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Journal writing is a voyage to the interior
Christina Baldwin

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Value ecology via pro-ecological restructuring: the case of creative industries

Martynas Radzevicius
Researcher & Lecturer, Institute of Economics, Finance and Management,
Kaunas Faculty, Vilnius University, Lithuania.

Abstract

This paper is a part of dissemination of international scientific project "Pro-ecological restructuring for job (PRORES) funded by European Union. The main idea of the article is that eco innovations can be a strong background for companies of creative industries in order to rethink or expand the customer value and seek the sustainable business development. The paper analysis the case of Lithuanian creative company,its initiation of ecological restructuring voluntarily, the reasons, the results and the reactions of staff and customers to these changes.

Keywords: pro-ecological restructuring, value ecology, creative industries
JEL classification: Z1, Q1, L1, M2

I. Introduction

The term of creative *industries* was first articulated in 1997 as a way of integrating sectors of the British economy in which creative intangible inputs add significant economic and social value. The term has also been taken up increasingly in the United States, typically resistant to such European and dominion trends. It is a term which sometimes is read as code for a neo-liberal cultural policy agenda and as such is the subject of increasing academic debate (McNamara 2002; Hesmondhalgh and Pratt 2005; Garnham 2005). However, both critics and advocates agree that the internationalisation of the creative industries concept is predicated on its capacity to connect key contemporary policy drivers in high-tech information and communications technologies based research and development with the "experience" economy, cultural identity, and social empowerment.

There is an emerging international body of empirical literature that allows for stronger and more critical assessment of some of the claims made about these sectors. The literature confirms amongst other things that the creative industries are, in fact, above average in their growth rates and value adding and employment-producing multipliers. The sector is highly integrated with other sectors of the economy – producing intermediate inputs and outputs in just about all sectors. Analysis of occupational data shows that there are more creatives employed in other sectors of the economy than in those sectors designated as the creative industries. It can also be argued that the creative industries evidence higher rates of innovation (Potts 2006).

This has had the effect of changing the way the fundamental processes of creating "value" occurs – a shift from the idea of a value chain to a value ecology. This brings us to the purpose to describe this emerging fundamental shift in how the creation of "value" is understood and to examine implementations of ecological initiatives as a measure for creative industries development and creation of customer value.

II. From value chain to value ecology

The idea of a value chain is a very pervasive metaphor in both functional and critical descriptions of production and consumption. The term evolved conceptually from the idea of supply chain (Rainbird 2004) which describes the series of steps a product (usually a tangible one) takes from the manufacturer to the consumer. The word "value" was substituted for

"supply" to suggest that each step in the chain should add value rather simply move the product along. That is, value chains are should achieve value optimization rather than cost minimization.

Many functional analyses of production and consumption (Hearn and Pace 2006) now question this basic metaphor and the leading edges of innovation in the creative industries evidence the breaking down of its warrant because it (1) suggests a single linear process with one stage leading to the next; (2) does not analyse the fact that value chain creation may be a competitive as well as a cooperative process; (3) lends itself to mechanistic linear thinking and suggests static rather than dynamic processes; (4) suggests the chain exists in isolation and ignores the environment as well as the effect of processes or factors that are not strictly part of the chain but are important enablers, catalysts or context setters for the chain (Rainbird 2004); and (5) rests on a simplified notion of "value" (Walters and Lancaster 2000).

In response, several terms have been coined to overcome the limitations of the value chain definition. For example, Jeffcutt (2004:81) prefers the term "value circuit", because it "foregrounds the dynamism and complexity of these, not necessarily linear, relationships in a knowledge economy". Moore (1996:70) uses the concept of "value chaining" to emphasise the "active generation of new value chains". Stabell and Fjeldstad (1998) use the terms "value shop" and "value network" to emphasise firm-level value creation. Lorenzen and Frederiksen (2003:15) suggest the term "value soup" where "the configuration of networks of specialised agents <…> are not stable value chains, but rather a value 'soup', floated with projects". Table 1 depicts the difference in conception between supply chains, value chains and value ecologies.

Table 1. Comparing key strategy elements for different conceptions of value creation.

Strategy elements	Supply chain	Value chain	Value ecology
Customers	Consumers	Consumers	Consumers, suppliers, competitors etc.
Environment	Static/stable	Static/stable	Chaotic/uncertain
Focus	Supply side OR demand side, not both	Supply and demand sides	Supply and demand sides
Value creation	Limited emphasis on value creation	Emphasizes a value creation approach which adds value at every node	Emphasizes a holistic approach to value creation throughout the ecosystem
Relationship type	Vertical integration	Timid teaming	Dynamic and evolving
Risk	Low	Medium	High
Profit focus	Increase own profits	Increase own profits	Increase ecosystem profits
Cost focus	Minimize own cost	Optimize own cost	Share costs
Knowledge leverage	Within the enterprise	Within the enterprise	Across the ecosystem
Knowledge approach	Storing	Hoarding	Sharing
Resource approach	Defending	Guarding	Sharing
Time orientation	Short term	Long term	Long term
Key driver	Cost	Revenue	Knowledge

Source: HEARN, G., ROODHOUSE, S., BLAKEY, J. (2007). *From value chain to value creating ecology.* International Journal of Cultural Policy, Vol.13, No. 4, p. 419-436

In a value ecology, the constellation of companies is dynamic and value flow is multi-directional and works through clusters of networks. From a network theory perspective, at least two reasons could be suggested for the growing importance of networks. Firstly, networks are ideal information resource allocation/ information flow mechanisms. Structurally, networks facilitate rapid information transfer by providing horizontal links cutting across institutional boundaries to put people in direct contact with each other. Networks also help create information as well as transmit it. As each person in the network receives information, it is synthesised and

new ideas may spring forth – information easily builds on information. Networks thus share new ideas and help create them. Secondly, new value creation is achieved through manipulation of information and the characteristics of information are very different from ordinary goods. One of the economic characteristics of information, namely that the cost of information production is independent of its scale of use, implies increasing returns to the use of information. This factor has traditionally conferred benefits to the early movers in information intensive industries and it partially underlies the operation of value ecologies in the creative industries. The confluence of network theory and the "value ecology" metaphor arises because much of the development of network theory has been derived from analyses of bio-systems. In terms of analysing the operation of the creative industries as a sector, three important shifts are implicated more specifically in the shift from value chain to value ecology, namely the shift in thinking about, i.e., consumers to co-creators of value, from product value to network value; and from simple competition to "co-opetition". The most visible shifts of customer value creation are noticed in the initiatives of green innovations or so-called ecological restructuring. And the effects of these initiatives are bigger because of nature of network in creative industries, as it was mentioned above.

Eco-innovations

Much attention has recently been paid to innovation as a way for industry and policy makers to achieve more radical, systemic improvements in corporate environmental practices and performance. Many companies have started to use eco-innovation or similar terms to describe their contributions to sustainable development. A few governments are also promoting the concept as a way to meet sustainable development targets while keeping industry and the economy competitive. However, while the promotion of eco-innovation by industry and government involves the pursuit of both economic and environmental sustainability, the scope and application of the concept tend to differ.

In the European Union (EU), eco-innovation is considered to support the wider objectives of its Lisbon Strategy for competitiveness and economic growth. The concept is promoted primarily through the Environmental Technology Action Plan (ETAP), which defines eco-innovation as "the production, assimilation or exploitation of a novelty in products, production processes, and services or in management and business methods, which aims, throughout its lifecycle, to prevent or substantially reduce environmental risk, pollution and other negative impacts of resource use (including energy)". Environmental technologies are also considered to have promise for improving environmental conditions without impeding economic growth in the United States, where they are promoted through various public-private partnership programmes and tax credits (OECD, 2008a). To date, the promotion of eco-innovation has focused mainly on environmental technologies, but there is a tendency to broaden the scope of the concept. In Japan, the government's Industrial Science Technology Policy Committee defines eco-innovation as "a new field of techno-social innovations that focuses less on products' functions and more on the environment and people" (METI, 2007).

Figure 1. **The scope of Japan's eco-innovation concept**

Target / Field	Industry		Social infrastructure		Personal lifestyle
	Manufacturing	Service	Energy	Transportation / urban	
Technology	·Sustainable manufacturing ·Innovative R&D (energy saving, etc.) ·Green ICT ·Rare metal recycling	·Innovative R&D (Building Energy Management System)	·Innovative R&D (renewable energy, batteries) ·Superconducting transmission	·Innovative R&D (intelligent transport systems) ·Green automobiles ·Maglev	·Heat pump
Business model	·Green procurement (including BtoB) ·Green servicizing ·EMA ·LCA	·Energy services ·Environmental rating/green finance	·Green certification	·Modal shift	·Green procurement ·Cool biz ·Green finance
Societal system (institution)	·Environmental labeling system ·Starmark ·Green investment		·Top Runner Programme ·PRS Act (Renewables Portfolio Standard)	·Green tax for automobiles ·Next-generation vehicle and fuel initiative (METI)	·Telework, telecommuting ·Work-life balance

Source: OECD (2009). Sustainable manufacturing and eco-innovation: Framework, Practices and Measurement. Synthesis Report.

Eco-innovation is thus seen as an overarching concept which provides direction and vision for pursuing the overall societal changes needed to achieve sustainable development (Figure 1). This extension of eco-innovation's scope corresponds to the more integrated application of sustainable manufacturing described above. Of course, there has to be pointed out that this model is general and therefore it is not fully suitable for creative industries. Nevertheless, this model is target-focus and this is the strongest side of it, suitable for any economic sector, especially then the company's business model is focused on value ecology creation.

Further there will be presented the case study of Lithuanian creative company JSC Kordis, which changed their development strategy of customer value and implemented value ecology through investing in eco innovations. This case study is a part of international science project "Pro-ecological restructuring for job (PRORES)" conducted on 2011-2015 in Lithuania, Poland and Ukraine and funded by European Union.

The company

JSC Kordis is manufacturing company of creative industries operating in plastic printing and polygraph areas, as well as producing of unique and globally no-analogues products – wooden greeting cards made of natural raw timber. JSC Kordis was established on 18th August in 2008 by two professionals of plastic printing. The main motivation to start up the company was a goal to create as an alternative for traditional plastic printing companies, which were operated in the local market in that time, because those companies was not able to offer innovative and cutting edge products, lacked of enthusiasm, initiatives and flexibility to meet customers' needs, especially of those ones who were looking for something new or exceptional. JSC Kordis came to business during the last world economic crisis, but they were capable enough to find the right way how to adapt successfully to turbulent circumstances, explore their exceptionality and now this company continues their activities, focusing on ecology, green manufacturing and environmental protection.

JSC Kordis focuses on two main working areas: first is already mentioned manufacturing of wooden greeting cards; another is producing of plastic cards (mostly discount, clients and loyalty and security cards as well as employees certificates). Both activities are doing from the beginning of establishing the company, but during the time there was changed the impact of those activities for company's income and profit. In the beginning the biggest part of value-added depended on manufacturing of plastic cards. At this time the main part of income comes from producing and trading of the wooden cards: during last couple years the turnover and production volumes of JSC Kordis increased almost thrice. Also JSC Kordis has two e-commerce projects (www.mediniai-atvirukai.lt for local market and www.cozywood.com for international trading) and e-commerce account in 'Etsy.com - the largest e-commerce platform in the world for trading of creative products, but these projects are only additional activities. The production of company is exporting to more than ten different foreign countries (the most important of them are Germany, Austria, New Zealand and Australia). In Lithuania the production of JSC Kordis is trading in almost 200 sales places. The company's products are evaluated on both national and international levels: in 2014 their production won the gold prize for exceptional design, quality and ecology in national trade fair 'Rinkis prekę lietuvišką', in 2012 the product of JSC Kordis was elected by Ministry of Economy of Republic of Lithuania for representation and exhibition in Lithuania's national booth in global fair EXPO2012 in South Korea. This year JSC Kordis presented their wooden greeting cards in global competition[1] *GCA Louie Awards'* of greeting cards industry.

Despite of very fats development and evaluations, JSC Kordis is still classified as micro enterprise because at this moment in the company work only 8 employees including 3 women. On the other side, there is need to pay attention that even 7 employees have higher education (2 of them have a master degree) and only one has only second education. Definitely the impact of JSC Kordis on local job market is very small, but despite of that, the company is creating the *green jobs*, pays a lot of attention to protection of environment, sustainable manufacturing and makes this voluntary: the company cooperates in forests replanting and climate protection (*Antalis*© climate protection sign), during manufacturing process uses only recycled paper material (certified by PEFC and FSC). The company has submitted the application for EU Eco Label and considers about certificating a manufacturing by ISO 14001 standard.

III.Ecological restructuring

JSC Kordis was chosen for the research as alternative case, because this company generally was not restructured still, despite of ongoing renewal and improving processes. Anyway JSC Kordis was established during turbulent times (2008-08-18), therefore the company was forced to defeat not only those challenges which are usual for all *start-up* companies, but also they had to find the solutions and measures, how to develop the business in turbulent conditions.

In the beginning all business organizations, especially manufacturing companies, have to choose the one of only two possible strategic orientations, i.e., whether acting as massive producer and focusing on manufacturing of standardize production, or limiting itself and producing more specific product for narrow part customers, but giving them opportunity to personalize the final product. The owners of JSC Kordis chose the second concept, i.e., niche production. During the interview company's CEO and development manager said the main

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[1] *'Louie Awards'* – it is the most prestigious global competition of greeting cards design in the greeting cards industry on the world, organized by International Greeting Cards Association (GCA) and curators of international fair 'The New York Stationery Week'.

reason for choosing this strategy was competition in the market in that time: there were a lot of pretty big printing companies which focuses mainly on needs of only big customers, this situation caused strong competition where the only one competitive advantage is lowest price as possible, while the other part of customers, who need small volumes or exceptional quality, did not have a wide choice between producers and they were forced to pay bigger price for pretty low quality. Also JSC Kordis noticed that in the plastic printing market is slowly coming the demand for innovative products (e.g., raw materials, new manufacturing methods, ecology, sustainable production etc.) but there is nobody who can meet this need. So all these factors allow JSC Kordis to create their competitive advantage which ensured incomes flow and became a background for stable company's growing even during difficult times and created the springboard for company's current success.

But there is need to pay attention that the company had to reorganize after the economic crisis (i.e., make a partly-restructuring), although the company met successfully the challenges of hard times: the growing of company was more than 500% during two first years. But after that very successful period, the company was faced with some difficulties. E.g., despite that from the beginning JSC Kordis is focusing on high quality products with big value-added, they also were growing the assortment steadily. During couple years the company expanded the assortment so much, that eventually the company came to paradoxical situation, when demand of materials and financial resources was growing faster than sales. Therefore the company decided to re-evaluate the range of production, refuse the least profitable products, as well as to rethink technological process, more focusing on eco-friendly manufacturing and change the marketing strategy, i.e., they started to promote themselves for customers and society as responsible business.

As it was mentioned above, the company was not restructured legally (*A restructuring is the process during which is reorganized the activity of the company facing with temporary financial difficulties in order to restore its solvency – The Law of Restructuring of Republic of Lithuania*) But nevertheless JSC Kordis reconsidered the company's strategy and changed technological processes. After those actions, during pretty short time period the company reduced the consumption of materials and energy for one product unit, reduce emissions of carbon dioxide, started to use more and more the materials which is less harmful for environment (when it is producing and it is consuming) and changed waste management system what allowed them to ensure the company actively contributes to the reduction of soil, water and air pollution and waste recycling in order to protect the environment.

The survey was conducted with CEO of JSC Kordis and it allowed to assess the impact of restructuring on ecological aspects and other issues was assessed in scores from 1 to 10 (where 1 – the lack of impact, 10 – the highest impact). This assessment showed that the restructuring had a biggest direct impact on strategic reorientation (9), marketing (8) and pro-ecological restructuring (7), the less impact was found on rationalization of employment levels (5). Also this assessment disclosed the restructuring process will have indirect impact on improving organizational excellence (7) as well as rationalization of employment levels (8). In

Table 1 the results of this assessment are presented.

Table 2. The impact of restructuring – JSC Kordis

		In the last 5 years			During next 5 years		
		Past	Indirect	Past	Indirect	Past	Indirect
1)	Financial restructuring						
2)	Strategic reorientation	9		+			
3)	Rationalization of employment levels	5		+	8		
4)	Improving organizational excellence				7		
5)	Pro-ecological restructuring	7		+			
6)	Marketing restructuring	8		+	+		

Source: PRORES

There is need to pay attention to the fact the motivation for restructuring was not the financial issues of the company: actually the financial situation in this company before the restructuring was very good, the profit was the biggest of all time. The conducted case study showed that the main reasons, why JSC Kordis implemented the restructuring procedures, can be grouped as follow:

1) Production factors - necessary to adapt the product to the modified needs of main customers; rapidly increasing prices of raw materials (especially wood); it slowed down volumes of producing and decreased sales, so there company was threatened with a strong decrease in profit;
2) Strategy factors – the shareholder's aim to increase the added value of the company (also - the profit) and a new vision of development - to become a leader in innovation and the printing industry, with the strong focus on quality, flexibility and resource and environmental sustainability.

According these reasons, the process of restructuring was going step by step, so the realization of all changes took longer than 24 months.

The survey also allow to assess based on the scores (where very negative - 1, negative - 2, no change - 3, positive - 4, very positive – 5) that the rationalization of employment levels (4) and strategic reorientation have been affected on the ecological aspects positively (4).

Pro-ecological aspects of undertaken restructuring processes

As it was mentioned earlier in this article, JSC Kordis was established during the economic crisis 2008-2009. From the first days of the existence, the company faced with challenges of crisis – beginning with the lack of investments, unstable sales and cash flows, customers' debts and bankruptcies and ending with quickly increasing and inflexible logistic prices and conditions. On the other side, from the first day JSC Kordis has a different business vision comparing with others competitors in the plastic printing sector, because they want to become the leaders of innovation in the area where they work. Therefore the company restructured the process of manufacturing and started to develop business as *green* as possible together with their unique product idea. The CEO of this company believe that the crisis did not make any bigger influence on this point, because it depends only on company's strategic values and company's vision – eco-friendly product and sustainable manufacturing. On the other hand, the crisis forced the company to rethink the range and supply of some products and their lines, despite of that is *eco-innovation*. E.g., the company had to decline the producing cards from *bioplastic* or give up on manufacturing collective cards[2] because of lack of demand and very expensive raw materials. On the other side they still produce the wooden greeting cards; even it

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[2] Collective cards – only one loyalty card with multiple bar codes for common usage mostly between the family members.

was hard to find the way to customers' hearts as well. Now JSC Kordis can be proud of manufacturing the product which uses 5 times less timber material than paper ones.

Moreover the manufacturing companies have to regularly evaluate the characteristics of products and – if it is needful – must change that or even to refuse this product at all. E.g., Before three years, the company made a risky decision to change the paper material for notebooks from usual paper to 100% recycled and certified paper (FSC, PEFC, *Blau Engel*) though this improve of products increased significantly the costs of notebooks production. These changes related to new general company strategy as well, but it was right economically too: during the survey CEO disclosed the fact that even in Lithuania, where eco-initiatives are not still receiving proper attention, JSC Kordis has very wide consumers auditorium, who value not only design, but business responsibility for environment too. Nevertheless the company has to work harder in this area, because the customers in foreign markets (especially in Scandinavia, Germany, France or Australia) are more strict and demanding for ecology and sustainability.

The success in restructuring manufacture process was the stimulus to implement the solutions how to reduce general pollution and improving the working conditions for employees. Two years ago JSC Kordis started to sort all waste (not only those which is result of manufacturing) and those which are suitable for recycling and secondary usage (the biggest part of all wastes) is removed and recycled. Moreover in order to provide healthier and cleaner job environment for employees, the company invested in building special ventilation system, also this company is renewing regularly manufacturing facilities, changing them to more sustainable and efficient. E.g., year ago JSC Kordis bought the new printing machine which uses absolutely harmless and non-toxic toners for people and environment, does not contain any carcinogenic substances or pose a danger or harm to health, even if they will be entered the human body..

Conducted survey with CEO of JSC Kordis, also indicated the influence of the main factors on company's functioning within the scale from 1 to 10 (where 1 - lack of impact, 10 - the highest impact). In Table 2 the results of survey are presented. There is need to pay extra attention to the restructuring process is still going, therefore the assessment of impact was made for past period and for future period, i.e., what impact will these factors do possible in the future. The most important factors affecting the functioning of JSC Kordis, were technological and socio-cultural, especially the frequency of the new products appearance (8), new tendencies of changes in realization of business challenges and mobile technologies (8), the civilization progress (8) and the level of education (8). Also in case of JSC Kordis were important international and economic elements, from which most worth mentioning are the stability of political (9), economic and tax systems in the countries which are the area of the industry interest (9), the international agreements and regulations (9), the economic situation on the world (9), the probability of an international armed conflict (, competition on core market (8), consumers' confidence (8) and salaries (9).

The main pro-ecological activities which have allowed this company to implement efficient restructuring was assessed during survey by applying the similar scale as earlier (where 1 – lack of impact and 10 – the highest impact). The efficient restructuring in frames of this case study means the decreasing of costs or increasing of revenues or profits.

In the case of JSC Kordis, the most important pro-ecological activities ensuring efficient restructuring were establishing of green jobs (8), the implemented system of waste segregation (7), recycling (9), implementing ecological culture in the company for its all staff (8), the modification of product, in order to meet the requirements of environmental protection (7) and

withdrawal and/or partial liquidation of the products and technologies that do not meet the ecological criteria (8).

It is important to pay attention to the fact there is found the pretty small impact of implementation of environmental management systems in this case of JSC Kordis. But CEO of this company stated one more time that the restructuring process was implemented voluntarily without plans to meet the requirements of any environment system. According to CEO, these things took place in reverse order: the company initiated restructuring procedures, the part of them was finished successfully and only then the company started to interest in implementing environmental systems or *eco-labelling*.

As one can see in the case of JSC Kordis the main motivation arose from those factors which are connected to influence of market and /or customers. Also, this could be illustrated by the fact that this company seeking to meet the requirement of customers submitted the applications for certification procedure of FSC and *eco-labelling* of EU Eco Label. And JSC Kordis does it despite the fact the implementation of these initiatives requires quiet big investments – both financial and human. On the other hand, implementation of such systems or labels gives the strong competitive advantage for entering such foreign markets as Italy, France, and UK and allows maximizing the volumes of exporting production.

Moreover, representatives of JSC Kordis already noticed that in foreign countries (especially in Western Europe and Australia) eco production has not only more perspective, but also it is more valued and less sensitive to competition, consumers prefer to pay more for products or services of social and/or environmental responsible companies, because they believe in such way making personal efforts to save and sustain the environment and society. And CEO of JSC Kordis stated it as the main economic benefit of implementing pro-ecological activities in the company, although it is doing only couple of years. And it is only one assessment of benefit of eco-initiatives, because the company does not count still the feedback effect of green investments, it is called only costs. Anyway the major part of pro-ecological activities related with technical changes of products or producing methods, so the company values the demand, sales and profitability of improved products time after time.

Also it is worth to point out the investments which were intended for implementing all pro-ecological activities in this company, was made only from company's funds. This decision is also related with demand of production, but this reason is not only one. Another reason is quiet difficult mechanism of EU support. Company's CEO said there are a lot of strict requirements, accountability and monitoring – especially after the implementation of the project – is excessive and there is a big lack of the help for those who trying to apply.

IV. Conclusion

JSC Kordis is exceptional case in conducted research because of two main reasons: the first, this innovative company was established during period of the world-wide economic crisis in 2008, and the second, despite of company size, these companies initiated voluntarily pro-ecological changes and do that very actively ensuring the promoting the traditions of responsible and sustainable business development in Lithuania. The strategy of JSC Kordis for environmental changes were focused on improving the quality of its production, usage of new and eco-friendly technologies and improving of working conditions for the staff. Therefore at this moment the JSC Kordis is initiated the procedures of implementation environment

management system ISO 14001 and submitted the applications for labelling its production with EU Eco Label and FSC logo.

Although these initiated activities are very important for the whole market, environment and the company itself and the implementation of these processes was successful and it is going on further, but the company was faced with some difficulties. Firstly, the company had to assume the additional costs when it started the implementation of pro-ecological restructuring, despite that these extra costs are paid the final consumers. Also the is a lack of support and measures provided by national or local government institutions, which could make those processes easier and stimulate the companies of private sector to invest more in pro-ecological restructuring and take more commitment for ensuring proper protection of environment and sustainable development.

On the other side the case of JSC Kordis is great example of responsible business, because they initiated the restructuring voluntary, according to the need of market consumers, especially from foreign markets. And this initiative affected not only the company's image and reputation, but together they strengthened competitive advantage locally and internationally.

The restructuring process was implemented successfully, so JSC Kordis is planning to continue pro-ecological restructuring in the future. Moreover, this company noticed, that these initiatives are value-creating for customers and it makes company's production more competitive and more attractive both locally and globally. Finally these initiatives shifted the company's management to the next level: because of restructuring company had to networked, which let the company gain the knowledge, changed the management process and improve the production chain making it the main part of customer value (implementation of value ecology).

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A Study on Impact of Total Quality Management on Performance of Self Financing Engineering Institutions

Praveen Kumar.T[1], Kirupa Priyadarsini.M[2], Baskaran Ranganathan[3]

[1]*Assistant Professor, Department Of Management Studies, Sri Sai Ram Engineering College, Chennai, India*
[2]*Associate Professor, KCT Business school, Coimbatore, India*
[3]*Associate Professor, Department of Industrial engineering, Anna university (CEG), Chennai,. India*

Abstract

At present, in Tamilnadu a wide range of self financing engineering institute is involved in implementing a Total Quality Management (TQM) practices. But still their performance in the competitive engineering education market is very low when comparing to the other premier engineering institutions in India. So the purpose of this study is to explore the TQM practices of the self financing engineering institute in Tamilnadu and its impact on their performance. The conceptual model is developed and the dimension and items are determined based on the study from Begum Sayeda, Chandrasekharan Rajendran and Prakash Sai Lokachari (2010) TQM Model for achieving institutional excellence. This study is descriptive research design type and is based on the primary data; the primary data is collected from the faculty of the self finance engineering institute in Tamilnadu through the structured questionnaire. The sampling technique used in this study is simple random sampling technique and by using the Gpower analysis the sample size is determined as 256. The reliability test for the questionnaire is carried out and reliability value (cronbach alpha) is found more than 0.7 for all the dimension of the study. The statistical tools descriptive statistics, Path analysis was applied to measure the hypothesis and objectives. The findings of the study show that Performance of the self financing engineering institution is majorly influenced by the quality management system of the institution and minor influenced by the stakeholders of the institution.

Key words: TQM, Engineering institute performance, Path analysis
JEL : 123

I. Introduction

Total quality management (TQM) is a way of managing to improve the effectiveness, efficiency, cohesiveness, flexibility and competitiveness of a business as a whole. As defined by British Standard Institution, TQM consists of a "management philosophy and company practices which aim to harness the human and material resources of an organization in the most effective way to achieve the objectives of the organization". Some researchers are skeptical of the idea of applying TQM to higher education institutions (HEI). For instance, Chaston (1994) has identified obstacles, which include insufficient trust between departments and low confidence levels of ability to manage the process: "Under these circumstances, it does not appear that, for the foreseeable future, British universities are in a position to adopt TQM philosophy." Paradoxically, however, HEIs, which research and teach TQM lack credibility if they decline to embrace the TQM philosophy and practices themselves. Because TQM is universal and proven by many successful firms, it should been used to formulate the mission statement for the services provided by HEI; a generic mission statement could be "To provide quality education, training, research and related services to consistently satisfy stakeholders' needs and achieve excellence through TQM". The competitiveness of a country and skill level of its students is determined by its quality of higher education provide to its students. Indian educational institutions especially engineering institution adapting to this new reality, they are gearing up to cater to the needs of their domestic educational market and as well as to the international educational markets Kelley and Sharif (2005).India is growing in the information technology (IT), IT ez and various outsourcing (BPO , KPO etc), its due to the cost advantage as well as the availability of the skilled workforce. This paves the way for growth of the higher educational institution especially the engineering institution. Theengineers play a pivotal role in the generation of employment opportunities and consequently in the aggrandizement of a nation's wealth. In Tamil Nadu, the number of engineering educational institutions is rapidly increasing because of its demand and government policies. But the quality standard in this institution especially infrastructure, Faculty, Leadership is major concern for their stakeholders. Total quality management has generally been recognized as a major innovation and system development in management thought and has gained widespread acceptance in business and industry. The principles of TQM have been successfully adopted

in the field of higher education by developed countries such as Japan, USA and UK. At present, a wide range of self financing engineering institute in Tamilnadu is involved in implementing a Total Quality Management (TQM) practices. But still their performance in the competitive higher education market is very low when comparing to the other premier institutions in India. So the purpose of this study is to explore the TQM practices and its impact on the performance of self financing engineering Institute.

II. Review of Literature

TQM has been used successfully and effectively implemented in variety of organizations, including manufacturing and service organizations. TQM was first applied in industries. Later the educational institution like Colleges and universities has gradually started applying TQM principles to improve their system performance. The following review of literature gives the researcher contribution in framing TQM model for the higher educational Institution.

Gregory (1996) suggest four dimensions of institutional leaderships symbolic, political, managerial and academic in his model of distributed leadership for managing change in higher education institutions.

Kanji (1998) suggested a business excellence model for higher education institution, which having four factors: delight the customer, management by fact, people-based management and continuous improvement.

S.G.Deshmukh (2006) in his study brief the importance and usefulness of TQM concept for technical education and also how the six-sigma concept and approach (DMAIC methodology) in eliminating the error in the processes of various activities of technical institutes.

G.S Sureshchandar et al (2001) discussed 12 dimensions in his study related to the quality management and its critical for the utilization of a TQM environment in service organizations like financial institutions, health care system and education.

Mergen et al. (2000) developed a model of quality management which had three components: quality of design (QD), quality of conformance (QC) and quality of performance (QP). It provided a framework to identify opportunities for improvement in research, teaching and operations.

Longbottom (2002) propose enabler criteria, which affects performance and help organizations to achieve organizational excellence. These "enabler" criteria are leadership, policy and strategy, people management, resources and partnerships and processes. They also suggest "result" criteria including customer satisfaction, people satisfaction and impact on society and key performance results for measuring the effectiveness of TQM implementation. Non-implementation of TQM was due to institutions pre-occupation with funding agencies and non-embracement of continuous improvement culture. Proper education and training of those involved in the implementation process will help to mitigate this problem.

Viswanadhan and Rao (2005) in his study the researcher measure the impact of privatization of engineering education through the performance of undergraduate engineering programmes in India. The factors taken in the study were commitment of top management and leadership, customer focus, course delivery, communication, campus facilities, congenial learning environment and continuous assessment and improvement.

Sakthivel et al.(2005) conceptualized five TQM variables and developed a 5-C TQM model of academic excellence in technical institutions of India: commitment of top management, course delivery, campus facilities, courtesy and customer feedback and improvement.

U. Surya Rao and A. Pal Pandi (2006) study given the concept of using all the existing quality management techniques like ISO 9001:2000, Six-Sigma (DMAIC), TQM, Knowledge Management and Lean Thinking in the name of Integrated Total Quality Management (ITQM) in technical institutions

Begum Sayeda, Chandrasekharan Rajendran and Prakash Sai Lokachari (2014) This study proposes a model for achieving institutional excellence from the macro perspective of the management. Two critical factors, i.e. healthy innovative practices and feeder institution partnership have been identified as key enablers in this study. Institutional performance (effectiveness), as a holistic construct, has been measured by five measures of performance, institution reputation and image, infrastructure quality, faculty excellence, research and industry exposure and stakeholders' satisfaction.

Problem Statement

To improve the technical and skilled manpower in the country the Engineering education is essential. Graduate courses in engineering appear to have lost their charm and value. This academic year (2016-17), there have been no takers for more than one lakh seats for various courses offered by the 539 self-financing/private engineering colleges in the State. In other words, one lakh seats in Bachelor of Engineering (B.E.) or Bachelor of Technology (B.Tech.) courses in Information Technology, Electronics and Electrical Engineering, Computer Science and Engineering, Mechanical, Civil or Electrical Engineering, Biotechnology, Metallurgy, Rubber Technology, and so on, have not been filled. The trend was noticed in 2011-12 when 45,062 seats in different engineering disciplines remained unfilled. It became glaring in subsequent years. In 2012-13, 50,000 seats remained unfilled; in 2013-14, it was 80,700; and in 2014-15, the figure rose to 1, 00,819. The situation forced several self-financing engineering colleges to close down last year. This academic year, 20 engineering colleges have not admitted fresh students and 15 colleges could fillonly 10 per cent of the seats. These are all due to the poor performance of the self financing engineering colleges. In Tamilnadu many engineering institutions especially self financing engineering institution have ISO9001: 2000 and NBA certificates but it seems the education quality in those institutions is not satisfactory. Some of the problems like lack of infrastructure, shortage of qualified faculty, students' attitude towards learning, poor students' results and placement inadequacy in the engineering institutions result in the institutions' and stakeholders' dissatisfaction. The implementation of TQM practices in self engineering institutions may certainly help the students to get quality education and also TQM build the system in order to improve the performance of the self financing engineering colleges. The objectives of this study are to identify the TQM dimensions and its impact on the self financing engineering institution.

Objectives of the Study

- To study the perception the engineering institution staffs with respect to the TQM practices dimension of the self financing engineering institution
- To measure the impact of TQM Practices on performance of the self financing engineering institution

III. Research Methodology

The research design used in this study is descriptive research design. Descriptive research design is a scientific method which involves observing and describing the behavior of a subject without influencing it in any way. The population of the study is faculty of the self financing engineering colleges. The criteria for respondent (faculty) they should have experience more than 3 years. The sampling design used in this study is simple random sampling for collecting the data from faculty. The simple random sampling means is in which every item of the population equal probability of being chosen. The sample size of this study is determined by the G Power analysis GPower 3. The sample size is determined based on the specified power, alpha level and effect size (medium =0.5) in the GPower analysis. The sample size is determined as 256. The structured questionnaire is used to collect the primary data from the respective self finance engineering Institute faculty members. Responses were recorded along a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) for all the items in the questionnaire. The measurement scale used in this study is TQM in EEIs from the management's (service provider) perspective/TQM Model for achieving institutional excellence developed by Begum Sayeda, Chandrasekharan Rajendran ,Prakash Sai Lokachari (2014) the measurement scale consist of TQM dimension and Institutional performance dimension, the factors in the TQM dimension are Top management , Infrastructure, QMS, Stakeholders and process and the factors in the Institutional performance dimensions are Reputation, quality, faculty excellence, Industry exposure and stakeholders satisfaction. The reliability of the 32 variables used in the study was carried out using VPLS 2.1 software. The alpha scores which greater than 0.7 is generally acceptable as sufficient accuracy for a construct (Nunnally, 1978). The composite reliability for internal consistency of the constructs was tested and was above 0.7.

Hypothesis and Model Construction

TQM Dimension   **Institutional Performance**

Factors related to top management
• *Top management's commitment - institutional Progress (TMC-IP)*
• *Top management's commitment - process Excellence (TMC-PE)*
• *Top management's support - strategic planning and execution (TMS-SPE)*
• *Top management's support - meeting student needs (TMS-MSN)*

Factors related to infrastructure
• *Support infrastructure – external services (INF-EX)*
• *Support infrastructure – internal services (INF-INT)*
• *Core infrastructure – essential resources (INF-ESS)*
• *Core infrastructure – facilities and layout (INF-FACIL)*
• *Core infrastructure – pedagogy related (INF-PED)*

Quality management system (QMS)

Factors related to stakeholders
• *Faculty and staff focus – performance (FS-PERF)*
• *Faculty and staff focus – professional and career Development (FS-PROF)*
• *Student focus – academic development (SF-ACAD)*
• *Student focus – co-curricular and extra-curricular Development (SF-COEX)*
• *Student focus – congenial atmosphere (SF-CON)*
• *Alumni focus (AL-FOC)*
• *Stakeholder focus (STK-FOC)*
• *Social responsibility (SOC-RES)*
• *Industry interface (IND-INT)*
• *Feeder institution partnership (FIP)*

Factors Related to Processes
• *Continuous improvement (CI)*
• *Benchmarking (BM)*
• *Measurement, information and analysis (MIA)*
• *Knowledge management (KM)*
• *Research and development (R&D)*
• *Healthy and innovative practices (HIP)*
• *Pedagogy (PED)*

H1 → *Institutional Reputation and Image*

H2 → *Infrastructure Quality*

H3 → *To Faculty Excellence*

H4 → *Research and Industry Exposure*

H5 → *Stakeholders' Satisfaction*

Hypothesis of the study

H1. *TQM dimensions are positively related to institutional reputation and image.*
H2. *TQM dimensions are positively related to infrastructure quality.*
H3. *TQM dimensions are positively related to faculty excellence.*
H4. *TQM dimensions are positively related to research and industry exposure.*
H5. *TQM dimensions are positively related to stakeholders' satisfaction*

IV. Results and Discussion

Reliability Test

Reliability of an instrument refers to the degree of consistency between multiple measurements of variables. It is extent to which an experiment tests or any measuring procedures yield, the same result on repeated attempts. Reliability was estimated through internal consistency method which is applied to measure the consistency among the variables in a summated scale. In the present study, the Cronbach's Alpha co-efficient of reliability was found based on primary data of the present study and the details are as follows:

Table I Reliability of the Variables

S.no	Variables	Cronbach (α) Value
1	Top management's commitment - institutional Progress (TMC-IP)	0.88
2	Top management's commitment - process Excellence (TMC-PE)	0.91
3	Top management's support - strategic planning and execution (TMS-SPE)	0.90
4	Top management's support - meeting student needs (TMS-MSN)	0.74
5	Support infrastructure – external services (INF-EX)	0.85
6	Support infrastructure – internal services (INF-INT)	0.86
7	Core infrastructure – essential resources (INF-ESS)	0.81
8	Core infrastructure – facilities and layout (INF-FACIL)	0.84
9	Core infrastructure – pedagogy related (INF-PED)	0.81
10	Quality management system (QMS)	0.82
11	Faculty and staff focus – performance (FS-PERF)	0.88
12	Faculty and staff focus – professional and career Development (FS-PROF)	0.81
13	Student focus – academic development (SF-ACAD)	0.89
14	Student focus – co-curricular and extra-curricular Development (SF-COEX)	0.86
15	Student focus – congenial atmosphere (SF-CON)	0.77
16	Alumni focus (AL-FOC)	0.84
17	Stakeholder focus (STK-FOC)	0.84
18	Social responsibility (SOC-RES)	0.84

19	Industry interface (IND-INT)	0.93
20	Feeder institution partnership (FIP)	0.89
21	Continuous improvement (CI)	0.82
22	Benchmarking (BM)	0.75
23	Measurement, information and analysis (MIA)	0.83
24	Knowledge management (KM)	0.79
25	Research and development (R&D)	0.76
26	Healthy and innovative practices (HIP)	0.85
27	Pedagogy (PED)	0.78
28	Institutional Reputation and Image	0.82
29	Infrastructure Quality	0.80
30	To Faculty Excellence	0.85
31	Research and Industry Exposure	0.87
32	Stakeholders' Satisfaction	0.93

The reliability of the 32 variables used in the study was carried out using VPLS 2.1 software.. The alpha scores which greater than 0.7 is generally acceptable as sufficient accuracy for a construct (Nunnally, 1978). The composite reliability for internal consistency of the constructs was tested and was above 0.7.

Demographic Analysis

Analyze the demographic profile of the respondents by frequency analysis its found that 59.4% of the respondents in the assistant professor category, 61.5 % of the respondents in the age group of 36-45 years, 62.5% of the respondent s belongs to male category, 91.7 % of the respondent s belongs to married group, 79.2% of the respondents are having PG qualification, and 34.4% of the respondent are having more than 15 years of experience

Descriptive Statistics

Table II- Descriptive Statistics of the TQM dimensions

S.No	Variables	Mean	SD
1	Top management's commitment - institutional progress	4.17	.816
2	Top management's support - strategic planning and execution	4.48	.754
3	Top management's commitment - achieving process excellence	4.87	.363
4	Top management's support - meeting student needs	4.49	.580
5	Support infrastructure - external services	4.23	.840
6	Support infrastructure - internal services	3.92	.574

7	Core infrastructure - essential resources	4.02	.680
8	Core infrastructure - facilities and layout	4.48	.523
9	Core infrastructure - pedagogy related	4.37	.637
10	Quality management system	4.57	.557
11	Faculty and staff focus - performance	4.65	.649
12	Faculty and staff focus - professional and career development	3.90	.624
13	Student focus - academic development	4.22	.861
14	Student focus - co- and extra-curricular development	3.98	.846
15	Student focus - congenial atmosphere in campus	4.30	.583
16	Alumni focus	4.27	.640
17	Stakeholder focus	4.30	.756
18	Social responsibility	4.41	.608
19	Industry interface	4.47	.695
20	Feeder institution partnership	4.09	.782
21	Continuous improvement	4.04	.767
22	Benchmarking	3.94	.779
23	Measurement, information	4.15	.740
24	Knowledge management	3.96	.664
25	Research and development	3.23	.888
26	Healthy and innovative practices	3.20	.902
27	Pedagogy	4.24	.557

Inference:

Table 2.0 shows the mean and standard deviation of the TQM dimensions. In the variables related to the top management, Top management commitment for achieving process excellence (Mean value= 4.87 and S.D= .363) had the highest mean when compared to the top management commitment in institutional progress (Mean value= 4.17 and S.D= .816), top management support for strategic planning and execution (Mean value=4.48 and S.D= .754), top management support meeting the students needs (Mean value= 4.49 and S.D= .580), since the top management commitment in institution progress mean values are less the faculties are not aware of the institutional progress in future. The standard deviation is less than 1 for the entire dimension which showed that the response of the faculties did not vary much with the mean value. With respect to the variables of the infrastructure, core infrastructure for facilities and lay out (Mean value= 4.48) had the highest mean value and core infrastructure for pedagogy having the next highest mean value (Mean = 4.37) are very less difference between the above variables mean values shows that faculties are aware of the core infrastructure of their institution. The support infrastructure for internal services have the (mean value = 3.92) is less compare to other dimension of Infrastructure. The standard deviation is less than 1 for the entire dimension which showed that the response of the faculties did not vary much with the mean value. The mean value for the QMS is 4.57 and S.D is 0.557. The variables related to stake holders had 10 dimensions namely faculty and staff focus related to performance extended (μ = 4.65), faculty and staff focus related to professional and

career development (μ = 3.90), student focus for academic development (μ = 4.22), student focus for co and extracurricular development (μ = 3.98), students focus for congenial atmosphere (μ = 4.30) , alumni focus (μ = 4.27), stake holder focus(μ = 4.30), Social responsibility focus(μ = 4.41), industry interface(μ = 4.47) and feeder institution partnership(μ = 4.09). Among the ten variables faculty and staff focus performance had high mean value and faculty and staff focus related to professional and career development had low mean value. The standard deviation is less than 1 for all the variables which showed that the response of all the faculties did not vary much with the mean value. The Factor related to process had seven variables. Continuous improvement (μ = 4.04), Benchmarking (μ = 3.94), measurement information and analysis (μ = 4.15), Knowledge measurement (μ = 3.96), Research and development (μ = 3.23), Healthy and innovative practices (μ = 3.20), Pedagogy (μ = 4.24), A high mean over the pedagogy showed that the pedagogy process are well known to the faculties of the self financing engineering institution. The standard deviation is less than 1 for the entire dimension which showed that the response of the entire faculties did not vary much with the mean value.

Table III Descriptive Statistics of the Performance Dimensions

S.No	Variables	Mean	S.D
1	Institution reputation and image	4.16	.549
2	Infrastructure quality	4.15	.580
3	Faculty excellence	4.10	.607
4	Research and industry	4.06	.558
5	Stakeholder satisfaction	3.95	.513

Inference:

In the dimensions related to the performance of the self financing engineering institution, institution reputation and image (Mean value= 4.16 and S.D= .549) had the highest mean when compared to the stakeholder satisfaction (Mean value= 3.95 and S.D= .513), infrastructure quality (Mean value=4.15 and S.D= .580) had the next highest mean value, faculty excellence (Mean value= 4.10 and S.D= .607), and Research (Mean = 4.06 and S.D= .558) , according to the faculty institution reputation and infrastructure tops the performance of the institution. The standard deviation is less than 1 for the entire dimension which showed that the response of the faculties did not vary much with the mean value

Path Analysis

The result of VPLS structural equation model is given below in Fig. 1 Tests of significance for all paths are conducted using bootstrap re-sampling procedure. The test of each link is mapped to each path in the model. The estimated path coefficient along with their t-statistic is shown in the model. The causal effect of TQM dimension on Performance dimension of the self financing engineering institute is tested using Visual PLS path modeling software. PLS path modeling is a nonparametric method, and as such cannot be used for performing a t-test. But it is possible to use re-sampling methods (bootstrap and jack knife) to obtain the significance of the various paths in the model. Bootstrap is more reliable in estimating the significance of paths (Chin, 1995). So, this study has considered and used bootstrap for the purpose of determining causal relations proposed in the model. The results are examined for significance. At 5% level of significance the cutoff t-statistic is 1.96.In general; it is assumed that if the t-statistic is more than two, the path is significant

Fig I- Path Analysis between TQM Dimensions and Performance Dimensions Of Self Financing Engineering Institution
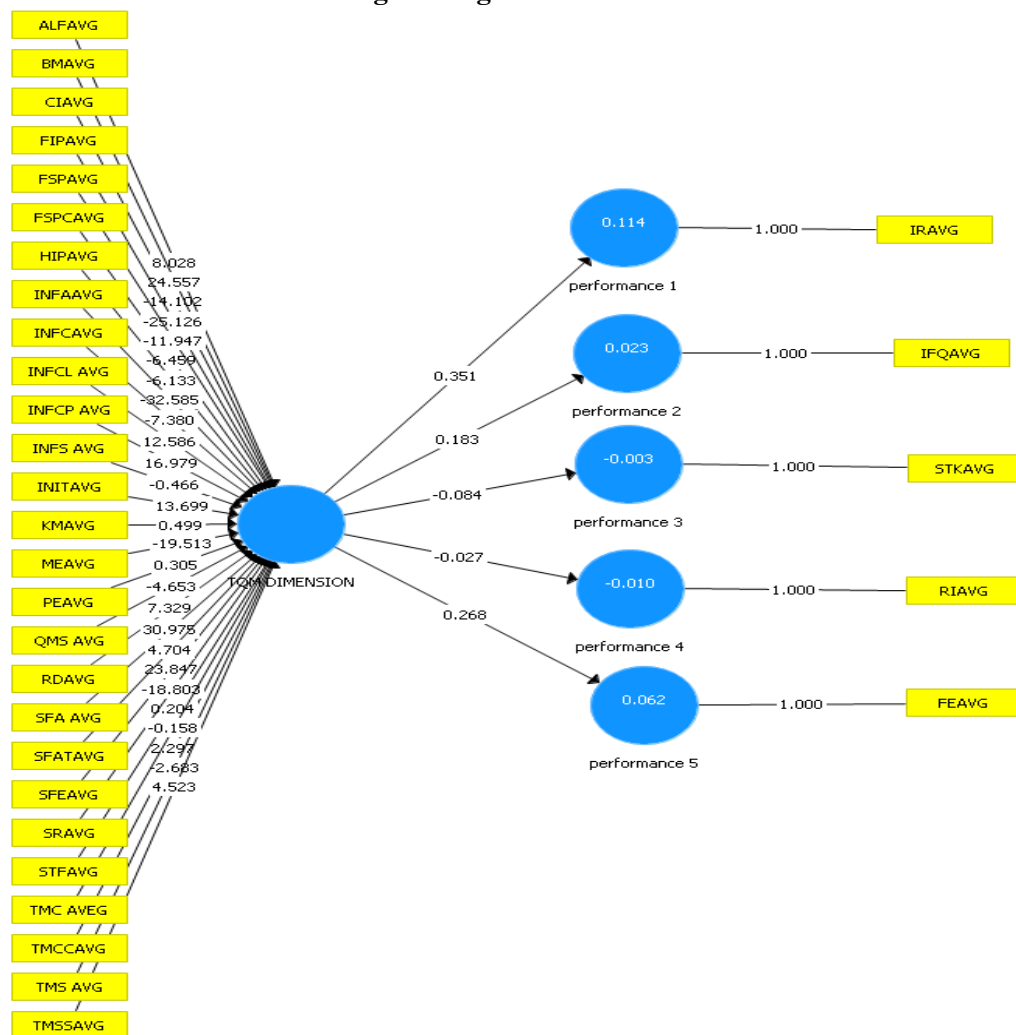
Inference:

The performance1 (Institutional reputation and image) is influenced positively by TQM with a path coefficient of 0.351. The R- square value of performance1 (Institutional reputation and image) is 0.114 it can be concluded that 11% of variation in performance1 (Institutional reputation and image) is of the sample as explained by the TQM. This empirical investigation supports the TQM and its dimension and also supports the fact that performance1 (Institutional reputation and image) is influenced by TQM.

H1. *TQM dimensions are positively related to institutional reputation and image.*

The above H1is accepted so the TQM dimensions are positively related to institutional reputation and image.

The performance 2 (Infrastructure Quality) is influenced positively by TQM with a path coefficient of 0.183. The R- square value of performance 2 (Infrastructure Quality) is 0.023 it can be concluded that 2% of variation in performance 2 (Infrastructure Quality) is of the sample as explained by the TQM. This empirical investigation supports the TQM and its dimension and also supports the fact that performance 2 (Infrastructure Quality) is influenced by TQM.

H2. *TQM dimensions are positively related to infrastructure quality.*

The above H2 is accepted so the TQM dimensions are positively related to infrastructure quality

The performance 3 (Faculty excellence) is influenced negatively by TQM with a path coefficient of -0.084. The R- square value of performance 3 (Faculty excellence) is -0.003 it can be concluded that 0% of variation in performance 3 (Faculty excellence) is of the sample as explained by the TQM. This

empirical investigation supports the TQM and its dimension and not supports the fact that performance 3 (Faculty excellence) is influenced by TQM.

H3. *TQM dimensions are positively related to faculty excellence.*

The above H3 is rejected so the TQM dimensions are negatively related to faculty excellence

The performance 4 (Research and industry exposure) is influenced negatively by TQM with a path coefficient of -0.027. The R- square value of performance 4 (Research and industry exposure) is -0.010 it can be concluded that -1% of variation in performance 4 (Research and industry exposure) is of the sample as explained by the TQM. This empirical investigation supports the TQM and its dimension and not supports the fact that performance 4(Research and industry exposure) is influenced by TQM.

H4. *TQM dimensions are positively related to research and industry exposure.*

The above H4 is rejected so the TQM dimensions are negatively related to research and industry exposure

The performance 5 (stakeholders satisfaction) is influenced positively by TQM with a path coefficient of 0.268. The R- square value of performance 5 (stakeholders satisfaction) is 0.062 it can be concluded that 6% of variation performance 5 (stakeholders satisfaction) is of the sample as explained by the TQM. This empirical investigation supports the TQM and its dimension and also supports the fact that performance 5 (stakeholders satisfaction is influenced by TQM.

H5. *TQM dimensions are positively related to stakeholders' satisfaction*

The above H5 is accepted so the TQM dimensions are positively related to stakeholder's satisfaction.

V. Conclusion

The present study made an attempt to measure the impact of TQM dimension on performance of the self financing engineering institution in Tamilnadu. The constructs are validated by a series of statistical tests and analysis. The relationship between the constructs of TQM and the measures of self financing engineering institutional performance has been assessed. It is seen that the TQM dimensions significantly influence all the measures of performance of the institution, which have a significant bearing on institutional effectiveness. The individual dimensions which result in each of the particular measure of institutional performance is highlighted for the purpose of reflection for the service provider to concentrate more on each of the performance areas for improvement. Some important observations and concerns from the management's perspective are also highlighted and they pertain to developing vision, commitment of resources for launching quality management initiatives and process lacunae experienced by key stakeholders.

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Factors influencing online buying behavior : An Indian Perspective

Kavitha Rajayogan[1] and Dr. S. Muthumani[2]

[1]Sathyabama Institute of Science and Technology, School of Management Studies,Chennai, India.
[2]GKM Institute of Technology, Department of Management Studies,Chennai, India.

Abstract

As the technology is getting updated day by day and the usage of internet is booming in a large scale globally. In the e-commerce industry the online retailing is the second largest industry where there is a tremendous growth in the sector. This study mainly identifies the factors of online buyers in India and their purchasing intention. As the years are increasing the trust on online shopping is also increasing which will increase more in future. The main factors taken in the study were Trust , price and convenience as the independent variable and the online purchase intention as the dependent variable. The study was conducted from 310 consumers who buying products in online from India. Chi-square test and multiple regression analysis were conducted for testing the hypothesis.

Keywords: e-commerce, Online shopping, Purchase intention, Trust, Price, Convenience

I. Introduction

The technology is being increased where it gives opportunities for the seller to reach the consumers in a faster manner easily and economically. The consumers have started using internet as the main shopping channel in the recent era. Few online shoppers tend to get their needs fulfilled by buying the products in internet. Online shopping intention refers to the result of attitude or the consumers' behavior who are willing to buy from a specific online retailer (Jiradilok, T.,et al (2014).

The consumer behaviour is the study which involves selection, purchase, usage, disposal, service, and experience to satisfy the need and desires [Solomon, M. R. (1998)].The main motive of purchase intention is to have a conscious plan for further effort to know the behavior after perceived performance which the customer considers in buying the product online [Irshad, W. (2012)]. It also observed appropriate measurement has to be taken for online purchase intention on a website which is assesses online consumer behavior.

1.1 Price

The consumers who prefer buying products in online are benefited more because of the price reduction and the offers which are given than the offline stores. The competition is also more since the number of suppliers who are entering into the online are increasing day by day and are able to compete with the open market place [Turban, E et al (1999)].

1.2 Trust

Trust in online shopping is very important because without have trust none of the business transactions may happen [Gefen, D.(2005)]. Trust is also very important in online shopping where it it shows the impact of how the business is going on successfully. It can also be said that most of the consumers purchasing intention can be identified from the trust they have in the online shopping. According to [Rahi S, et al (2017)], it was revealed that there is a significant relationship between trust and the impact on purchase intention.

1.3 Convenience

Online shopping is so much convenient and which act as the main reason for the consumers [Wolhandler, H.C. 1999] . Based on the internet availability overall where the consumers can shop online at any time 24X7 and whereever they want the only thing which they require is interent facility. Now a days the payment mode has also become more confortable which gives us cash on delivery option where the people dont trust to use their online banking details for payment can also go for cash on delivery. Compared to the offline store the consumers need not wait in a queue to make payment and can avoid rushes which are there in may big retail stores.

1.4 Purchase Intention

The purchase intention is the main outcome of the other factors from the other factors like trust, price and convenience. Mostly for electronic transactions, the behavior of online shopping may have a trust on a selected vendor but the overall trust may not be evident, consumers may try to go for a particular vendor alone where the degree of trust may be high with those vendors alone. The price and the delivery mode should also be considered for purchase intention [Tan, F.B. & Sutherland, P. (2004)].

II Literature Review

It was analysed the factors that influence consumers' e-shopping satisfaction and e-shopping intention on online apparel retailing [Chong Hui Teing (2014)]. The result indicated that e-shopping quality dimension had significantly affected e-shopping intention through e-shopping satisfaction except for customer service had been found that it is insignificant to e-shopping satisfaction and also it indicated that privacy/ security, customer service and atmospheric/ experiential had direct relationship to e-shopping intention. Baljeet Kaur & Sushila Madan (2013) conducted a study on trust since consumers are most bothered about the product quality, credit card frauds, availability of returns, product delivery, security and privacy of their information and found that trust is found as the most important factor which had a significant impact on website sales by Indian consumers.

Previous study by Jiradilok, T., et al (2014) identified that it is not practical to examine and study on actual purchase behavior therefore suggested that purchase intention as the representative in order to predict actual purchase behavior. Haryo Bismo Putro & Budhi Haryanto (2015) conducted a study to find the relationship between various factors affecting online shopping and found that there is a postive relationship between ease of use and consumers attitude, between usefulness and consumer attitudes, between perceived risk and consumer attitudes, and between consumer attitudes and intention to buy Zalora. As a whole the people tend to use internet globally was 23.8 % from the entire population at 2008 as per study by Bhowmik, R. (2012). Some study inferred that there is a significant difference in the online shopping behavior of the consumers with age and gender[Pooja sharma, Varun batra(2016)].

It was suggested that shopping or purchase intention considers one of the most important variables to predict future behavior of consumers and can be a measurement to predict actual consumers purchase behavior [Im H & Ha Y (2011)] . There will be negative effects on online business if the retailers may underestimate the intentions of purchasing the product through online. Kavitha Rajayogan, Dr. Muthumani. S., (2015) inferred that working profesionals tend to shop more due to time saving option and consumers belonging to high income group will have a fashionable style and require to prefer more options available in online shopping. A study was conducted using the theory of planned behavior analysed attitude towards the behaviour and the customer's subjective norm and perceived behavioural controls which can influence the intention [Pooja sharma, Varun Batra (2016)]. He compared theoretical predictions and the current situation of using online services by consumers in Thailand and also found that the main factors influencing customers' intention to shop online was the difficulty of shopping online. They conducted a study on online consumer behavior based on the theory of planned behavior. The result confirms that perceived ease of use and trust are the main factors in online consumer behavior through behavioral attitude and control. Bhowmik, R. (2012) identified that there was a strong correlation between age and attitude towards online shopping and also he found that most of the olders where not preferring to shop online and there was a strong correlation between education and attitude towards online shopping.

III. Research Methodology

The research was conducted from 310 consumers in India and convenience sampling was used for the study.

3.1 Objectives
- To identify the factors influencing trust in online shopping
- To identify the factors influencing the purchasing intention of online shopping
- To analyse the pricing of buying the products in online

CONCEPTUAL FRAMEWORK
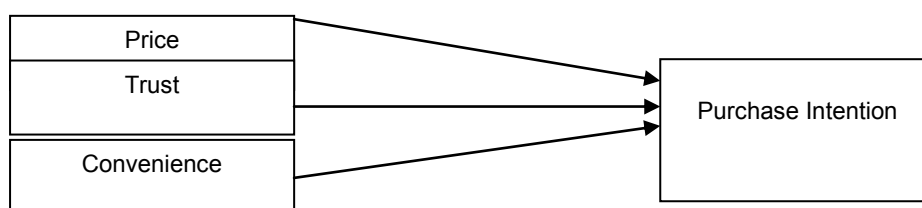
Figure 1 : Conceptual Model on online shopping

IV. Analysis and Interpretation

The demographics characteristics are expected to be the main basic which determines the market segmentation and therefore the demand will have a closer view based on the distribution of the consumers opinión. From the study it is inferred that 65% of the respondents belong to the age group of 21 to 30. Therefore it implies that most of the youngsters are preferring to online buying as they use the technology than the old generation. It is also inferred that 69.3% of consumers have completed their graduation which imples that most of them are educated which will be easy for them to learn the technology easily. It is also inferred from the study that 74.5% of the consumers are male which implies that male are tend to use online shopping more than female consumers.

4.1 Chi-square test

Hypothesis 1: Prices of products affecting consumers purchase intention

Table 1 : Chi-square test

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	21.326[a]	3	.012
Likelihood Ratio	23.845	3	.001
Linear-by-Linear Association	17.468	1	.000
N of Valid Cases	310		

Since from the above table the chi-square value is 0.012 which is less than 0.05, the hypothesis is rejected and it is inferred that the prices of the product affects the consumer purchase intention.

4.2 Multiple regression analysis

Multiple regression analysis was carried out and the independent and dependent variables have been listed below

Table 2 :List of Independent and dependent variables

Independent variables	Dependent variable
Price	Purchase Intention
Trust	
Convenience	

Hypothesis 2: Price significantly influences purchase intention
Hypothesis 3: Trust significantly influences purchase intention
Hypothesis 4: Convenience significantly influences purchase intention

Table 3: Multiple Regression

Variables	F	F-value	Standardized coefficient(β)[c]	t-test	P-value	R^2
Model Summary[b]	48.75	.000				.411
Price			-.068	-1.04	0.69	
Trust			.371	9.07	.000	
Convenience			.244	3.38	.000	

(a) Predictors : (Constant), Price, Trust, Convenience
(b), (c) Dependent Variable : Online Purchase Intention

From the above table 2 the R^2 indicates that 41.1% of the variance in the online buying intention is explained by price, trust, and attitude. The F value is also significant. The standardized coefficient shows that the trust towards online shopping has the highest value and the next highest is attitude and then Price. It can be implied that the trust towards online shopping influences the purchase intention than the other variables.

V. Conclusion

The consumers of online shopping are increasing tremendously and the way they are trusting to buy the products in online is also increasing. It is concluded that price of the product affects the purchase intention and compared to all the independent variables trust, price and convenience, trust to buy products through online is most significantly influencing the purchase intention. The online shopping market has become more fashionable and trendy where consumers started prefering online shopping due to the best Price provided by the service providers than the retail stores.

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Impact of Oil Price and Macroeconomic Variables on the Profitability - A Study on Bank Muscat, Sultanate of Oman

K.Prabhakaran[1] & P. Karthika[2]

[1]*Assistant Professor, Department of Business and Accounting, Muscat College,Sultanate of Oman.*
[2]*Assistant professor, Department of Business Administration, Vidyavardhaka College of Engineering, Mysore, India*

Abstract

Banks have continually contended a crucial position within the country's economy. They play a decisive role within the development of the business and trade. Like all businesses, a bank also wants to earn the more money than what they pay in expenses. This paper analyses the relationship between oil price and bank profitability.The banking profitability is affected by numerous variables. These variables include internal element to each bank and several important external forces shaping earnings of the banks. This study reviews the literature on the banking performance and categorizes the bank profitability determinants. This study considers the internal variable named bank specific variables and external variables named macroeconomic variable for analysis the impact on the profitability of the banking system in Oman. The analysis is using data on the Bank Muscat from 2010 to 2016. The finding shows that the oil price changes influence the profitability of the Bank Muscat. The direction and effect of inflation and interest rate on the performance of bank is inconclusive. Empirical findings suggest that the bank specific variablesand macroeconomic variables significantly affect profitability of the bank. The oil price might have positive effect on profitability of bank.

Key words: Oil Prices, Bank Muscat, Macroeconomic Variables, ROA and ROE.

I. Introduction

Low oil prices lead Oman experiencing increasing unemployment and dropped public spending. But the crisis has also increased pressure to diversify the economy, as Reese Erlich reports from Oman. A rise in world oil price results in significant increases in global interest rates. Positive innovation in global money, price level and industrial production is connected with an increase in oil prices (Ronald A. Ratti, 2016).In recent years the globe economy grappled with the fall in oil prices and other product costs. Consistent with the World Bank, world wild growth fell wanting expectations in 2015, decelerating to 2.4 % from 2.6 % in 2014. The low performance chiefly mirrored continued growth retardation in embryonic and developing economies amid post-crisis lows in product costs, weaker capital flows and subdued world trade. The prospect of rising interest rates within the U.S.A. associated an economic holdup in China fed uncertainty and a better risk of economic vulnerability worldwide.

The Sultanate's financial development in 2015 remained at 3 %, mostly because of pressure on income in the midst of year-long low oil costs. The financial and monetary dependence on the oil and gas segment added force to public finance. Oman's monetary buffers, household investment funds and sound banking sector helped in as a wellspring of stable financing for the government. Oman's shortfalls extended as hydrocarbon-related government incomes dropped by more than 40 %. Oman economy kept on being under strain on the effect of weaker hydrocarbon procuring producing results on its GDP development and expanding Budget deficit. The ninth five year arrange reflected proceeding with deficiency until 2020 with the evaluated oil cost per barrel of $60 level amid 2020. The government budget deficit as % of income is predicated to cut down to 25% by 2020. Inflation stayed stifled all through 2015, dropping to a Gulf Cooperation Council –wide low of 0.43% year-on-year in October, as costs in feature classifications, for example, food and drinks and transport and utilities, smoothed or declined late in the year. Development is relied upon to moderate in 2016, sinking to 2.8%, as indicated

by IMF figures. The more direct pace of extension is in accordance with figures for other GCC states, the vast majority of which are tipped to see development ease in the coming 12 months.

Despite difficult economic conditions underscored by multi-year lows within the world oil price, the Banking sector in Sultanate of Oman has continued to perform fairly well, showing steady monetary indicators in terms of Credit growth, asset quality, Provision coverage, Capital adequacy and gain. The UAE's banking sector control their ground in 2015, despite lower Oil prices curb economic enhancement and recorded 8.7 % year-on-year Credit growth within the third quarter of 2015.

The overall economic background continues to be extremely unsure and unpredictable. Oil price have declined by around 30 per cent since Dec 2014 and 65 per cent since June 2014, creating it the steepest drop since the 2008 world financial crisis. Sultanate of Oman's economy is exceedingly powerless to oil value variances, with 80 per cent of its revenues in 2015 expected to be from oil and gas activities. Towards the last 50 per cent of the year FICO assessment organization Standard and Poor's downsized Oman's sovereign obligation from A-to BBB+. The rating minimization Oman could affect the cost of borrowings of the Bank. In the medium term, Oman would have the capacity to maintain the low oil price because of its monetary reasonability over the previous years, low obligation to-GDP proportion, access to key stores and the progressing government program of excusing appropriations and privatization. In any case, given the high level of interconnectedness between government spending and the financial related sectors, a delayed low oil price could have an impact on the banking sector.

II. Review of Literature

PadamjaKhandelwal, Ken Miyajima, and Andre Santos (2016) examine the impact of oil prices on the banking system in Gulf Cooperation Council (GCC). The study explores the relationship between macroeconomic and financial developments in the GCC with oil price movements by using multivariate panel analysis like panel VAR model. The variables involved in the study are real oil price growth, non-oil private sector real GDP growth, real equity price growth, and US interest rates. This study indicates that during the oil price upward trend key performance indicator of business and financial cycles are strengthened. The bank asset quality is significantly affected by the oil prices and economic activity. The study concludes the oil price shocks impact the bank balance sheets, and asset prices in the Gulf Cooperation Council.

HalilEmreAkbaş (2012) explore the in what way the bank-specific, industry-specific and macroeconomic factor impacting the profitability of commercial banks in Turkey. The sample period spans from 2005 to 2010. The study analysed the factors influencing the profitability of commercial banks in Turkish by considering the ROA and ROE is the proxy for banking profitability. The tools used like descriptive statistics, correlation analysis, Hausman specification test for concluding the result of ratio of loan loss provisions to gross loans and the ratio of total costs to total income have statistically significant and negative relationships with return on asset.

FarhadTaghizadeh-Hesary and Naoyuki Yoshino (2015) analysed the impact oil price movement on the macroeconomic variables. The study considers two macroeconomic variables namely GDP and CPI from People's Republic of China, Japan and the United States. In this study researcher examine the considered (3 countries) economies are still responsive to oil price movements and compare their reactions. N-variable structural vector auto regression model is used to analyse the relationship between the crude oil price and macroeconomic variables. The

study indicates that oil price fluctuation has less impact on the GDP growth of developed oil importing country compare to emerging economy. Oil price fluctuation impact on inflation rate is milder in People's Republic of China compare to other two nations.

Chengcheng Xu and BingqingXie (2015) investigate the impact of oil price on the profitability of Canadian banks. There are ten banks are considered in this study; quarterly data from 1995 to 2015 were considered for analysis by using Ordinary least square method. The entire sample period is divided into three phases like before the crisis after the crisis during the crisis. The study finds that there is positive relationship between oil price and ROA but the relationship under differ phases of sampling period. The study indicates the relation between oil price and bank performance is significant before the crisis and controlling of no.of time varying bank characteristics is tough. The changes of oil prices has less impact on the banking performance in after global crisis period in other words banks are more protected to oil crashes after global crisis.

AnarIbrahimov (2016) examines the Impact of devaluation and Oil Price movement on the Banking Sector performance of Azerbaijan by considering 41 commercial banks. The scope of the study is find out the reason for current crises that banks face and knows how the banks are reacting during the these kind of world crisis. The cross-sectional and time series data are used for panel analysis. The study noted that bank profitability is positively influenced by the external macroeconomic variables like oil price. However devaluation is negatively impact the profitability of the banking in all the models of the analysis.

Rachna Banerjee and SudipaMajumdar (2015) examine at the impact of micro and macroeconomic factors on the profit of business banks within the United Arab Emirates throughout the post crisis phase. Adopting sure model technique, balanced panel information from the period of 2009-2013 was analysed to work out the impact of the macroeconomic and CAMELS factors on the ROA and ROE of the banks. Results counsel that the higher than factors justify a major a part of the bank profit. All bank specific variables with the exception of liquidity have an effect on bank profit considerably. The impact of capital adequacy is considerably positive whereas Management potency and sensitivity to promote risk is found to own a major negative impact on each ROA and ROE. Gross domestic product and rate of interest includes a vital negative impact on each ROA and ROE whereas contrary to our expectation, debt-GDP includes a vital positive impact on ROA

III.Research Methodology

Quantitative analysis uses measurable information to formulate facts and uncover patterns in analysis. The research approach used in this study is quantitative because the selected objective is measured by annual data collected from the banks' balance sheet and published economic information of the country. The numerical analysis is done with collected data by using the econometric software e-views.

Objective of the study
- To access the profitability prospect of the Bank Muscat.
- To know Possible Effects of Oil Prices and macro-economic variables on the profitability of the Bank Muscat.

Learning objectives

After completing this study the researcher should have a clear picture of the main causes of oil prices decrease that goes beyond the factor of supply and demand of oil and identify the direct and indirect consequences of oil prices drop on the Oman economy in general and banking sector in particular.

Research Gap

Many studies bas been undertaken on the oil price impact on the performance of banking sectors almost all the studies are specific and pertaining to address the issue of whether oil price shocks affecting the banking performance only consider the bank specific variable. This study initiated to fill this gap by considering macro-economic factors as well as bank specific factor to know the impact on performance of the banking in Oman.

Research Hypothesis

1. There is no relationship between oil price and profitability of the bank
2. There is no significant effect of macro-economic variables on the profitability of the bank
3. No significant correlation between the bank specific variables and profit of the concerned bank

Research Design

The research design refers to the strategy that study just opt to integrate the various parts of the study in an exceedingly coherent and logical approach, thereby, making certain you may effectively address the analysis problem. This study used past financial data of the banks for exploring the impact. The research design used in this study is descriptive.

Data Design

This study depend the secondary data collection methods and the data type of the study is quantitative; the main source of data is balance sheet and income statement of the banks. Banks details like Net profit of the bank, Total assets of the Bank, Total equity of the Bank, total loan and deposit of the banks are obtained from the published annual balance sheet of the concerned banks. From obtained data the ratios like ROA, ROE, SER, LTD and LSIZE are generated. The Economic growth rate, Inflation, interest rate and oil price data are obtained from the national center for statistics and information website of Oman government

Framework of the study

This study described relevant definition according to the literature. Literature seeks to identify the factors affecting the performance of bank. Two types of variables affecting bank performance i.e bank specific and macroeconomic variables are defined here. The bank specific variables and macroeconomic variables are labelled as independent variables. ROA and ROE is considered as the measure of banking performance and labelled as dependent variables.

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┌─────────────────────────────────┐
│      Independent Variables      │
└─────────────────────────────────┘
                  │
                  ▼
┌──────────────────────────────┐          ┌────────────────────────────────┐
│ Bank Specific Variables      │          │    Dependent Variables         │
│   • Loan to Deposit          │          └────────────────────────────────┘
│     Ratio                    │                        │
│   • Shareholder Equity       │                        ▼
│     Ratio                    │          ┌────────────────────────────────┐
│                              │          │  Bank performance              │
│   • Logarithmic value        │          │  indicators                    │
└──────────────────────────────┘          │                                │
                                           │     • ROA                      │
┌──────────────────────────────┐          │                                │
│ Macroeconomic Variables      │          │     • ROE                      │
│                              │───────────▶│                                │
│   • Economic Growth          │          │                                │
│     Rate                     │          │                                │
│                              │          │                                │
│   • Inflation                │          │                                │
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│   • Interest Rate            │          └────────────────────────────────┘
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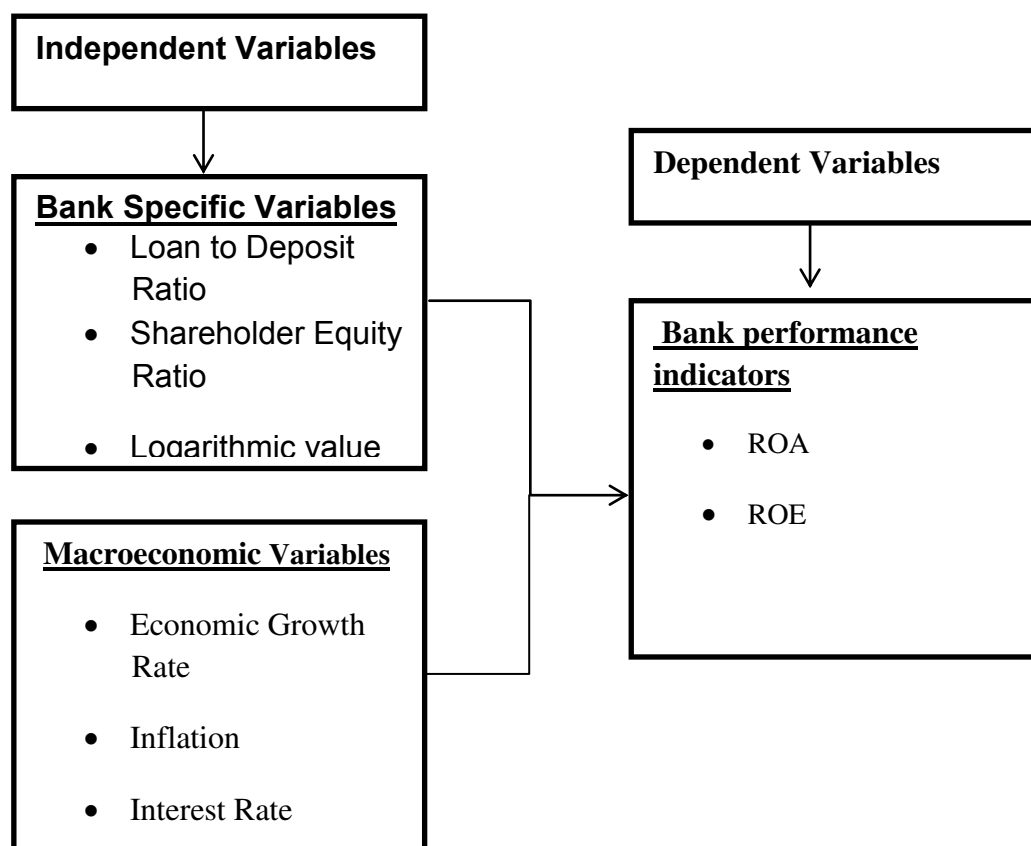
Data Analysis

The banking performance is placed the crucial role in the economy of the Oman. This economic analysis is used to test oil price and macroeconomic variables are cause any significant impact on the profitability of the Bank Muscat. The return on assets and return on equity is considered as the proxy of banking performance. The shareholder equity ratio, Loan to deposit ratio and size of the banks are considered as bank specific variables. The banking performance not only depends on the bank specific factors which also influence by the external factors; so the study consider GDP Growth Rate, Inflation, Interest rate and oil price as the macroeconomic variables. This session present the descriptive analysis, correlation analysis and regression analysis of the bank for the period of six years data from 2010 to 2015.

Table: 1 Descriptive Statistics of Macroeconomic Variables

Statistics	Economic Growth Rate	Inflation	Interest Rate	Oil Price
Mean	4.265000	2.090000	5.661667	34.55111
Median	4.585000	2.080000	5.530000	38.49958
Maximum	9.340000	4.070000	6.840000	40.37583
Minimum	-1.110000	0.100000	4.800000	19.53000
Std. Dev	3.459403	1.526892	0.749918	8.275220
Skewness	-0.142350	-0.003177	0.483677	-1.130794
Kurtosis	2.531433	1.540140	2.030313	2.772208

Jarque-Bera	0.075152	0.532808	0.469017	1.291668
Probability	0.963121	0.766130	0.790960	0.524225
Result	Normal	Normal	Normal	Normal

H_0: Data are normally distributed
H_1: Data are not normally distributed

The table 1 shows descriptive statistics for the Macro Economic Variables of the study. It illustrates the maximum and minimum mean standard deviation of these variables over the year under observation. The descriptive statistics reveal that the average of the oil price from 2010 to 2015 is 34.55 per barrel of RO. The standard deviation of the oil price is higher than the Economic growth rate, inflation and interest rate indicates that oil price is more volatile compare to other three macroeconomic measures of the country. The interest rate in asymmetrical nature because these variables values skewed positively. The value of Positive skewness is very small indicating that light tails on the right-hand side of the distribution. The variables economic growth rate, inflation and oil price have negative skewness. The kurtosis value for the normal distribution is 3. Form the table variables kurtosis values are near to 3 or less than 3 indicating that the distribution is normal. The probability value of Jarque-Bera test is more than 5% lead to acceptance of null hypothesis. The descriptive statistics of Macroeconomic variables indicates that the data is normally distributed.

Table: 2 Descriptive Statistics of Bank Muscat

Statistics	ROA	ROE	SER	LTD	LSIZE
Mean	0.016652	0.128320	0.129852	1.049746	6.923309
Median	0.017071	0.126582	0.134173	1.033371	6.913552
Maximum	0.017934	0.135020	0.142851	1.136371	7.098454
Minimum	0.013986	0.124404	0.111360	0.993644	6.767240
Std. Dev	0.001435	0.004195	0.011635	0.054125	0.113144
Skewness	-1.164588	0.713729	-0.631530	0.607583	0.236178
Kurtosis	3.068016	1.946156	2.038404	2.000985	2.298282
Jarque-Bera	1.357421	0.787056	0.629997	0.618665	0.178882
Probability	0.507271	0.674673	0.729790	0.733937	0.914442
Result	Normal	Normal	Normal	Normal	Normal

H_0: Data's are normally distributed

H_1: Data's are not normally distributed

The table 2 shows descriptive statistics for the Bank Muscat's bank specific variables. It illustrates the maximum and minimum mean standard deviation of the bank specific variables over the year under observation. The descriptive statistics reveal that the average of the profitability ratios, ROA and ROE of Bank Muscat are 0.016 and 0.12 respectively. The means

of liquidity measures loan to deposit ratio is 1.04. The standard deviation of the profitability ratios are less than other ratios indicates that profitability is less volatile than the other measures of bank Muscat. The variables like ROE, LTD and LSIZE are in asymmetrical nature because these variables values skewed positively. The value of Positive skewness is very small indicating that light tails on the right-hand side of the distribution. The variables ROA and SER have negative skewness. The kurtosis value for the normal distribution is 3. Form the table variables kurtosis values are near to 3 or less than 3 indicating that the distribution is normal. The probability value of Jarque-Bera test is more than 5% lead to acceptance of null hypothesis. The descriptive statistics of bank Muscat indicates that the data is normally distributed.

Table: 3 Correlation Analysis of Bank Muscat

	ROA	ROE	SER	LTD	LSIZE	ECR	Inflation	IR	Oil Price
ROA	1.00								
ROE	0.11	1.00							
SER	**0.94**	-0.25	1.00						
LTD	**0.70**	-0.09	**0.71**	1.00					
LSIZE	**-0.69**	-0.48	-0.50	**-0.76**	1.00				
ECR	0.14	-0.22	0.20	0.25	0.14	1.00			
Inflation	0.45	**0.85**	0.13	0.36	**-0.86**	-0.26	1.00		
IR	0.47	0.50	0.28	**0.71**	**-0.96**	-0.19	**0.86**	1.00	
Oil Price	**0.80**	0.44	**0.63**	0.19	-0.49	-0.18	0.53	0.26	1.00

The table 3 indicates the correlation between the dependent variables with the various independent variables used in this study. As it is shown in the table, the correlation values are found to be both positive and negative between the independent and dependent variables. The oil price is positively correlated with ROA and SER indicated that higher oil price will leads to the profitability of the bank as well as Earrings of the shareholder. Inflation is negatively correlated with the Size of the bank indicates if the inflation rate increase without being projected, the costs for the banks are rising faster than their incomes. Inflation and interest are positively correlated. Interest rate is positively correlated to LTD shows if the interest rate increases make the customers to deposit the cash into the bank account tends increase the loan to deposit ratio. LTD have positive with ROA and SER tends to positively influence the profitability of the bank and shareholders' equity ratio.

Table: 4 Regression Analysis: Dependent Variables: ROA

Name of the Factors	Co-efficient	T-value	Probability
C	0.050704	2.262388	0.1520
Shareholder Equity Ratio	0.113412	4.930545	0.0388*
Loan to deposit Ratio	-0.008026	-1.219612	0.3469
LSize	-0.005828	-2.271477	0.1511
Economic Growth Rate	0.000121	10.44057	0.0608

Interest Rate	-0.000953	-15.16200	0.0419*
Inflation Rate	0.002114	18.97659	0.0335*
Oil Price	0.000193	31.23361	0.0204*
R^2	0.50		
Adjusted R^2	0.49		
F-Statistics	18.76		
Durban Watson	1.85		

*Significant at 0.05 % level

The above table 4 report the result of simple regression analysis of the independent variables with ROA. The table shows that Loan to deposit Ratio and LSize are negatively associated with ROA and those variables statistically insignificant; indicates that these variables has no significant impact on ROA. An interest rate, inflation and Oil prices coefficient value statistically significant indicates that changes in these variable influences the ROA of Bank Muscat. The interest rate is negatively impact the performance of ROA. The Economic growth rate probability value is insignificant indicates that the economic growth rate has no direct impact on the ROA. The coefficient value of whole regression model is insignificant at 0.05% level. The reason for regression model to be statistically insignificant is the use of limited data. The R-square indicates that 50% of the changes in ROA are explained by the independent variables i.e bank specific and macro-economic variables. Durban Watson statistics is used to measure the serial correlation in the residuals. The Durban Watson statistic value is 1.85 indicated that positive serial correlation in the residuals.

Table: 5 Regression Analysis: Dependent Variables: ROE

Name of the Factors	Co-efficient	T-value	Probability
C	0.542192	3.187200	0.0859
Shareholder Equity Ratio	-0.098235	-0.562640	0.6303
Load to deposit Ratio	-0.067852	-1.358277	0.3073
Lsize	-0.047649	-2.446456	0.1342
Economic Growth Rate	2.33E-05	0.102386	0.9350
Interest Rate	0.005305	4.302882	0.1454
Inflation Rate	-0.005949	-2.723227	0.2240
Oil price	-0.000157	-1.298398	0.4178
R^2	0.76		
Adjusted R^2	0.42		
F-Statistics	2.21		
Durban Watson	1.82		

Significant at 0.05 % level

The above table 5 report the result of simple regression analysis of the independent variables with ROE. The table shows that Shareholder Equity Ratio, Loan to deposit Ratio and LSize are negatively associated with ROE and those variables statistically insignificant; indicates that these variables has no significant impact on ROE. Interest rate and Economic Growth Rate coefficient values are positive and statistically insignificant indicates that changes in these variables could not directly influence the ROE of Bank Muscat. The Inflation rate and oil price is negative and insignificant indicates that there is no direct influence on ROE. The coefficient

value of whole regression model is insignificant at 0.05% level. The reason for regression model to be statistically insignificant is the use of limited data only six years' data of Bank Muscat. The R-square indicates that 76% of the changes in ROE are explained by the independent variables i.e. bank specific and macro-economic variables. Durban Watson statistics is used to measure the serial correlation in the residuals. The Durban Watson statistic value is 1.85 indicated that positive serial correlation in the residuals.

IV. Findings of the Study

To examine the relation between oil price and bank profitability, the study regress ROA and ROE on set of bank specific variables and macroeconomic variables. The study estimates the regression using ordinary least squares.

From the descriptive statistics means of liquidity measures loan to deposit ratio is indicates that the bank Muscat borrowed money which it re-loaned at higher rates, rather than depend on entirely on its own deposits. The LTD ratio of the bank is not too low indicates that bank can earn optimum return. From the table 3 the oil price is positively correlated with ROA and ROE indicates that higher oil price will leads to the profitability of the bank. The SER and LTD has positive association with ROA. LSIZE is negatively associated with ROA. The interest rate is has positive association with ROE. From the table 4 the interest rate, inflation and Oil prices coefficient value statistically significant indicates that a change in this variable positively influences the ROA of Bank Muscatwhich supports the result of AnarIbrahimov (2016). The interest rate is negatively impact the performance of ROA. The shareholder equity ratio is the company's overall profit which positively supports the ROA of the Bank Muscat. From the table 5 Shareholder Equity Ratio, Loan to deposit Ratio and LSize inflation rate and oil price are negatively associated with ROE and those variables statistically insignificant; indicates that these variables has no significant impact on ROE. Interest rate and Economic Growth Rate coefficient values are positive and statistically insignificant indicates that changes in these variables could not directly influence the ROE of Bank Muscat.

Recommendations

The Bank's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities are reset at different times. Risk management activities are aimed at optimising net interest income, given market interest rate levels, consistent with the Bank's business strategies. The Bank manages mismatches by following policy guidelines and reduces risk by matching the reprising of assets and liabilities. Increasing competition among banks could yield giant and vital advantages for client welfare, by affirmative the availability of credit/loan at higher conditions for enterprises and households, and by raising the range of financial contracts to rise satisfy client preferences. The loan is one of the factor is contributing the profitability of the bank. Policy authorities also are inquisitive about guaranteeing that during a lot of competitive market, credit intermediaries don't seem to be incentivized to require on extra risks to money stability which correct policies ought to be organized to handle and contain such risks ought to they seem.

➢ The expected earning of the banks may stem adverse fluctuations in interest rate, economic growth rate, inflation, and exchange rate changes. The banks mitigate this risk by board meeting reviews and approve maximum limits for exposure to market risks. The Board receives reports on the Bank's market risk positions at its regular meetings. The Finance Committee supervises the activities that give rise to risk exposure and establishes operating guidelines including various levels of operational limits within the maximum limits set by the Board to protect its earnings and the economic value of its assets and liabilities.

➢ The sudden drop in oil prices resulted volatility in the stock markets, interest rates, commodity prices etc. The bank maintained an applicable risk profile by reducing exposure to the foremost seemingly areas of stress.

V. Conclusion

This study had attempted to investigate the impact of oil price and macroeconomic variables on the profitability of Bank Muscat in Oman by focusing certain ratios over a six years period. Regression analysis suggests that the oil price changes have been effective on the profitability of Bank Muscat. The oil price coefficient is not significant which means the oilprice is indirectly affects the bank profitability because correlation analysis shows the interdependency among the bank specific variables and macroeconomic variables of the study.Lower oil prices could lead to lower spending by domestic residents, with consequences for the quality of the bank loan which affect the bank profitability. Lower oil prices could lead to lower growth in deposits, which in turn could lead to slower loan growth. Economic growth rate has significantly positive impact to bank's profitability. The direction and effect of inflation and interest rate on the performance of bank is inconclusive.

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Assessing the influence of age and marital status of women consumers towards the retail dimensions of the supermarket

K.Ramprabha[1]

[1]Assistant Professor, Department of Business Administration, School of Management Studies, Vels University, Chennai

Abstract

Retail shopper behaviour is that subset of human behaviour that is concerned with the decisions and acts of individuals in purchasing and using products of a manufacturer or purchasing from particular retailer. The Indian consumer evolves they expects more and more at each and every time when they steps into a store. Demographics influence consumer behaviour by directly influencing consumer attributes, for example, values and decision-making styles. Buyers of different groups in terms of age defiantly have different needs and wants. Indeed consumers who are from the same age group are different with each other in several other ways. People of different marital status can respond differently to the various attributes of the store. They may want to purchase them from different places or look for different dimensions of value. This paper aims to find out the influence of age and marital status of women consumers on the various dimensions of the supermarket. It was found that every woman relate the retail factors of the store differently and they have different objectives when it comes to the shopping and buying experience. Despite of their demographic differences every women shopper pays more attention towards the payment security, interactions inside the store and transparent promotions.

Keywords: Retail, Shopping behavior, Age, Marital status, Women

I. Introduction

Retail shopper behaviour is that subset of human behaviour that is concerned with the decisions and acts of individuals in purchasing and using products of a manufacturer or purchasing from particular retailers. The purchasing power of an Indian urban consumer is growing and branded merchandise in categories like Apparels, cosmetics, shoes, watches, beverages, food and even jewellery, are slowly becoming lifestyle products that are widely accepted by the urban Indian consumer. The Indian consumer evolves they expects more and more at each and every time when they steps into a store.

Demographics influence consumer behaviour by directly influencing consumer attributes, for example, values and decision-making styles (Hyllegard, Eckman, Descals and Borja, 2005). Demographic factors such as age, gender, marital status, income, female working status, education, occupation and family size exert enormous influence on choice of store format in grocery retailing (Bellenger and Korgaonkar, 1980; Zeithaml, 1985; Sampson and Tigert, 1992; South and Spitze, 1994; East et al., 1995; McGoldrick and Andre, 1997; Arnold, 1997; Bawa and Ghosh, 1999; Sinha and Banerjee, 2004; Fox, E., Montgomery, A. And Lodish, L., 2004; Carpenter and Moore, 2006).These factors affect people's retail shopping and retailer actions. In the Indian context, Prasad and Aryasri (2011) found that demographic factors have a significant influence on grocery store shopping behaviour.

Buyers of different groups in terms of age defiantly have different needs and wants. Indeed consumers who are from the same age group are different with each other in several other ways. They do tend to share different cultural experiences and different set of values which they contain throughout their whole life. Whereas life cycle includes six types of stages consumer relating to different life cycle stage have different needs and wants, preferences and desires. This age distribution is of significance to marketers of goods and services. It partially

explains the boom in all Indian cities in consumption of impulse products and leisure-related expenditure in general, since the onset of liberalization. Marital status is one of the important demographic variables which can have an influence on purchase behaviour of shoppers. People of different marital status can respond differently to the various attributes of the store. They may want to purchase them from different places or look for different dimensions of value. The perception of different values like functional value, financial value, individual value and social value can be different for people of different marital status.

Objectives

> To find out the influence of age and marital status of women consumers on the various dimensions of the supermarket

Research Methodology

This study is based on descriptive study method. Descriptive study is a fact-finding investigation with adequate interpretation. Primary data were collected by direct interviewing through self constructed questionnaire. For this study, questionnaire is used as the research tool. It was scored on a five-point Likert scale, where 5 – Strongly Agree, 4 – Agree, 3 – Neither agree nor disagree, 2 – Disagree, 1 – Strongly Disagree. The research instrument was developed using the conceptual base of the dimensions of retail influence factors and the contextual basis of the focus group outcomes (Ramprabha, 2017). Puducherry town was chosen as the area of the study. Puducherry with its blend of Indian and French culture with a diverse group of people with different levels of economic status and culture and a collection of various types of stores was found idea for the study of the researcher. The total of 470 respondents who regularly shop food groceries and lifestyle products in organized and unorganized stores where selected for the study. Convenience sampling was applied to facilitate the collection of data.

Data Analysis and Interpretation

The objective of this paper is to assess the influence of age and marital status of women that on the other hand influences their grocery shopping behavior in the supermarkets. The collected data was entered using SPSS 16 and the influence of age and marital status is assessed using One Way Anova and T-Test respectively.

Table.1.Mean, Standard Deviation of Retail Factors on the Age Group of the Respondents

Retail Factors	Age	N	Mean	SD	F value	Sig	Scheffe
Atmospherics	Below 20	23	3.66	.874	4.791	<0.001**	31-40> 51-60
	21-30	146	3.39	.930			
	31-40	147	3.70	.898			
	41-50	97	3.35	.970			
	51-60	30	2.93	1.075			
	Above 61	27	3.23	.906			
Layout	Below 20	23	3.58	1.039	.588	.709	-
	21-30	146	3.35	1.025			
	31-40	147	3.33	1.079			
	41-50	97	3.39	.908			
	51-60	30	3.56	.935			
	Above 61	27	3.23	.947			
Merchandise	Below 20	23	3.57	1.006	3.947	0.002**	Below

	21-30	146	3.41	.927			20, 21-30, 31-40> 51-60
	31-40	147	3.28	1.027			
	41-50	97	3.27	.850			
	51-60	30	2.63	1.171			
	Above 61	27	3.05	.959			
Social	Below 20	23	3.50	1.277	6.717	<0.001**	21-30> 41-50, 51-60
	21-30	146	3.52	1.054			
	31-40	147	3.15	1.270			
	41-50	97	2.88	1.031			
	51-60	30	2.53	1.269			
	Above 61	27	3.57	1.072			
Price/ Promotions	Below 20	23	3.46	.940	6.671	<0.001**	21-30, 31-40> 41-50
	21-30	146	3.51	.962			
	31-40	147	3.56	1.004			
	41-50	97	2.91	1.074			
	51-60	30	3.32	1.153			
	Above 61	27	2.97	.865			
Service	Below 20	23	3.21	1.053	5.740	<0.001**	21-30, 31-40> 41-50, 51-60
	21-30	146	3.61	.909			
	31-40	147	3.64	1.015			
	41-50	97	3.13	1.139			
	51-60	30	2.93	1.121			
	Above 61	27	3.61	.897			
Staff	Below 20	23	3.43	.997	4.914	<0.001**	31-40> 41-50
	21-30	146	3.35	1.097			
	31-40	147	3.62	1.131			
	41-50	97	3.03	1.101			
	51-60	30	3.36	1.218			
	Above 61	27	2.75	1.170			

Source: Primary data; *5 percent level; **1 percent level

From table (1) it is inferred that 21-30 age group of respondents are more influenced towards the merchandise, social, price/promotions and service factors of the store. 31-40 age group of respondents are more influenced towards the store atmospherics, merchandise, price/promotions, service and personnel factors of the store. It was found that the younger age groups of the respondents are more attracted towards the retail merchandise factor. Gunter and Funham (1998) stated that since, the younger generation live in a highly consumption oriented society, and hence aware of new products and they spend more and more hours of shopping.

Table.2. Mean, Standard Deviation of Retail Factors on the Marital Status of the Respondents

Retail Factors	Marital Status	N	Mean	SD	t value	Sig
Atmospherics	Married	200	3.976	.793	11.484	<0.001**
	Unmarried	270	3.073	.877		
Layout	Married	200	3.542	1.039	3.168	.002**
	Unmarried	270	3.246	.968		

Merchandise	Married	200	3.772	.783	10.312	<0.001**
	Unmarried	270	2.918	.957		
Social	Married	200	3.847	.956	11.188	<0.001**
	Unmarried	270	2.749	1.116		
Price/ promotions	Married	200	3.503	1.003	2.574	.010**
	Unmarried	270	3.255	1.049		
Service	Married	200	3.780	.965	5.855	<0.001**
	Unmarried	270	3.231	1.031		
staff	Married	200	3.620	1.130	4.604	<0.001**
	Unmarried	270	3.140	1.104		

Source: Primary data; *5 percent level; **1 percent level

From table (2) it is found that married respondents are more influenced towards the retail factors of the store. Hence the marital status of the respondents has an influence on the atmospherics, layout, merchandise, social, price/ promotions, service and staff factors. Forsythe and Baily (1996) and Paulins and Geistfeld (2003) found that marital status affect the store choice and time spent on the shopping activity.

Suggestions and Conclusions

The aim of the study is to identify the influence of the retail factors on the age and marital status of women who shop at supermarkets. Consumer makes a purchase after analyzing various factors. From various researches at can also be calculated that different age group possess different analyzing power. From the study it was found that women of age group between 21-40 years are more influenced towards merchandise, social, price/promotions and service factors of the store. This could be due to the work pressure, family obligations and also the concern they have towards the money they spent and the quality of the goods they receive. Women aged below 21 years who are considered to be the younger generation prefer all products under one roof and one stop shopping to fulfil their needs thus focus on merchandise factors. Similarly married respondents are more influenced towards the retail store factors than the unmarried respondents. Every woman relate the retail factors of the store differently and they have different objectives when it comes to the shopping and buying experience. Despite of their demographic differences every women shopper pays more attention towards the payment security, interactions inside the store and transparent promotions. Hence this study helps the stores in making complex decisions in selecting their target markets; determining what merchandise and service to offer and deciding to price and promote and present the merchandise.

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Team building: A tool for Organizational development

Syamala Gouri[1]
Professor, Sindhi Institute of Management, Bangalore, India.

Abstract

An organization is a social system deliberately established to carry out some definite purposes. It consists of a number of people in patterned relationships. There is need for team training to enhance the team building experience. Team building is the process of helping a work group become more effective in accomplishing its tasks and in satisfying the need of the group members. If we look at the university as a social system then a strategy of change must aim at changing the entire system - not merely part of it. A strategy for creating greater impact is to expose an organizational team to simultaneous training. The people and problem are still there the same communication blockage, the same clinging to traditional values, and the same little groups here and there with one intention or the other which is to keep the system in its homeostatic steady state. This paper focuses on one of these families of organization development which is team building.

Key words: Organizational development, Team Building, Organizational goals, relationship patterns, communication blocks

I.   Introduction

An organization as it implies is a social system deliberately established to carry out some definite purpose. It consists of a number of people in patterned   relationships.
Every organization has:

  i. Antagonist.
 ii. A table of organization.
iii. A set of formal rules partly determined by informal rules.
 iv. Procedures of adding and removing members.
  v. Utilitarian objectives used in the organizational programme.
 vi. A history and special vocabulary.
vii. Some elements folklore.
viii. Friends.
 ix. A roster of members.
  x. Collective identity.
 xi. A program of activity and a time schedule to go with it.
xii. A symbolic object used in the organizational programme.
xiii. A territory and a method of placing members with in that territory according to their relative importance.

Every organization has a division that allocates specialized tasks to its members and a status order that awards them unequal shares of authority, honour and influence. Each of these is an organization in its right and has all of the normal features described above.

Some sub-organizations are departments of the present organization. Some are illegitimate factors of it. Some are formally independent of the parent organization like a local union is a factor or attached to it temporarily, like an orchestra lined for an evening. It is quiet impossible to manage a large organization without occasionally offending, damaging or destroying some of its sub organizations.

A change is a must for any organization. An organization that does not change is sure to stink and die away. All change process consists of three steps:

i. In freezing.
ii. Moving.
iii. Refreezing.

These three steps can be taken by anyone within the organization, but when it is impossible, the assistance of an organization development practitioner is sought. The organization development practitioner is then capable of using any of the organization development strategies and steps.

What is Organizational Development?

Organizational development is the process by which behavioral science knowledge and practice are used to help organizations achieve greater effectiveness, including improved quality of work life and increased productivity. It focuses upon human resources and their motivation utilization and integration within the organization. Organizational strategies, structures, and process for improving an organization's effectiveness.

i. Organizational development is oriented to improving organizational effectiveness.
ii. Organizational development encompasses strategy} structure and process changes.
iii. Organizational development is more of an adaptive strategy for planning and implementing change than it is a blue print for how things should be done.
iv. Organizational development is based on behavioral science knowledge and practice.
v. Organizational development applies to an entire system.
vi. Organizational development is a more adaptive strategy for planning and implementing change than it is blue print for how things should be done.

II.   Literature Review

a) **Organizational Development Practitioner :**

These individuals may include mangers responsible for developing their organizations or departments. People specializing in Organizational development as a profession and people specializing in the field currently being integrated with Organization development e.g. Strategic change or human resource management who have gained familiarity with the competitors in Organizational development.

b) The major families of organization development intervention:

These are:
1. Diagnostic activities- Action research.
2. Team building activities
3. Integration activities.
4. Survey feedback.
5. Education and training activities.
6. Techno-structural activities.
7. Process consultation.
8. Grid O. D. activities.
9. Third party in peacemaker activities.
10. Coaching and counseling activities.
11. Planning and goal setting activities and
12. Contingency theory - which is the concept by which as many of the other Organizational development activity are felt, needed and used to solve only one problem within the organization.

Team Building

Team building is the process of helping a work group become more effective in accomplishing the task and in satisfying the needs of the group member. Team building as it implies, is the process by which differences in organization are ironed out through sectional solutions of misunderstanding within vertical groups and horizontal groups and intra-vertical and horizontal groups of such organizations.

The analogue of a football team, hockey team and other teams could be used. A team is a group of players working together to win matches. This end in view is possible if they will work with the "team spirit", good feeling of those members working together, as a team.

It is also a group of activities designed to enhance the effective operation of system teams. It may relate to task issues, such as the way things are done, the needed skills to accomplish task, the resources allocations necessary for task accomplishment or it may relate to the nature and quality of the relationship between the team members or between members and the leaders.

Presentation Structure of Organization

Problems of structure are a recurring theme. Structure could be in the form of linkage levels and bonds; Hiere observed that structure directly and hypothesized concerning forces playing on it. Repaceport provide is a situation in which it is possible to study both structures and process as variables. In doing so he raises a fundamental point about the linkage of individuals for communication in problem solving groups. He points out that in dealing with communication among linked individuals; we have tended to see the information theory of "bits" developed for communication engineering.

Bakke (1959), spells out the Bonds that join the organization together are:
 i.   Organizational charter.
 ii. Basic resources- people, ideas, capital, material and nature.
 iii. The essential process - identification, perpetuation work, flow control and homeostatic

The bonds must be kept constantly at equilibrium for the achievement of the organizational goals and objectives. This is the ideal, but it is never so all the time. It is people who make ideas, take decisions about capital, purchase these materials and manipulate nature for what is good for the organization. This same people make mistakes, disagree and change the climate of the organization either in favour or against the attainment goals. Which change as a necessary feature of any corporate success, culture must be taken in account to prevent unnecessary upheaval within an organization; managers should judiciously manage their organization's culture when they could rent the following circumstances;
1. Opportunities to diversify.
2. Strategic changes- strategic
3. Increase rate of growth
4. Conflict management between groups in an organization or between the organization and outside agency.

Culture as defined by Schien (1983), is the pattern of basic assumptions, that a group has invented, discovered or developed learning to cope with its problems of external adaptation and internal integration-a pattern that has worked well enough to be considered valid and therefore, to be taught to new member as the correct way to perceive, think and feel in the relaxation to problems. When an organization is just formed, it has no "culture", there are policies, strategies and objectives stated in formal documents-chartered organizations but until theses are put into action culture cannot exist.

Change means growth, and since there is life there Is growth, for the sustenance of the organization, growth must be properly understood by the organizational development practitioner as development formation in terms of systematic orderly sequence. Development may be in the form of progression or regression. When the growth takes the form of progression, people tend to feel happy and complacent. But when growth takes the form of regression, the organization tends to erupt and this is the time known as crisis period. Organizational development intervention is necessary at the crisis stage as much as any other time.

It is necessary to spell out what is meant by groups. There are two types of groups;

 i. Formal and

ii. Informal.

Types of Groups in Organization's

Formal Groups

Formal groups are created in other to fulfill specific goals and carryon specific task which are clearly related to the total organization mission. Formal groups can be of two types, based on their duration. Permanent formal groups are bodies such as the top management team work it's in various departments of the organizations. Staff groups providing specialized services to the work organization, permanent committees and so?

Temporary formal groups are committees or task forces, which may be created, to carry out a particular job which once the job is carried out, ceases to exist unless some other task is formed for them or unless they take informal functions. An organization may create a committee or study group to reveal salary policy, to study the relationship between the organization and the community, to try to invent some proposals for improving relations between the union and management to think of new products and service, and so on. Temporary formal groups may exist for a long time. What makes them temporary is that they are defined as such by the organization and the members feel themselves to be a part of a group which may at anytime go out of existence.

Informal Groups

There are three informal groups. The first is horizontal cliques. By this, it means an informal association of worker, managers or organizational members who are more or less of the same rank, and work in more or less the same area.

A second type, which can be called vertical clique, is composed of members from different levels within a given department. For example in several organizations studied, we found groups that consisted of a number of workers, one or two foremen, and one or more higher managers. Some or the members were actually in superior-subordinate relationship to one another, they need each other to accomplish goals. For example, such groups often serve a key communication function both upward and downward.

The third type of clique can be called a mixed group. This will have in it members of different ranks from different department and from different physical location such as clique may arise to take care of the organization. For example, the head of manufacturing may cultivate a relationship with the best workers in the maintenance department in other to be able to short-circuit formal communication channels when a machine breaks down and needs immediate maintenance work. On the university campus, we have seen the group of informal groups which consist of students, faculty and higher level administrators to work on problems that the outside organizational contest maybe an important basis for the formation of such clique. Team building involves work- group members focusing on one or more of the following;

1. Setting goals or priorities for the group.

2. Analyzing or allocation the way work is performed.

3. Examine the way the group is working.

4. Examine relationships among the people doing the work.

After identifying the problem, the group goes about collecting data, by these is meant getting together to ask questions on what is responsible for the problem. They needed activity is diagnoses-the question "is the cause of the problem human or material?" is answered next in planning ways and means of solving the problem and making the group. Cohere for progress, growth and efficiency implementation of planning is next and evaluation of the implementation, which is sometimes referred to as monitoring follows. This is a circle. This method has been used to solve problems in organizations e.g. team building in a federal agency.

The two basic underlying objectives of every planning organizational changes are;

i. To improve the capacity or ability of the organization to adapt to changes in its environment and

ii. To change pattern of employee behaviors.

Recommendations

i. An organization is a social system deliberately established to carry out some definite propose.

ii. What is learned by managing one organization can be applied to managing any other organization?

iii. There is also a need for team training to enhance the team building exercise.

iv. Team building is the process of helping the work group to become more effective in accomplishing its tasks and in satisfying the needs of group members.

v. Also strategy is for creating greater impact to expose an organizational team to simultaneous training.

III. Conclusion

An organization as it implies consist of a number of people in patterned relationship. Training is necessary in organization to enhance the team building exercise. It is more effective to accomplishing its task and in satisfying the needs of the group members. We must aim at changing the entire system not part of it. Eventually, every part of it. The people with their problems are still there, little groups here and there with one intention or the other which is to keep the system in its homeostatic state.

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Economic crime data management (ECDM) model for sustainable growth.

N.Z Asiammal[1] & Rani Senthamarai[2]
[1]**Department of Geography, Presidency College, Chennai, India.**
[2]**Reader in Geography (Retd) , Presidency College, Chennai, India.**

Abstract

Economic crimes cause notable damage to the overall economy of the nation, negatively influencing the growth and improvement of the government. The faith in the financial trustworthiness and security of the country is undermined which further, affects the countries global competitiveness. Moreover, the nation becomes unworthy of investments from inside as well as outward. This paper proposes a conceptual model for a centralized reporting system aimed at providing the reports on economic crimes. These reports can be further used for studying the historical patterns and improve the performance of the law enforcement agents. A developing country like India is more prone to crime attacks, and where there is a significant number of an economic crime, the government and bureaucracy are also surveyed as being nefarious and dull. Some of the notable consequences on the national economy that may be caused by the economic crimes are increasing in inflationary pressure, uneven distribution of resources and parallel economy. Further, marginalization of the tax base, production of black money and weakening of developmental work are other factors which will impact the nation. The nation will become a territory for corruption, and illegal businesses. Economic offenses, such as imitation of currency, financial scams, fraud, money laundering, etc. are crimes which invoke severe concern and impact the nation's sustainable growth. Curbing the economic crimes to the least will pay the way for a sustainable environment.
Key words: Economic crimes, sustainable development, centralized model, parallel economy

I. Introduction

In the eleventh UN, Congress Committee held on 19 April 2005 at Bangkok, Thailand to address the issue of crime prevention and justice. It was brought forward by the representative of Thailand that the actions such as drug trafficking, exploitation of natural sources, corruption, and misuse of reserves from banks concerned the economic wellness of the people. Further, the outcomes of such actions sometimes advanced well beyond financial decline and the economic stability of the community. It is necessary that the citizens of any place feel that they are lasting in a stable and righteous nation and, if economic and financial crimes were not checked, people would begin to feel frequently resentful. The suspects who were behind economic crimes were usually smart and cultured, making use of financial support to build extensive connections with law enforcement executives. In many cases from the past, officials had to fight interference from influential powers, and that was often more complicated than the investigation itself. Strong political directions and government responsibility are needed to combat such crimes. If the perpetrators were constituents of the government, decisive and speedy action would reconstruct society's faith in government policy on the issue.

The sustainable natural resource management also faces a significant hit as a part of economic crimes. The misuse of natural resources by few powerful agents or miscreants will lead to an unforeseen effect. If the balance between the usages of the natural resource does not extend to meet human needs without threatening the stability of the ecosystem, then it implies the economy is heading towards an undesired state of living. Further, this will lead to an environment with uninhabitable qualities. The threat to natural resources is a global issue. Enough Projects researched eastern Congo and released its findings on Jan 2015.This study reveals that there existed a widespread support, among the Congolese human rights and affected communities for stopping the natural source robbery. According to one member of the bar in

eastern Congo, the economic crimes are becoming a part of their daily life .Further, a Congolese ex-minister has pointed out that Mafia practices are finding a good breeding ground in Congo mostly focused on exploiting the natural resources and minerals of the forests.

A glance at the 2015 National Crime Records Bureau data of India shows a bordering increase in the number of economic offenses from those recorded in the previous year. In the last ten years, the recording of economic crimes such as deception and unlawful breach of trust has doubled. This period was when during which India has been moving towards adaptation of technology.

In India, the Directorate of Enforcement(ED) is a law enforcement agency which originated in the year 1956.Initially, this unit was known as the enforcement unit and later it was renamed to the Directorate of Enforcement in the year 1957. The ED is an economic intelligence agency which is accountable for implementing economic laws and combating financial crime in India. ED is a division of the Department of Revenue; Ministry of Finance.Few of the cases dealt by ED during the year 2016 is listed beneath. Louis Berger bribery scam wherein the chief minister of Goa Kamat was enquired for allegedly receiving a bribe to grant contracts for sewage and water project in state-funded by Japan International corporation(JICA).The Enforcement Directorate ceased two properties of drug lord Jagadish Bhola at Fatehgarh Sahib under the prevention of money laundering case. The probe into the forex violation in USL's Whyte and Mackay deal in which Vijay Mallya was involved. The Enforcement Directorate attached the YSR Congress party chief Jagan's asset of worth Rs.749 crores in the money laundering case. This paper proposes a conceptual model for an active economic crime repository for deriving insights for future actions with regards t crime detection.

II. Literature Review

Belousova (2016) has analyzed and offered his findings on the problems associated with economic crimes. He considers qualitative trends, the preeminent scholarly approaches, cause-effect associations, and the reasons for the growth of economic crimes and measures to subdue economic crimes. The author has further analyzed and demonstrated the components of economic crime using law enforcement's fight with regional economic crime in Irkutsk blast.

Boldyreva (2001) has listed out the effects and impact of economic crimes on the socio-economic balance of Russia. Engdahl (2009) has used the concept of "hiding behavior" wherein he shows how the economic problems act as the catalyst in influencing the commitment of crimes. Moore et al focuses on the problem of online crime, which has taken off as a grave trade since about 2004.

Latov (2000) has analyzed the economic theory of crime and punishment. Pinotti (2015) has studied the causes and impact of organized crimes. Pinotti (2015) has analyzed the economic cost of organized crimes in southern Italy exposed to mafia activity after the 1970s.The author has monitored the economic development of the two regions in south Italy and has applied synthetic control methods for estimating the economic performance in the absenteeism of organized crime. The author has identified a low GDP in both the regions which he has under taken for observation.

Lens et al. (2016) has tested the effect of criminal activities on the economy. Further, the author has brought out the scenario in New York which shows the commercial property values fluctuation based on the magnitude of the crime committed in a particular geography.

Pressman (2008) in his paper has identified several fundamental differences between the political strategy and the neoclassical strategy to crime. The author has also shown how these disagreements lead to the policy conclusions. The author further states that how the political economy method to would lead to lower crime rates.

Shelley (2080) has come up with the report on whence transnational organized crime has become a pivotal issue in international affairs and its impact on the global economy. The author proposes a regional level analysis and transnational assessment system to reduce organized crime in South-eastern and Central Europe.

III.Methodology

The model is aimed at proposing a centralized system from which reports can be churned out for efficiently reducing the economic crimes. This model will help in creating awareness within law enforcement agencies and will guide in planning the way forward for the law enforcement agents. Preventive measures and police personnel deployment can be done based on the reports received from the model.

Tamil Nadu is the 7th largest state in India. Chennai is the capital city of Tamil Nadu and the state has 32 districts. The model can be implemented in Tamil Nadu and data of the six districts can be initially fed into the model post which the model can be extrapolated. The model will be initially restricted to handle the data related to Chennai, Coimbatore, Madurai, Tiruchirappalli, Salem and Tirunelveli.

Proposed Model
Figure 1: Represents the model proposed for this study.
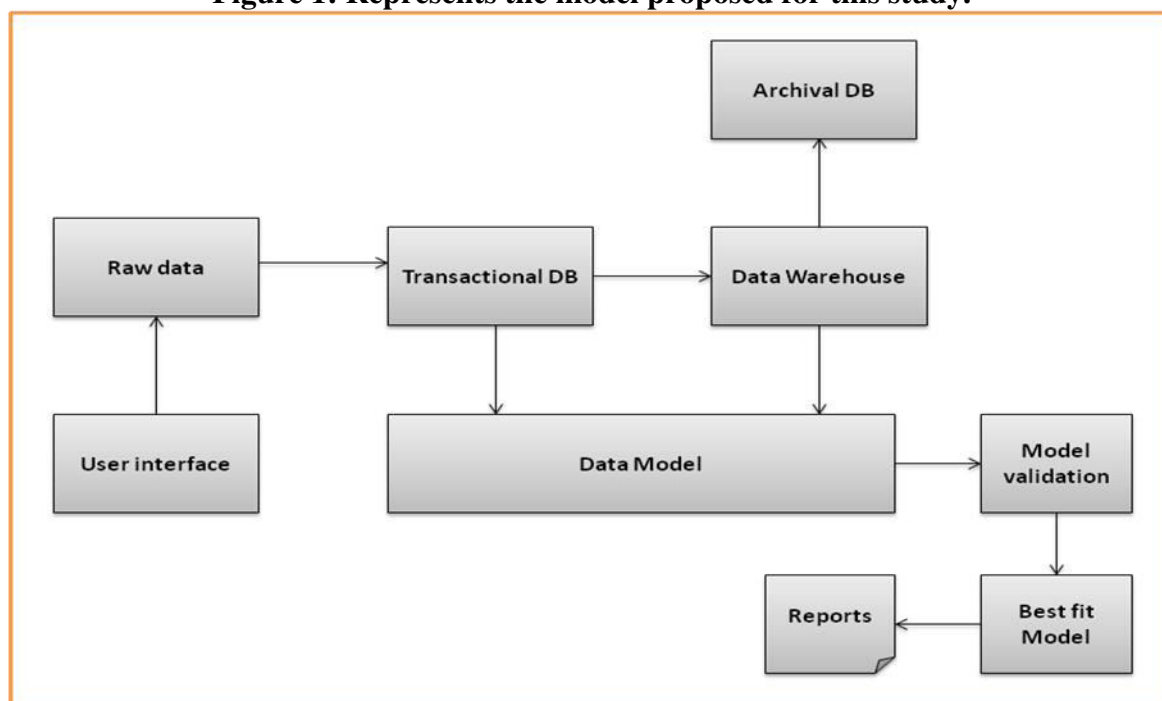
User interface/Raw data

The current and historical data will be included in the model for data pattern interpretation.

Historical data:

The historical data loading for the six cities will be achieved through the initial one time loading using bulk loading concept in DB. Bulk-loading is the method of storing data specified in lines of a file directly into a database system, rather than performing a long series of INSERT statements. The comma separated values (.csv) data file format chosen will be chosen for bulk-loading into databases. The file format will be adopted for better and quick adaptability.

Current data:

The current data will be fed through the user interface on a daily basis. The data granularity will be on a daily basis.

Table 1: Raw dataset

Dataset -Meta data	Values
Police Force Strength	200
City/District	Madurai
Crime_rate_indicator	Highest
economic_crime_type	Robbery
Crime_cases_recorded	189
Crime_section	408, 409 or Prevention of corruption act,1988
Year	2015
Economic indication(Per capita income)	56506
Expected Income growth percentage	10.34
Literacy rate	83,45
Accused details	Socio demographic profile
Complainant details	Socio demographic profile

The current data set will include the above details such as the details of the crime and the complainant details to predict the sector gullible to economic crimes and the sector involved in the crime. This data can be further used for analysis.

OLTP or Transactional DB

OLTP (online transaction processing) can be used for the recording the data on a daily basis. The OLTP system is employed by a large number of users. The database is simple, to use and the response times are small since the OLTP system handles the data at a daily granularity alone. Benchmark SQL and PostgreSQL Database servers are open tools which can be used during the initial phase of the model set up post which the licensed versions like Oracle and other products can be utilized based on the data growth.

Data Warehouse or OLAP

The OLAP will be split into two components the staging DB and the data warehouse reporting layer. The daily data from the transaction database will be a move to the staging layer table's post which the data will be moved to the data warehouse layers. The data cleansing and transformation will happen when the data is transferred from the staging layer to the data warehouse layer. The warehouse layer will comprise of the past four years data and the current data. The archival of data will be done on data older than four years and the purging logic will be set for the data older than 10 years.

Data Modeling/Validation

The data modeling and validation is the vital part of the model which aims at providing apt reports for further action. The data models will be validated and at the end of the research the best fit model will be proposed. The open source tool r is the best practical tool for data prediction and modeling. The optimal cost associated with the r programme helps in achieving the required objective. The two approaches considered for the modeling will be the decision tree and linear/logistic regression techniques. Further, this model needs a suitable analysis algorithm, recognizing data patterns and creating distribution rules. The reliance of the analysis model can be obtained by employing it upon the analysis data. The cluster method will be applied for the inference of data and k fold cross validation will be chosen for data validation. The cluster analysis will be utilized for splitting up the data into suitable subsets for interpretations and inference of patterns.

Reports

The reports will be populated based on the requirement of the end user. The QlikView tool will be considered for designing the reporting layer. The dashboards will be used for providing insights regarding the past and current data. The QlikView tools associative engine assists in connecting any amount of data roots extending a platform to explore data. Further, the reports aid in arriving at a decision based on the data overview obtained from the dashboards. Some of the reports aimed at are listed below. Though the reports below are projecting the high-level data, the model will focus on reflecting even the lowest granularity of details.

ATM and Bank theft report:

The increase of banks in a growing economy has produced with its corresponding increase in the incidence of banks and ATM-related crimes. Although the theft in banks and ATMs constitute a small section of all other types of thefts, it is exponentially rising in the current years.The table 2 and Figure 2 indicate the theft occurrence in ATM from year 2011 to 2016 from the SCRB records.

Table 2: Represents the SCRB theft data from year 2011 to 2016

	2011	2012	2013	2014	2015	2016
ATM theft	11	14	40	50	43	38

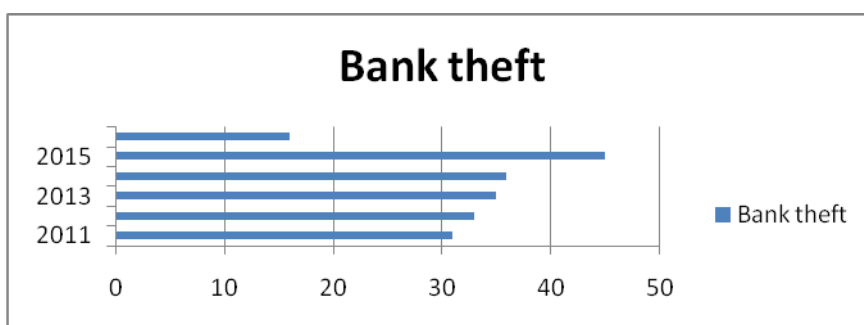**Figure 2: Represents the statistics of ATM theft from year 2011 to 2016**
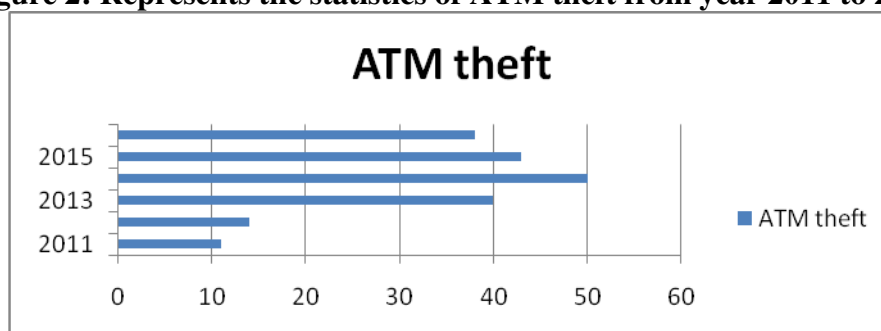
The table 3 and figure 3 indicate the theft occurrence in bank from year 2011 to 2016 from the SCRB records.

Table 3: Represents the SCRB theft data from year 2011 to 2016

	2011	2012	2013	2014	2015	2016
Bank theft	31	33	35	36	45	16

Figure 3: Represents the statistics of Bank theft from year 2011 to 2016


On analyzing the State crime records bureau (SCRB), the Non-banking financial institutions have played a significant role in defaulting payment towards its investors. As per the SCRB record of the year 2016 about 26,439 depositors have deposited Rs.127.27 crores with the defaulting financial institutions. The reports further project that only 1.88 percentage of the amount has been refunded this implies that just 2.413 crores have been repaid.

Table 4: Represents the amount refunded and to be refunded by the non-banking financial institutions.

Year	Amount refunded	Amount to be refunded
2012	0.9	99.1
2013	1.16	98.84
2014	3.11	96.89
2015	11.7	88.3
2016	1.88	98.12

Figure 4:Represents the data statistics of table 4.
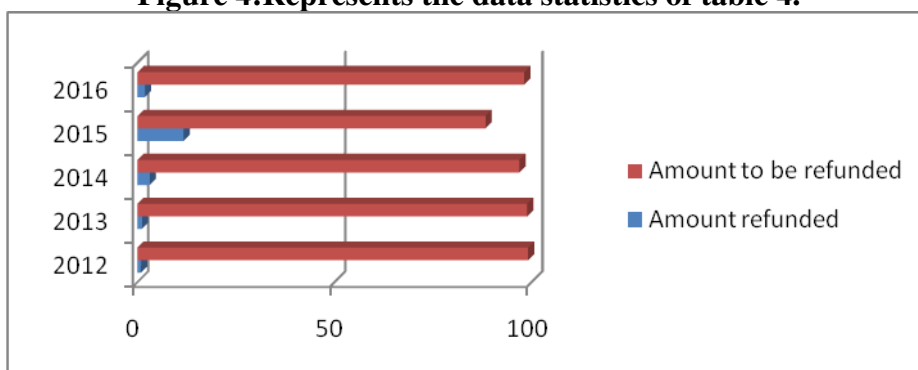
**Drugs seizure report year 2016**

The data on the seizure of illegal drugs for the year 2016 is listed below total of 3,424 cases were registered under the Narcotic Drugs and Psychotropic substances act, 1985.The 3424

cases include the1871 cases registered by the narcotics intelligence bureau (NIB) in Tamil Nadu along with the 302 petitions filed in Chennai,142 cases recorded in Theni,136 cases filed in Madurai and 97 cases registered in Dindigul. The total kgs of drug seizure at the state level amount to 8652.251 kgs.

Table 5:Represents the drug seizure data

Agency/District	Ganja(kgs)
NIB CID	5139.907
Chennai	784.825
Dindigul	322.11
Theni	309.85
Madurai	141.82
State Total	8652.251

Figure 5: Represents the statistics of data in table 5
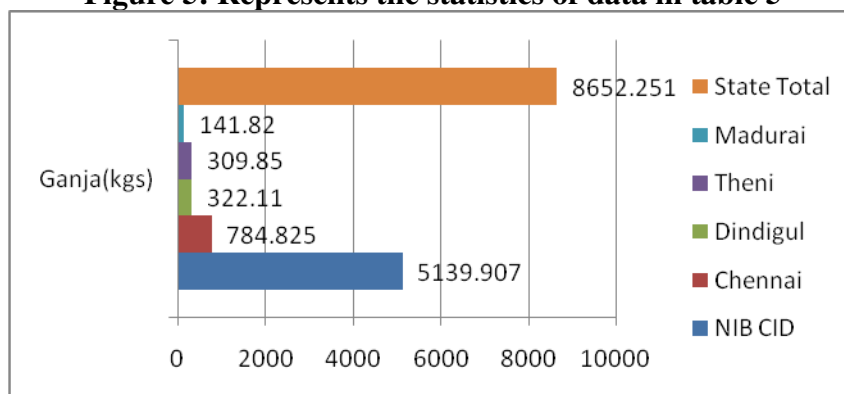
Need for the model.

The accurate forecast and predictions are required for building a decision support system. The emerging technology and trends are paying the way for new patterns with regards to economic crimes. The hacking of the bank systems and dwindling of funds online are on the rise. The traditional method of crime detection will overlook the new trends in economic crimes. A model with a high customizable feature is the need of the hour. When the world economy is moving towards digitization and artificial intelligence a top precision crime detection system will help in building the economy of a country. The stable economy will assist in achieving sustainable growth. Constant check on the natural resources and illegal trade of natural resources can also be monitored using this model. Unmonitored economic crimes will lead to the growth of petty robbers into established goons. A classic example of the above scenario is Veerappan, a poacher who was active for nearly 30 years in the forests in the states of Karnataka, Tamil Nadu, and Kerala. Veerappan committed his first crime in 1962.He gunned down tusker and injured three police officers. The atrocities of Veerappan grew from then until 2004 during which he was killed by Tamil Nadu Special Task Force members. A simple model or system in place would have provided an insight into the pattern of crime and would have aided the law enforcement agents to have solved this crime far ahead with respect to Veerappan's case. This model will help in measuring the gravity of the crimes based on which the resource personnel can be deployed based on the requirement.

Conclusion

Economic Crime Management in a developing country like India is the necessity of the moment. This model proposed here aims to provide members of law enforcement agencies with a technical solution to fight economic crimes. The combined features of technology with experience and knowledge of economic crime from a localized perspective will help in addressing the issues based out of the regions across India. The focus of the model will be on fraud strategies, economic crime challenges, and on implementing technological and analytic resolutions. The model has been proposed to adhere to the growing demands of professional's personnel in law enforcement agencies and government. As an extension of this research, the modules built across various geographies can be centralized, and this centralized model will be proposed for economic detection.

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Investors' Perception towards Equity Market

K. Sampath Kumar, S. Vasumathi
Professor, SSN School of Management, Kalavakkam, Kancheepuram District ,India.
PG Scholar, Management Studies, Anna University, Chennai, India.

Abstract

The globalization of financial markets has been increasing the size of the community of retail investors' over the past two decades by providing a wide variety of market and investment options. Hence, it makes their investment decision process more complex. The factors influencing investor's perception are return on investment, market trend, risk, short term profitability, price of the share, dividend policy, past financial performance, company reputation, reputation of the board of directors, current earnings of the company and experts' opinion. This paper aspires to investigate the perceptions towards equity and other alternative investment avenues available, people's perception of passive investing versus active investing in equities; it also focuses on the main factors influencing investor's perception. The study employs primary data as well as secondary data and the data reveals different factors influencing investment decisions of investors.

Key Words – Investments, Perceptions, Investors, Avenues, Stock Market

I.   Introduction

Equity market otherwise called stock market is a public entity for trading shares or stocks of a particular company at an agreed price. Supply and demand in the stock market is affected by various factors that in turn affect the price of the stocks (stock volatility). Investment decisions in equities are sometimes rational where the investors take decisions analyzing the information available in the market. Some investors take irrational decisions where they ignore certain information that is available. Irrational decisions may also be due to the investor's limited capacity to process the information available. Investors also take decisions matching the risk absorption level. Investment decisions are still found to be complicated as there are various factors to be considered in selecting a stock to invest in or trade into. These socio, economic, demographic, and attitudinal factors act as key drivers for investment decisions.

The investor plays a very important role in the stock market because of their big share of savings in the country. This study aims to understand the behavior of individual investor in stock market, specifically their attitude and perception with respect to the stock market. A survey is conducted to collect data relating to the above subject. Respondents were classified into different categories like income, profession, education status, sex and age. Primary data is collected from a sample of 157 investors.

The study also attempts to find the factors that influence decision making of individual investors such as good corporate earnings, stock marketability, stock affordability, dividend announcements, Price earnings ratio, socially, Opinion from family/friends/colleagues, recommendations of financial intermediaries, and other professional advice.

Background to the study

Investment decisions are made by investors and investment managers. Investors commonly perform investment analysis by making use of fundamental analysis, technical analysis and their own judgment. Investment decisions are often supported by decision tools. It is assumed that information structure and the factors in the market systematically influence individuals' investment decisions as well as market outcomes. Investor market behavior is derived from psychological principles of decision making to explain why people buy or sell stocks. These factors will focus upon how investors interpret and act on information to make investment decisions. Behavioral finance is defined by Shefrin, (2000) as "a rapidly growing area that deals with the influence of psychology on the behavior of financial practitioners".

Individual investments behavior is concerned with choices about purchases of small amounts of securities for his or her own account (Nofsinger and Richard, 2002). No matter how much an investor is well informed, has done research, studied deeply about the stock before investing, he also behaves irrationally with the fear of loss in the future. This different behavior in the individual investor is caused by various factors which compromise the investor rationality. An individual investor is one who purchases generally small amounts of securities for his or her own account

In conventional financial theory, investors are assumed to be rational wealth-maximisers, following basic financial rules and basing their investment strategies purely on the risk-return consideration. However, in practice, the level of risk investors are willing to undertake is not the same, and depends mainly on their personal attitudes to risk.

Research in behavioural finance has developed rapidly in recent years and provides evidence that investors' financial decisions are also affected by internal and external behavioural factors (Shefrin, 2000; Shleifer, 2000; Warneryd, 2001).

It is generally believed that investment decisions are a function of several factors such as market characteristics and individual risk profiles, in addition to accounting information. The disposition error shows that regardless of accounting information, investors are influenced by sunk cost considerations and asymmetrical risk preferences for gain/loss situations. The research findings by Nagy and Obenberger, (1994) which examined factors influencing investor behavior, suggested that classical wealth – maximization criteria are important to investors, even though investors employ diverse criteria when choosing stocks. Contemporary concerns such as local or international operations, environmental track record and the firm's ethical posture appear to be given only cursory consideration. The recommendations of brokerage houses, individual stock brokers, family members and coworkers go largely unheeded. Many individual investors discount the benefits of valuation models when evaluating stocks.

Need for the study

'Money Today' of April 2011 states that in India, out of a population of over a billion, only 18 million are invested in equities and 10 cities contributed to over 80% of trading volume in 2010. Of about the 7,800 scrips listed on the Indian stock markets, less than 3,000 are actively traded. Subsequent literature has also indicated that there is not much improvement till date. This percentage is abysmally low when compared to developed economies like US, where the percentage is around 70% of the population. Hence there is a need to understand the perception of investors and make corrective action to improve the investments.

II.   Review of Literature

R.Vaidehi and Dr. (Mrs.) Jacqueline Gigi Vijayakumar (2016) examined Equity Investment Motives & Styles of Individual Investors" and found that among the investment motives, the long term gain is found to be an important factor followed by dividend and growth prospects and balancing of short term and long term gain. The least important factor is supplementing current income followed by retirement safety. Educational qualification, age, occupation, amount of equity investment influence the investment motive and gender does not have any impact on investment motive.

U.Raghavendra Prasad (2016) in his study analyzed "Investor's perception and attitude towards investment in Indian stock market with special reference to Chitoor District" , The major findings was that investors felt rate of return, safety of investment and capital appreciation are very important motives of their investment. Liquidity, tax benefits and maturity period are considered to be moderately important. There is no significant difference between investor's investment objectives, gender, age and occupation

Dakshayani G.N (2014) analyzed the "Perception of Investors towards Equity and alternative investments in Anand Rathi in Bijapur City". The major findings were that the Dividend record, growth rate of a firm, past record of the firm and performance of firms are important for those who are interested to invest in equity. This study also suggests that client awareness program like investor meet has to be conducted because most of the clients are unaware about the stock market. Investor should follow the regular price movements of stock and should regularly get updated of stock market. Before investing the growth rate of the firm and past record of the firm are to be considered

III.   Research Methodology

Statement of Problem and Research Questions

This study aims to get into a critical diagnosis about the key factors influencing investment behavior, and ways these factors impact on trading-decision making process among people of different age groups, educational background and occupation which is concentrated only in the stock market

Research Questions for survey:

Earlier studies did not reveal in a significant manner, the impact of demographic factors like age, etc on the investors perception towards equity market. This study, *inter alia*, discusses the impact of demographic factors also on the stock market. Further this paper also attempts to study active and passive investments in stock markets.

The research questions for the study includes the following:
RQ1**:** Does investment in equities perform better than other asset classes?
RQ2: What are the factors that influence decision making of investors to invest in equities?
RQ3: Does age has an effect on various factors?
RQ4: Does educational level has an effect on various factors?
RQ5: What are the suggestions for improving investments in equity market?

Objectives of the Research

Primary Objective: To study the perception of investors towards Equity market.

Secondary Objectives:
1) To study people's perception of passive investing versus active investing in equities
2) To analyze equities performance as an investment choice among other asset classes
3) To identify key factors that influence decision making of investors to invest in equities.
4) To make suggestions for improving investments in equity market

Hypotheses

$H_{o1:}$ There is no significant difference between age groups with respect to perception about Awareness of Equity market

H_{o2}: There is no significant difference between age groups with respect to perception about Mutual fund Investment

H_{o3}: There is no significant difference between age groups with respect to perception about Primary and Secondary equity market.

H_{o4}: There is no significant difference between age groups with respect to perception about Investment in Equity Market.

H_{o5}: There is no significant difference between age groups with respect to perception about Investment in Company Shares.

$H_{o6:}$ There is no significant difference between education groups with respect to perception about Awareness of Equity market

H_{o7}: There is no significant difference between education groups with respect to perception about Mutual fund Investment

H_{o8}: There is no significant difference between education groups with respect to perception about Primary and Secondary equity market.

H_{o9}: There is no significant difference between education groups with respect to perception about Investment in Equity Market.

H_{o10}: There is no significant difference between education groups with respect to perception about Investment in Company Shares.

Source of Data
The research period was between January 2017 and June 2017.

Research Design: Descriptive and Analytical

Data: Both Primary and Secondary data are used in the study
Primary Data Collection Method: A well structure questionnaire was used to collect information from the Investors in Equity Market.
Secondary Data Collection Method: Secondary data is gathered from Books, Published Journals, websites BSE, NSE and SEBI etc.

Sample size : 157 respondents
Sampling Technique: Convenience sampling method is used for this study
Statistical Tools and Techniques:

Chi-square test, Correlation and Regression, Anova and Percentage Analysis.
A Reliability test is done to ensure the validity of the data collected.

Validity and Reliability:

The variables impacting attrition chosen for this research have been sourced from literature wherein the content validity of using such variables has already been demonstrated. Construct validity is how well the items on the inventory represent the variable. The independent variables used have been well established in literature. Cronbach alpha for items used in research instrument for pilot study was 0.708 and for survey was 0.879 (more than the minimum acceptable value of 0.7).

IV.   Analysis and Discussion

Research Question 1

Research Question 1 (RQ1): Does investment in equities perform better than other asset classes?

Table 4.1

Inter correlation matrix showing investments in financial asset and yearly returns

Correlations			Financial Asset	Modes of investment
Investments in Financial Asset		Pearson Correlation	1	
		Sig. (2-tailed)		
		N	157	
Yearly Returns		Pearson Correlation	.514**	1
		Sig. (2-tailed)	.000	
		N	157	157
**. Correlation is significant at the 0.01 level (2-tailed).				

Source: Primary Data

Analysis: Shows the Result of Pearson's correlation test between the variables of **Investments in Financial Asset** and **Yearly Returns** of the respondents. From the above table it is found that there is a significant correlation between the variables. Also, it is evident that there is a high positive correlation ($r = .514$, $p > 0.01$ sig) between of **Investments in Financial Asset** and **Yearly Returns** of the respondents towards the same.

Result: Null hypothesis is false and hence there is a significant relationship between Investments in Financial Asset and Yearly Returns

Research Question 2

Research Question 2 (RQ2): Does age has an effect on various factors?

H_{o1}: There is no significant difference between age groups with respect to perception about Awareness of Equity market

H_{o2}: There is no significant difference between age groups with respect to perception about Mutual fund Investment

H_{o3}: There is no significant difference between age groups with respect to perception about Primary and Secondary equity market.

H_{o4}: There is no significant difference between age groups with respect to perception about Investment in Equity Market.

H_{o5}: There is no significant difference between age groups with respect to perception about Investment in Company Shares

TABLE 4.2
ONE-WAY ANOVA FOR AGE AND VARIABLES

ANOVA					
		Sum of Squares	Df	Mean Square	F
AWARNESS OF EQUITY MARKET	Between Groups	20.268	4	5.067	.891
	Within Groups	864.305	152	5.686	
	Total	884.573	156		
MUTUALFUND	Between Groups	56.430	4	14.108	.974
	Within Groups	2201.022	152	14.480	
	Total	2257.452	156		
PRIMARY & SECONDARY EQUITYMARKET	Between Groups	59.990	4	14.997	2.385
	Within Groups	955.743	152	6.288	
	Total	1015.732	156		
INVESTMENT IN EQUITYMARKET	Between Groups	178.688	4	44.672	4.563
	Within Groups	1488.076	152	9.790	
	Total	1666.764	156		
INVESTMENT IN COMPANYSHARE	Between Groups	103.375	4	25.844	3.103
	Within Groups	1265.784	152	8.328	
	Total	1369.159	156		

Source: Primary Data

Analysis: it can be seen from table 4.2. That the p value is no significant at 0.1% level for mutual fund, primary & secondary equity market and investing in company share therefore, null hypothesis is accepted in such cases.

Discussion: There is significant difference between age groups with respect to perception about Awareness of Equity market. There is significant difference between age groups with respect to perception about Mutual fund Investment. There is significant difference between age groups with respect to perception about Primary and Secondary equity market. There is significant difference between age groups with respect to perception about Investment in Company Shares.

Research Question 3

Research Question 3(RQ3): Does educational level has an effect on various factors?

H_{o6}: There is no significant difference between education groups with respect to perception about Awareness of Equity market

H_{o7}: There is no significant difference between education groups with respect to perception about Mutual fund Investment

H_{o8}: There is no significant difference between education groups with respect to perception about Primary and Secondary equity market.

H_{o9}: There is no significant difference between education groups with respect to perception about Investment in Equity Market.

H_{o10}: There is no significant difference between education groups with respect to perception about Investment in Company Shares.

TABLE 4.3
ONE-WAY ANOVA FOR EDUCATION AND VARIABLES

ANOVA					
		Sum of Squares	Df	Mean Square	F
AWARNESS OF EQUITY MARKET	Between Groups	108.335	5	21.667	4.215
	Within Groups	776.238	151	5.141	
	Total	884.573	156		
MUTUALFUND	Between Groups	174.608	5	34.922	2.532
	Within Groups	2082.844	151	13.794	
	Total	2257.452	156		
PRIMARY & SECONDARY EQUITYMARKET	Between Groups	258.660	5	51.732	10.318
	Within Groups	757.073	151	5.014	
	Total	1015.732	156		
INVESTMENT IN EQUITYMARKET	Between Groups	223.166	5	44.633	4.669
	Within Groups	1443.598	151	9.560	
	Total	1666.764	156		
INVESTING IN COMPANYSHARE	Between Groups	69.637	5	13.927	1.618
	Within Groups	1299.522	151	8.606	
	Total	1369.159	156		

Source: Primary Data

Analysis: it can be seen from table 4.3. That the p value is no significant at 0.1% level for mutual fund, primary & secondary equity market and investing in company share therefore, null hypothesis is accepted in such cases.

Discussion: There is significant difference between education groups with respect to perception about Awareness of Equity market. There is significant difference between education groups with respect to perception about Mutual fund Investment. There is significant difference between education groups with respect to perception about Primary and Secondary equity market. There is significant difference between education groups with respect to perception about Investment in company shares.

Major Findings based on survey:
- It can be seen 13.4% of the respondents are female; and 86.6% of the respondents are male; India still continues to be a male dominated country atleast as investments are concerned. Though many of the women folk are well read and knowledgeable in commerce and related areas, they still leave the investment management decision to their spouses.
- Majority of the investors are in the age group 30 to 40; After 40, investors are bogged down with education and marriage expenses of their children and hence do not have good surpluses to invest.
- Majority of the investors are graduates and post graduates; These are investors who go through the news about commerce and industry on a regular basis and take investment decisions appropriately.
- Maximum investors are salaried; and they are willing to take limited risk.

- 29.9% of the respondents invest 10-20% of their income in shares.
- 26.1% of the respondents receive 10-20% of yearly returns from shares. Since most of the investors are salaried class and do not intend to take higher risk, the returns are also low.
- Investors have high awareness towards secondary market and moderate awareness towards IPO and mutual funds. The fortunes in IPO are highly fluctuating. Before 2 years, due to unfavourable market conditions, investors have shunned IPOs. But last year, has witnessed many successful IPOs like Reliance Nippon Insurance, etc.
- Majority of the Investors are associated with the equities market since the past 3 years
- Majority of the Investors invest directly in equity shares.
- It is found that there is high positive correlation between **Investments in Financial Asset** and **Yearly Returns** of the respondents
- There is significant difference between age groups with respect to perception about Investment in Equity market.
- There is significant difference between age groups with respect to awareness of Mutual fund Investment.
- There is significant difference between age groups with respect to awareness of Primary and Secondary equity market.
- There is significant difference between age groups with respect to perception about Investment in Company Shares.
- There is significant difference between education with respect to perception about Awareness of Equity market.
- There is significant difference between education with respect to awareness of Mutual fund Investment.
- There is significant difference between education with respect to awareness of Primary and Secondary equity market.
- There is significant difference between education with respect to perception about Investment in company shares.
- The investment decision of investors is mainly influenced by Economic News channels, Newspaper, Self research on companies, Recommendation by broking houses and Stock Exchange Announcements.
- Low Investment, Flexibility, Capital Appreciation are the important qualities that influence/motivate investors in making investment decisions

Suggestions

- Majority (66%) of the respondents were found to be in the age group of 31 to 40 years. Investment schemes tailored to the senior citizens need to be developed by capital market and capital market must educate and encourage senior citizens particularly. Investor awareness programs should be conducted exclusively for the senior citizens highlighting the positives of investments in stock market.
- One of the most important factors to be considered in the behaviour of the investors. It is projected in the cinemas and other forums about how investors have lost their money in stock markets. No success stories are relayed. This should be done to boost the morale of the investors, which will definitely increase the number of people entering the stock markets appreciably.
- Most of the financial failures happen on account of lack or limited knowledge of finance, commerce, stock markets, investments and related areas and knowledge about these should be inculcated from the very early age. Hence, knowledge about finance,

commerce, stock markets, investments and related areas should be built into the curriculum at the school level itself through games and other interesting ways so that the younger generation will be able to enter the stock market confidently.

- The percentage of women entering the stock market is very low and hence special awareness programs should be conducted for roping in women to the investment fold.
- Special Self Help Groups can also be created to create more awareness among women.
- Similarly Self Help Groups can also be created to create more awareness among women in rural areas, since the amount of money getting into stock market from these areas is abysmally low.
- The Market should maintain a good relationship in reality and should render quick services according to the customers, in case of necessity.
- The Capital market should go for doorstep services, which would help the customers to get educated regarding the services and be the prospective customers.
- Public awareness can be through any media, but awareness created among the customers of the Capital market through advertisement would make the company feel great and it can even reduce its promotional costs and time.
- It is suggested that advertisement may be given in business newspaper and in business magazine.
- Investors should follow the regular price movements of stock and should regularly get updated of the stock market.
- Investor should also study the source of investments. Before investing it is suggested that investors consider the growth rate of the firm and past record of the firm.
- Customers with graduate level education are easier to sell to and there is a large untapped market there. To succeed however, advisors must provide sound advice and high quality.

V.   Conclusion

Investors are bullish about the Indian market. Most of the investors are moderately aware about the derivatives instruments. Majority of the investors felt that low investment, flexibility and capital appreciation are very important motives of their investment. Liquidity, tax benefits and maturity period are considered to be moderately important. The investment decision of investors is mainly influenced by Economic News channels, Newspaper, Self research on companies, Recommendation by broking houses and Stock Exchange Announcements.

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Impact of Motivation on Executive Level Employees Job performance: An Empirical Study of Listed Leasing Companies in Sri Lanka

Gunasekara V M[1]

[1]*Temporary Tutor, Department of Human Resource Management, University of Sri Jayewardenepura, Srilanka.*

Abstract

A study was done to explore the impact of motivation on executive level employees' job performanceof Listed Leasing Companies in Sri Lanka. It was found that there is an empirical and knowledge gap in the Sri Lankan context regarding the impact of motivation on job performance of executive employees. The main objective of the research is to identify the impact of motivation on job performance of executive employees in Listed Leasing Companies in Sri Lanka. The data were collected from a convenient sample of 100 employees in Listed Leasing Companies in Sri Lanka. Data were collected using a structured questionnaire which consisted of 14 statements based on motivation and 17 statements for job performance with five point likert scales. Data were analyzed using univariate analysis, correlation analysis, with the SPSS 16. It was found out that there is significant impact of motivation on the job performance of executive level employees of Listed Leasing Companies in Sri Lanka.This study was carried out to inspect the impact of motivation on performance of executive level employees ofListed Leasing Companies in Sri Lanka.According to the survey result there was a significant impact of monetary motivation and non-monetary motivation on the job performance of the executive level employees.

Keywords: Motivation, job performance, executive employees, monetary motivations, non-monetary motivations.

I. Introduction

Motivation is one of the most important factors in any organization. For the success of any organization motivation plays a vital role. All organization encounters the matter of motivation whether they are in the public or private sector (Chintallo&Mahadeo, 2013). According to Chaudhary& Sharma (2012) basically motivation word is derived from "Motive". The meaning of "motive" is needs, wants, and the desire of the persons. Hence, "employee motivation mean the process in which organization inspiring our employee with the shape of rewards, bonus etc. for achieving the organizational goals.

Today organization can change their materials, needs, goods and services to other businesses nationally or internationally. But the only one resource which is not replaceable is human resources. Therefore we can say that human resources are the most important or the most competitive assets of any organization that cannot be substituted fully. Human resources or human assets mean the workers or the employee in an organization. Thus the motivation is the main factor that affects the human resources of the organization. The organization should be motivating their employees for the best performance or for achieving the organizational goals. In fact motivation is the best tool for improving performance in short term or in long term. Today there are many discussions about motivation and the relationship of employee's efficiency and the organizational efficiencies. Motivation will lead to the fact that workers or employees of the organization will seriously do his or her duties and responsibilities (Azar and Shafighi, 2013). Not only non-monetary motivation factors but also monetary motivations such as attractive salaries or pays act as a valuable tool and play an important role to increase employee's performance and also increase the productivity of an organization (Muogbo U.S, 2013).

According to Iqbal et al. (2012), in order to maximize productivity employee's motivation and their ability of collectively participate into employee's performance of engage in difficult tasks assign by the manager was used. Earlier researches were done emphasizing the employee's needs and wants. Recently researchers have more concern on these increase productivity, perfection and working ability.Motivation is one of the mostly discussed and important term of psychology and most of mangers who want maximum output and productivity, tackle this in a

good way and motivate their employees in a better way. Motivation increase the cooperation between employees and managers, it also encourage their responsibilities. On the other hand encourage participation of their subordinates, to take their responsibilities in a better way and also help to overseas other employees and monitor their performance. Most importantly motivate to get their maximum interaction toward work and knowing employee's working capacity and assign work according to their capacity to get maximum productivity (Ali, Abrar and Haider, 2012).

When it comes to the leasing companies' employees play an important role especially in the customer perception about the company. Company spend huge amount of money to gain customer loyalty but they forget the Employees motivation. Customers interact with the employees and also carry out company image in their mind through the behavior and attitude. Thus company should move their attention towards the employee motivation. Now the era of globalization companies face competition in the market, if company could not successfully motivate their employees, company will not exist in the competitive environment of business **(Ahmad MF, et al. , 2012).**

In Sri Lankan service sector financial companies plays a major role and the quality of the service highly depend on the work force available in the service sector. Employees have to deal with tight work schedule with in the company and they have to perform their best to provide a customer service which is outstanding than their competitors. This is very much important due to the high competition in financial sector. But the amount of motivation given by the companies for its employees to obtain the maximum organizational performance is still questionable. Hence, this research primarily addressed to identifying impact of motivation on executive employees job performance of Listed Leasing Companies in Sri Lanka.

1   Problem Background and Problem of the Study

In Sri Lankan service sector financial companies plays a major role and the quality of the service depend on the work force available in the service sector. Employees have to deal with tight work schedule with in the company and they have to perform their best to provide a customer service which is outstanding than their competitors. This is very much important due to the high competition in financial sector. But the amount of motivation given by the companies for its employees to obtain the maximum organizational performance is still questionable.

There are monetary and non-monetary motivational instruments that can be used with in an organization in order to motivate the employees. Hence, the main idea behind motivating employees is to obtain the maximum potential of the employees to achieve the goals and objectives of the organization.

Therefore the problem of the study is to identifying impact of motivation on executive level employees' job performance of Listed Leasing Companies in Sri Lanka. Furthermore researcher has identified following specific research question from the research problem.

1. To identify the impact of motivation on the executive level employees job performance of Listed Leasing Companies?
2. To identify the impact of monetary rewards on the executive level employees job performance of Listed Leasing Companies?
3. To identify the impact of non-monetary rewards on the executive level employees job performance of Listed Leasing Companies?

II.   Research Framework

Many scholars had tried to define motivation andit's a well-studied field which has roots in many academic disciplines such as psychology, sociology, education, political science, and economics. Definition of motivation according to Society for Human Resource Management (2010), motivation is generally defined as the psychological forces that determine the direction of a person's level of effort, as well as a person's persistence in the face of obstacles.

Bratton et al. (2007) defined it as a cognitive decision making process that influences the persistence and direction of goal directed behaviour. Work motivation can also be defines as the psychological forces within a person that determines the direction of that person'sbehaviour in an organization (George and Jones 2008). Element in the above definitions are: effort - a measure of intensity that maximizes employees potential capacity to work in a way that is appropriate to the job; persistence - the application of effort work-related tasks employees display over a time period; and direction - emphasizes that persistent high level of work-related effort should be channeled in a way that benefits the work environment.

Theories of motivation stress different factors that contribute to job satisfaction which enhances job performance directly. Both intrinsic and extrinsic motivated behaviour reflect the various theories that can be adopted in an attempt to understand motivation behaviour. Maslow (1946) andHerzberg (1968) are content theorists who stress on the satisfaction of needs. Maslow (1946) and Herzberg (1968) theory focuses on the question of what arouses, sustains and regulates goal directed behaviour that is what particular things motivate people. There is the assumption that everyone responds in much the same way to motivating pressures and that there is, therefore one best way to motivate everybody and it focuses on the needs of an individual.

Vroom (1969), Porter and Lawler (1968) who are process theorists emphasize on the process of motivation and importance of rewards. The process theory on the other hand changes the emphasis from needs as in content theory to the goals and processes by which workers are motivated. They attempt to explain and describe how people start, sustain and direct behaviour aimed at the satisfaction of needs or the elimination or reduction of inner tension. It focuses on the rewards of the individual. Armstrong (2007) stated that Taylor's theory of motivation to work is related to rewards and penalties which are directly connected to performance. Accordingly, Motivation is the most important factors influential organizational performance.

1st Hypothesis: There is an impact of motivation on the job performance of the executive level employees.

According to Aguinis (2009), performance is about behaviour or what employees do, and not what employees produce or the outcomes of their work. Performance is an effort along with the ability to put efforts supported with the organizational policies in order to achieve certain objectives. Campbell (1990) also defines performance as behaviour. It is something done by the employee. This concept differentiates performance from outcomes. Outcomes are the result of an individual's performance, but they are also the result of other influences. There are several variables that determine performance. These variables could be classified as general determinants of performance. For instance, one's qualification can go a long way to enhance his performance. When one goes through education, development and training to acquire a certain level of qualification, it will enhance his working ability all other things being equal. Also, experience is a great asset that can improve an employee'sperformance. The longer the number of years' experience, the higher the level of performance all other things being equal. Again, quality and style of supervision is a key factor. The use of democratic and autocratic styles of supervision will have varying degree of results given different behaviours of employees; the working environment is another determinant that could pose serious threat to performance. For example, if the working environment is hazardous, it could endanger the lives of employees. The use of protective gadgets and clean working environment could reduce the hazards employees

are exposed to at the workplace; the single most important determinant of performance is compensation package.
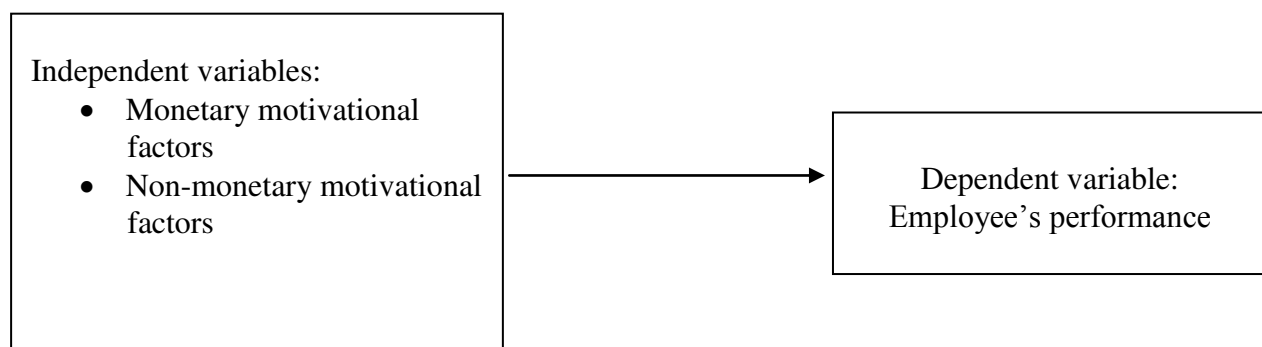
In the absence of compensation, performance levels would be very low compensation could be financial or non-financial may have different levels of motivation and consequently its influence on performance; factors such as tools and equipment can enhance one's performance. Imagine the use of computers, combine harvesters, irrigation system and teaching aids in the production system. Technology has made it possible to have certain tools and equipment that enhance productive activities; and other determinants of performance include support from other colleagues, production materials, health condition of employees, job security, and retirement and other benefits, age, loyalty or commitment (Aguinis, 2009). Campbell (1990) and Aguinis (2009) have provided their version of performance determinants to complement the general determinants. They suggested that individual differences on performance are a function of three main determinants: declarative knowledge, procedural knowledge, and motivation. Declarative knowledge refers to knowledge about facts, principles, and objects among others. It represents the knowledge of a given task's requirements.Procedural Knowledge is having certain skills in knowing what to do and how to do it. That is, the employee requires certain technical skills to be able to accomplish a task. Procedural knowledge also relates to one's intelligence level and physical ability.   The third predictor of performance is motivation, the driving force behind every human activity. Motivation, which refers to "a combined effect from three choice behaviours - choice to expend effort, choice of level of effort to expend, and choice to persist in the expenditure of that level of effort" (Campbell, 1990).

2nd Hypothesis:There is an impact of monetary motivation on the job performance of the executive level employees.

3rd Hypothesis:There is an impact of non-monetarymotivation on the job performance of the executive level employees.

Based on the above literature following research framework was developed.

Figure 1: Conceptual Framework

Independent variables:
- Monetary motivational factors
- Non-monetary motivational factors

→ Dependent variable: Employee's performance

Method and Measures

This study is analytical in nature rather than exploratory or descriptive. Also the research is based on deductive reasoning. It is because the aim of the research study is to test the relationship between independent and dependent variables rather than building theories. As many of the researches done in this field were based on quantitative approach same approach was selected to do this research study because it may increase the validity of the findings.

Both primary and secondary data will be used for the study and a sample of 100 executive level employees from Listed Leasing Companies in Sri Lanka. For the purpose of this study researcher has employed Cronbach's alpha statistical measurement to assess equivalence and the internal consistency of the instrument respectively. Cronbach's alpha of the used questionnaire of this research was 0.89 which is greater than 0.7. Hence the questionnaire is acceptable and

could be considered as an instrument with internal consistency. The usage of this measure will enhance the usability and generalizability of the findings and conclusions due to the reliability of the data collection instrument and the gathered data.

III.Analysis and Results

Data collected from the survey were analyzed using the Computer Based Statistical Data Analysis Package, SPSS (version 16.0) for validity, reliability and relationship testing. The data analyzed included univariate, bivariate and multivariate analyzes.
Ranking the Dimensions of Motivation

Table 1

Dimension	Mean	Rank
Extrinsic	3.92	1
Intrinsic	3.91	2

(Source: Survey data, 2016)

According to above Table 1 highest mean value is 3.92which are extrinsic factors. Second importance is for intrinsic factors.
Ranking the Dimensions of Job Performance

Table 2

Dimension	Mean	Rank
Traits	4.1282	2
Behaviours	4.0421	3
Results	4.2243	1

(Source: Survey data, 2016)

According to mean value of each dimension results are the most important dimension of job performance. Other dimensions can be ranked as above.

Regression analysis was done to identify the impact of motivation on job performance. According to the Table 3 of model summary, value of adjusted R square is 0.345, depicting that job performance is explained by 34.5% through variation in motivation. Hence accepted the H1: hypothesis since r>0 and b>0. Therefore data support the hypothesis of there is an impact of motivation on the job performance of the executive level employees of Listed Leasing Companies in Sri Lanka.

Regression Analysis between Motivation and Job Performance
(Model Summary)
Table 3

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.591[a]	.349	.345	.17520

a.   Predictors: (Constant), Motivation
b.   Dependent Variable: Job Performance
(Source: Survey data, 2016)

Regression analysis was done to identify the impact of monetary rewards on job performance. According to the Table 4 of model summary, value of R square is 0.394, depicting

that job performance is explained by 39% through monetary rewards. Thus the H 2: hypothesis was accepted since r>0 and b>0. Hence, the data support the hypothesis that monetary rewards impact on job performance of executive level employees of Listed Leasing Companies in Sri Lanka.

Regression Analysis on impact of monetary rewards on job performance

Model Summary

Table 4

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.628[a]	.394	.390	.16907

a. Predictors: (Constant), Monetary

b. Dependent Variable: Performance
(Source: Survey data, 2016)

Regression analysis was done to identify the impact of non-monetary rewards on performance. According to the Table 5 of model summary, value of R square is 0.449, depicting that performance is explained by 44.4 % through variation in non-monetary rewards.

Therefore, according to the results of tests, The H3: hypothesis was accepted since r>0 and b>0. Hence, the data support the hypothesis that non-monetary rewards impact on performance of executive level employees of Listed Leasing Companies in Sri Lanka.

Regression Analysis on impact of non-monetary rewards on performance

Model Summary

Table 5

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.670[a]	.449	.444	.27196

a. Predictors: (Constant), Non-monetary rewards
b. Dependent Variable: Performance
(Source: Survey data, 2016)

IV. Discussion and Recommendations

According to the survey result performance of the employees is significantly based on the motivation. Also it was found that performance of the employee was rank in high level. Therefore it can be concluded that motivation is a major factor which can affect to performance of the employee. The mean value of the existing level of motivation is in satisfying level and it is a positive level which stimulates the performance. Improvement of monetary motivation factors and non-monetary motivation factors are lead to possess a high level of performance. However non-monetary motivation factors are highly affect to the performance rather than monetary motivation factors.

One of the most important finding from this study is perhaps the fact that managers must get personally involved and take active part in managing motivational processes at work, if they really wish to improve performance. The rewards workers enjoy in the company should be benchmarked and at par favorably with the reward which workers in other similar industries or

companies enjoy. This is important because workers perception of what obtained in other organizations can affect their level of motivation.

Also the management of the company should also encourage the training of workers. Learning and development opportunities are an important factor in motivating employees for good performance. Managers, supervisors and other workers who supervise and lead others should be equipped with management and leadership skills in other to manage and lead their team well and contribute to favorable work place environment for employee motivation and engagement. Management should make positive effort towards improving and maintaining effective communication system between the three levels of management (top, middle and low) and subordinates, so that workers will be acquitted of what is expected from them by the management.

V. Conclusion

According to the research findings it can be concluded that there is a significant impact of motivation on the job performance of the executive level employees in Listed Leasing Companies in Sri Lanka. Also through this study it has found out that monetary and non-monetary motivational rewards are also having a significant impact on the job performance of the executive level employees in Listed Leasing Companies in Sri Lanka.

The major limitation is, as the data collected for the research are more related with the professional life, respondents may be fear to disclose their real thoughts.

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