reg(G)	0.08	0.26	0.59	0.44	0.10	0.02	0.23	0.03
IDFC Asset Alloc-Cons-Reg(G)	0.07	0.16	0.42	0.53	0.11	0.03	0.30	0.03
IDFC Asset Alloc-Aggr-Reg(D)	0.10	0.40	0.41	0.82	0.19	0.05	0.20	0.04
IDFC Asset Alloc-Mod-Reg(D)	0.08	0.26	0.59	0.44	0.10	0.02	0.23	0.03
IDFC Asset Alloc-Cons-Reg(D)	0.07	0.16	0.42	0.53	0.11	0.02	0.29	0.02
Kotak Asset Allocator Fund(D)	0.14	0.73	0.74	0.81	0.17	0.08	0.17	0.06
Kotak Asset Allocator Fund(G)	0.14	0.73	0.74	0.81	0.17	0.08	0.17	0.06
Kotak Multi Asset Allocation Fund(G)	0.05	0.17	0.37	0.42	0.09	0.01	0.18	0.01
Kotak Multi Asset Allocation Fund(MD)	0.05	0.18	0.37	0.42	0.08	0.01	0.18	0.01
Kotak Multi Asset Allocation Fund(QD)	0.05	0.17	0.37	0.42	0.08	0.01	0.18	0.01
Kotak Multi Asset Allocation Fund(AP)	0.05	0.18	0.37	0.42	0.08	0.01	0.17	0.01
Kotak Multi Asset Allocation Fund(AD)	0.05	0.18	0.37	0.42	0.08	0.01	0.17	0.01
Kotak Asset Allocator Fund(D)-Direct Plan	0.14	0.73	0.74	0.81	0.17	0.08	0.17	0.06

Kotak Asset Allocator Fund(G)-Direct Plan	0.14	0.73	0.74	0.81	0.17	0.08	0.17	0.06
Kotak Multi Asset Allocation Fund(AD)-Direct Plan	0.05	0.18	0.37	0.42	0.09	0.01	0.18	0.01
Kotak Multi Asset Allocation Fund(G)-Direct Plan	0.05	0.18	0.38	0.42	0.09	0.01	0.19	0.02
Kotak Multi Asset Allocation Fund(MD)-Direct Plan	0.05	0.18	0.37	0.42	0.09	0.01	0.19	0.01
Kotak Multi Asset Allocation Fund(QD)-Direct Plan	0.05	0.17	0.37	0.42	0.09	0.01	0.19	0.01
LIC Nomura MF Systematic Asset Alloc Fund(D)-Direct Plan	0.06	0.13	2.46	0.40	-0.01	-0.17	-0.04	-0.12
LIC Nomura MF Systematic Asset Alloc Fund(G)-Direct Plan	0.06	0.15	2.13	0.39	-0.01	-0.17	-0.04	-0.12
Pramerica Dynamic Asset Allocation Fund(D)	0.07	0.46	0.55	0.95	0.08	0.02	0.10	0.00
Pramerica Dynamic Asset Allocation Fund(G)	0.07	0.46	0.55	0.95	0.08	0.02	0.10	0.00
Pramerica Dynamic Asset Allocation Fund(D)-Direct Plan	0.07	0.46	0.55	0.95	0.09	0.02	0.11	0.00
Pramerica Dynamic Asset Allocation Fund(G)-Direct Plan	0.07	0.46	0.55	0.95	0.09	0.02	0.11	0.00
Union KBC Asset Allocation Fund-Mod(G)	0.06	0.28	0.53	0.36	0.07	0.00	0.14	0.01
Union KBC Asset Allocation Fund-Mod(D)	0.06	0.28	0.53	0.36	0.07	0.00	0.14	0.01
Union KBC Asset Allocation Fund-Cons(G)	0.04	0.23	0.47	0.43	0.05	0.01	0.10	0.01
Union KBC Asset Allocation Fund-Cons(D)	0.04	0.23	0.47	0.43	0.05	0.01	0.10	0.01
Union KBC Asset Allocation Fund-Cons(D)-Direct Plan	0.05	0.23	0.47	0.43	0.06	0.01	0.11	0.01
Union KBC Asset Allocation Fund-Cons(G)-Direct Plan	0.05	0.23	0.47	0.43	0.06	0.01	0.11	0.01
Union KBC Asset Allocation Fund-Mod(D)-Direct Plan	0.06	0.28	0.53	0.37	0.08	0.00	0.15	0.02
Union KBC Asset Allocation Fund-Mod(G)-Direct Plan	0.06	0.28	0.53	0.37	0.08	0.00	0.15	0.02

Table 1 shows the performance measures of asset allocation measures

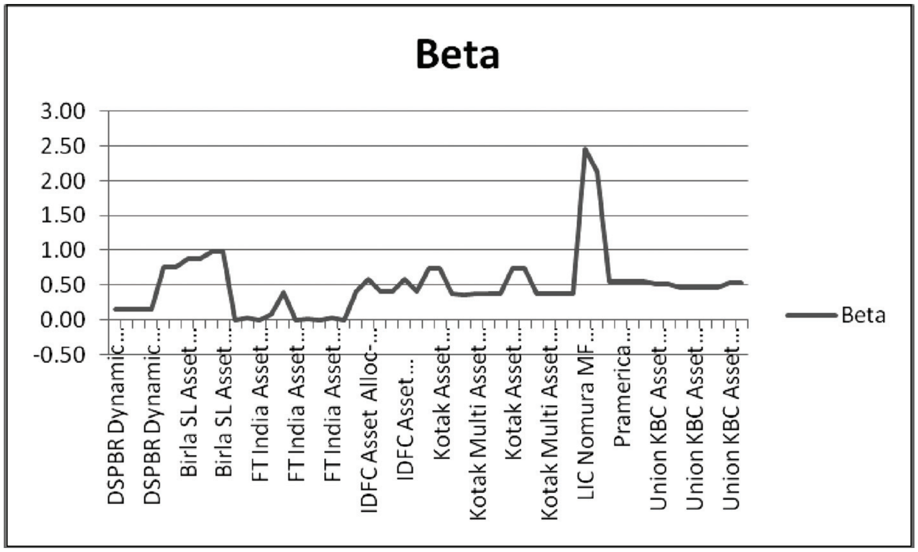

Fig.1 shows the beta values of asset allocation schemes.

Among 54 fund schemes, Kotak Asset Allocator Fund(D)-Direct Plan has the highest average return compared to other funds. Only two funds have highest beta values and sounds volatile when compared to all other schemes. LIC Nomura MF Systematic Asset Alloc Fund(D)-Direct Plan is the riskier fund with ?= 2.46 and LIC Nomura MF Systematic Asset Alloc Fund(G)-Direct Plan is the next riskier fund with ?= 2.13. This shows that majority of the funds are least risky in the market. Since Beta value is less than 1 in almost all funds, it means the fund reacts less than the market reaction and indicates that the security's price will be less volatile than the market.

Pramerica Dynamic Asset Allocation Fund both dividend and growth plans have high correlation when compared to other funds. Franklin Templeton India Asset Allocation Fund-Conservative Gth-Dividend plan has highest Treynor ratio, Kotak Asset Allocator Fund(D)-Direct Plan shows better performance when compared to Fama's measure, IDFC Asset Alloc-Cons-Reg(G) is comparatively better when measured with Sharpe's ratio and Kotak

Asset Allocator Fund(D)-Direct Plan has highest alpha when compared to all other asset allocation schemes.

The measures leads to different results because each tool has its own way of measuring performance which is important.

Findings and Suggestions

- Most of the selected funds show beta value of less than 1 which means that the funds will be less volatile than the market. Only two funds have high volatility with beta values more than two.
- Higher the Sharpe ratio, higher the performance of the fund. IDFC Asset Alloc-Cons-Reg(G) shows better performance in this regard.
- The higher the Jensen's measure value, the better the fund is performing. Kotak Asset Allocator Fund(D)-Direct Plan has highest alpha and is the best performing fund as it has the highest Jensen's measure value (0.0572) among all the funds. It is outperformer among others in case of net selectivity measure too.
- Based on Treynor ratio , Franklin Templeton India Asset Allocation Fund-Conservative Gth-Dividend plan has performed better than all other funds with the ratio of 0.285. The schemes have performed according to this ratio.
- Among all funds, Kotak Asset Allocator Fund(D)-Direct Plan is preferred as it has higher average returns along with better performer with respect to two performance measures, Fama's selectivity and Jensen's alpha.

Conclusion

Investors can invest in a mutual fund that matches their investment objective and analyze the fund based on various criteria such as risk prevailing in the market, variations on the return and deviations occur in the returns etc. Risk appetite of an investor plays an important role in the selection of mutual fund. The investor who needs regular income can invest in the one of the portfolios chosen according these measures.

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KISAN CREDIT CARD - A TOOL IN AGRICULTURAL FINANACE

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Abstract

Agriculture is an important activity in rural India with the dependence of large number of households. The development of agriculture depends on various factors like inputs, mechanization and timely availability of credit. RBI, Union government and NABARD have taken several steps to provide financial support for farmers in India. Kisan Credit Card (KCC) Scheme is one such scheme introduced from 1998-99 with an aim at providing adequate and timely support from the banking system to the farmers for meeting their cultivation needs including purchase of inputs in a flexible and cost effective manner. It is proved as a timely tool in the hands of farmers to avail the financial requirements.

Keywords: ***Agriculture, Banks and Kisan Credit Card***

Introduction

Agriculture plays an important role in economic development, such as provision of food to the nation, enlarging exports, transfer of manpower to non-agricultural sectors, contribution to capital formation, and securing markets for industrialization. Agriculture contributes significantly to export earnings and is an important source of raw materials as well as of demand for many industries. The performance of Indian economy is dependent upon the growth of agricultural sector (Kumbhar V M, 2011). The adequate and timely availability of credit at reasonable rates are crucial for agricultural development. In order to improve the flow of credit to the agricultural sector, the Reserve Bank had advised public sector banks to prepare Special Agricultural Credit Plans (SACP) in 1994-95 (Golait, R., 2007). Agriculture finance is essential for the small and medium scale farmers. There is requirement of increase of credit to these rural folks in order to improve their agricultural productivity. But along with the increase in agriculture credit, there is possibility of defaults due to dependence of farmers on natural factors like monsoon, climate etc. Introduction of Kisan Credit Cards is an effective step towards speedy loan delivery and avoidance of defaults.

Objective

The main purpose of the paper is to understand the scenario and performance of Kisan Credit Card in India

Methodology

The present study is descriptive in nature. The paper is prepared based on the secondary data collected from various print and on line journals. The publications of NABARD are also used for the study.

Kisan Credit Card Scheme

Kisan Credit Card (KCC) Scheme was introduced from 1998-99 with an aim at providing adequate and timely support from the banking system to the farmers for meeting their cultivation needs including purchase of inputs in a flexible and cost effective manner. The limit under the this Scheme is fixed, on the basis of the full agricultural credit

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requirement of a farmer for the full year including the need arising out of ancillary activities associated with crop production such as maintenance of agricultural machinery/implements and payment of electricity charges, etc.

The KCC scheme has emerged as an innovative credit providing system to meet the production credit requirements of the farmers in a timely and hassle-free manner. The scheme is introduced in India with the institutional credit framework involving Commercial Banks, RRBs and Cooperatives and has received wide acceptability amongst bankers and farmers. The co-operative banks and RRBs taken together had issued 453.10 lakh KCCs as on 31 March 2013 (Annual Report-NABARD-2012-13).

Revised Kisan Credit Card Scheme

With a view to simplifying and attuning the Scheme to suit current requirements and to facilitate the issue of Electronic Kisan Credit Cards, a Working Group (Chairman: Shri T.M. Bhasin), was constituted. According to the suggestions given by the committee, a revised KCC scheme was put in place in May 2012. The characteristics of the revised scheme include KCC limit to comprise crop loan portion, post-harvest expenses, consumption requirements, working capital and investment credit for agriculture and allied activities; all farmers/ owner cultivators, tenant farmers, oral lessees and share croppers to be eligible for finance under KCC; limit to be drawn through any delivery channel, such as ATMs, Business Correspondents (BCs), point of sale (PoS) and mobile-based transactions with agricultural input dealers.

Recent Guidelines on KCCs

Improvements in the guidelines over the earlier KCC scheme were introduced to make KCC effective. They are,

(a) KCC in the form of ATM enabled debit card;

(b) Operations through branch/cheque facility/ BCs/ATM (debit card)/POS/Mobile handsets;

(c) More clarity in assessing credit needs (inclusion of post harvest/ household/ consumption needs upto 10 per cent + maintenance expenses upto 20 per cent);

(d) More activities covered under term loan;

(e) One time documentation at first availment and thereafter simple declaration from second year

(f) Moving towards accessing online land record and creation of charge.

(g) The limit of collateral free farm loan has been increased from Rs.50,000 to Rs.1,00,000.

Performance of KCC Scheme in India

The Kisan Credit Card (KCC) scheme is implemented through co-operatives, Scheduled Commercial Banks and Regional Rural Banks to provide easy access to adequate, timely and cost-effective credit for farmers. The performance of various financial institutions in KCCs is presented in table below;

Number of Kisan Credit Cards Issued by agencies

(KCCs in lakhs) (Amount in crores) (end of March)

Year	Coop. Banks		RRBs		Commercial Banks		Overall	
	No. of KCC Issued	Amt Sanctioned	No. of KCC Issued	Amt Sanctioned	No. of KCC Issued	Amt Sanctioned	No. of KCC Issued	Amt Sanctioned
2000-01	56.14	9412	6.48	1400	23.9	5615	86.52	16425
2001-02	54.36	15952	8.34	2382	30.71	7424	93.41	25858
2002-03	45.79	15841	9.64	2955	27	7481	82.43	26277
2003-04	48.78	9855	12.74	2599	30.94	9331	92.47	21785
2004-05	35.56	15597	17.29	3833	43.96	14756	96.8	34186
2005-06	25.98	20339	12.49	8483	41.65	18779	80.12	49601
2006-07	22.98	13141	14.06	7373	48.08	26215	85.11	46729
2007-08	20.91	19991	17.72	8743	46.06	59530	84.7	88264
2008-09	13.44	8428	14.14	5648	58.34	39009	85.92	53085
2009-10	17.43	7606	19.49	10132	53.13	39940	90.06	57678
2010-11	28.12	10719	17.74	11468	55.82	50438	101.69	72625
2011-12	26.61	10640	19.95	11520	68.04	69510	117.6	91680
2012-13	26.91	11922	20.48	13263	82.43	101095	129.8	126280

Source: Annual reports of NABARD and various issues of report on trend and progress of banking

The above table shows the Kisan credit cards issued by the various institutional agencies from 2000-01 to 2012-13 in India. The commercial banks have a major share in the distribution of KCCs and are accounted for 58 per cent of the total cards issued at the end of March 2013. The cooperatives had a share of about 25 per cent in the total cards issued and the regional rural banks accounted for 17 per cent. The commercial banks have shown a constant growth in the issue of KCCs which is comparatively better than other agencies. The KCC has recorded a steady growth rate since its introduction and it is also considered as supportive scheme for the small and medium farmers.

Discussion

The KCC scheme has been in operation now for around thirteen years. Over this period it has become one of the primary vehicle of short term credit to agriculture and also a source of investment and consumption needs of farmers. The Central Government, RBI and NABARD are promoting the rural development of farmers by issuing KCCs to farmers. This has proved useful for farmers especially small and medium farmers to meet their financial requirements.

Conclusion

Agriculture provides the principal means of livelihood for over 60% of India's population. Finance is required to farmers to focus on the development of their agriculture activities. In this regard, Reserve Bank of India, Government of India and National Agricultural Bank of India have taken several initiatives to provide timely finance to farmers. The Kisan Credit Card (KCC) is one of such kind of initiative to finance farmers especially small and medium scale farmers. KCC brings integration into the multi-credit product system by offering farm entrepreneurs a single line of credit through a single window for multiple purposes. The Kisan Credit Card Scheme was a step towards facilitating the access to short-term credit for the borrowers from the formal financial institutions. There are several improvements made in KCC to facilitate smooth and easy flow benefits to small and medium scale farmers. The data on KCCs shows the usage of KCC by the farmers in India.

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THE ROLE OF SUPERVISOR AND LEADER IN STAFF DEVELOPMENT

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Abstract

The purpose of this research is to examine how an individual's leadership style directly influences their ability to effectively supervise their employees. It further continues to look into various views as to whether or not leaders are born to lead, or if it is a skill that can be developed and enhanced over a period of time by individuals who have the drive and desire to be successful in leadership roles. This paper discusses the importance of leadership skills and how improving one's leadership abilities will lead to improved personal and organizational performance.

It has also focused on the impact of communication, collaboration, treatment and leadership on staff development. In this survey it is revealed that, the present generation giving more concentration for collaboration while taking major decision in the organization as well as equal treatment. Based on these industry professionals should recognises the need for leadership education and training. Employees see leadership training as a perk and are willing to invest personal, unpaid time to participate in leadership classes just to improve their efficiency in their current job.

Key Words: ***Leadership, supervision, staff and development.***

Introduction

Supervision and leadership is a key factor to the success of any business that has employees. Often, people have not learned how to supervise and lead in an effective manner because they just learned from experience versus having training and skill development in supervision. Every organization wants to achieve higher levels of staff development, particularly in knowledge- and skill-enhancement areas, such as strategic planning, campaign development and implementation, grant writing, employment engagement programmes etc. The question of whether an organization wants more competent and committed leaders is always answered in the positive direction. The needs for staff development typically occurs at all organizational levels, from managers and administrators to supervisors and line staff.The need for staff development is often noticeable from an innovative thinking and resistance to adopt and implement the most efficient and effective solutions to managerial, supervisory, and operational demands.Organizations must be able to provide an environment in which future and current leaders learn how to effectively lead and carry out the missions of their companies.

There are two types of individuals in this world; individuals who choose to lead, and individuals who choose to follow. Not everyone has the skill level, knowledge, or even the desire to become a leader, but individuals who have the aspiration, willingness to overcome obstacles, and enthusiasm may prove to be capable of becoming an effective leader without having the 'natural born' instinct. In order to be effective in a supervisory capacity, it is important for individuals to develop and put into practice various skills and abilities that will help to enhance their ability to be successful in leadership roles.

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Review of Literature

Northouse (2007) defines leadership as "a process whereby an individual impacts a group of individuals to achieve a common goal" (p.75). This process is executed by encouraging others to achieve goals, and provides direction to organizations in a manner that makes it more consistent and rational. Leadership is an specialized set of skills and abilities that are available to all of us. Good leaders are made not born. Greer & Plunkett (2000) points out that "leadership is an art that can be acquired and developed by anyone with the motivation to do so." (p. 157). Good leaders develop through a never ending process of self-study, education, training, and experience (Jago, 1982).

The everchanging nature of today's workplacehighlights the need for effective leadership. "Leaders have to construction activities that enhance productivity at a time when jobs are becoming increasingly multifaceted and both national and international competitions are becoming more intense. All of this makes training for leadership and people skills even more important"(Goldstein & Ford, 2002:305).

There are two unique categories of behaviors that leaders may exhibit: originating structure behaviors, and consideration behaviours (Boje, 2000). Individuals displaying initiating structure behaviors typically try to provide structure to employees' work habits. In doing so, this type of leader places emphasis on the output/quality of work and sets high performance standards or goals. They generally set schedules and time frames for work to be accomplished, assign specific tasks to certain employees, and provide information and guidance on how they wish for the tasks to be performed. Supervisors demonstrating these characteristics have high expectations when it comes to employee performance and encourage them to perform up to or above their maximal level of potential. Individuals who display consideration behaviors typically provide assistance to employees and focus on mutual trust and respect in relationships. Individuals that possess these characteristics generally encourage employees to participate in decisions that affect their jobs and allow employees to perform their jobs at a level at which they feel comfortable. They have very little difficulty complimenting employees in the presence of others; rewarding employees for good work performance, and make sincere efforts to resolve conflict among employees in an effort to maintain a pleasant working environment.

Background of Problem

Leaders and supervisors establish a vision for the future of their organizations and resources with that vision using a variety of techniques. Because organizations identify that leadership is the basis for the success or failure of the enterprise. Leadership development training programs are successful only to the extent that participants change their behaviour and that success is dependent on the styles of leadership, the participating individual, or the design of the training program.

Objectives of The Study

- It is to examine how an individual's leadership style directly influences their ability to effectively supervise their employees.
- To understand the impact of communication, collaboration, interaction, treatment of employees on staff development.

Research Methodology

The validity of any research is basically dependent on the systematic method of data collection and analysis. Primary data was used for the present study. The primary data was collected from 87 sample respondents from Mangalore City. For collecting the first-hand information from the respondents, 100 of them were chosen by convenience sampling method. Questionnaire was the tool used to collect the primary data from the selected sample respondents. For this purpose, a well-structured questionnaire was framed with the help of research expert. Field survey method was employed to collect the primary data from the selected sample respondents.

Concept Clarification

Staff development, by definition, follows from understandings and actions by leaders within an organization. An organization's leadership development strategy largely determines the extent and effectiveness of its staff development. In the final analysis, staff development and leadership development are synonymous.

Many people believe it only applies to people who administer the productivity and development of entry-level workers; however, supervision is the activity carried out by supervisors to manage the productivity and progress of employees who report directly to the supervisors. The term 'supervisor' typically refers to one's immediate superior in the workplace, that is, the person to whom you report directly to in an organization. For example, a top manager would generally supervise an employee who is a middle manager, a middle manager would supervise a first-line manager and a first-line manager would supervise a worker. Supervisors typically are responsible for their direct employees' progress and productivity in the organization.

Leadership and its Impact on Supervision

The manner in which an individual leads has a direct influence on how that person may operate in a supervisory capacity. All leaders have the potential to be good supervisors; however, not all supervisors are guaranteed to be effective as leaders. There are a variety of factors that influence an individual's decision to follow a leader. In most situations, people have the desire to be directed by those that they respect and those who have a comprehensible sense of direction. Respect is not something that is immediately given to persons in leadership roles. Individuals who have a sense of ethics in many instances have a greater opportunity to gain and maintain a level of respect from their followers. Leaders who are clear, concise, and capable of conveying a strong future vision will ultimately achieve a great sense of direction.

Role of Supervision and Leadership in Staff Development

The manner in which leaders supervise/ manage their employees plays an important part in their professional growth. It is not only their responsibility to lead employees, it is also important for supervisors to serve as mentors and coaches in an effort to enhance employee performance and development. As a mentor, supervisors are looked upon as role models who are responsible for guiding employees toward the achievement of their professional goals. Mentors in most cases display more experience, skills, or knowledge than employees that they are attempting to mentor. Coaches, on the other hand, are responsible for educating and directing employees through support and advice. It facilitates multiplicity by giving employees the opportunity to bring about outcomes in a manner that works best for them, and provides opportunity for the emergence of essential competency issues.

The supervisor has several roles to play, but providing information and support to facilitate the staff development is what is most important. There are a few basic roles for a supervisor in developing employees. They include, Coaching employees to help them determine what they need for development, Providing both positive and corrective feedback, Offering organizational insight, information, and advice, Guiding the planning through goal setting and checking back over time, Allotting time and money for development experiences, Ensuring opportunities for applications of new learning, It is very helpful for an employee to get an honest assessment of their work, as well as access to others who may be able to provide information or coach the employee.

Results and Analysis

Table1: Frequency and percentage of demographic factors

	Particulars	Frequency	Percentage (%)
Gender	Male	58	66.67
	Female	29	33.33
Age (Years)	25-29	18	20.68
	30-35	22	25.29
	36-40	31	35.63
	41-45	12	13.79
	Above 46	05	05.74
Education	PUC	22	25.28
	UG	49	56.32
	PG	16	18.39
Designation	Clerk	14	16.09
	Special Assistant	42	48.27
	Officer	22	25.28
	Manager	09	10.34
Income	10000-20000	16	18.39
	20000-30000	34	39.08
	30000-40000	26	29.88
	Above 40000	11	12.64
Service	Less than 5 years	22	25.28
	5-10	18	20.06
	10-15	27	31.03
	15-20	11	12.64
	Above 20	09	10.34

The above table gives frequency and percentage of demographics of the respondents. From the total sample size of 87, 66.67% were male and 33.33% were female. The majority of the respondents (35.63%) belong to age group of 36-40 years, 25.29% belong to the age group of 30-35, and 20.68% belongs to 25-30. Education wise majority of the respondents have UG (56.32%) and PU (25.28%) and 18.39% are with PG qualification. Majorities (48.27%) are special assistants, 25.28%areofficers, 16.09% are clerks, and 10.34%managers, respectively. Majority (39.08%) of the respondents were in the income group of 20,000-30,000. In case of service, majority (31.03 %) of the respondents had 10 to 15 years of experience

Table 2: Employee Treatment by the supervisor/ leaders

Particulars	Strongly disagree	Disagree	Agree	Strongly Agree
My supervisor/leader is open and approachable	08	15	54	23
My supervisor/leader asks for my input on decisions that affect my work	09	17	46	28
My supervisor/leader provides me adequate direction in order for me to know what is expected of me.	06	14	44	36
My supervisor/ leader listens to my concerns	21	36	40	03
My supervisor/leader treats me with respect	11	19	51	19

***Table3*:** Employee Communication with supervisors/ leaders

Particulars	Strongly disagree	Disagree	Agree	Strongly Agree
My supervisor/ leader keeps me informed of what is occurring throughout the organization	14	12	46	28
Because of mySupervisor/leader, I have a clear understanding of the role and mission of the organization	21	24	34	21
My supervisor/leader has a vision for the organization and has effectively communicated that vision/	08	23	39	30
I understand the importance of my position in achieving the organization's goals.	06	11	61	22

Table 4: Collaboration in management decisions

Particulars	Strongly disagree	Disagree	Agree	Strongly Agree
I am able to participate in setting the goals for my department.	24	21	30	25
Every employee can contribute in discussions about setting goals for theorganization	19	26	39	16
Employee opinion considered prior todecisions being made that affect me	28	22	31	19
I feel that I am valuedby the organization and my supervisor	31	28	26	15

Leadership Styles and Techniques

It is the responsibility of the individual supervisor/ leaders to find the most appropriate style or combination of styles that works best for them. Even though one may find comfort in a specific style, as a supervisor they must demonstrate the ability to change their approach based on the situation as well as display openness to utilizing various other techniques.

In the autocratic leadership style, the leader is usually highly efficient and exercises strong command and control over decision-making, in democratic style; the leader typically delegates responsibilities, seeks input from, and shares authority with followers. They generally attempt to avoid conflict, and are naturally concerned with creating an atmosphere thatfosters warm, open, interpersonal relationships and in free rein style, the supervisor rejects control and allows the employees to have authority over decision making and group processes with minimal direction. After considering all, majority (62.25%) of the employees opined that democratic style of leadership influences much fortheir ability to effectively supervise their employees.

Recommendation and Conclusion

The ability to lead is an important element in effective supervision. As a supervisor, it is vital to be able to convince your employees to follow your lead. People generally are more likely to be influenced by those that they have high level of regard for. Employees see leadership training as assistance and are willing to invest personal, unpaid time to participate in leadership classes just to improve their efficiency in their current job. A leader who consciously analyzes the time spent on each relationship will be able to identify any new items/ actions in those relationships that are needed to achieve a desired performance.The successful supervisor will also respect every employee's learning curve. It takes time for anyone to learn new skills and be able to apply them well; this does not happen overnight. Building this development time into the application of a new skill set will make the employee more successful.Taken all together, the information presented describes a more positive and strength based approach to supervision. From this perspective, supervision has less to do with teaching and evaluation and more to do with establishing an environment which encourages individual growth and development.

Being a leader is not something that can be taught, it is a never ending learning process that is improved upon over time, and with experience. It is available to any individual who wants to be successful in leadership roles. The supervisor/leaders must be willing to work with their employees in an effort to drive the organizational mission by leading, mentoring, coaching, and persuading others to remain significant team members in an effort to obtain and maintain desired outcomes.As administrators in the field of human services, it is imperative to realize that our decisions may not always be the best or most effective decisions. In order for a supervisor to be effective as a leader, they must first have a will to learn, be open-minded, and prepared to accept new challenges. Good leaders have the capability to think outside of the box, display a sense of commitment, and do not have difficulty recognising and accepting their mistakes

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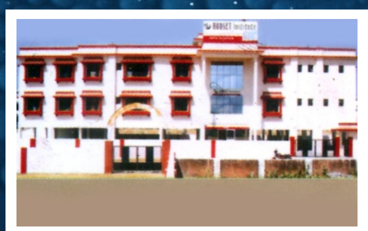
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