



# **SYNDICATE**

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**CHENNAI-600 034**



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## **FROM THE EDITOR'S DESK**

M.O.P. Vaishnav College, in its Silver Jubilee Year launched a Centre of Excellence. It also laid emphasis on developing a research culture through projects and publications.

**Research** comprises "creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of humans, culture and society, and the use of this stock of knowledge to devise new applications".

At MOP research receives the desired impetus and the articles received are peer reviewed before being published. This year the selected articles focus on Self-Concept, Challenges for Human Resource Management, Employees Preference, Women Self-Help Group, Corporate Social Responsibility and Measurement of Productivity.

The Editorial Board is interested in new ideas, new expressions and innovative research.

**Dr. Lalitha Balakrishnan**

Editor-in-Chief and Principal

M.O.P. Vaishnav College for Women(Autonomous)

Chennai

## A STUDY ON SELF CONCEPT OF STUDENTS STUDYING IN COLLEGES IN KANCHIPURAM DISTRICT- AN EMPIRICAL STUDY

Dr.S.Subbulakshmi,

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“The first step to improving anything, especially yourself, is to know where you are currently at”. -  
Jerry Burckner

### **Abstract**

*Self Concept is the ability to monitor the feelings and emotions of self and others to discriminate among them, and to use this information to guide the thinking process and actions. Thus, Self concept is a broad term that covers collection of interpersonal and intrapersonal skills. Self Concept is not innate skills. They are learned abilities, essential for success. It includes self awareness, self management, emotional management, self motivation, empathy and managing relationships.*

**Keywords:** self-efficacy-emotional management-social self-concept self-esteem and Managing relationships.

Self is the picture of oneself in one's own eyes. It is the image of the person as a whole, should be, and might like to be. It means the perceptions, beliefs attitudes and feelings with the individual views a part of the characteristic of him. person with a favourable conception of oneself due to experiences.

Self-concept in the way in which persons view themselves one's own strength and weaknesses, the way to feel about ourselves in relation to others in the social context all come under the board heading of self-concept. So it is clear that self-related variables are associated with general psychological variables. Therefore, the study of self-concept gains more and more importance recently.

### **OBJECTIVES:**

- To study the personal profile of students in colleges in Kanchipuram District.
- To study the factors associated with self-concept of Students in colleges in Kanchipuram District.
- To suggest ways and means to improve the self-concept among students in colleges in Kanchipuram District.

### **IMPORTANCE OF THE STUDY:**

The study focused on identifying the phenomena selected to self-concept among students in colleges in Kanchipuram District.. It helps to estimated social relationship and knowing one's own self. This may help the educational institution to initiate some changes in social environment so as to increasing the level of confidence among students in classroom. It helps to indicate the important construct in bringing about quality in education.

### **RESEARCH METHODOLOGY:**

**Definition of the Population:** Since the study is mainly related to know and understand the concept college students in and around Kanchipuram District. The sampling procedure followed in this study is non-probability random sampling.

### **RESEARCH DESIGN:**

The research design is ‘**Empirical**’ in nature as the researcher has made attempts to describe characteristics as it is.

**RELIABILITY ANALYSIS** :In statistical terms, reliability is based on the idea that individual or set of items should produce results consistent with overall questionnaire. Cronbaeh’s alpha,  $\alpha$ , is the most common measure of scale reliability. The value of 0.7 to 0.8 is acceptable value for cronbeah’s alpha. The reliability co-efficient for the items is 0.941 for the items of 31. It satisfies the acceptable range of 0.7 and 0.8. Hence, the researcher proceeded with the framed questionnaire.

**a. Sample Design:**

For the purpose of the study the researcher has applied “**random sampling Technique**” which is a method in non-probability sampling. Since the time and cost is the limiting factor the study is confined to this techniques and study is conducted by the direct interview with structured questionnaire.

**b. Sample Size:** A well-structured questionnaire was distributed to 110 students of 100 were responded and these 100 are taken for the study.

**c. Period of Study:** The study was conducted in the month of November 2016.

### **DATA COLLECTION:**

▪ **Primary Data:**

The primary data is known as the data collected for the first time through field survey.

▪ **Secondary Data:**

Secondary data refers to the information or facts already collected. The related information gathered from magazines, newspaper, books, project report and related websites that formed the secondary data.

### **ANALYTICAL TOOLS:**

The data were analyzed by using statistical tools. Out of various techniques of analysis, following tools were used for the study. They are,

- Percentage analysis
- Likert scale analysis
- Chi-Square analysis
- kruskalwallis analysis
- Factor analysis
- Cluster analysis

### **LIMITATION OF THE STUDY:**

- ❖ The sample size of the study is limited to 100 respondents residing in Kanchipuram District.. So, the result may not be generalized to other places.

- ❖ The attitude of students tend to change time to time so sometimes the present result may not give the correct future picture.
- ❖ The personal bias and prejudice of the respondents could have affected the result of the study.

A literature review discusses published information in a particular subject area, and sometimes information in a particular subject area within a certain time period.

**Ushakumari (2008)** has noted that teacher effectiveness has been found as one of the major characteristics of effective teaching. Justice to ones' profession cannot be done until one has better perception of effective teaching. Professor's effectiveness plays an important role in the teaching-learning process. An effective teacher must have current, thorough knowledge of the subject matter, show interest in teaching, and have an enthusiasm for the subject.

**Robbin, 2008:** In this study looked at the success and failure of 11 American Presidents-from Franklin Roosevelt to Bill Clinton. They are evaluated on six qualities-communication, organization, political skill, vision, cognitive style, and emotional intelligence. The study reported that the key quality that differentiated the successful (like Roosevelt, Kennedy, and Reagan) from the unsuccessful (like Johnson, Carter and Nixon) was emotional intelligence.

### **Dimensions Of Self-Concept**

**Social Self-Concept:** The social self-concept refers to how the individual believes he or she is seen by others. It generally changes to 'match the person or group with which the individual is interacting.

**Student's-Effectiveness:** Student's effectiveness refers to different job skills acquired in the class room, namely, confidence, command, adaptability, personal effectiveness and positive attitude in learning their job skills.

**Academic Problem Solving And Performance:** Academic problem solving is defined as the ability to use knowledge, facts and data to solve issues and problems that arise in the class room/ in the institution.

**By applying percentage analysis, following findings have been obtained.**

- 74% of the respondents belong to the age group 18-22
- 67% of the respondents are UG graduates
- 20% each of the respondents belong to teaching, IT, manufacturing, marketing and service sectors
- 53% of the respondents belong to a family income level of less than Rs.10000 pm

**Specific Findings: by applying Likert scale analysis, the following results have been obtained:** The respondents given their first preferences as Feel good about work followed by Positive attitude towards myself, Proud of ability, Handle the situations, Cope with work, Confident to handle the job without constant assistance, Useful contribution, and the least for More scholastic ability.

**By applying Chi Square analysis the following results have been obtained:** Family Income has influence on the respondent regarding the level of self-esteem.

**By applying kruskalwallis analysis, the following results have been obtained:**

- a. Age has influence on the level of performance of social self factor
- b. Age has no influence on the level of self efficacy factor

**Factor Analysis:** From the table, it is clear that the value of KMO i.e. 0.765 is higher than the minimum value prescribed by Kaiser. This proves sample adequacy. Hence, the KMO supports factor analysis. By seeing the value of Bartlett’s test, it is less than the value stated i.e. 0.05. Hence, from this perspective also the factor analysis is feasible. The total variance of the 20 variables factors exhibits 68.182% with 3 Eigen values. The factors from 1 to 3 are account for 39.524%, 18.497% and 10.161% of the variance. All the remaining factors are not significant. The table shows the extraction of all the 20 variables, and how these are loaded on “THREE” factors. These three factors are named and variables included in each factor are explained below:

**Factor 1: Social Self Factor :** The first factor consists of thirteen variables, it includes the following, 1. Peers expectation -0.953: 2. Agreeable person – 0.900 : 3. Submissive tone – 0.897: 4. Alternative to select – 0.895: 5. Co-ordination – 0.889: 6. Emotional control – 0.856: 7. Quality of interaction – 0.835 : 8. Comfortable person – 0.663 : 9. Developing skills – 0.660: 10. Core values – 0.572 : 11. Proud – 0.502: 12. Important person – 0.208: 13. Understanding – 0.035. The total variance explained in this factor is 8.835. The first factor shall be named as “**Social Self Factor**”

**Factor 2: Self Efficacy Factor:** The second factor consists of three variables, which are listed below: 1. Senior’s expectation – 0.778, 2. Perception of others – 0.657 & Kind person – 0.086. The total variance explained in this factor is 1.521. The second factor shall be named as “**Self Efficacy Factor**”

**Factor 3: General Esteem Factor:** The third factor consists of four variables which are listed below: 1. Friends on age – 0.723 : 2. Strength and weakness – 0.668 : 3. Positive attitude – 0.647 and 4. Parents trust – 0.082. The total explained in this factor is 2.12. This factor shall be named as “**General Self Esteem Factor**”.

**Cluster Analysis:** In this section, the attitude of students towards the predominant factors of self concept that is, the three factors namely social self concept factor, teaching effectiveness factor, general self esteem factors are classified into heterogeneous groups.

**TABLE SHOWING THE CLASSIFICATION BASED ON THE FACTOR OF SOCIAL SELF CONCEPT**

|                       | Cluster |        |        |
|-----------------------|---------|--------|--------|
|                       | 1       | 2      | 3      |
| Peer’s expectation    | M-2.94  | W1.24  | S(5.00 |
| Agreeable person      | S-2.71  | W-1.92 | W-1.17 |
| Submissive tone       | S-1.46  | W-1.61 | S-2.00 |
| Alternative to select | S-2.54  | W-1.54 | S-2.00 |
| Co-ordination         | M-2.20  | W-1.24 | S-4.50 |
| Emotion control       | M-2.23  | W-1.00 | S-4.17 |

|                        |        |         |        |
|------------------------|--------|---------|--------|
| Quality of interaction | M-3.03 | W-1.64  | S-4.00 |
| Comfortable person     | S-4.11 | W-1.80  | M-3.00 |
| Developing skills      | W-2.51 | W- 2.14 | S-5.00 |
| Core value             | M-3.31 | W-1.34  | S-5.00 |
| Proud                  | M-2.40 | W-1.58  | S-4.17 |
| Important person       | M-2.74 | W-1.32  | S-3.83 |
| Understanding          | M-2.54 | W-1.47  | S-3.00 |

Conclusions are drawn on the basis of rank analysis.(S- Strong: M-Medium : W – Weak ).

**INTERPRETATION:** The above ranking analysis clearly reveals that **group one** students are **strongly influenced** by four variables namely understanding, important person, proud, developing skills.**Group three** students are **strongly influenced** by ten variables namely peer’s expectation, understanding, important person, alternative to select, agreeable person, comfortable person, core value, quality of interaction, co-ordination, submissive tone.

**Frequency Loading of Clusters of Social Self Concept Factors:**The respondents have been categorized into three groups in the nature of Assertive Behaviour. They are given in the table below:

**TABLE SHOWING FREQUENCY LOADING OF CLUSTERS OF SOCIAL SELF CONCEPT**  
**Number of Cases in each Cluster**

|         |   |         |
|---------|---|---------|
| Cluster | 1 | 35.000  |
|         | 2 | 59.000  |
|         | 3 | 6.000   |
| Valid   |   | 100.000 |
| Missing |   | .000    |

**INTERPRETATION:**

35% of the students are categorized in Group I and are named as “**socially adjustable pupil**”, and 6% are grouped into third category. They are named as “**teaching efficacy pupil**”.

**TABLE SHOWING THE NATURE AND CLASSIFICATION BASED ON THE FACTOR OF SELF EFFICACY**

|                      | Cluster     |               |               |
|----------------------|-------------|---------------|---------------|
|                      | 1           | 2             | 3             |
| Senior expectation   | WEAK (2.82) | STRONG (3.00) | STRONG(3.85)  |
| Perception of others | WEAK(1.66)  | STRONG(4.67)  | MEDIUM(2.48)  |
| Kind person          | WEAK (1.81) | STRONG(1.67)  | STRONG((4.22) |

**INTERPRETATION:**The above ranking analysis clearly reveals that group two, the pupils are strongly influenced by two variables namely senior expectation, and perception of others.Group three, the pupils are strongly influenced by two variables namely senior expectation and kind person.

**Frequency Loading of Clusters of Self Efficacy Factors:** The respondents have been categorized into three groups in the nature of Assertive Behaviour. They are given in the table below:

**TABLE SHOWING FREQUENCY LOADING OF CLUSTERS OF SELF EFFICACY**  
 Number of Cases in each Cluster

|         |   |         |
|---------|---|---------|
| Cluster | 1 | 67.000  |
|         | 2 | 6.000   |
|         | 3 | 27.000  |
| Valid   |   | 100.000 |
| Missing |   | .000    |

**INTERPRETATION:**6% of the members are categorized in Group II and are named as “Interactive pupil”, and 27% of pupils are grouped into third category. They are named as “agreeable students”.

**TABLE SHOWING THE CLASSIFICATION BASED ON THE FACTOR OF GENERAL SELF ESTEEM**

|                       | Cluster |         |         |
|-----------------------|---------|---------|---------|
|                       | 1       | 2       | 3       |
| Friends on age        | W(1.70) | M(2.33) | S(3.95) |
| Strength and weakness | W(1.44) | S(2.96) | W(1.64) |
| Positive attitude     | W(1.44) | S(3.79) | W(1.64) |
| Parents trust         | W(1.41) | M(2.92) | S(3.05) |

**INTERPRETATION:**

The above ranking analysis clearly reveals that **group two** students are strongly influenced by two variables namely aware of strength and weakness, positive attitude.**Group three**, the students are strongly influenced by two variables namely friends on age, parents trust.

**Frequency Loading of Clusters of Self Esteem Factors:**The respondents have been categorized into three groups in the nature of Assertive Behaviour. They are given in the table below:

**TABLE SHOWING FREQUENCY LOADING OF CLUSTERS OF SELF ESTEEM**  
 Number of Cases in each Cluster

|         |   |         |
|---------|---|---------|
| Cluster | 1 | 54.000  |
|         | 2 | 24.000  |
|         | 3 | 22.000  |
| Valid   |   | 100.000 |
| Missing |   | .000    |

**INTERPRETATION:**24% of the respondents are categorized in Group II and are grouped as “self awareness pupil”, and 22% of respondents grouped into third category. They are named as “talented pupil”.

**SUGGESTIONS:** Based on the study, it is found that the students should be mentally prepared for accepting the situation and manner in which they can react. Here are some of the suggestions given to improve one's ownself.

- Give self-appreciation whenever a job/task well done. And may also share it with friends and peer groups. Justified praise is a good boost to morale.
- Stand up for own beliefs and do not be pressured by others. It is advisable to be an assertive person.
- It is suggested that people should not be critical of themselves to others. Whilst it can be useful to confide her concerns to someone she trust, telling the world is something else. People should be kind to themselves.
- Allow time for own-self each day. This may only be a few minutes, but it is important to be quiet and to unwind. Follow the relaxation techniques available.
- Everyone has problems, hence one should not think that their problems greater than others. By being negative they may be isolated from others and may cut off from solutions to problems.

**CONCLUSION:** Self-Concept is the “feeling of self-appreciation” and it is an indispensable emotion for people to adapt to society and live their lives. Evaluating one's ownself can be an effective method for understanding their past and present circumstances. Self-Concept is complex, and it is difficult to generalize the results from this study. However, it seems that social support, self-efficacy and coping are important aspects regarding self-concept.

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## IMPACT OF GLOBALIZATION ON BUSINESS ENVIRONMENT “Challenges For Human Resource Management”

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Assistant Professor-BSSS, Bhopal

### *Abstract*

*“Companies must navigate the choppy waters of a complex global economy, and position themselves to attract and retain the workers they will need on this journey.”*

This paper talks about the firms facing several challenges from both the future workforce and from the changing nature of work itself globally. As a result, HR managers will need to get ahead of the game by understanding these major future demographic, technological and societal shifts, and then preparing themselves accordingly.

Globalization is not just a recent phenomenon. Some analysts have argued that the world economy was just a globalized 100 years ago as it is today. Yet the term is used since the 1980's, reflecting technological advances that have made it easier and quicker to complete international transactions, both trade and financial flows. Globalization has emerged in the 21st century presents distinctive HRM challenges to businesses especially those operating across national boundaries as multinational or global enterprises. Global business is characterized by the free flow of human and financial resources. This accentuates the need to manage HR effectively to gain competitive advantage in the global market place. At a political and economic level, globalization is the process of denationalization of markets, politics and legal systems i.e. the use of the so-called global economy. Globalization refers to an extension beyond national borders of the same market forces that have operated for centuries at all levels of human economic activity (village markets, urban industries, or financial centers). It means that world trade and financial markets are becoming more integrated. At a business level, we talk of globalization when organization decides to take part in the emerging global economy and establish themselves in foreign markets. First they will adapt their products or services to the customer's linguistic and cultural requirements. Then, they might take advantage of the internet revolution and establish a virtual presence on the international market place with a multilingual corporate website or even as an e-business. Sweeping demographic changes across both the developed and developing world will place greater pressure on both the government and private sector to initiate and implement creative solutions to educate, integrate and retain a rapidly changing and diverse working population. With hundreds of millions of women predicted to pour into the global workforce in the coming years, and temporary and part-time workers a significant and seemingly permanent fixture, companies need to adapt further to a new breed of employee.

### **HR challenge: Adapting to a rapidly changing worker profile:-**

When you add the issues of a multi-generational workforce and growing cultural diversity, it is no surprise that people management is cited to be by far the most substantial challenge facing companies over the next five to ten years. Ageing populations across the globe will continue to pose a challenge for businesses. On the one hand, experienced employees are departing the workforce, leaving a leadership void. On the other hand, many older workers, particularly those in the US, Japan and other industrialized countries, plan to carry on

working well past the traditional retirement age. Many will simply need to continue earning, as social safety nets, pensions and other benefits will no longer be adequate or available. But HR will need to establish more targeted incentive structures to keep less committed older workers in the workforce. Companies will also need to anticipate and assess which new skills and training older employees will require, particularly in the realm of technology where they may feel less comfortable than many of their younger colleagues.

Preparing the world's youth for the workplace will certainly present challenges. In countries with high youth unemployment rates, there are increased concerns that many young people will leave the workforce permanently, producing a lost generation. Meanwhile, the skills and education of the millennials who remain in the workforce must always be relevant and attractive to employers. As we see below, governments, companies and educational institutions will need to create solutions that reform the educational system, and prepare the future workforce for employment opportunities. Companies have so far struggled to maximize the potential of women, who are dramatically under-represented at the top of major companies. A mere 13 out of the largest 500 companies in the world by revenue had women CEOs in 2012, a proportion of just 2.6 percent. Nine of these CEOs were in the US, where, nevertheless, women occupied just 16.9 percent of corporate board seats in Fortune 500 companies in 2013. In Southern Europe, in countries such as Greece, Portugal and Spain, that figure is comfortably within single figures. The standard reason given for female under-representation at the top of the business world is the fact that women often take time out of the workplace to look after a family. However, around one in four American graduate women is now childless in their mid-forties, reportedly rising to one in three in Germany. Clearly, other factors, such as the lack of female role models and the challenges of breaking into a male-dominated club, also play a part. Whatever the cause, the result is a waste of the talent that companies maintain is so difficult to find.

HR challenge: The range of skills that employees need have not necessarily been provided by traditional educational systems. To complicate matters further, there is lack of standardization in education, especially in a global context. As businesses expand and hire beyond borders, the need for HR to scrutinize job qualifications carefully becomes ever more important. Major disparities exist between various regions and institutions in individual countries, as well as between countries. The ability to understand these differences will enable HR to make more informed hiring decisions. Through collaboration with other functions of the organization, HR can increase its understanding of qualifications and skill sets to ensure that hired employees are capable of executing their functions. Population decline, due to lower birth rates, along with stagnant educational reform, have prompted many organizations to fear future skills shortages, particularly in certain roles. Strategic vision and the ability to handle complexity were cited to be the most difficult skills to find among senior executives, presumably also the reason why strategic roles are deemed so problematic to fill. Companies are clearly struggling to recruit those with the apparently rare ability to guide them through an unpredictable and competitive external environment. The lack of advanced soft skills appears particularly acute in Asia Pacific, causing concern to the many global companies seeking a rapid expansion in the region.

### **Retaining and engaging a changing workforce**

As the demographic composition of the workforce changes, their motivations and expectations evolve too. It is imperative that HR understands what is most valued by these workers. Is it compensation, or prestige, or perhaps autonomy at work? In many cases, HR will have to adapt their incentives, benefits policies, and retention strategies for workers that are not just driven by financial compensation. It is not enough simply to recruit able staff. Companies have to make sure that their people are committed, productive, and do not leave after a short period, incurring substantial turnover costs and wasting all previous training invested in them.

This will be no easy task. Much of the workforce is not engaged in their work. According to Gallup's latest 142-country study on the global workforce, only 13 percent of workers worldwide are "engaged," meaning that they are psychologically committed to their jobs. The bulk of the working population—63 percent—are "not engaged," indicating that they lack motivation. A substantial minority—24 percent—are "actively disengaged," unhappy and unproductive and liable to spread negative attitudes to co-workers.<sup>76</sup>

Generation Y, as they are commonly known, are reputed to have low organizational loyalty and are eager to make an impact. Even if these younger, skilled workers are committed, retaining them is a major challenge and HR will have to explore varied retention techniques, adapted to the preferences of the relevant individual.

**Aligning technology best practices to global management strategy-** In the last 20 years, new communication technology, such as email, mobile phones and web and videoconferencing has not only facilitated closer contact with clients in distant lands, it has allowed multinational companies to form cross-border teams, where colleagues can communicate with each other constantly, despite not being located in the same place. In short, technology has enabled the international expansion that companies seek.

#### **HR challenge: Winning the war for talent**

People migration, both cross-border and within countries, adds another layer of complexity to the labor market. Governments play a big role in determining and controlling that flow of labor. However, as organizations continue to expand globally and face skills shortages locally, many require a more mobile workforce. Therefore, organizations and governments alike will seek to understand and gather data on how migration patterns are affecting the composition of the labor market, and how educational attainments and skill sets are shifting.

#### **HR challenge: Hiring and retaining talent while lowering labor costs**

Large labor-productivity gains over the past few decades have not been matched by comparable wage gains. While both increased technology adoption and globalization contribute to this phenomenon, companies' increased focus on maximizing shareholders' value has also been a substantial factor. Furthermore, looser labor laws and decreased union rates have decreased workers' bargaining power. While this trend has been in existence for a while, pressure across corporations to curb labor costs has only become more acute with the latest global financial crisis.

Retention of talent will prove challenging, as employees feel that stellar performances are not being rewarded appropriately. While their employers continue to have higher work expectations, employees' efforts are not necessarily translating into compensation they deem to be satisfactory. This is creating a challenge for HR as turnover rates increase. Finding and hiring talent will not prove any easier, as firms continue to decrease their labor investment. On a day-to-day basis, workers may not be as motivated and engaged. HR will have to continue to explore retention strategies and benefits models that focus on factors beyond financial compensation.

Companies may often prefer to have flexible arrangements with employees and avoid costly employee benefits by hiring non-traditional workers. However, developing and engaging the legions of part-time, temporary and freelance workers at all levels of the company is a growing issue for companies. As we have seen, many part-time staff, and most temporary staff, would rather be working on a more long-term footing. To complicate matters, as a recent paper by Cappelli and Keller discusses, temporary workers often find themselves in "triangular arrangements," where it is unclear whether their organizational loyalties lie with

temporary agencies or the hiring organization. The costs of less engaged staff with lower organizational loyalty—poor customer service, less attention to quality, little commitment to the company, and higher levels of turnover—threaten to be more substantial than the savings incurred by resorting to flexible employees.

Hence there are many challenges which are to be addressed at International geopolitical human resource perspectives.

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## **EMPLOYEES PREFERENCE ON DIGITAL WALLET IN CHENNAI CITY**

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### ***Abstract:***

A digital wallet allows users to make electronic commercial transactions swiftly and securely. It functions much like a physical wallet. A digital wallet has both a software and information component. The software provides security and encryption for personal information and for the actual transaction. This study aims to understand customer preference on digital wallet, its impact and satisfaction level among employees in Chennai city.

### **INTRODUCTION:**

Back to history, mobile wallet is developed from a concept called “Digital Wallet”. It dated back in 1996 when the founder of Digital Wallet, Sam Pitroda, who filed the patent in the United States [see (Sam Pitroda Patents)]. He “professed that a digital wallet would consist of a liquid crystal display not much bigger than a regular plastic bank card, which preferably a touch-sensitive screen and simple user interface that lets the user flip through the digital wallet in the same manner he/she flips through a leather wallet”. (Pitroda S., Desai M., 2010)

One view, expressed by Kevin Erickson (2013) - a technology blogger from Credera (a technology consulting firm from the USA) is that mobile wallet tries to perform these following features for single user (Erickson, 2013):

- ✓ Display and store coupons or account offers from businesses which users subscribed or engaged with
- ✓ Identify real time discounts and offers from different business locations
- ✓ Provide search engine and evaluation tool for restaurants and shops based on location
- ✓ Act as payment tool with credit and debit cards
- ✓ Organize receipts

Mobile wallet is a very young concept in India that has taken on consumer psyche rapidly. Everyone is loving mobile wallets and embracing them with open arms. Today, mobile wallet is one of the successful business ideas for start-ups. The evidence lies in the fact that it has surpassed credit cards in terms of the number of users in just a fraction of time. The demonetization of Rs 500 and Rs 1000 currency notes has been working largely in the favor of digital wallet startups. India has seen a phenomenal increase in the number of digital wallets and is slowly moving towards being a cashless country. And with the transaction limit on digital wallets being increased to Rs 20,000, it just keeps getting better. Here are the top 20 digital wallets in India:

- 1) Airtel Money
- 2) Citi Master Pass
- 3) Citrus Pay
- 4) Ezetap
- 5) Freecharge
- 6) HDFC PayZapp
- 7) ICICI Pockets
- 8) JioMoney
- 9) Juspay

- 10) LIME
- 11) Mobikwik
- 12) MomoeXpress
- 13) MoneyonMobile
- 14) Mswipe
- 15) Ola Money
- 16) Oxigen
- 17) PayMate
- 18) Paytm
- 19) PayUmoney
- 20) State Bank Buddy (SUMR.HR.COM)

### **LITERATURE REVIEW:**

Jiangping Wan Ming Zeng, Lianyu Liang(2013) studies on usability impact factors of electronic wallet-one card solution within college students includes the analysis of the current situation within the electronic wallet-one card solution for college students, the analysis of behavior habit within using the electronic wallet-one card solution for college students, and sets up a preliminary usability evaluation indicator system of electronic wallet-one card solution for college students, and the factor analysis for usability evaluation indicator system through the questionnaire. According the result of factor analysis, they set up an improved usability evaluation indicator system of electronic wallet-one card solution for college students. The purpose of the study is to improve the usability of electronic wallet-one card solution.

Dr Hem ShwetaRathore (2016) study tries to study the various factors that can affect a consumer's decision to adopt digital wallet as a mode of online payment. Apart from this, the study also attempt to find out the various risks and challenges faced by users of digital wallet.

Ngoc Doan (2014) illustrates clearly that the adoption image of mobile wallet among consumers in Finland is only at the beginning stages of the Innovation-Decision Process: Knowledge Stage and Persuasion Stage. Only when there is effective solution for the burdens, there will be more consumers start to use mobile wallet..

### **NEED FOR THE STUDY:**

Demonetization in India brought a vast change in customer purchase behaviour, spending style etc., the cashless economy importance is insisted to everyone. Especially the working people migrated from cash purchase to online purchase. Thus the need for the study is to identify the customers purchase behavior through online and preference factors.

### **OBJECTIVE OF THE STUDY**

1. To identify the customer preference on digital wallet usage.
2. To find the impact of customer preference and satisfaction on digital wallet usage.

### **DATA COLLECTION**

Data for the study were collected as small part of a smaller study through self-administered questionnaires from the employees in Chennai city. Convenience sampling method is used to collect questionnaire. A total of 50questionnaires were hand-delivered to respondents. After two days the 50 questionnaire distributed were collected and all the 50 were usable.

**ANALYSIS OF THE STUDY:**

**PERCENTAGE ANALYSIS**

| <b>Basis</b>                        | <b>%</b> |
|-------------------------------------|----------|
| <b>Gender</b>                       |          |
| Male                                | 54       |
| Female                              | 46       |
| <b>Age</b>                          |          |
| 15-25                               | 22       |
| 26-35                               | 68       |
| Above 35                            | 10       |
| <b>Frequency of online Purchase</b> |          |
| Once in a month                     | 22       |
| Once in fortnight                   | 10       |
| Once a week                         | 38       |
| 2-3 times a week                    | 14       |
| Daily                               | 16       |

The above table clearly states that 54% of respondents are male and 46% of them are female, 68% of their age falls between 26-30 years, 22% of them are between 15-25 years and 10% of the respondents were above 35 years and 38% respondents made their purchase once in a week through online, 22% of them buy once in a month, 16% of them uses online shopping daily, whereas 14% of the respondents purchase 2-3 times in a week and 10% of them use once in fortnight.

**MODE OF PAYMENT**

|    | Mode of payment | Always | Mostly | Sometimes | Rarely | Never |
|----|-----------------|--------|--------|-----------|--------|-------|
| a. | Debit card      | --     | --     | 14        | 18     | 16    |
| b. | Credit card     | 42     | 4      | 34        | 10     | 10    |
| c. | Online banking  | 40     | 8      | 26        | 12     | 14    |
| d. | Digital wallet  | 10     | 40     | 18        | 28     | 4     |

18% of the respondents rarely use their mode of payment in Debit card, 42% of the employees always prefer to use through credit card, 40% of them prefer to buy in online banking and 40% of the respondents mostly use their digital wallet for making payment on their purchase.

**FREQUENCY OF DIGITAL WALLET USAGE**

| Frequency | %  |
|-----------|----|
| Once      | 68 |

|            |    |
|------------|----|
| Some times | 12 |
| Many times | 10 |
| Always     | 10 |

68% of the respondents have used digital wallet only once, 12% of the respondents use some times, 10% of the respondents have used many times and the other 10% of the respondents use always their digital wallet.

**ONE – SAMPLE STATISTICS FOR CUSTOMER PREFERENCE ON DIGITAL WALLET**

| <b>Variables</b>              | <b>N</b> | <b>Mean</b> | <b>Std. Deviation</b> | <b>Std. Error Mean</b> | <b>t</b> | <b>Sig. (2-tailed)</b> | <b>Rank</b> |
|-------------------------------|----------|-------------|-----------------------|------------------------|----------|------------------------|-------------|
| Nominal price                 | 50       | 1.9         | 0.65                  | 0.09                   | 20.77    | 0.0000                 | 1           |
| Safety and security           | 50       | 2.32        | 0.79                  | 0.11                   | 20.67    | 0.0000                 | 2           |
| Usefulness of digital wallet  | 50       | 2.02        | 0.77                  | 0.11                   | 18.57    | 0.0000                 | 3           |
| Branded products availability | 50       | 1.96        | 0.78                  | 0.11                   | 17.74    | 0.0000                 | 4           |
| Notification                  | 50       | 2.04        | 0.83                  | 0.12                   | 17.34    | 0.0000                 | 5           |
| Discounts                     | 50       | 1.98        | 0.84                  | 0.12                   | 16.57    | 0.0000                 | 6           |
| Variety                       | 50       | 1.84        | 0.82                  | 0.12                   | 15.92    | 0.0000                 | 7           |
| Easy usage                    | 50       | 1.92        | 0.88                  | 0.12                   | 15.48    | 0.0000                 | 8           |
| Utility innovation            | 50       | 1.8         | 0.88                  | 0.12                   | 14.45    | 0.0000                 | 9           |
| Pricing                       | 50       | 1.68        | 0.84                  | 0.12                   | 14.08    | 0.0000                 | 10          |
| Convenience                   | 50       | 1.74        | 0.88                  | 0.12                   | 14.04    | 0.0000                 | 11          |

These t values are statistically significant at 5% level. Therefore the ranking can be done on the basis of mean values as well as the t values. Hence it can be concluded that majority of the respondents strongly prefer digital wallet due to its nominal price. They also prefer for safety and security. The customers prefer the digital wallet because of its usefulness, branded product availability, notification on discounts and variety of products make easy usage of utility innovation on digital wallet. They also prefer for its valid pricing and convenience.

**ONE WAY ANOVA TABLE BETWEEN GENDER AND PREFERENCE FACTORS FOR DIGITAL WALLET**

| <b>Preference Factors</b> |                | <b>Sum of Squares</b> | <b>Df</b> | <b>Mean Square</b> | <b>F</b> | <b>Sig.</b> |
|---------------------------|----------------|-----------------------|-----------|--------------------|----------|-------------|
| Pricing                   | Between Groups | 3.55                  | 1         | 3.55               | 5.439    | 0.024       |
|                           | Within Groups  | 31.33                 | 48        | 0.653              |          |             |
|                           | Total          | 34.88                 | 49        |                    |          |             |
| Nominal price             | Between Groups | 1.102                 | 1         | 1.102              | 2.728    | 0.105       |
|                           | Within Groups  | 19.398                | 48        | 0.404              |          |             |
|                           | Total          | 20.5                  | 49        |                    |          |             |
| Convenience               | Between Groups | 2.029                 | 1         | 2.029              | 2.736    | 0.105       |

|                               |                |        |    |       |       |       |
|-------------------------------|----------------|--------|----|-------|-------|-------|
|                               | Within Groups  | 35.591 | 48 | 0.741 |       |       |
|                               | Total          | 37.62  | 49 |       |       |       |
| Easy usage                    | Between Groups | 4.128  | 1  | 4.128 | 5.905 | 0.019 |
|                               | Within Groups  | 33.552 | 48 | 0.699 |       |       |
|                               | Total          | 37.68  | 49 |       |       |       |
| Branded products availability | Between Groups | 1.949  | 1  | 1.949 | 3.345 | 0.074 |
|                               | Within Groups  | 27.971 | 48 | 0.583 |       |       |
|                               | Total          | 29.92  | 49 |       |       |       |
| Security and safety           | Between Groups | 0.149  | 1  | 0.149 | 0.233 | 0.632 |
|                               | Within Groups  | 30.731 | 48 | 0.64  |       |       |
|                               | Total          | 30.88  | 49 |       |       |       |
| Utility of innovation         | Between Groups | 0.931  | 1  | 0.931 | 1.205 | 0.278 |
|                               | Within Groups  | 37.069 | 48 | 0.772 |       |       |
|                               | Total          | 38     | 49 |       |       |       |
| Usefulness of digital wallet  | Between Groups | 0.964  | 1  | 0.964 | 1.651 | 0.205 |
|                               | Within Groups  | 28.016 | 48 | 0.584 |       |       |
|                               | Total          | 28.98  | 49 |       |       |       |
| Discount offers               | Between Groups | 1.009  | 1  | 1.009 | 1.426 | 0.238 |
|                               | Within Groups  | 33.971 | 48 | 0.708 |       |       |
|                               | Total          | 34.98  | 49 |       |       |       |
| Variety of products           | Between Groups | 0.008  | 1  | 0.008 | 0.012 | 0.913 |
|                               | Within Groups  | 32.712 | 48 | 0.681 |       |       |
|                               | Total          | 32.72  | 49 |       |       |       |
| Notification of products      | Between Groups | 0.001  | 1  | 0.001 | 0.001 | 0.979 |
|                               | Within Groups  | 33.919 | 48 | 0.707 |       |       |
|                               | Total          | 33.92  | 49 |       |       |       |

The P value for price factor is 0.024 and for easy usage 0.019. Thus it is inferred that Price of the products in digital wallet and ease of use is found statistically significant at 5% level and strongly preferred by the male and female employees.

#### **PERCENTAGE ANALYSIS ON DIGITAL WALLET**

|    | <b>Factors</b>                              | <b>S.A</b> | <b>A</b> | <b>N</b> | <b>DA</b> | <b>S.DA</b> |
|----|---|------------|----------|----------|-----------|-------------|
| 1. | Satisfaction                                | 72         | 4        | 12       | 2         | 10          |
| 2. | continue of digital wallet                  | 34         | 38       | 20       | 4         | 4           |
| 3. | Digital wallet not safe and secure          | 22         | 24       | 36       | 14        | 4           |
| 4. | Track transaction and use for other purpose | 42         | 24       | 18       | 12        | 4           |
| 5. | DWP may ask irrelevant questions            | 38         | 20       | 28       | 12        | 2           |

From the above table the 72% of the employees are highly satisfied with digital wallet, 38% of the respondents prefer to continue their purchase through digital wallet, 36% feel neutral on digital wallet not safe and secure, 42 % of them strongly believe that digital wallet service provider track the

customer transaction and they use for other purpose and 38% of them strongly accept that digital wallet providers ask irrelevant questions.

## **CONCLUSION**

The main purpose of the study is to identify the factors influencing Customer preference on digital wallet; the respondents are attracted to their price and ease of use. The study also proves there is an impact on these factors more over the customers are satisfied with the service provider and they stay with such mode of purchase. The digital service provider has to take certain efforts in asking irrelevant question to their customers during their purchase. To make digital wallet more effective the fear on customers tracking should be removed from the minds of customers either providing some awareness on safety and security

## **LIMITATIONS**

The scope of this study is limited to employees. Only 50 samples were collected at using convenient random sampling. The findings are thus limited in their ability to be projected Digital wallet. There is no denying of the fact that because of socioeconomic background and different types of customers there is a variation in the attitude of respondents.

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## AN ECONOMICAL IMPACT AMONG THE WOMEN SELF HELP GROUP THROUGH MICRO-CREDIT IN COMMERCIAL BANKS IN TAMILNADU

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The innovative credit delivery system, namely micro-finance is a breakthrough in the world of finance. It changes the life of the poor, especially women, not only by providing financial services such as micro savings and micro insurance, but also imparting training in entrepreneurial development. Over the past few decades, microfinance institutions and programmes all over the world have adopted numerous innovative ways of providing credit to the economically poor entrepreneurs and augmenting their savings. These include the provision of small loans to the poor, especially in rural areas, at full-cost interest rates without collateral security and repayable in frequent instalments. Borrowers are organized into groups, which reduces the risk of default. Moreover effective mechanisms to disseminate valuable information on ways and means to improve the health, establish legal rights, get sanitation and other relevant concerns of the poor have been found out.<sup>1</sup>

The term 'micro-credit' is perceived to be a Paradigm shift in the quality of delivery of finance to micro-entrepreneurs. The old paradigm of micro-finance envisaged providing credit to the poor basically residing in rural and semi urban areas at subsidized rates of interest through public or government financial institutions. The new micro-finance system continues to target the rural and urban poor household with emphasis on women borrowers, provision of finance for asset creation and on the principle of 'Borrower knows best' (Kaladhar, 1997).

The poor, especially women, have traditionally not been recognized as credit-worthy or savers of money and thus they are not perceived as a profitable market of credit. This forces them to fall into the vicious cycle of everlasting high interest and high collateral loan from money lenders. The sine quo non of any anti-poverty strategy is the irrepressible desire and innate capacity of the poor to uplift their economic conditions.

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<sup>1</sup>Christabell. P.J., "Women Empowerment through Capacity Building", *The Role of Micro-Finance*, University of Kerala, 2003. <sup>2</sup>Kaladhar K., Micro Finance in India", *Economic and Political Weekly*", October 18, 1997.

Therefore, a need arises for innovative credit delivery system that deviates from formal collateral oriented lending institutions to informal structures. It has been felt all over the world today that micro-finance can simultaneously help alleviation of poverty and empowerment of women.

### **STATEMENT OF THE PROBLEM**

Since 1950, the Government of India has been trying various programmes to alleviate poverty. Studies show that these programmes implemented through banking institutions, are not fully successful in meeting their socio- economic objectives. The financial institutions here have not been able to reach the poor households particularly women in the unorganised sector. Structural rigidities and overheads lead to high cost in advancing small loans. Experience in implementing different anti-poverty and other welfare programmes has shown that the key to success lies in starting appropriate community-based organizations with their member's participation at the grass-root level. Moreover, the group approach is one of the effective ways to reduce poverty and difficulties of small businessmen and agriculturists. Realizing this importance of Micro-Credit through commercial banks in helping homemaking women's upliftment, the researcher has made a sincere and humble attempt to examine how far Micro-Credit has empowered them. The present study endeavors to analyse the impact of Micro Credit through commercial banks on the members of Self Help Groups and offer suggestions for the upliftment and empowerment of beneficiaries throughout Tamilnadu.

### **OBJECTIVES OF THE STUDY**

The objectives of the proposed study are:

1. To analyse the systems of micro credit.
2. To gauge the impact of microcredit on the economic development of the beneficiaries.
3. To test the attitude of the members of the Self Help Groups with reference to the economic , social , psychological and political impacts and
4. To suggest ways and means for effective and efficient functioning of Self Help Groups in Tamilnadu, India.

### **METHODOLOGY**

Designing a suitable methodology and selection of suitable analytical tools are important for a meaningful analysis of any research problem. This section of the thesis is devoted to the description of the methodology which includes sampling procedure, period of study, collection of data and tools of analysis.

Tamilnadu comprises of 30 districts. For the purpose of collecting primary data, district-wise lists of beneficiaries have been obtained from the Project Office, District Rural Development Agency, Programme Officer, Tamil Nadu Corporation for Development of Women Ltd., (TNCDW) and Non-Government Organisations (NGOs) functioning inTamilnadu. 350 sample beneficiaries have been selected at random from the all the districts proportionately.

The study is an analytical one and comprises both primary and secondary data. The secondary data have been collected from publications, documents, annual reports, journals, magazines, books and periodicals. Data at the district level have been collected from the records of Women Development Department and MahalirThittam office in Tamilnadu

The selected respondents were contacted in person and the objectives of the study were clearly explained to them and their co-operation was sought. The details regarding the general categories of the sample respondents, their family characteristics, incomes, savings and the like relating to the overall objectives of the study were collected from them through direct personal interview method.

### **TOOLS OF ANALYSIS**

In order to test the significant difference in the performance scores of different groups, based on tenure of existence, literacy level of the leader of the group and the size of the membership, the Kruskal-Wallis Test has been used.

$$H = \frac{12}{N(N+1)} \left( \frac{R_1^2}{n_1} + \frac{R_2^2}{n_2} + \dots + \frac{R_k^2}{n_k} \right) - 3(N+1)$$

Where

$n_1, n_2, \dots, n_k$  are the number in each of k samples

$N = n_1 + n_2 + \dots + n_k$  and  $R_1, R_2, \dots, R_k$  are rank sums of each sample.

To study the social impact of micro credit on SHG members, the factors like the level of self-confidence, behavioural changes and participation in social life have been taken into account.

With a view to finding out whether there is any significant difference in social conditions of members between the period before and the period after joining the SHGs, the MC Nemar Test and the Sign Test have been used.

#### **MC Nemar Test**

| Before Membership | After Membership |        |
|-------------------|------------------|--------|
|                   | Do not favour    | Favour |
| Favour            | A                | B      |
| Do not favour     | C                | D      |

$$\chi^2 = \frac{(|A - D| - 1)^2}{(A + D)} \text{ with d.f.} = 1$$

Sign Test

$$K = \frac{n - 1}{2} - 0.98 n$$

To study the economic impact of micro credit on SHG members and factors like value of assets possessed, level of income earned by members, their expenditure pattern and their level of savings before and after joining SHG have been considered.

To find whether there is any significant difference in the economic conditions before and after joining the SHGs, the Sign Test has been used.

In order to analyse the perception of members on the impact of micro credit from SHGs, they were asked to respond to 21 statements using Likert's five point-scale starting from "Strongly Agree" (5) to "Strongly Disagree"(1). These 21 statements have been grouped under the following four categories:

- i) Economic Impact
- ii) Social Impact
- iii) Psychological Impact and
- iv) Political Impact

The perception scores have been classified into three groups:

- (i) High perception: Scores above (Arithmetic Mean + Standard Deviation).
- (ii) Moderate perception: Scores ranging from (Arithmetic Mean – Standard Deviation) to (Arithmetic Mean + Standard Deviation); and
- (iii) Low perception: Scores less than (Arithmetic Mean – Standard Deviation).

During the data collection, the data has been taken to reduce recall bias through cross check, questions in interview schedule, the information furnished by the sample respondents may be subjected to recall bias is the only limitation of this study.

### **MEASURE OF PERCEPTION ON IMPACT OF MICRO CREDIT:**

In this study pertaining the members regarding the economic impact, social impact, psychological impact and political impact created by the SHGs has been analysed with the help of a scaling technique. For analysing each type of impact, the opinion of the members on five given statements has been elicited on a five-point scale. By consolidating the scores obtained by every sample member for each statement with the help of the five point scale viz SA – Strongly Agree (5), A – Agree (4), NO- No opinion (3), D.A., Disagree (2) and S.D.A. – Strongly Disagree (1), the total scores have been computed. The total scores secured by the sample 350 members show the significance of each statement used to measure the economic impact, social impact, psychological impact and political impact. The total scores for the four categories of impact shows the level of significance of each category of impact from the standpoint of the sample members of the study. Besides the total scores, the mean, median, quartiles and standard deviation also show the level of perception of the respondents on various categories of the impact of the SHGs.

The perception of sample members on the four categories of impact such as economic impact, social impact, psychological impact and political impact has been measured with the help of scores

allotted to five statements related to four categories of impact on a five point scale. The detailed analyses of the statement, individual scores and total scores have been elucidated below.

### **PERCEPTION OF ECONOMIC IMPACT**

Positive economic impact is the vital aspect of one's development. The Self Help Groups help their members to improve their economic conditions. The improvement in economic conditions is seen through increase in savings, value of assets, quantum of borrowing and expenditure and provision of employment opportunities.

The perception of the sample members on the economic impact has been ascertained by taking into account the opinion of the members on the economic variables such as the capacity to spend more, increase in value of assets, rise in income, improvement in the savings habit and provision of employment opportunities.

**Table 1 shows the opinion of 350 sample members on economic impact**  
**Perception of Members About Economical Impact**

| <b>Sl. No.</b> | <b>Proposition</b>   | <b>S.A.</b>    | <b>A</b>       | <b>N O</b>     | <b>D.A.</b>    | <b>S.D.A.</b> | <b>Total Scores</b> |
|----------------|--|----------------|----------------|----------------|----------------|---------------|---------------------|
| 1.             | Increase in the capital after getting microcredit                    | 150<br>(42.90) | 159<br>(45.40) | 12<br>(3.40)   | 15<br>(4.30)   | 14<br>(4.00)  | 1466                |
| 2.             | Increase in the annual income after getting microcredit              | 98<br>(28.00)  | 190<br>(54.30) | 13<br>(3.70)   | 28<br>(8.00)   | 21<br>(6.00)  | 1366                |
| 3.             | Increase in the educational expenditure after getting microcredit    | 133<br>(38.00) | 217<br>(62.00) | --             | --             | --            | 1533                |
| 4.             | After getting microcredit the quality of food is improved            | 71<br>(20.30)  | 207<br>(59.10) | 31<br>(8.90)   | --             | 41<br>(11.70) | 1317                |
| 5.             | Increase in the savings pattern after getting microcredit            | 28<br>(8.00)   | 106<br>(30.30) | 175<br>(50.00) | --             | 41<br>(11.70) | 1130                |
| 6.             | After getting microcredit the productive asset is increased          | 42<br>(12.00)  | 208<br>(59.40) | 31<br>(8.90)   | 69<br>(19.70)  | --            | 1273                |
| 7.             | After getting microcredit availability of credit source is increased | --             | 134<br>(38.30) | 94<br>(26.90)  | 122<br>(34.90) | --            | 1062                |
|                |  |                |                |                |                |               | 9147                |

Note: S.A- Strongly Agree, A – Agree, N.O. No Opinion, D.A. – Disagree, S.D.A. Strongly Disagree.

It is found from Table 1 that the perception of members on the statement that the ‘Increase in the educational expenditure after getting micro credit’ gets the maximum score followed by the statement that ‘Increase in the capital after getting micro credit’. The statements that the ‘Increase in the annual income after getting micro credit’, ‘After getting micro credit the quality of food is improved’, ‘After getting micro credit the productive asset is increased’, ‘Increase in the savings pattern after getting micro credit’ and ‘After getting microcredit availability of credit source is increased’ occupy the third, fourth, fifth, sixth and seventh places respectively.

## **PERCEPTION ON SOCIAL IMPACT**

SHGs create social awareness among the members. The perception on the social impact is measured with the help of statements like social responsibility. Strength to protest against social evils, power of decision-making on important matters, awareness about health and knowledge of banking operations.

**Table 2 shows the perception of members on the social impact of SHGs**

**TABLE 2**  
**Perception of Members on Social Impact**

| <b>Sl. No.</b> | <b>Statements</b>                                       | <b>S.A.</b>    | <b>A</b>       | <b>N O</b>    | <b>D.A.</b>  | <b>S.D.A.</b> | <b>Total Scores</b> |
|----------------|---|----------------|----------------|---------------|--------------|---------------|---------------------|
| 1.             | Getting Recognition in domain                           | 73<br>(20.90)  | 277<br>(79.10) | --            | --           | --            | 1473                |
| 2.             | Getting Recognition in the society                      | 31<br>(8.90)   | 319<br>(91.10) | --            | --           | --            | 1431                |
| 3.             | Chance of interaction with outsiders                    | 76<br>(21.70)  | 214<br>(61.10) | 60<br>(17.10) | --           | --            | 1416                |
| 4.             | Improvement of literacy / education                     | 28<br>(8.00)   | 322<br>(92.00) | --            | --           | --            | 1428                |
| 5.             | Improvement of family welfare awareness                 | 28<br>(8.00)   | 255<br>(72.90) | 67<br>(19.10) | --           | --            | 1361                |
| 6.             | Participation in development programmes                 | 203<br>(58.00) | 147<br>(42.00) | --            | --           | --            | 1603                |
| 7.             | Improved quality of life style after getting the credit | 32<br>(9.10)   | 144<br>(41.10) | 111<br>(3.80) | 63<br>(18.0) | --            | 1195                |
|                |   |                |                |               |              |               | 9907                |

Note: S.A- Strongly Agree, A – Agree, N.O. No Opinion, D.A. – Disagree, S.D.A. Strongly Disagree.

It is observed from Table 2 that the perception of the statement ‘Participation in development programmes’ occupies the first place scoring the intensity value of 1603. The statements such as ‘Getting Recognition in domain’, ‘Getting Recognition in the society’, ‘Improvement of literacy / education’, ‘Chance of interaction with outsiders’, ‘Improvement of family welfare awareness’ and ‘The quality of life style after getting the credit’ occupy the second, third, fourth, fifth, sixth and seventh places respectively.

### **PERCEPTION ON PSYCHOLOGICAL IMPACT**

The SHG provides scope for development of the body and mind of an individual. The mind accelerates the activities of the member and hence the psychological impact on the members has been analysed. The psychological impact constitutes improving confidence, awareness on self-reliance, societal status, awareness of cleanliness and improving literacy and communication skills.

**Table 3 shows the perception of members on the psychological impact of members.**  
**Perception of Members on Psychological Impact**

| <b>Sl. No.</b> | <b>Statements</b>                                  | <b>S.A.</b>   | <b>A</b>       | <b>N O</b>    | <b>D.A</b>    | <b>S.D.A.</b> | <b>Total Scores</b> |
|----------------|--|---------------|----------------|---------------|---------------|---------------|---------------------|
| 1.             | Getting decision making power                      | 28<br>(8.000) | 182<br>(52.00) | 59<br>(16.90) | 81<br>(23.10) | --            | 1207                |
| 2.             | Improvement of employment and communication skills | 32<br>(9.10)  | 277<br>(79.10) | 41<br>(11.70) | --            | --            | 1391                |
| 3.             | Creation of problem solving capacity               | 28<br>(8.00)  | 221<br>(63.10) | 73<br>(20.90) | 28<br>(8.00)  | --            | 1299                |
| 4.             | Creation of awareness for better clean environment | 32<br>(9.10)  | 178<br>(50.90) | 64<br>(18.30) | 16<br>(4.60)  | 60<br>(17.10) | 1156                |
|                |  |               |                |               |               |               | 5053                |

Note: S.A- Strongly Agree, A – Agree, N.O. No Opinion, D.A. – Disagree, S.D.A. Strongly Disagree.

It is illustrated from Table 3 that the perception of sample members of the statement that ‘Improvement of employment and communication skills’ occupies the first place with scores of intensity value of 1391 followed by the statement such as ‘Creation of problem solving capacity’, ‘Getting decision making power’ and ‘Creation of awareness for better clean environment’ occupy the second, third, and fourth places respectively.

### **OVERALL VIEW OF THE PERCEPTION SCORES**

To ascertain the significance of the four categories of impact the average, median, first quartile (Q1), third quartile (Q3) and Standard Deviation have been calculated.

**Table 4 shows the perceptions of the respondents of the various kind of impact.**  
**Details of Perception Scores of Respondents for Various Impact**

| <b>Sl.No.</b> | <b>Various Impact</b> | <b>Mean</b> | <b><math>\sigma</math></b> | <b>C.V</b> |
|---------------|-----------------------|-------------|----------------------------|------------|
| 1.            | Economic              | 26.13       | 3.10                       | 11.86      |
| 2.            | Social                | 28.31       | 1.52                       | 5.37       |
| 3.            | Psychological         | 14.32       | 2.56                       | 17.88      |
| 4.            | Overall               | 68.76       | 5.48                       | 7.97       |

It is evident from Table 4, that the perception of the sample members of social impact occupies the first place (mean 28.31 and Standard Deviation 1.52) followed by perception of psychological impact. The perception of economic impact and psychological impact occupies the second and third place respectively. This indicates the positive motivation required for psychological impact of the members of SHGs in Tamilnadu

### **EXTENT OF PERCEPTION OF VARIOUS IMPACTS**

With a view to finding out the extent of the perception of the sample members of economic impact, social impact, psychological impact, political impact and overall impact, the average scores and standard deviation have been computed. The extent of perception falls under three categories low, medium and high.

Low Below (Arithmetic Mean - Standard Deviation)

High above (Arithmetic Mean + Standard Deviation)

Medium from (Arithmetic Mean – Standard Deviation)  
To (Arithmetic Mean + Standard Deviation)

The overview of the respondents' perception scores of impact is depicted in Table 6.6.

**Table: 5**  
**Overview of Respondent's Perception Scores for Various Impacts**

| Sl.No. | Various Impact       | Low           | Medium         | High           |
|--------|----------------------|---------------|----------------|----------------|
| 1.     | Economic impact      | 60<br>(17.14) | 211<br>(60.29) | 79<br>(22.57)  |
| 2.     | Social impact        | 28<br>(8.00)  | 221<br>(63.14) | 101<br>(28.86) |
| 3.     | Psychological impact | 48<br>(13.71) | 231<br>(66.00) | 71<br>(20.29)  |
| 4.     | Overall impact       | 75<br>(21.43) | 224<br>(64.00) | 51<br>(14.57)  |

It is clear from Table 6 that the perception of a majority of sample members of economic impact, social impact and psychological impact falls under the medium category. With regard to overall impact 224 (64.00 per cent) members fall in the medium perception category, 51 (14.57 per cent) fall in the high perception category and 75 (21.43 per cent) fall in the low perception category.

### PERSONAL VARIABLES AND IMPACT

In order to find out the relationship between personal variables and the perception of impact, the Kruskal Wallis one way ANOVA was test.

#### Age and Impact Perception Score

To test the null hypothesis that there is no significant difference in the perception scores of impact among different groups of members classified according to age, the Kruskal Wallis Test has been applied. The result of the test is depicted in Table 6

**TABLE 6**  
**Relationship Between Age and Perception Score - Kruskal Wallis Test**

| Sl.No. | Category of Impact | H value | Level of Significance | Result |
|--------|--------------------|---------|-----------------------|--------|
| 1.     | Economic           | 17.53*  | 0.000                 | S      |
| 2.     | Social             | 18.09 * | 0.000                 | S      |
| 3.     | Psychological      | 23.47*  | 0.000                 | S      |
| 4.     | Overall            | 19.22*  | 0.000                 | S      |

\*Significant at 5 per cent level.S – Significant.

It could be observed from Table 6 that there is significant difference in the perception scores of the sample members in respect of economic, social and psychological impacts. It indicates that age influences the economic, social and psychological impacts. With regard to overall impact, the value of level of significance is less than 0.05, the null hypothesis is rejected. Hence it is concluded that significant difference exists in the perception scores among the groups according to age. It means that age influences the overall perception scores of the members who have availed of micro credit.

### **Caste and Perception Scores of Impact**

In order to test whether there is any relationship between the community and the perception scores of impact, the Kruskal-Wallis test has been applied to verify the following null hypothesis. There is no significant difference in perception scores of the impact among different groups of members based on community. The results are shown in Table 7

**TABLE 7**  
**Relationship Between Caste and Perception Score –**  
**Kruskal Wallis Test**

| <b>Sl.No.</b> | <b>Category of Impact</b> | <b>“H” Value</b> | <b>Level of Significance</b> | <b>Result</b> |
|---------------|---------------------------|------------------|------------------------------|---------------|
| 1.            | Economic                  | 13.79*           | 0.001                        | S             |
| 2.            | Social                    | 2.19             | 0.334                        | NS            |
| 3.            | Psychological             | 103.76*          | 0.000                        | S             |
| 4.            | Overall                   | 46.86*           | 0.000                        | S             |

\*Significant at 5 per cent level.

S – Significant NS – Not Significant.

It is observed from Table 6.9 that there is a significant difference in perception scores among different groups according to community for economic, psychological and overall impacts except social impact. With regard to overall impact, the value of level of significance is less than 0.05, and thus the null hypothesis is rejected. Hence it is concluded that the caste has an influence on the perception of members on impact.

### **Marital Status and Perception Scores**

In order to test the null hypothesis that there is no significant difference in the perception scores among different groups based on marital status, the Kruskal – Wallis test has been used and the results are presented in Table 8.

**TABLE 8**  
**Relationship between Marital Status and Perception Score - Kruskal Wallis Test**

| Sl.No. | Category of Impact | “H” Value | Level of Significance | Result |
|--------|--------------------|-----------|-----------------------|--------|
| 1.     | Economic           | 9.29      | 0.009                 | S      |
| 2.     | Social             | 4.32      | 0.115                 | NS     |
| 3.     | Psychological      | 38.41     | 0.000                 | S      |
| 4.     | Overall            | 13.30     | 0.001                 | S      |

\*Significant at 5 per cent level. S – Significant NS – Not Significant.

It is depicted from Table 8 that there is a significant difference in perception scores among different groups according to their marital status of the members for economic, psychological and overall impacts except social impact. With regard to overall impact, the value of level of significance is less than 0.05, which rejects the null hypothesis. Hence it can be concluded that the marital status has an influence on the perception of members on impact.

#### **Education and Perception Scores of Impact**

In order to test whether there is any relationship between literacy level and perception scores the following hypothesis has been framed. There is no significant difference in the perception scores of impact among the different groups based on the level of literacy.

The results of the Kruskal-Wallis Test are shown in Table 9

**TABLE 9**  
**Relationship between Education and Perception Score - Kruskal Wallis Test**

| Sl.No. | Category of Impact | “H” Value | Level of Significance | Result |
|--------|--------------------|-----------|-----------------------|--------|
| 1.     | Economic           | 71.24     | 0.000                 | S      |
| 2.     | Social             | 2.26      | 0.520                 | NS     |
| 3.     | Psychological      | 68.65     | 0.000                 | S      |
| 4.     | Overall            | 79.13     | 0.000                 | S      |

\*Significant at 5 per cent level. S – Significant NS – Not Significant.

Table 9 portrays that there is a significant difference in perception scores among different groups according to their educational status of the members for economic, psychological and overall impact except social impact. With regard to overall, the value of level of significance is less than 0.05, the null hypothesis is rejected. Hence it is concluded that the educational status influences the perception of members on impact.

## **CONCLUSIONS AND SUGGESTIONS**

It is inferred that before joining SHGs only 34 (9.70 per cent) members had the positive response whereas 332 (94.90 per cent) members have show positive response in helping neighbours after joining them. This shows that association with SHGs induces helping tendency among the members of SHGs in Tamilnadu. Regarding the McNemer test, it is found that the calculated values of the chi-square for self-confidence are significant at 5 per cent level and the value of level of significance is less than 0.05 resulting in the rejection of the null hypothesis. Hence it can be concluded that there is significant difference in self-confidence among the sample members before and after joining the SHGs in Tamilnadu It is understood that only 30 (8.60 per cent) members took decision as to house building, education of children and buying of household articles by themselves before joining SHGs while 334 (95.40 per cent) members have taken decision as regards the above.

It is revealed that only 26 (7.40 per cent) members took part in taking decision relating to marriage of their girls before joining SHGs while 328 (93.70 per cent) have taken part in deciding it. It is found that only 20 (5.70 per cent) members took part in taking decision relating to marriage of their boys before joining SHGs while 332 (94.90 per cent) of them have taken role in decision relating to it. It comes to light that before joining SHGs only 99 (28.30 per cent) did join in taking decision relating to their children's education while 325 (92.90 per cent) have shown positive response after joining SHGs in taking decisions by themselves with regard to the children education. It could be seen only 76 (25.3%) members showed positive response before joining SHGs while 248 (82.7%) have shown positive response after joining them.

It is observed that average a member saved Rs.3136.56 on an average annually before joining SHG. After joining the SHG, this has increased to Rs.6116.60. The major agencies with which savings were deposited are chit funds and commercial banks before and after joining the SHG. The savings with banks has recorded an increase in savings after the formation of the SHGs. The members of SHGs have also started depositing the savings with post offices.

It is found that 232 (66.28 per cent) sample members could save only up to Rs.2000 before joining SHG whereas 98 (28.00 per cent) members could save up to Rs.2000 after joining the SHGs. This shows an increase in the savings of the members. It is shown that the employment of members which works out to 257 man days has increased to 355 man days a year after becoming members of SHG. Thus 98 man days have increased because of their joining SHG. While 128 (49.80 per cent) man days of employment were generated by agriculture based activities before they became members of SHGs, 162(45.64 per cent) man days have been generated after they became as members of SHG. It is found that before becoming members SHG in the SHGs, 13.30 per cent of the households had less than Rs.25000 a year whereas after becoming members of SHG there is no household in that income category a year. This indicates that there is substantial increase in the income of the households.

It is revealed that the expenditure of 17 (4.85 per cent) members is less than Rs.5000, whereas none of the members falls under this category after joining SHGs. It also shows that the expenditure of 45 (12.86 per cent) members was in the category of Rs.10001-15000 after they became members of SHGs whereas 32 (9.15 per cent) members incurred has expenditure of Rs.10001-15000 and above before becoming members of SHGs.

It is understood that the consumption expenditure per year for a member was Rs.4513.25 before becoming a member of SHG whereas it is Rs.9652.55 after becoming a member of SHG. It also shows that the expenditure on food accounted for Rs.1172.85 (25.99 per cent) before their becoming members of SHGs, while it was Rs.4155.14 (43.06 per cent) after their becoming members

of SHGs. The proportion of expenditure on clothing, education, health and festivals increased after their becoming members of SHG's, when compared to those of non-members of SHGs.

In the light of the above discussion and findings, the following suggestions are made:

- ❖ It is suggested that the NGOs should be prevented from interfering with the SHG movement. Steps should be taken to keep them as voluntary organizations. They should not be allowed to use extraneous influences.
- ❖ Savings by the members is one of the main indicators of economic development. So, the banks and post offices should introduce attractive, user – friendly schemes to encourage the saving habit among the members of SHG.
- ❖ The SHG entrepreneurs face the problem of marketing their products. Arrangements should be made to market the products through Public Distribution System (PDS) efficiently and effectively.
- ❖ SHG women are more poverty stricken and have experienced its effect in society. Since they themselves fight against poverty by being members of SHG and move upwards from below poverty line, in future, the poverty alleviation programmes can be implemented through SHGs, They can monitor themselves effectively, with all enthusiasm and involvement.
- ❖ A growing unhealthy competition is visible between MahalirThittam approved NGOs and other SHGs promoted by NGOs in the study area. Such unhealthy competition must be removed; otherwise it will spoil the entire concept of the programme. For this, the area or villages can be clearly segregated and only one participation agency should be permitted in a village.
- ❖ Overlapping and dual memberships should be avoided and mobility should not be encouraged among the SHG members between the groups.
- ❖ The training system should link up with some kind of credit delivery mechanism whether formal or informal. It is suggested that more number of groups should be linked with the banks so that their credit support would be strengthened.
- ❖ Institutional credit facility must be extended to women to develop their managerial skill for prompt repayment consciousness.
- ❖ Micro – Finance should be used to meet the immediate demand of the poor women – for Health, Education or consumption purposes. This will improve the quality of their life and will be ready to take active participation in economic activities.
- ❖ Exposure visits to other successful groups can be organized to share the knowledge, experience and expertise.
- ❖ Annual plans for SHG activities should be done by the group consulting the NGOs. Group leaders from different villages can meet monthly once and present the progress of their groups.
- ❖ Income generating activity should be based on available local resources and a reasonably assured market with profits.
- ❖ The NGOs can provide some common services to the Self – Help Groups for procurement of raw materials, marketing etc.,

- ❖ Among all the sectors, agricultural sector lacks behind in earning income. This sector can engage them in contract farming and cultivate profitable crops..
- ❖ Combined group activism with social participation may be encouraged through imparting training and motivation to animators on the concepts like group cohesiveness, basic maintenance of records and success stories of other groups.
- ❖ The facilitators like NGOs, and banks should communicate information to start self employment in the field which provides ample opportunities for income generation with the locally available raw materials.

Though these groups have made a positive impact on SHG women, SHG members suffer from lack of motivation, backward and forward linkages.

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## **A REVIEW ON CORPORATE SOCIAL RESPONSIBILITY WITH SPECIAL REFERENCE TO PROCTER & GAMBLE COMPANY, INDIA**

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### **INTRODUCTION**

In the years since the early 1990s, the call for what is termed “corporate social responsibility” (CSR) has gained significant momentum in many countries. Businesses are said to have a responsibility not only to generate economic returns for shareholders, but also to the natural environment as well as “stakeholders,” including customers, employees, suppliers, creditors, and the communities impacted by the company. We hear reference to the company’s “triple bottom line” to measure performance for shareholders, environment and stakeholders. Everyone is talking about CSR: government officials in many countries around the world, intergovernmental organizations such as the United Nations and the European Union, non-governmental organizations (NGOs) which work to better the condition of the poor or which work toward various environmental or social causes, and of course companies, business leaders and business associations. Articles, books and seminars have spread the call for CSR, and a cadre of consultants and experts has developed around the issue. Many larger companies now publish a CSR report alongside the company annual report, employ a CSR executive to advise the business at the highest level and prominently display the company’s CSR credentials on the company website. Business schools have woven CSR into their academic programs. Over the past 15 years, CSR has become an important theme.

### **OBJECTIVES OF THE STUDY**

- To identify the awareness level of firms towards CSR.
- To find the factors that influences the consumers to prefer P&G brand products.
- To study the CSR strategy used in P & G.
- To analyse and evaluate the factors influencing CSR.
- To suggest optimistic views on CSR in P & G products.

### **NEED OF THE STUDY**

CSR strategy at P & G reviews tries to find the awareness and its product line with other competitors. It provides the company’s background, operational & other important information provided by the company, which would assist in taking decision for the right brand extension strategy.

### **LIMITATIONS OF THE STUDY**

A huge skill gap between the NGOs and Corporate working when it comes to reporting, documentation etc on part of NGOs , So, there’s limitation in getting quality reporting till the time concerned NGO personnel reaches to required standard of skill and for this corporate needs to invest good and dedicated 'Time' - which is again a limitation.

## **REVIEW OF LITERATURE**

**Topic:** Consumer products in rural market areas – Brand loyalty in CSR.

**Authors:** Nandagopal, Ganesamoorthy&Chinnaiyan: 2003.

**Abstract:** The area of study was Erode district of Tamil Nadu and thesis of the sample taken was 50 respondents and simple random survey was conducted. He concluded that now day's products are flowing from rural to urban areas and urban to rural areas. Even premium brands are gaining wide acceptance in the rural bastions. Increasing awareness has led to significant changes in buying behavior and consumption habits. The urban market is getting increasingly competitive and saturated. There is less scope for growth in the urban markets, especially for the already established categories. Today, the rural market is blooming with increase in the disposable incomes of the households.

**Topic:** “Where the FMCG market is sizzling in CSR- A Study of Rural Markets”

**Authors:** Oza, Jamal & Goode: 2004.

**Abstract:** His study examined the rural consumer's psyche for FMCG products. The survey was conducted with a sample size of 200 in villages of Baroda. Convenience sampling was used. He concluded that using easily available technology, strong local area knowledge, a short supply chain and quality raw material regional players are giving big brands a run for their money. The regional brands are making their aggressive presence in smaller towns by participation in melas and exhibitions. They are giving distributors and retailers better margins in rural areas.

## **CORPORATE SOCIAL RESPONSIBILITY**

The first understandings of CSR – “strategic CSR” – links the “responsibility” of business toward the environment and stakeholders (beyond the legal and ethical minimums) to the company's economic well-being. In other words, in this version of CSR, companies should be interested in environmental or stakeholder issues whenever those programs would simultaneously benefit the company. In this way this view sees CSR as a complement to the main business objective of the corporation. The company should look not only at its final products and services, but also at the way it creates its product or service as well as the general way it engages in business. Then, in each area the company should ask if it can make changes or engage in activities that will be better for the company and produce better environmental or social results. It may be a new or redesigned product or service that is more environmentally friendly, or it may mean taking up a cause or contributing aid with respect to a particular environmental or social issue on the community, national or international level. It may be pursued by the company alone or in partnership. In fact, it is becoming more and more common to find partnerships between a company and a non-governmental organization (NGO) which is active on the environmental or social cause. CSR: “Corporate social responsibility is a commitment to improve community wellbeing through discretionary business practices and contributions of corporate resources.” A number of possible benefits, including one or more of the following: • Reducing costs (manufacturing, packaging, transportation); • Attracting and retaining better employees; • Avoiding legal violations; • Improving relations with government; • Building a better image for consumers (strengthening brand positioning and increasing sales); • Avoiding

boycotts and protests organized by NGOs; • Developing a market for a new (environmentally-friendly) product or service.

## **COMPANY PROFILE – PROCTER & GAMBLE (P&G)**

An American multinational American multinational consumer goods company headquartered in downtown Cincinnati, Ohio, United States, founded by William Procter and James Gamble, both from the United Kingdom, Its products include cleaning agents and personal care products. Before the sale of Pringles to the Kellogg Company, its product line included foods and beverages. In 2014, P&G recorded \$83.1 billion in sales. On August 1, 2014, P&G announced it was streamlining the company, dropping around 100 brands and concentrating on the remaining 65 brands, which produced 95% of the company's profits. A.G. Lafley, the company's chairman, president, and CEO until October 31, 2015, said the future P&G would be "a much simpler, much less complex company of leading brands that's easier to manage and operate". David Taylor became P&G CEO and president effective November 1, 2015. As of July 1, 2016, the company structure has been categorized into ten categories and six selling and market organizations. Categories are Fabric care, Home care, Grooming, Oral care, Baby care, Feminine care, Family care, Personal health care, Hair care, Skin and personal care, Selling and market organizations, Asia Pacific, Europe, Greater China, India, the Middle East, and Africa (IMEA), South America&North America.

Most people don't think about science and technology when we diaper our babies with Pampers, wash our hair with Head & Shoulders, clean our clothes with Tide or Ariel, soften our fabrics with Downy or Lenor, or care for our skin with Olay. But there is a remarkable, often surprising amount of science in these products we use every day — science that has transformed our day-to-day lives even though we don't always see it. There are equally remarkable scientists behind these products — women and men who are among the world's foremost experts and who have dedicated their careers to understanding us, head to toe, at every stage and every age, so they can bring amazing science into our homes every day. Innovation is the lifeblood of P&G, a company that began with a bar of soap, a box of candles, and a handshake between two men who believed everyday products could and should be of the highest quality. Their belief inspires P&G people throughout the world still today, and it's one of the reasons we are consistently ranked as one of the most innovative companies in the world.

## **P&G CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

For more than 175 years, doing the right thing has been at the core of our purpose, values and principles. That includes investing in the communities where we live, work and serve. We have a long-standing history of giving back to the communities where we live and work. **Health & Hygiene** - P&G are delivering programs that promote healthy behaviours that can prevent illness and improve confidence for people in need. With hand washing, tooth brushing and personal hygiene instruction combined with improved access to sanitation facilities, children and teens learn the value of healthy hygiene habits and the positive results in adopting healthy behaviours. A number of our beauty care brands have programs that provide their brand benefits to promote health and confidence. **Brand & Corporate Programs** - The P&G Children's Safe Drinking Water Program (CSDW) uses an innovation that P&G created to transform potentially deadly water into clean, drinkable water. To date, the program has been implemented in more than 75 countries and has committed to delivering 15 billion liters of clean drinking water by 2020. **Pampers Vaccination Program** - Pampers and UNICEF are working to vaccinate women and children around the world from maternal and neonatal tetanus

(MNT). The program has reached consumers across Europe, resulting in the elimination of MNT from 15 countries through more than 300 million vaccine donations. Comforts of Home - P&G is providing everyday essentials that help create the experience of home for families who can't afford them or who have been displaced. We leverage the strength of partner organizations to deliver programs which help address both short-term and long-term housing-related issues including those associated with sanitation and water. Our employees team up as volunteers to build, clean and repair homes in virtually every region where P&G conducts business. They also come together to assemble kits of personal hygiene and/or home care products which are readied for delivery in immediate response to disaster impacted areas. **Disaster Relief** - Our commitment to support victims after widespread disasters is a natural expression of our Purpose to improve lives. Our response is anchored in product donations and in the event of large-scale disasters, we have developed mobile relief units to provide products and services directly to those in the most highly impacted areas. From our soap and personal hygiene products to our laundry, diaper and cleaning products, our brands can help restore a sense of normalcy to the disrupted lives of those caught in the aftermath of a disaster. **Habitat for Humanity International** - P&G has partnered with Habitat for Humanity in their efforts to provide decent, safe and affordable places to live for families in need by sponsoring home builds around the world. Thousands of our employees come together to help build and clean homes for first-time owners committed to provide a home for their families. We also provide P&G products through gift baskets to first time owners along with education on how to care for their home.

**Committed to responsible operations** - Our policies and practices define the behaviour we expect from our organization, employees and suppliers. We always seek to provide a clear perspective on our operating practices while living up to our Purpose, Values and Principles. **Animal Welfare and Alternatives** - At P&G, we believe that eliminating animal testing is the right thing to do. Learn more about efforts to eliminate animal testing. **California Transparency Act** - Our policies and practices define the behaviour we expect from our organization, employees and suppliers. We always seek to provide a clear perspective on our operating practices while living up to our Purpose, Values and Principles. **Conflict Materials** - We're committed to ensuring that we don't source conflict minerals that fund armed groups in the Conflict Region. **Human Rights Policy Statement** - Effective April 21, 2014, P&G renewed its commitment to human rights through a single policy statement. **Supplier Sustainability Guidelines** - We seek to uphold both the spirit and letter of the law and maintain high ethical standards wherever we seek business. Our supplier sustainability guidelines outline the expectations of our suppliers to ensure they uphold our high ethical standards in their own operations and that of their partners.

## **SUGGESTIONS**

- “To look forward to improving and touching life in many aspects. CSR is not a business undertaking, but it’s the responsibility that helps strengthen business partnership,” the managing director noted.
- Employees can be encouraged to volunteer and take part in the schemes, are inspired by the company’s commitment to improve the commitment of the company for social affairs
- The main scheme, like training programme, targets equipping women with new business ideas enriching women employees to participate in CSR.
- Special education-oriented project, could be been trained to provide learning classes to the underprivileged, as well as to those with disabilities.
- “Being a good corporate citizen not only strengthens the equity of brands, but also the total company,” should be clearly understood by all the corporate firms.

## CONCLUSION

This article begins with a discussion of the principal reasons why the role of companies in society has become such a prominent issue in many countries today. The discussion then explores the definition of CSR—as will be seen, exactly what constitutes a “socially responsible” corporation is by no means clear. Many different conceptions of CSR can be found, especially in the US and many European countries. CSR may appear to be an uncontroversial extension of the company’s role in society—after all, few businesses would want to be known as “socially irresponsible.” India is the only nation with mandatory CSR. It means we cannot learn from experience of others. Corporate thinks that anyone can handle responsibility to execute CSR projects/activities whereas NGOs think they are the masters of social development project. Value connection between Corporate and NGOs is missing so far. Overhead expenditure should not exceed 5% of CSR budget. Therefore, it is difficult for small profit generating companies to hire specialists for the job. Insufficient skilled, trained and efficient professionals in market. At the same time corporate are not in hurry to make a professional team within organization. Very thin line between activities under CSR and other compliances. I have witnessed how corporate are showcasing activities like creation of water bodies as a CSR activity whereas, the work was mandatory for the company

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## **MEASUREMENT OF PRODUCTIVITY IN NON BANKING FINANCIAL COMPANIES IN TAMILNADU**

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### ***Abstract***

In recent times, non banking financial companies (NBFCs) have emerged as substantial contributors to the Indian economic growth by supplementing the efforts of bank and other development financial institutions. NBFCs play a key role in the direction of savings and investments. On the basis of their legal status and their principal activities, the NBFCs have been classified as Loan Company, Hire purchase finance company, Equipment leasing company, Investment Company and Residuary non banking company. The scope of the NBFCs is fast growing with the multiplication of financial services. Some of the NBFCs are also engaging in underwriting through subsidiary units, and by offering allied financial services including stock broking, investment banking, asset management and portfolio management. In this paper discussed to appraise the productivity of selected NBFCs. Productivity is a vital indicator of economic performance of an economic system. In fact, it is a mechanism for improving the material quality of life. Productivity is fundamental to progress throughout the world. It is at the heart of economic growth and development, improvements in standards of living and quality of life. In this paper mainly focused on branch productivity and employee productivity of selected NBFCs.

### **INTRODUCTION**

Non banking financial company is a company registered under the Companies Act, 1956 and is engaged in the business of loans and advances, acquisition of shares, stock, bonds, debentures or securities issued by government or local authority or other securities of like marketable nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, sale/purchase/construction of immovable property. A non banking institution which is a company and which has its principal business of receiving deposits under any scheme or arrangement or any other manner, or lending in any manner is also a non banking financial company.

Productivity is a vital indicator of economic performance of an economic system. In fact, it is a mechanism for improving the material quality of life. Productivity is fundamental to progress throughout the world. It is at the heart of economic growth and development, improvements in standards of living and quality of life.

Productivity is commonly defined as a ratio of a volume measure of output to a measure of input use. It also defined as the goods and services produced per unit of labour, capital or both. The ratio of output to labour and capital is a total productivity measure. In simple words, productivity is the output per unit of input employed. The basic formula of productivity is:

$$\text{Productivity} = \frac{\text{Total Output}}{\text{Total Input}}$$

Productivity = Output per unit of input

Productivity measures the efficiency of the production system. Higher productivity means producing more from a given amount of input or producing a given amount with minimum level of inputs. In other words the more the output from one worker or one machine (or a piece of equipment) per day per shift, the higher is the productivity. Higher productivity is not to be taken in sense of higher workloads or faster machines alone but it is always elimination of waste of all type of labour (time and skill), machine time, capital, and material management, etc.

## **STATEMENT OF THE PROBLEM**

The following as the common problems faced by NBFCs. i. Stiff competition among NBFCs as well as with banking sector; ii. Small balance sheet size resulting in high cost of funds and low asset profile; iii. Prudential norms, especially, non performing assets; iv. Inadequate expertise in asset and liability management; v. Lack of experience in lending and recoveries; and vi. The interest rates charged by NBFCs for financial assistance are higher than those charged by commercial banks and other organized financial institutions. The problems are common to all NBFCs. Still, there are some NBFCs which are thriving well and keep on progressing. They develop their performance making appreciable improvements in all parameters of business, such as, deposit mobilization, credit deployment, income generation, control of expenses, low level of NPA, capital adequacy ratio, comfortable liquidity, etc. There are also some NBFCs which are straggling a lot to make progress. Hence it is attempted in this study to analyze the productivity performance of sample NBFCs in detail, applying systematic analytical approach and find out the valid causes in order to bring out possible remedial measures, so that NBFCs can prepare themselves to solve the problems and to make continuous progress.

## **OBJECTIVES OF THE STUDY**

The study covering a period of ten years from 2002-03 to 2011-12 has the following objectives:

1. To analyze the Branch productivity of the selected NBFCs; and
2. To appraise the Employee productivity of the selected NBFCs

## **METHODOLOGY**

Survey method has been followed for this study. Secondary information has been collected through various sources. Data collected from secondary sources includes annual reports of selected NBFCs, RBI reports and leading journals in the field of commerce and management and related websites. In the course of the analysis in this study, the use of various accounting and statistical techniques has been made. Ratio analysis, mean, standard deviation, coefficient variation and ANOVA test have been applied.

## **SAMPLING**

Stratified random sampling method has been followed for this study. The registered NBFCs with RBI stratified into 'NBFCs which accept deposits' and 'NBFCs which do not accept deposits'. Two companies from 'accepting deposits category' and two companies from 'not accepting deposits category' were selected for this study using the above sampling method. Thus four companies are considered, they are Sundaram Finance Limited (SFL), Sriram City Union Finance Limited (SRFL), Cholamandalam Investment and Finance Company Limited (CFL) and Darani Finance Limited (DFL). First two companies have been registered with RBI under accepting deposits category and other two companies have been registered with RBI under not accepting deposits category.

## **PRODUCTIVITY IN NBFCs**

The concept and definition of productivity as applied in manufacturing industries cannot be applied as such in NBFCs, because it is primarily a service industry. In the field of non banking finance companies, the various products are: accounts, services for guarantees, various kinds of loans like housing loan, car loan, etc. Identification and measurement of output in non banking finance companies is a very difficult exercise, as it is not possible to bring various services to measure output. However, non banking finance companies, being an important economic activity, cannot afford to lose sight of the concept of productivity. Application of the concept in the Indian non banking industry becomes all the more difficult, as it gets associated with such diverse aspects like operational cost effectiveness, profitability, customer services and priority sector lending in rural and backward regions. But it is a fact that non banking finance companies are the mirror of an economy. Therefore, better functioning of NBFCs sector may lead to the overall improvement of the economy. In fact, NBFCs act as a link between those who want to save and those who want to invest. So improvement in the productivity of the non banking sector is very much needed. In case of NBFCs, difficulty is not in applying the broader concept of productivity as ratio of output and input, but is in measuring output in the form of services. The concept of productivity analysis in non banking sector may give misleading results, if not used carefully. Productivity at the national level is dependent on various factors like per capita income, saving habits and banking habits. In addition to these, there are regional variations which affect the productivity of various players in the non banking field. So, in order to have a reliable idea of productivity, it is necessary to analyze every segment, different sizes of NBFCs and their region wise positioning. Productivity of selected NBFCs is analyzed in two aspects, viz., i. Branch productivity, and ii. Employee productivity.

## **BRANCH PRODUCTIVITY OF NBFCs**

While evaluating the results in terms of infrastructural facilities utilized by the NBFCs at various locations and places, six indicators have been used. The following are the ratios employed in this study to analyze the Branch productivity performance of the selected NBFCs. 1. Advances per branch and 2. Deposits per branch

## **ADVANCES PER BRANCH**

This ratio has been computed by dividing the amount of total advances by the number of branches of the NBFCs. Advances per branch of selected NBFCs are presented in Table 1.

The following are the inferences derived from the analysis of the data provided in table 1.

The per branch productivity in granting advances in SFL shows the highest level in 2005-06 and it is the lowest in 2002-03 for the decade of the study. Only 4 out of 10 years of study, the ratio shows more than the mean of Rs.1905.52 lakhs. The results are encouraging from 2008-09 as the productivity figures show a rising trend. The number of branches of SFL has been increasing

throughout the decade from 122 in 2002-03 to 542 in 2011-12. The quantum of advances also has shown a continuous positive growth throughout the decade of study. However the productivity ratio has not set any trend of increase or decrease, but from 2008-09 it showed annual increase. The performance in granting advances by SFL is encouraging and it must be continued to progress further.

The per branch advances ratio of SRFL shows an increasing trend from 2002-03 to 2005-06 and thereafter declined annually up to 2010-11 with a small increase in 2009-10. In 2011-12, the ratio jumped up to Rs.1864.50 lakhs from the decade's lowest ratio of Rs.5.67 lakhs in 2010-11. The sharp increase is surprising. The SRFL has multiplied its advances in 2011-12 to Rs.1072087.65 lakhs by more than 300 times of its advances of 2010-11 Rs.3162.84 lakhs. Though the increase in the advances is on the high side during the mid years of the decade, the shocking growth in 2011-12 is glaringly visible from the given figures and this is reflected in the ratio. The SRFL has increased its number of branches gradually from 161 in 2002-03 to 575 in 2011-12, through an annual positive increase throughout the decade. The sharp increase in advances in 2011-12 is unfortunate, and such growth will lead to many future problems in monitoring and recovery of advances. SRFL must avoid such bulk increase in advances in future.

**TABLE – 1**  
**ADVANCES PER BRANCH**

(In Lakhs)

| Year    | SFL     | SRFL    | CFL    | DFL    |
|---------|---------|---------|--------|--------|
| 2002-03 | 1358.54 | 13.48   | 278.70 | 43.35  |
| 2003-04 | 1881.33 | 18.05   | 329.17 | 43.54  |
| 2004-05 | 2337.08 | 30.32   | 225.57 | 50.33  |
| 2005-06 | 2518.14 | 52.70   | 15.37  | 55.67  |
| 2006-07 | 2346.72 | 46.68   | 11.96  | 23.48  |
| 2007-08 | 1520.54 | 30.41   | 16.69  | 69.11  |
| 2008-09 | 1492.77 | 6.29    | 54.13  | 78.61  |
| 2009-10 | 1668.82 | 14.60   | 98.08  | 108.00 |
| 2010-11 | 1854.78 | 5.67    | 100.64 | 69.23  |
| 2011-12 | 2076.51 | 1864.50 | 20.10  | 75.94  |
| MEAN    | 1905.52 | 208.27  | 115.04 | 61.72  |
| SD      | 382.41  | 552.29  | 113.27 | 22.44  |
| CV (%)  | 20.07   | 265.18  | 98.46  | 36.36  |

Source: Compiled from annual reports of the NBFCs

**TABLE – 1A**  
**ANOVA of Advances per Branch**

| Source of Variation | Sum of Squares | Degrees of Freedom | Mean Square | F           |
|---------------------|----------------|--------------------|-------------|-------------|
| Between Groups      | 23797725.49    | 3                  | 7932575.16  | 64.46455158 |
| Within Groups       | 4645918.3      | 36                 | 123053.29   |             |
| Total               | 28443643.79    | 39                 |             |             |

The advances per branch ratio of CFL have not set any upward or downward trend during the decade of study. From 2005-06, the ratio has come down drastically up to 2007-08. Thereafter for three years the ratio improved, but in the last year of the decade, the ratio again fall down to Rs.20.10 lakhs while the mean is Rs.115.04 lakhs for the decade. The advances portfolio of CFL has brought down the quantum of advances sharply to mere Rs.1921.81 lakhs in 2005-06 from its previous year figure of Rs.27068.07 lakhs. From 2006-07, the advances of CFL has grown annually up to 2010-11 (Rs.23750.50 lakhs), but the figures fall down to Rs.7536.30 lakhs in 2011-12. In case of number of branches, it increased from 80 in 2002-03 to 230 in 2007-08. The number of branches sharply reduced to 140 in the following year, 2008-09. Thereafter the number of branches increased to 375 in 2011-12. The varied levels of advances during the years of the decade is reflected in the ratio. CFL must take steps to have definite advances policy to improve the portfolio and in expansion of branches, so that the productivity of CFL register a continuous, but a consistant growth in future.

The productivity ratio of advances per branch in DFL has shown fluctuations throughout the decade. The DFL had only 7 branches during the first 5 years of the decade. In the second half of the decade DFL has only one branch. The quantum of advances shows more than the decade's mean during the first half of the decade. However, the quantum of advances has been brought down along with the number of branches from 2007-08. During the end of the decade the advances have shown some sign of the growth. DFL must have definite policy in lending and in expansion of branches so as to compete in the competitive finance market of future years.

All the four NBFCs have comfortable productivity ratio of advances per branch in the last two years of the decade of study. Except DFL, the other three NBFCs have increased their number of branches 4 to 5 times in 10 years time. In case of quantum of advances, the figures show fluctuations in 3 out of 4 NBFCs and in SFL, the advances have grown gradually throughout the decade with positive annual growth. The sharp increase in advances in SRFL in 2011-12, the sharp decline in advances in CFL 2005-06 have affected the gradual growth of the ratio in both the NBFCs. Except SFL, the other three NBFCs need to have a strategic plan for improving their advances portfolio. Relatively these NBFCs should be careful in increasing the number of branches without affecting the productivity efficiency. In other words, the branch expansion must be done after studying the viability for the branch with reference to the NBFC's productivity ratio. A consistent gradual growth in the ratio of advances per branch for every consecutive year of performance is to be ensured for every progressive NBFC.

### **ANOVA**

Hypothesis: There is no any significant difference in Advances per Branch of NBFCs under study.

Alternative Hypothesis: There is significant difference in Advances per Branch of NBFCs under study

The table value of F for degree of freedom 39 at 5 per cent level of significance is 9.28. Since the calculated value of F (64.46) is greater than table value, the null hypothesis is rejected and alternative hypothesis is accepted. It is concluded that there is a significance difference in the Advances per branch of NBFCs under study.

### **DEPOSITS PER BRANCH**

This ratio has been computed by dividing the amount of total deposits by the number of branches of the NBFCs. The following points are the outcome of the study and analysis of the data provided in the table 2.

An interesting trend is noticed in the productivity ratio of SFL, i.e, the ratio has set a declining trend from 2002-03 to 2007-08 and thereafter it registered a growing trend up to the end of the decade. In other words, during the first half of the decade, the ratio decreased annually and in the

second half it increased annually. The number of branches of SFL has increased at a faster rate in the second half of the decade and simultaneously the deposits of SFL also have grown at a faster rate in the second half of the decade of study. Therefore the productivity ratio of SFL has shown a moderate increasing trend in the second half of the decade. Due to the slow growth in the number of branches and fluctuations in the deposits during the first half of the decade, the ratio has come down. The picked up growth in the deposits from the year 2007-08 has reflected in the ratio's growth since then. Thus the growth in both deposits and number of branches in the second half of the decade projected a comfortable productivity ratio for SRFL.

For SRFL, the productivity ratio of deposits per branch has shown heavy fluctuations without setting a regular increase or decrease throughout the decade of study. The ratio has come down to Rs.0.04 lakhs in 2011-12 from Rs. 4.59 lakhs in 2004-05. SRFL has brought down its deposits

**TABLE – 2**  
**DEPOSITS PER BRANCH**

(In Lakhs)

| Year    | SFL    | SRFL  | CFL    | DFL |
|---------|--------|-------|--------|-----|
| 2002-03 | 604.01 | 2.50  | 245.66 | *   |
| 2003-04 | 564.79 | 4.19  | 228.66 | *   |
| 2004-05 | 468.52 | 4.59  | 130.97 | *   |
| 2005-06 | 365.11 | 3.05  | 95.73  | *   |
| 2006-07 | 288.80 | 1.34  | 48.85  | *   |
| 2007-08 | 176.37 | 3.23  | 12.30  | *   |
| 2008-09 | 214.14 | 0.25  | 5.09   | *   |
| 2009-10 | 228.58 | 0.22  | 0.53   | *   |
| 2010-11 | 229.68 | 0.10  | *      | *   |
| 2011-12 | 232.63 | 0.04  | *      | *   |
| MEAN    | 337.26 | 1.95  | 95.97  | *   |
| SD      | 147.87 | 1.69  | 92.08  | *   |
| CV (%)  | 43.84  | 86.67 | 95.95  | *   |

Source: Compiled from annual reports of the NBFCs

**TABLE – 2A**

**ANOVA of Deposits per Branch**

| <i>Source of Variation</i> | <i>Sum of Squares</i> | <i>Degrees of Freedom</i> | <i>Mean Square</i> | <i>F</i>    |
|----------------------------|-----------------------|---------------------------|--------------------|-------------|
| Between Groups             | 578415.18             | 2                         | 289207.59          | 24.00072946 |
| Within Groups              | 301248.73             | 25                        | 12049.95           |             |
| Total                      | 879663.91             | 27                        |                    |             |

portfolio gradually, from its well maintained levels during the first six years, to register the decade's lowest figure in 2011-12. On the contrary, the number of branches of SRFL has increased substantially from 161 in 2002-03 to 575 in 2011-12 in 10 years. The decrease in deposits may be the result of certain policy decision of SRFL. The expansion of branches of SRFL helps for the business growth in the long run.

CFL is a non-deposit taking NBFC since 2010-11 prior to that, CFL was accepting deposits. The productivity ratio has come down annually and becomes nil in 2010-11. CFL has gradually stopped accepting deposits. Thus the quantum of deposits has been reduced to nil in 2010-11 and it exhibits the intention of the NBFC to stop taking deposits from 2010-11. CFL can do a viable business even though it is not accepting deposits. Thus in case of CFL, this productivity ratio is not applicable.

DFL is non-deposit taking NBFC and so this productivity ratio of deposits per branch does not apply.

CFL and DFL are non-deposit taking NBFCs. In case of SRFL, the NBFC has reduced its deposits position to a least minimum (minimum of the decade) through an act of gradual reduction. Therefore the ratio has come down to Rs.0.04 lakhs, proportionately a negligible ratio. Thus this productivity ratio of deposits per branch is applicable to SFL only. In SFL, the ratio, though decreased earlier, it increased from 2007-08. Thus productivity ratio of SFL is improving comfortably.

### **ANOVA**

Hypothesis: There is no any significant difference in Deposits per branch of NBFCs under study.

Alternative Hypothesis: There is significant difference in Deposits per branch of NBFCs under study

The table value of F for degree of freedom 27 at 5 per cent level of significance is 3.39. Since the calculated value of F (24) is greater than table value, the null hypothesis is rejected and alternative hypothesis is accepted. It is concluded that there is a significance difference in the Deposits per branch of NBFCs under study.

### **EMPLOYEES PRODUCTIVITY OF NBFCs**

Human resource is the most important asset of an organization and non banking business is no exception to it. But Indian NBFCs are known for their excessive staff strength, it affects their productivity. In the present study, employee productivity of NBFCs has been evaluated by taking six ratios in consideration. The following are the ratios employed in this study to analyze the productivity performance of the selected NBFCs.1. Advances per employee and 2. Deposits per employee

#### **ADVANCES PER EMPLOYEE**

Making advances and recovering the interest and principal is one of the prime functions of the financial institutions like NBFC. The ratio of advances per employee is an indicator used to gauge the efficiency level of the personnel employed by the NBFCs. Advances per branch of selected NBFCs are presented in Table 3.

The following are the inferences derived from the analysis of the data furnished in the table 3 regarding advances per employee.

The ratio of advances per employee of SFL has not registered continuous annual growth throughout the decade of study. The increase in the ratio may be due to increase in advances and reduction in employees and similarly, the decrease in the ratio may be due to decrease in advance and increase in the number of employees. Further the increase or decrease in the ratio may also be possible when both advances and the number of employees increase or decrease proportionately. SFL has made continuous progress in its advances in all years of the decade. Similarly it has improved the strength of the employees also. However the ratio, per employee advances, has shown fluctuations during the mid years of the decade. This is due to the disproportionate annual increase either in advances or in the number of employees. Analysis shows that SFL could do comfortable advances operations without affecting its productivity.

Productivity ratio of advances per employee of SRFL is not encouraging, as the ratio shows wide variations between Rs.1.36 lakhs in 2010-11 and Rs.291.96 lakhs in 2011-12 in 10 years period. Increase and decrease of ratios are seen to be normal in all the 9 years from 2002-03, but in the last

year of the decade, the ratio increased abnormally to a shocking peak. The changes in the quantum of advances during 9 years of the decade are normal and it shoot up with a surprise leap in 2011-12. Though the number of employees increased over the years of the decade, the increase is at a faster rate in the second half of the decade. The ratio of

**TABLE – 3**  
**ADVANCES PER EMPLOYEE** (In Lakhs)

| Year    | SFL    | SRFL   | CFL    | DFL   |
|---------|--------|--------|--------|-------|
| 2002-03 | 126.42 | 9.60   | 74.82  | 5.42  |
| 2003-04 | 159.29 | 12.88  | 87.35  | 5.44  |
| 2004-05 | 184.63 | 20.07  | 60.02  | 6.29  |
| 2005-06 | 209.95 | 34.75  | 4.00   | 6.96  |
| 2006-07 | 195.70 | 36.82  | 1.94   | 3.04  |
| 2007-08 | 126.79 | 15.29  | 2.68   | 5.32  |
| 2008-09 | 124.47 | 2.15   | 7.34   | 6.05  |
| 2009-10 | 139.17 | 4.98   | 16.00  | 8.31  |
| 2010-11 | 154.66 | 1.36   | 22.05  | 5.33  |
| 2011-12 | 173.15 | 291.96 | 5.36   | 5.84  |
| MEAN    | 159.42 | 42.99  | 28.16  | 5.80  |
| SD      | 29.16  | 83.82  | 31.23  | 1.28  |
| CV (%)  | 18.29  | 194.98 | 110.90 | 22.07 |

*Source:* Compiled from annual reports of the NBFCs

**TABLE – 3A**  
**ANOVA of Advances per Employee**

| Source of Variation | Sum of Squares | Degrees of Freedom | Mean Square | F           |
|---------------------|----------------|--------------------|-------------|-------------|
| Between Groups      | 141227.86      | 3                  | 47075.95    | 19.14426944 |
| Within Groups       | 88524.30       | 36                 | 2459.01     |             |
| Total               | 229752.16      | 39                 |             |             |

advances per employee has been comfortable during first half, but it is not justifiable in 3 years from 2008-09 to 2010-11. The increase in advances in 2011-12 has made the ratio highest of the decade of the study.

The productivity ratio of advances per employee of CFL has been more than twice that of the mean of Rs.28.16 during the first three years of the decade. In 2005-06 and in subsequent years, the ratio has been reduced drastically. Though an increase in the ratio is seen in 2009-10 and 2010-11, it is less than the mean. CFL has reduced its advances drastically in 2005-06. In subsequent years, the advances has grown annually up to 2010-11 and it is less than the mean. CFL has reduced its advances drastically in 2005-06. In subsequent years, the advances has grown annually up to 2010-11 and it is reduced again in 2011-12. But in case of number of employees, it has been increasing every year from 2002-03 to 2007-08. During the last three years, the increase in advances has increased the ratio irrespective of the increase in the number of employees. The productivity of the employee of CFL has come down and it must be reviewed by CFL seriously in order to improve the ratio in future years.

The productivity ratio of advances per employee for DFL is almost constant around the mean ratio of the decade Rs.5.80 lakhs, except in 2006-07 (Rs.3.04 lakhs). The advances has come down in the second half of the decade and simultaneously the number of employees also has been reduced. Thus DFL has taken care to maintain consistency in annual ratios of advances per employee. There exists good scope to improve this productivity ratio gradually in future years if planned properly both in expansion of advances portfolio and in personnel management.

Among the four NBFCs taken for study, SFL and DFL maintain the per employee advances ratio around their respective mean ratio of the decade. In SRFL and CFL, the ratios of the years of the decade have shown variations widely from their respective mean ratio. SRFL and CFL must take steps to maintain a comfortable ratio of advances per employee in future years, through proper credit plan and manpower plan. A proper synchronisation of credit management and personnel management will help all the NBFCs to ensure growing productivity ratios every year.

### **ANOVA**

Hypothesis: There is no any significant difference in Advances per Employee of NBFCs under study.

Alternative Hypothesis: There is significant difference in Advances per Employee of NBFCs under study

The table value of F for degree of freedom 39 at 5 per cent level of significance is 9.28. Since the calculated value of F (19.14) is greater than table value, the null hypothesis is rejected and alternative hypothesis is accepted. It is concluded that there is a significance difference in the Advances per employee of NBFCs under study.

### **DEPOSITS PER EMPLOYEE**

Deposits are one of the main sources of funds for the business acvity in any financial organization and so is for NBFCs. Deposits per employee is the ratio that helps to evaluate the productive capacity of each employee in the mobilization of deposits. This ratio may not be important for those NBFCs which do not take deposits from the public and those NBFCs which give least important to deposits. The sample NBFCs taken for this study have different approach to deposits. The data regarding the ratio of deposit per employee is given table 4.

The following the inferences derived from the study and interpretation of the data provided in table 4.

The per employee deposit ratio of SFL is around the mean size Rs.28.57 lakhs during the first five years of the decade. In the next five years, the ratio has become less than the mean. The deposits of SFL has fluctuated from 2002-03 to 2005-06 and thereafter it improved annually. In case of number of employees, it increased annually throughout with a sharp increase in 2007-08 (90 per cent over that of 2006-07). Though the deposits increased in 2007-08, the sharp increase in number of employees in that year affected the ratio very much. However further increase in deposits along with the adequate increase in the number of employees has helped the increase in the ratio. SFL must have close follow up of this ratio and ensure its growth along with the growth of deposits.

The productivity ratio of per employee deposits of SRFL has not been comfortable throughout the decade. The ratio has become negligible in the end years of the decade. The mean ratio itself is very meager. SRFL reduced its deposits by 95 per cent in ten years. While the number of employees increased by 18 times in ten years period. The decrease in deposits and increase in number of employees led to the poor productivity ratio (0.01in 2011-12). Increased number of employees may be utilized by SRFL for various financial activities other than deposits.

CFL is a non-deposit taking NBFC. The data of the table 5.8 states that CFL stopped accepting deposits from 2010-11. Therefore the productivity ratio of deposits per employee has come down at a faster rate

**TABLE – 4**  
**DEPOSITS PER EMPLOYEE**

(In Lakhs)

| Year    | SFL   | SRFL  | CFL    | DFL |
|---------|-------|-------|--------|-----|
| 2002-03 | 56.21 | 1.78  | 65.95  | *   |
| 2003-04 | 47.82 | 2.99  | 60.68  | *   |
| 2004-05 | 37.01 | 3.04  | 34.85  | *   |
| 2005-06 | 30.44 | 2.01  | 24.88  | *   |
| 2006-07 | 24.08 | 1.06  | 7.93   | *   |
| 2007-08 | 14.71 | 1.62  | 1.98   | *   |
| 2008-09 | 17.85 | 0.09  | 0.69   | *   |
| 2009-10 | 19.06 | 0.07  | 0.09   | *   |
| 2010-11 | 19.15 | 0.02  | *      | *   |
| 2011-12 | 19.40 | 0.01  | *      | *   |
| MEAN    | 28.57 | 1.27  | 24.63  | *   |
| SD      | 13.42 | 1.14  | 25.20  | *   |
| CV (%)  | 46.97 | 89.76 | 102.31 | *   |

Source: Compiled from annual reports of the NBFCs

**TABLE – 4A**  
**ANOVA of Deposits per Employee**

| Source of Variation | Sum of Squares | Degrees of Freedom | Mean Square | F           |
|---------------------|----------------|--------------------|-------------|-------------|
| Between Groups      | 3295.62        | 2                  | 1647.81     | 5.239626061 |
| Within Groups       | 7862.18        | 25                 | 314.49      |             |
| Total               | 11157.8        | 27                 |             |             |

to become negligible in 2008-09, 2009-10 and nil from 2010-11. However the number of employees of CFL has increased around 7 times in ten years. Baring one or two years of the decade, in all other years, the number of employees has increased. The deposits per employee has no relevance for CFL as it is identified as a non-deposit taking NBFC.

DFL is a non-deposit taking NBFC and hence the ratio of deposits per employee has no relevance.

Out of four NBFCs taken as samples for the study, the ratio has relevance to SFL and SRFL only. Out of these two NBFCs also, the ratio has relevance only in SFL as SRFL has reduced its deposits drastically over the years of the decade. Thus out of four NBFCs, only SFL has comfortable ratio of deposits per employee. In SFL also, the ratio has come down in the mid years and later in the end of the decade, the deposits have grown to register a comfortable productivity ratio, in spite of increase in number of employees. SFL must take adequate steps to improve deposits in relation to the proportionate increase in the number of employees so as to ensure a good productivity ratio.

#### **ANOVA**

Hypothesis: There is no any significant difference in Deposits per Employee of NBFCs under study.

Alternative Hypothesis: There is significant difference in Deposits per Employee of NBFCs under study

The table value of F for degree of freedom 27 at 5 per cent level of significance is 3.39. Since the calculated value of F (5.23) is greater than table value, the null hypothesis is rejected and alternative hypothesis is accepted. It is concluded that there is a significance difference in the Deposits per employee of NBFCs under study.

## **CONCLUSION**

Branches of NBFCs and their employees play the major role in increasing the volume of business. Therefore, in this paper, the productivity ratios have been derived relating the vital business functions and functional results with their number of branches and employees of the NBFCs. These ratios have been calculated to cover the essential financial activities of NBFCs, namely advances and deposits. For the deposit taking NBFCs, the results of the analysis of per branch productivity ratios indicate their comfortable productivity capacity in the areas of lending and earning income. The ratios of non-deposit taking NBFCs also reveal that their level of productivity is satisfactory. Similarly, in case of per employee business growth of the NBFCs under advances, the ratios have shown the improved productivity of their respective employees. The results of the analysis indicate that the NBFCs could manage to register positive ratios.

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## **A STUDY ON HUMAN RESOURCE PRACTICES IN RANE ENGINE VALVES LIMITED AT CHENNAI**

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### **INTRODUCTION**

A best “practice” in HR as a particular method, approach or practice of managing people which has a positive impact on a company’s overall business performance by improving employee satisfaction, employee motivation, and customer satisfaction and or bottom-line business performance.

Human resources professionals find, hire and retain the best talent in the right positions within companies, and recruiters and other HR professionals can follow these *HRbest practices* to keep their candidates and new hires happy and productive. HR best practices keep both clients and employees happy.

### **COMPANY PROFILE**

The company was incorporated in 1920 as Rane Private Ltd, trading in automobiles & parts. In 1959 established Engine Valves Ltd, for manufacturing IC Engine valves. 1960 Rane (Madras) Ltd commenced manufacture of tierod ends, 1964 established Rane Brakes Linnings Ltd for manufacturing friction materials, 1975 Rane (Madras) Ltd started steering gear manufacture, 1987 establishing Rane Power Steering Ltd, for power steering systems. In 1997 Rane TRW Steering Systems Ltd was started. In 1989 Acquired Engine components limited to manufacture tappets & camshafts and chilled iron castings. In 1995 three new JV companies formed, that is TWR Rane Occupant Restraints Limited, RaneLuk Clutch Limited, and RaneNasteeh Limited.

1997 Engine Valves Ltd, Signs technology agreement then for engine valves. 1998 manufacture of engine valves, guides, camshafts & tappets brought under one company. Viz. Rane Engine Valves Limited (REVL).

### **REVIEW OF LITERATURE**

In the organizations or firms, human resource management (HRM) practices as a mediator between HRM strategy and HRM outcome. Sheppeck and Militello (2000) focus HRM strategy into four groups: employment skill and work policies, supportive environment, performance measurement and reinforcement and market organization whereby Guest (1997) divides in to three categories: differentiated on innovation, focus on quality and cost-reduction. However, there are many definitions in previously researches on HRM strategy, but all strategies used to achieve the same organizational goal through HRM practices

Abang, May-Chiun and Maw (2009) two components of human resource (HR) practices namely, training and information technology have direct impact on organizational performance. In addition, Zaini, Nilufar and Syed (2009) four HRM practices showed that training

and development, team work, HR planning, and performance appraisal have positive and significant influence on business performance. Altarawmneh and al-Kilani (2010) examine the impact of human resource management (HRM) practices on employees' turnover intentions. The results showed that job analysis had a significant effect on employees' turnover. However, no statistical evidence was found regarding the effects of other HRM practices on employees' turnover intentions.

### **OBJECTIVES OF THE STUDY**

- To study on human resource practices prevailing in Rane engine valves
- To study about the recruitment procedures and mode of training prevailing in the organization.
- To study about the performance evaluation system and employees recognition made in the organization.
- To provide suitable suggestions to improve the human resource practices in the organization

### **DATA ANALYSIS & INTERPRETATION**

#### **Opinion of the respondents towards awareness of HR practices followed in the organization.**

| Opinion | Number of Respondent | Percentage |
|---------|----------------------|------------|
| Yes     | 85                   | 74         |
| No      | 30                   | 26         |
| Total   | 115                  | 100        |

**Interpretation:** - From the table it is inferred that 74% of the respondents are aware of HR practices followed in the organization, 26% of the respondents are not aware of HR practices followed in the organization.

#### **Opinion of the respondents regarding recruitment**

| Opinion          | Number of Respondent | Percentage |
|------------------|----------------------|------------|
| Advertisement    | 25                   | 22         |
| Reference        | 75                   | 65         |
| Campus interview | 15                   | 13         |
| Total            | 115                  | 100        |

**Interpretation:** - From the above table it is observed that 22% of the respondents express that advertisement is the main source of recruitment to select the right candidate, 65% of the respondents

expresses reference has the right mode, 13% of the respondents express that campus interview is the main source of recruitment to select the right candidate.

**Opinion of the respondents towards performance feedback**

| Opinion           | Number of Respondent | Percentage |
|-------------------|----------------------|------------|
| Strongly agree    | 27                   | 23         |
| Agree             | 41                   | 36         |
| Neutral           | 26                   | 23         |
| Disagree          | 12                   | 10         |
| Strongly disagree | 9                    | 8          |
| Total             | 115                  | 100        |

**Interpretation:** - From the above table it is observed that 23% of the respondents strongly agree that performance feedback helps to improve efficiency, 26% of the respondents agree, 23% of the respondents are neutral in their opinion, 10% of the respondents disagree, 8% of the respondents strongly disagree with performance feedback helps to improve efficiency.

**Opinion of the respondents towards employee’s appraisal**

| Opinion         | Number of Respondent | Percentage |
|-----------------|----------------------|------------|
| Once in a year  | 80                   | 70         |
| Twice in a year | 15                   | 13         |
| Monthly         | 20                   | 17         |
| Total           | 115                  | 100        |

**Interpretation:** - From the table it is observed that 70% of the respondents express that employee’s appraisal is conducted once in a year in an organization, 13% of the respondents express that employees appraisal is conducted twice in a year in an organization, and 17% of the respondents express that employees appraisal is conducted monthly in the organization.

**Opinion of the respondents regarding performance appraisal**

| Opinion                            | Number of Respondent | Percentage |
|------------------------------------|----------------------|------------|
| Highly satisfied                   | 46                   | 40         |
| Satisfied                          | 36                   | 32         |
| Neither satisfied nor dissatisfied | 12                   | 10         |
| Dissatisfied                       | 15                   | 13         |
| Highly dissatisfied                | 6                    | 5          |
| Total                              | 115                  | 100        |

**Interpretation:** - From the table it is inferred that 40% of the respondents are highly satisfied, 32% of the respondents are satisfied, 10% of the respondents are neutral in their opinion, 13% of the respondents are dissatisfied, 5% of the respondents are dissatisfied with performance appraisal procedure were provided in the organization.

**Opinions of the respondents towards management recognize your work**

| Opinion                  | Number of Respondent | Percentage |
|--------------------------|----------------------|------------|
| Promotion                | 17                   | 15         |
| Open appreciation method | 68                   | 59         |
| Bonus/incentive          | 30                   | 26         |
| Total                    | 115                  | 100        |

**Interpretation:** - From the above table it is observed that 15% of the respondents feel that their management recognises their good work through promotion, 59% of the respondents feel that their management recognises their good work through open appreciation method, 26% of the respondents feel that their management recognises their good work through bonus/ incentives provided in the organization.

**Opinion of the respondents towards employee evaluation system**

| Opinion        | Number of Respondent | Percentage |
|----------------|----------------------|------------|
| Strongly agree | 25                   | 22         |
| Agree          | 23                   | 20         |

|                   |     |     |
|-------------------|-----|-----|
| Neutral           | 42  | 37  |
| Disagree          | 20  | 17  |
| Strongly disagree | 5   | 4   |
| Total             | 115 | 100 |

**Interpretation:** -From the above table it is observed that 22% of the respondents strongly agree that employee evaluation system links the individual performance to corporate goals, 20% of the respondents agree, 37% of the respondents are neutral in their opinion, 17% of the respondents disagree, 4% of the respondents strongly disagree that employee evaluation system links the individual performance to corporate goals.

**CORRELATION ANALYSIS**

**AIM:**

To find out the relationship between the satisfaction level regarding the performance appraisal and the proper recognition given to the employees in an organization.

| S.No | Satisfaction level regarding performance appraisal (x) | Proper recognition given to the employees (y) |
|------|--|---|
| 1    | 30   | 22  |
| 2    | 35   | 40  |
| 3    | 26   | 32  |
| 4    | 18   | 16  |
| 5    | 6  | 5   |

| Dx | dy  | dx <sup>2</sup> | dy <sup>2</sup> | dxdy |
|----|-----|-----------------|-----------------|------|
| 4  | -10 | 16              | 100             | -40  |
| 9  | 8   | 81              | 64              | 72   |
| 0  | 0   | 0               | 0               | 0    |
| -8 | -16 | 64              | 256             | 128  |

|     |     |     |      |     |
|-----|-----|-----|------|-----|
| -20 | -27 | 400 | 729  | 540 |
| -15 | -45 | 567 | 1149 | 700 |

$$\Sigma dx = -15, \Sigma dy = -45, \Sigma dx^2 = 567, \Sigma dy^2 = 1149, \Sigma dx dy = 700$$

$$R = \frac{n \Sigma dx dy - (\Sigma dx) (\Sigma dy)}{\sqrt{n \Sigma dx^2 - (\Sigma dx)^2} \sqrt{n \Sigma dy^2 - (\Sigma dy)^2}}$$

$$R = 0.10$$

**RESULT:**

The calculated value is lesser than 1 so the relationship between the satisfactions level regarding the performance appraisal and the proper recognition given to the employees in an organization are moderately correlated.

**FINDINGS**

- 65% of the respondents were recruited through reference and 13% of the respondents were recruited through campus interview.
- 74% of the respondents are aware of HR practices followed in the organization, 26% of the respondents are not aware of HR practices followed in the organization.
- 26% of the respondents are attracted towards the job mostly by hours of work and based on salary and 8 % of the respondents are attracted towards the job mostly by size / structure of an organization.
- 56% of the respondents feel that individual training provided in the organisation helps to improve employee performance and 4 % of the respondents feel that mentoring training program training provided in the organization helps to improve employee performance.
- 43% of the respondents are strongly agree with appreciation factors provided in the organization and 4 % of the respondents are strongly disagree with the appreciation factors provided in the organization.
- 70% of the respondents said that employee appraisal conducted once in a year and 17 % of the respondents said that employee appraisal conducted monthly in the organization.
- 40% of the respondents are highly satisfied with the performance appraisal given in the organisation and 5 % of the respondents are highly dissatisfied with the performance appraisal given in the organization.
- 50% of the respondents are highly satisfied with continuous improvement and 3% of the respondents are highly dissatisfied with continuous improvement in the organization.
- 39 % of the respondents are satisfied towards risk taking and 4% of the respondents are highly dissatisfied towards risk taking

**SUGGESTIONS**

Rane Engine private limited provide excellent human resource practices to the employees. If the administration is highly satisfied it can promote employees which will ensure better motivation among the employees.

Some of the points which will better upgrade the human resource practices in Rane, which come across this research, are as follows.

1. Special programs can be conducted for the effective communication to stimulate Awareness among the employees in the organization.
2. The company may provide fresh or creative way to accomplish a task for communication strategies for the welfare of the organization.
3. The participative management should enhance creativity of the employees.
4. The management can use activities like job rotation, job enrichment and job enlargement to improve the performance of employees in the organization.
5. Some changes can be made to the working environment to provide facilities needed by the employees and it should be a place fit for them both physically and mentally.
6. For the betterment of the work, knowledge sharing can be recommended among the employees.
7. Mentoring training programme can be more effective to increase the training and development to the employees in the organization.

## **CONCLUSION**

The study of human practices in Rane Engine private limited has provide a lot of insights in company's human resource practices. By analyzing the summary of results it indicates that the human resource practices followed by the organization is satisfactory and the employees want only little improvement in those practices. The employees are also happy with the human resource practices followed in organization at present.

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## ENHANCEMENT OF CUSTOMER SERVICE QUALITY IN THE BANKING SECTOR

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### **Abstract**

*Banking sector being the backbone of the economy is facing rapid changes in the market such as new technologies, economic uncertainties, fierce competition, more demanding customers and the changing climate which lead to an unprecedented set of challenges. Customer is a vital for the development of trade, industry and service sector particularly in financial services. The success of a bank depends on the sum of total experiences the bank's employees create for customers. The purpose of this research was to identify the areas where the Service Quality improvements required by the bankers in New Generation Banks and Foreign Banks in Chennai. Using stratified random sampling technique, data was collected from 50 bankers of both banks and it was analysed using independent sample t-test. The study shows that both the banks bankers required more improvement in some of the areas for providing effective service delivery.*

### **INTRODUCTION**

With the diversification in the consumer needs, heightened competition, banking system has transformed into a responsive service entity committed to serve the customer with care and anxiety. As a part of bringing improvement in the customer service, various measures were taken by the banks, Reserve Bank of India, Indian Banks Association and more significantly the initiatives of social forums like AllIndia Bank Depositors' Association (Mumbai), Forum of Free Enterprise and many such welfare centric organizations. Their involvement and role work like a systemic force to bring qualitative transformation, offered recommendations and contributed to enhance quality of service. Hence, a qualitative customer service is a prerequisite for developing a vibrant banking system.

Customer service has great significance in the banking industry. Any initiatives for betterment of service needs a thorough understanding of the customer perceptions, their needs and changing aptitude of consumers. The success of a bank depends on the sum of total experiences the bank's employees create for customers. In the whole process of enhancing customer service, the research was made to identify the areas where the Service Quality improvements required by the bankers in New Generation Banks and Foreign Banks in Chennai.

### **NEW GENERATION PRIVATE SECTOR BANKS**

In the earlier stage all the banks in India were private banks, which were founded to cater to the banking needs of the people. Narasimham Committee on financial sector reforms recommended the establishment of new banks in India. Thereafter, RBI issued guidelines for setting up of new private banks in India in January 1993. As per the guidelines, RBI granted licenses to 9 private sector banks namely Bank of Punjab Limited (since merged with Centurian Bank), Centurian Bank of Punjab (since merged with HDFC Bank), Development Credit Bank Limited, HDFC Bank Limited,

ICICI Bank Limited, IndusInd Bank Limited, Kotak Mahindra Bank Limited, Axis Bank (earlier UTI Bank) and Yes Bank Limited. Housing Development Finance Corporation Limited became the first to receive an “in principle” approval from the Reserve Bank of India to set up a bank in the private sector.

## **FOREIGN BANKS**

Foreign banks now constitute the largest segment of scheduled commercial banks in the country. Totally there are 46 foreign banks operating in India Out of which 12 banks operating in Chennai. The recent trend of the foreign banks and the private sector banks has working with competitive spirit and providing better quality of services to the customers.

## **LITERATURE REVIEW**

**Mohammed Arifshaik(2014)** in his study identified bankers perception of benefits and risks associated with electronic banking facilities in Ethiopia. Bank employees were the primary source of data and the data so collected was analyzed using mean score analysis. His findings revealed that bankers perceive ‘a means to save time’ and ‘minimize inconvenience’ as the most and the least advantage of electronic banking whereas ‘Need for expertise and training’ and ‘charge a high cost for services’ are considered as the most and the least risk associated with electronic banking.

**MadihaArshad, SaminaAslam(2011)** in their study gauge the perceptions of employees, in both Islamic banks and conventional banks, of Islamic products and services, the training and experience gained in Islamic banking, and the potential of Islamic banking in Pakistan. The results revealed that bankers in Islamic banks have more positive perceptions on the above issues. The bankers also claimed that they require well-trained and skilled employees must be addressed critically by the government, industry players and educationists for the sustainable growth of Islamic banking in Pakistan

## **OBJECTIVES**

The main objective of the study is to identify the areas where the Service Quality improvements required by the bankers in New Generation Banks and Foreign Banks in Chennai.

## **RESEARCH METHODOLOGY**

To carry out the research work in a systematic way the following methodology has been used in the current study. To get the detailed opinion from the bankers, the researcher has made a descriptive research. Both primary and secondary data has been used for the research work. To collect the primary data questionnaire has been prepared and the respondents are selected by using stratified random sampling method. Questionnaire has been widely circulated among the bankers from different banks for the data collection. Analysis of data has been done by constructing suitable tables and by using other statistical techniques like mean, standard deviation and Independent sample t test. The secondary data is collected from magazines, journals, books and websites.

## **HYPOTHESIS**

**Ho:** There is no significant difference between New Generation banks and foreign banks with respect to improvements required in the service quality.

**H1:** There is significant difference between New Generation banks and foreign banks with respect to improvements required in the service quality.

### **Comparing the enhancement of customer service quality in New Generation Banks (NGB) and Foreign Banks (FB) in Chennai city**

The respondents' demographic profile is presented in Table 1. A total of 50 bankers were involved in this study.

#### **1. Demographic profile of respondent**

| <b>Variable</b>            | <b>Frequency</b>     |    | <b>Percent</b> |
|----------------------------|----------------------|----|----------------|
| Gender                     | Male                 | 30 | 60%            |
|                            | Female               | 20 | 40 %           |
| Age                        | Below 30 years       | 7  | 14%            |
|                            | 31-39 years          | 22 | 44 %           |
|                            | 40-49 years          | 18 | 36 %           |
|                            | >=50 years           | 3  | 6%             |
| Highest education attained | Diploma and below    | 1  | 2%             |
|                            | Bachelor's degree    | 16 | 32%            |
|                            | Masters degree       | 32 | 64%            |
|                            | Any other            | 1  | 2%             |
| Work Experience            | 1 to 5 yrs           | 16 | 32%            |
|                            | 6 to 10 yrs          | 22 | 44%            |
|                            | More than 10 yrs     | 12 | 24%            |
| Respondents per bank       | New Generation Banks | 35 | 70%            |
|                            | Foreign banks        | 15 | 30%            |

The above table shows that 60% of them were male while the rest were female bankers. In addition, of the 50 bankers surveyed, 14% were below or equal 30 years old, 44% were in the range of 30-39 years of age, and the rest were between 40 and 49 years old (36%) and above 50 years old (6%). Also, 1% bankers held at least a diploma level education, while the bankers who held undergraduate and postgraduate degrees accounted for 32% and 64% respectively. 32% of employees having work experience of 1 to 5 years, 44% were in the range of 6 to 10 years and 24% were more than 10 years. In addition, 70% respondents in this study were from the New Generation banks while 30% of the respondents worked with the foreign banks.

An analysis of the improvements required by the bankers about the quality of services delivered to the customers is depicted in tables. The respondents gave their opinion in Likert's 5 point scale which ranges from 5 to 1. The comparison is done through a parametric independent t test to exactly ascertain the enhancement of customer service quality and the significance of t value is considered at 5% level.

#### **1) Core Banking Solutions**

|                            | <b>NGB</b> | <b>FB</b> |
|----------------------------|------------|-----------|
| <b>Observations</b>        | 35         | 15        |
| <b>Mean</b>                | 1.97       | 2.93      |
| <b>Standard Deviation</b>  | .954       | 1.163     |
| <b>Standard error mean</b> | .161       | .300      |
| <b>t-value</b>             | -3.057     |           |
| <b>Significance</b>        | .507       |           |

From the above table it is found that the t value of core banking solution is -3.057, p=.507 which is statistically insignificant @ 5% level so, do not reject null hypothesis. Also, the mean value of core banking solutions for new generation bank is 1.97 and foreign bank is 2.93. This implies both NGB and FB bankers need more improvement in core banking solutions to provide excellent service quality

**2) Employee's attitude towards customer service**

|                            | <b>NGB</b> | <b>FB</b> |
|----------------------------|------------|-----------|
| <b>Observations</b>        | 35         | 15        |
| <b>Mean</b>                | 2.11       | 2.60      |
| <b>Standard Deviation</b>  | .963       | 1.121     |
| <b>Standard error mean</b> | .163       | .289      |
| <b>t-value</b>             | -1.555     |           |
| <b>Significance</b>        | .177       |           |

It is found that t-value of employees' attitude towards customer service is -1.555, p=.177 which is statistically insignificant @ 5% level. The mean value for NGB is -1.555 and FB is 0.177. Hence concluded that there is no significant difference between NGB and FB with respect to improvements required in the service quality. Based on mean score both the banks required more improvement in customer service.

**3) Simplicity and easiness of transactions**

|                            | <b>NGB</b> | <b>FB</b> |
|----------------------------|------------|-----------|
| <b>Observations</b>        | 35         | 15        |
| <b>Mean</b>                | 2.14       | 3.07      |
| <b>Standard Deviation</b>  | 1.004      | .799      |
| <b>Standard error mean</b> | .170       | .206      |
| <b>t-value</b>             | -3.155     |           |
| <b>Significance</b>        | .151       |           |

**Since P value is greater than 0.05 the null hypothesis is accepted @ 5% level of significance.** It implies that NGB and FB bankers differ in the simplicity and easiness of transactions. In particular NGB (mean= 2.14) and FB (mean= 3.07) clearly indicated that the FB need moderate improvement in simplicity and easiness of transactions where as NGB need more improvement in making the transaction process easier.

**4) Value Added Services**

|                            | <b>NGB</b> | <b>FB</b> |
|----------------------------|------------|-----------|
| <b>Observations</b>        | 35         | 15        |
| <b>Mean</b>                | 2.29       | 2.67      |
| <b>Standard Deviation</b>  | 1.226      | 1.345     |
| <b>Standard error mean</b> | .207       | .347      |
| <b>t-value</b>             | -.978      |           |
| <b>Significance</b>        | .367       |           |

In case of value added services, t-value is -.978, p=.367 which is statistically insignificant at 5% level. The mean value for NGB is 2.29 and FB 2.67. It indicates that both the bankers need more improvement in value added services to provide good quality of services to customers.

**5) Innovative services through advanced technology**

|                            | <b>NGB</b> | <b>FB</b> |
|----------------------------|------------|-----------|
| <b>Observations</b>        | 35         | 15        |
| <b>Mean</b>                | 2.20       | 3.67      |
| <b>Standard Deviation</b>  | 1.183      | 1.047     |
| <b>Standard error mean</b> | .200       | .270      |
| <b>t-value</b>             | -4.151     |           |
| <b>Significance</b>        | .427       |           |

The analysis revealed that the t-value of providing innovative services through advanced technology is -4.151 and p=.427 which is statistically insignificant @ 5% level. The mean value for NGB is 2.20 and FB is 3.67. It indicates that NGB bankers need more innovations in providing services through advanced technology when compared to foreign banks.

**6) Normal charges for services**

|                            | <b>NGB</b> | <b>FB</b> |
|----------------------------|------------|-----------|
| <b>Observations</b>        | 35         | 15        |
| <b>Mean</b>                | 2.31       | 3.13      |
| <b>Standard Deviation</b>  | 1.157      | .915      |
| <b>Standard error mean</b> | .196       | .236      |
| <b>t-value</b>             | -2.430     |           |
| <b>Significance</b>        | .436       |           |

It is found that the t value of service charges to the customers is -2.430 and  $p=.436$  is statistically insignificant @ 5% level .The mean value of NGB is 2.31 and FB is 3.13 which shows that both the bankers opine that the banks have to reduce the transaction cost to some extent for providing effective services.

**7) Working hours of the bank**

|                            | <b>NGB</b> | <b>FB</b> |
|----------------------------|------------|-----------|
| <b>Observations</b>        | 35         | 15        |
| <b>Mean</b>                | 2.23       | 2.93      |
| <b>Standard Deviation</b>  | 1.114      | 1.486     |
| <b>Standard error mean</b> | .188       | .384      |
| <b>t-value</b>             | -1.850     |           |
| <b>Significance</b>        | .067       |           |

The bankers revealed that the t value of working hours of the bank is -1.850,  $p=.067$  which is statistically insignificant @ 5% level. The mean value for NGB is 2.23 and FB is 2.93 which indicate that the bankers need more improvement in the working hours of the bank. I.e.) the working hours of the bank have to be reduced.

**8) Transparent and well defined system**

|                            | <b>NGB</b> | <b>FB</b> |
|----------------------------|------------|-----------|
| <b>Observations</b>        | 35         | 15        |
| <b>Mean</b>                | 2.09       | 2.27      |
| <b>Standard Deviation</b>  | 1.040      | 1.223     |
| <b>Standard error mean</b> | .176       | .316      |
| <b>t-value</b>             | -.535      |           |
| <b>Significance</b>        | .182       |           |

Since the P value is greater than 0.05 the null hypothesis is accepted @ 5% level of significance. It should be concluded that there is no significant difference between NGB and FB with respect to improvement required in the service quality. The data reveals that there is hidden cost involved; hiding information and employees understanding level towards customers are low in NGB with the mean value of 2.09 than FB (Mean value 2.27). This indicates that that the banks have to need more improvement in providing honest and transparent services to the customers.

**9) Contact program of customers**

|                            | <b>NGB</b> | <b>FB</b> |
|----------------------------|------------|-----------|
| <b>Observations</b>        | 35         | 15        |
| <b>Mean</b>                | 2.14       | 2.80      |
| <b>Standard Deviation</b>  | 1.033      | 1.014     |
| <b>Standard error mean</b> | .175       | .262      |
| <b>t-value</b>             | -2.072     |           |
| <b>Significance</b>        | .903       |           |

It is found that the contact program of customers with the banker t value is -2.072, p=.903 which is statistically insignificant @ 5% level. The data (Mean value of NGB is 2.14, FB is 2.80) revealed that both banks have to improve the contact program of the customers i.e.) they have to provide sufficient time for contacting the customers and solve their grievances and request in order to provide effective service quality.

**10) Effective complaint Management system**

|                            | <b>NGB</b> | <b>FB</b> |
|----------------------------|------------|-----------|
| <b>Observations</b>        | 35         | 15        |
| <b>Mean</b>                | 2.03       | 2.27      |
| <b>Standard Deviation</b>  | .954       | 1.335     |
| <b>Standard error mean</b> | .161       | .345      |
| <b>t-value</b>             | -.715      |           |
| <b>Significance</b>        | .006       |           |

In case of effective complaint management system, t value is -.715, p=.006 which is highly significant @ 5% level. Therefore reject the null hypothesis. The data reveals that NGB banks have to improve more in complaint management system than foreign banks in order to attract and retain the customers.

## **FINDINGS**

From the overall analysis, both bankers need more improvement in providing effective customer services regarding core banking solutions, employees' attitude towards customer service, simplicity and easiness of transaction, value added services, normal charges for services, working hours of the bank, contact program of customers, transparent and well defined system, effective complaint management system and innovative services through advanced technology.

### **Bankers' suggestion to improve the bank services**

Most bankers from different banks suggested that there should be more recruitment of staff. They require more employees, especially young energetic staff to work. Also, Employees should be trained on technical aspect and behavioural aspects, so that they can provide quick and efficient services to the customers. Bankers also felt that they should have more presence across the nation, to deliver uniform quality service to the customers. Some foreign banks are focussing only on higher class customers; they should also concentrate on upper middle class. Increase in number of branches and ATMs are suggested by some bankers.

## **CONCLUSION**

In any service organization the quality of rendering service is considered as an important element in order to meet the specific requirements of the customer. Customer value is an asset to any organization. The success of the bank mainly depends upon the customer satisfaction. Hence in order to retain the customer, the bank brings some improvement in providing good quality of service and making it available at the right time for the customers. Modern technology and innovation are also required in every aspect of banking system. From the overall analysis it is quite clear that both the bankers required more improvement in some of the areas for providing effective service delivery.

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