Employee's job related attitudes and organizational performance in national water supply and Drainage Board in Jaffna - T.L. Vannarajah, T. Ramajeyam

Three aspects of individual investor trading, asset prices and disposition effect on stocks - Dr. M. Madana Mohan

The optimum use of education cess for developing the infrastructure as well as the standard of schools in India - B. Ganesh Kumar, S. Saraswathi

Spurious brands in Indian rural markets - N. Maria Joseph, Dr. S. Lourdu Iniitha

A conceptual research study on brand switching with special illustration to banking industry - M. Saviour, Dr. S. P. Muthu Kumar

Accounting and valuation of intellectual assets: A study on the perception of chartered accountants of India - N. Sivakoumar, R. Kasilingam

Reasons for adoption of mobile banking services in India - an explorative view - T. Velmurugan, Dr. M. Ramesh

A concept review on stress - R. Priyadharshini, Dr. J. Shanthilakshmi

CSR - Practices A case study of pharmaceutical industry in India - Dr. C. Vethirajan

Institutional branding dimensions: HR Perspectives - Dr. V. Samuel Rajkumar, Dr. P. Ganesan R. Jeyachandran
Editorial Board

Chief Editor
Dr. K. MARAN

Editors
Dr. B. Venkateswara Prasad, Dr. R. Suresh, Mr. S. Dinesh Kumar

Associate Editor
Dr. Sasirekha Ramani, Dr. V. Haranath Kumar
Dr. K. Soundararapandiyam, Mr. P. Venkatesh

Members

Dr. A. Ali Khatibi
Professor-Graduate Management Centre, Malaysia

Dr. Jayavelu,
Professor
IIM, Kozhikode

Prof. Mahendra Raj,
Dean, University of Sharjah, UAE

Dr. S. N. Geetha
Professor and Head
AU Tech, Chennai

Dr. Veinampy,
Professor, University of Jaffna
Srilanka

Dr. L. S. Ganesh
Professor - Management Studies
IIT, Chennai

Prof. Mahdi Salehi,
Shirazan, Iran

Dr. M. Arul
Professor - Management Studies
Annamalai University, Chidambaram

Dr. R. Nandagopal
Director, P.S. G. Institute of Management
Combatoire

Dr. K. Mohan
Professor - International Business
Pondicherry University, Pondicherry

Subscription:

Institution / Individual
Annual Rs. 450/- $ 20 US
3 years Rs. 1200 $ 55 US

Mode of Payment
Demand Draft in favour of “Saiman Association”, Payable at Chennai.

Printed by:

Sairaj Printers, Sai Leo Nagar, West Tambaram
Chennai - 600 044. Tel : 044 - 2251 2240

CALL FOR PAPERS

It gives us immense pleasure in informing about our publication of “Sankhya” International Journal of Management and Technology. This will publish information about knowledge pertaining to current trends in management and technology in a global perspective. It will initiate discussion among management practitioners, professionals and academic researchers on Managerial, Technical and Administrative issues.

The manuscripts submitted to “Sankhya” International Journal of Management and Technology, should be original works of the contributors. In the covering letter accompanying the manuscript, the contributors should certify that the manuscript has neither been published anywhere nor is it at present being considered anywhere for publication.

Three copies of the manuscript, typed in Times New Roman (12 pt), double space of A4 size paper should be submitted. In addition to that one soft copy in a CD should be submitted.

The length of the manuscript (excluding notes, bibliography, appendices, tables, figures, etc.) should preferably not to exceed 15 typed pages.

The first page of manuscripts should be the title page. It should contain the title of manuscript and the name, designation, address, phone / mobile number, e-mail id of each contributor.

The second page should contain the abstract and be of length not exceeding 200 words. It should contain the relevance of the research, rationale of the hypothesis, major findings and their implications.

Bibliographical references should be cited in the text by the author's last name and date e.g. (Kotler, 2000).


It is our privilege to convey the results of the Review to the Contributor with in three months on the receipt of the manuscript.

Contributors may sometimes be asked to proofread the final version of the manuscript before it is published.

All publishing rights are reserved by the Review committee.

Dr. K. MARAN, Chief-Editor
Sankhya - International Journal of Management and Technology
Sri Sai Ram Institute of Management Studies
West Tambaram, Chennai - 600 044, India.
Cell : 94441 89471 / 87545 01112
E-mail : editor.sankhya@gmail.com
EMPLOYEE’S JOB RELATED ATTITUDES AND ORGANIZATIONAL PERFORMANCE IN NATIONAL WATER SUPPLY AND DRAINAGE BOARD IN JAFFNA

T.L.Vannarajah* T.Ramajeyam**

ABSTRACT

Now a day’s all organizations have recognized that the notion that the fact that an organization can gain competitive advantage in marketplace only if it has employees who possess positive work related attitudes. Literature of employees’ attitude highlights that employees’ attitude has the influence on all of the performance. Employees’ attitudes play a crucial role in water board organization.

Therefore this study was made to identify the Employees’ attitudes and performance in National Water Supply Drainage Board in Jaffna. Here, theoretical concept of job related attitudes and components of attitudes were illustrated. The impact of employees’ attitudes has been identified and the relationship between employees, attitudes and performance were clearly discussed. The summary of the research evidences regarding impact of employees’ job related attitudes on performance also was presented.

The study was carried out on 4 Section with 50 respondents from National Water Supply Drainage Board in Jaffna. Stratified random sampling method was used to select respondents from organizations.

The finding of the study is, there is positive relationship between the employees’ attitudes and performance. The relationship between works related attitude variables and performance were identified.

Based on the findings valuable suggestions were provided to the management of Water Board to create appropriate attitude to employees in their organizations to achieve sustainable competitive advantage through people.

Introduction

An organization needs to use more effectively all of their resources, including human resources. There are three types of resources, which are physical, financial, and human resources in an organization. However, physical and financial resources themselves do not result in productivity. It happens only when the human element is introduced and it is said that employees are the vehicle for accomplishing the goal of a unit and an organization. Job related attitudes of employees have significant influence on employee’s performance and participation. The environment of the organization affects the job related attitudes of the employees.

Attitudes are essential for understanding and predicting social behavior. The demonstrates that workplace attitude manifest in various forms. Organizations can evaluate their performance accurately by averaging the performance of their employees. In most cases, the performance of an organization is determined by the attitudes of employee’s. Employees could exhibit attitudes toward various aspects of their jobs. Such as the work itself, benefits received, supervision, impediments to their work or anything that might tiger positive or negative reactions.

The performance is the end result of an activity. And whether that activity is hours of intense practice before a concert or race or whether it’s carrying-out job responsibilities as efficiently and effectively as possible, performance is what result from that activity.

The organizational performance is the accumulated end results of all the organizations’ work processes and activities. It is a complex but important concept.
and managers need to understand the factors that contribute to high organizational performance.

**Research problem.**

In the ever-changing competitive world success of the organization depends on the performance of its workforce; attitude of employees. But in practice some of the members of the organization express more satisfaction and show grater involvement in their organization but in some organizations’ employees express more dissatisfaction and show less involvement in their organizations. It is observed that the environment that is the set of believes and value system of the organization affect the individual work related attitudes.

Therefore the present study attempted to identify that “To what extent employees’ attitudes affect on organizational performance”.

**Research Questions.**

Based on the research problem, findings of past researches and literature review the research question is formulated. “Is there any relationship between employees’ attitudes & organizational performance”? Through these questions the researcher will find out the factors for improvement. And also point out the trend of its performance and through this analysis will tell employees’ attitudes in the people’s bank in Jaffna region positive or negative.

**Objective of the study**

The main objective of this study is to identify the relationship between employees’ attitudes and desire for organizational performance.

The research will attempt to:

- Identify the employees’ job related attitudes that leads to the highest organizational performance.

**Scope of the study**

Human resources are the key to achieve organizational goals in the ever changing competitive market place. The performance of the employees that leads to achieve organizational goals is affected by their job related attitudes. Hence, management takes action to enhance positive work related attitudes of employees. Employees' job related attitudes are influenced by several factors. Even though there are several factors in enhancing positive work related attitudes of employees, organizational environment plays an important role.

The management is able to cultivate positive results through people when they create conducive atmosphere in the organization. Therefore, it is necessary to improve employees’ job related attitudes through creating appropriate organizational culture. Culture is the most powerful one in the organization and it influences on employees’ attitudes and organizational performance. In the present study is made to examine impact of employees’ attitudes on organizational performance.

The term scope refers that the choice of researcher. There are over 500 branches in Sri Lanka. This study refers to Jaffna region only. There are several branches in Jaffna region. But only 4 branches are selected to analyze for the purpose of research. Due to the reason of short term period is allocated to submit research report.

**Conceptual Frame Work**

The employees attitude is the independent variable in this research comprise the three salient attitudes namely job satisfaction, job involvement and organizational commitment variable is organizational performance. So the conceptual model can be illustrated as follows;
Employees' attitudes → Organizational Performance

**Independent variable**

**Employees’ attitudes**
- Job satisfaction
- Job Involvement
- Organizational Commitment

**Organizational performance**

**Dependent variable**

**Hypothesis**

Based on the objectives of the study, the following hypotheses were developed for the purpose of this study.

**H 01**: There is positive relationship between attitudes and organizational performance.

**H 02**: There is negative relationship between attitudes and organizational performance.

**H 03**: There is no relationship between attitudes and organizational performance.

**Research sample**

Research sample will be selected National Water Supply and Drainage Board in Jaffna Regional Office.

Research sample (National Water Supply and Drainage Board in Jaffna Regional Office)

**Data Collection Method**

The relevant data for the purpose of this study were collected from primary and secondary sources. Primary data collected through questionnaire and secondary data were collected from published documents.

In the data collection activity, much importance was attached to the set of combined organizational elements that influence job related attitude of employee’s. And importance has been given to measure employees job related attitudes; job satisfaction, job involvement, and organizational commitment to identify the impact of employees, attitudes on organizational performance.

The researcher has chosen four water supply sections in Jaffna as a sample of collection data. For this purpose has chosen the stratified random sampling.

**Findings of the research**

Water board also has to face competitive problem from the private and other government sector. In this way every sector must know and measure their performance position through the employees periodically.

To know the solution for the problem identified by the researcher, analysis was made by the researcher in the fourth chapter. According to that analysis, following findings were identified by the researcher.

- The organizational performance 8.91% are explained by the job satisfaction, 5.34% are explained by the job involvement, 9.07% are explained by the job commitment.
- 23.32% are explained by employees’ attitudes on performance.
- There is positive relationship between the employees’ attitudes and performance.

**References:**


THREE ASPECTS OF INDIVIDUAL INVESTOR TRADING, ASSET PRICES AND DISPOSITION EFFECT ON STOCKS

Dr. M. Madana Mohan

Abstract
Individual investors trade stocks in a way very different from what mainstream financial economic theory would predict: they generate too much trading volume - benchmark performance. This article overviews major 'puzzles' of individual investor trading. The extant literature suggests that behavioral biases and psychological explanations are largely responsible for many of the observed patterns in individual trading. In this article, discusses three aspects of individual investor trading, namely the disposition effect, the local bias, and the ability to learn over trading and costs associated with individual investor trading.

Key words: Disposition Effect, Individual Investor Trading and Asset Prices, Trading losses and costs, Individual Trading and Cost of Time

Introduction
The extraordinarily high degree of trading in financial markets represents major challenges to the field of finance. The National Stock Exchange website indicates that the annual share turnover rate in the early 2000s on the NSE was close to 100 percent, amounting to a total volume of about 350 billion shares per year. Using reasonable estimates of per-trade costs, this implies that the investing public voluntarily pays several billion dollars to financial intermediaries every year. International markets, especially many stock markets in Asia, witness even higher turnovers and trading costs. Such stylized facts are in stark contrast with many theoretical models in finance, which argue that there should be no trading at all.

Scholars have devoted increasing research to understanding why investors, especially individual investors, trade and the implications of individual investor trading to the financial markets. This chapter has three major objectives. Firstly, summarize the major motivations for individual investors’ trades and provide empirical evidence testing respective hypotheses regarding trading motivations. Evidence show that behavioral explanations are responsible for many of the interesting findings on individual investor trading.

Secondly, focuses on three important aspects of individual investor trading: (1) the disposition effect, (2) the tendency to trade geographically nearby stocks, and (3) individual investors’ ability to learn about their investment skills over the course of the investment. Although rational predictions can explain part of each phenomena, the extant literature largely agree that behavioral explanations are responsible for these three phenomena.

Lastly, reviews how investor trading activities affect the financial markets. Evidence shows that individual investors trade in strikingly similar fashions. Such correlated trading activities question the traditional view that individual investors are ‘noise traders’ and their trading activities cancel each other, leaving no impact on the market. As a matter of fact, several recent studies present convincing evidence that trading activities by retail investors can influence asset prices not only in the con-current period but also in future periods. In addition to reviewing individual investors’ impact on asset price formation, the last section also reviews the transaction costs and time costs incurred in individual investor trading.

Review of Literature
Under the traditional financial economics literature, there are several major rational reasons for individual investors to trade. For example, argue that investors

*Associate Professor & I/C Principal, VishwaVishwani Institute of Systems and Management, Hyderabad-78
will trade when the marginal benefit of doing so is greater than or at least equal to its costs. In particular, they suggest that information, or specifically private information, should be a major motivation for investors to trade.

There are several other motivations to trade in a more realistic and dynamic market. For example, individuals may need to trade in order to rebalance their portfolios after some stock prices substantially change in price, thus altering their portfolio weights. Trading in those stocks allow them to maintain their preferred asset allocation structure. Separately, individuals may need to liquidate part of their equity investment in order to raise needed cash for consumption purposes.

Finally, propose social interaction may partly induce stock market participation and trading. Their model predicts that any given ‘social’ investor finds the market more attractive when more of his peers participate. Using the Health and Retirement Study data, they provide strong support for their prediction in that more social households, those households who have more social interaction with the community, are substantially more likely to participate in the stock market and hence stock trading.

**Tax Motivations**

Another apparent reason for individual investor trading is tax considerations. Given that tax laws treat various components of investment returns such as interests, dividends, and capital gains differently, rational investors who face tax obligations are expected to trade so as to take advantage of the tax laws. Use brokerage account data and analyze the tax awareness of individual investors in the United States. They find that investors prefer to locate bonds and mutual funds in retirement accounts and realize stock losses in their taxable accounts towards year end, which supports the idea that individuals are conscious of taxes when they make investment decisions. However, find that investors trade actively in their taxable accounts, realize gains more frequently than losses, and locate a material portion of their bonds in taxable accounts, thereby hurting their after-tax returns.

Find a similar level of importance for tax consideration in investment decisions from the Finnish stock market. They show that individual investors in Finland realize losses more than gains towards the end of December. Moreover, Finnish investors repurchase the same stocks recently sold. The repurchase rate depends on the magnitude of previous losses. Such predictable trading pattern generates net tax-loss buying pressure that is negative before the turn of the year and positive afterwards. They also conclude that such tax-motivated trading activities are responsible for the turn-of-the-year effect and the cross-section of stock returns around year ends.

**Behavioral Explanations**

In contrast with the rational models, develop theoretical models of financial markets where investors are susceptible to behavioral biases such as overconfidence and self-attribution. Investors in such models cannot accurately assess their investment skills and may become (Wrongfully) over-confident about their investment abilities over time. One attractive feature of such models is that they generate predictions that are consistent with empirical findings on excessive trading activities by individual investors.

Studies provide further support for the overconfidence explanations. Specifically, reveal evidence on investor profits and performance between men and women. By showing that women outperform men in their individual stock investments and by arguing that men are overall more confident than women about themselves, they conclude that over-confidence induces more trading but hurts investment performance. In a follow up study, find that investors who choose to make investments online are better performers than those who do not go online before they switch to online trading. However, those who do switch find that their performance worsens, especially in net returns, after they trade
online. Again, the authors attribute such shift in performance to overconfidence and the resulting imprudent trades.

To analyze overconfidence, sensation seeking and trading with an interesting data source that combines investors’ equity trading with data from an investor’s tax filings, driving record, and psychological profile. Controlling for a host of variables including wealth, income, age, number of stocks owned, marital status, and occupation, the authors find that overconfident investors and those investors most prone to sensation seeking trade more frequently. Thus, they also support the hypothesis that over-confidence is responsible for the heightened level of trading activities.

To provide one example of how investors focus on more salient information and events available to them by studying the trading activities around stock splits. They find that a higher fraction of post-split trades are made by less sophisticated investors. Individual investors increase their aggregate buying activities following stock splits while professional investors reduce their buying activity. This behavior supports the common belief that stock splits help attract new investors and improve stock liquidity. However, given that there is virtually no new information around the ex-dates of stock splits, the events themselves and the otherwise unimportant numeraire effect (i.e., the number of shares doubles and the prices halves accordingly) apparently induce individuals to trade.

Another interesting example of the (misguided) attention is Rashes’ paper on the co-movement of stocks with similar ticker symbols. For one such pair of firms, there is a significant correlation between returns, volume, and volatility at short frequencies despite the low correlation in their fundamental values. This anomaly provides an example of noise traders fixating their attention at the most easily accessible, but flawed information. It reveals the effect of noise traders on stock prices independent of changes in information and expectations. In sum, the above studies suggest that factors other than traditional rational explanations are responsible for many observed trading activities in financial markets.

**Three Aspects Of Individual Investor Trading**

**Disposition Effect**

The disposition effect, which is the tendency to hold on to losing stocks for too long while selling winning stocks too early, is arguably one of the most studied patterns of individual investing. Some twenty years ago, uncovered an interesting pattern that individual investors hold different parts of their portfolios for varying periods that depended on the previous performance of those stocks. Another aspect of the disposition effect is that there are an increasing number of studies that show that the disposition effect is widespread among markets outside the United States. The following provides a review of only a few of them. In a comprehensive study of trading activity using and confirm a disposition effect. They also show that there are reference price effects, in that individuals are more likely to sell if the stock price attains a prior month high. To find the disposition effect among their sample of individual investors from India to find the disposition effect among a representative sample of investors at the national stock exchange.

Despite the fact that the disposition effect is widely documented at the market level, to find that there are considerable variations in the disposition effect at the individual investor level. They analyze the trading records of a major discount brokerage house to investigate the disposition effect and try to explain the cross-sectional difference in the disposition effect exhibited by distinct investors. Building on the findings in experimental economics and social psychology, the authors hypothesize that differences in investor literacy about financial markets and trading frequency are responsible in part for the variation in individual disposition effect. Using demographic and socioeconomic variables as proxies for investor literacy, the paper finds empirical evidence that wealthier individuals and individuals employed in professional occupations exhibit a lower
disposition effect. Consistent with experimental economics, trading frequency also tends to reduce the disposition effect.

**Learning over Time**

In contrast, behavioral finance theories argue that investors, especially individual investors, learn in an asymmetrical way. That is, individuals tend to credit investment success to their own information or abilities and blame investment losses to luck. If such theories indeed depict how individuals learn throughout their investment tenure, it implies that most investors are over-confident and believe that they are better investors than they truly are. If this phenomenon were to pervade at the market level, one would observe ‘puzzles’ such as excessive trading and volatilities in the equity market.

Whether and how fast individual investors learn about their abilities hence becomes an important topic in the behavioral finance literature. Empirically tests whether individual investors learn about their stock selection ability from their own trading experience, and consequently adjust their trading behavior accordingly. The authors find that individuals indeed learn from their trading experience and adjust their subsequent trading activities accordingly. Individuals with better previous performance are more likely to increase their future trades than individuals with disappointing performance. To find that such evidence is stronger for individuals with overall better performance than those with worse performance. In addition, they find that although individuals respond to both previous gains and losses, they are much more responsive to previous gains (by increasing their subsequent trading intensity) than to previous losses (by decreasing their subsequent trading intensity). Hence, the authors suggest that investor learning behavior is probably more complex than any single theoretical prediction, rational or biased. Instead, individual learning activities seem to be more consistent with bounded rationality.

In addition to use a large sample of individual investor records over a nine-year period from Finland and analyze how the disposition effect and trading performance change over individual investors’ life cycle. An extra year of experience decreases the disposition effect of the median investor by about 4 percent, which accounts for about 5 percent of the increase in returns earned by these investors. By controlling for survival and unobserved individual heterogeneity, the authors show that investors in aggregate learn partly by attrition, but that learning at the individual level is also important. Another important finding is that unsophisticated investors and investors who trade more learn faster about their abilities and that individual investors change their trading styles over time, as they gain more trading experiences and understanding about their own abilities.

**Implications Of Individual Investor Trading**

**Individual Investor Trading and Asset Prices**

Traditional economics and finance literature typically assumes that investors who trade without knowledge of fundamental information (i.e., the noise traders) do not have a material impact on asset prices or market stability as they trade in a rather atomic way and the influences that they generate cancel each other and leave no impact on the market.

To analyze the trading records for 66,465 households at a large discount broker and 665,533 investors at a large retail broker and find that the trading of individuals is highly correlated and surprisingly persistent. This systematic trading of individual investors is not primarily driven by passive reactions to institutional herding, by systematic changes in risk-aversion, or by taxes. Psychological biases likely contribute to the correlated trading of individuals. They also find that biases lead investors to systematically buy stocks with strong recent performance, to refrain from selling stocks held for a loss, and to be net buyers of stocks with unusually high trading volume.
The findings of are of particular interest to the behavioral finance literature because it builds a necessary condition for individual investors to matter to financial markets. Observing that individual investors tend of commit the same kind of behavioral biases at or around the same time, such investors conceivably do not necessarily cancel each other’s actions. Instead, the actions of individual investors have the potential of aggregating. If this is the case, individual investors cannot be treated merely as noise traders but more like a giant institution in terms of their potential impact on the markets.

The papers show that the imbalance in individual investor trading, in total, can indeed predict the cross-section of future stock returns over an extended period of time investigate the relationship between individual investor trading activities using a large discount brokerage firm and also use market level data from the Trade and Quotes and Institute for the Study of Security Markets. The authors document striking similarity between the observed trading imbalance from the brokerage firm data and that of the small-sized trades at the market level from the Trade and Quotes and Institute for the Study of Security Markets data. Such findings confirm previous conjecture that trade size is a reasonable proxy for the trading of individual investors.

**Welfare Evaluation of Individual Investor Trading**

**Trading losses and costs**

In addition to their influence on asset pricing, scholars and regulators are also interested in the welfare implications of individual investor trading. Questions such as whether individual investors obtain (abnormal) returns and should engage in active trading have received increasing attention. Extant evidence so far suggests that individual trading seems to hurt their financial wealth. Most existing studies fail to find that individuals obtain excess returns than simply following buy-and-hold strategies of index funds. Consistent with several other papers relying on the same data source, find that about 5 percent of individual investors manage to obtain abnormal returns over a market index, when risk exposures are properly controlled. Put in a different way, a dominating majority of the individual investors cannot beat the market.

Using a complete trading history of all investors in find that individual investor trading activities are not well founded and do not achieve particularly impressive returns. They show that the aggregate portfolio of individuals suffers an annual performance penalty of 3.8 percentage points. Individual investor losses are equivalent to 2.2 percent of Taiwan’s gross domestic product or 2.8 percent of the total personal income. Interestingly, they find that the trades hurting individual investors the most are those about which individual investors are most aggressive. In contrast, institutions enjoy an annual performance boost of 1.5 percentage points and both the aggressive and passive trades of institutions are profitable. This study not only puts a number to the considerable losses that individual investors face at the national level, but also provides a few specific directions (such as behavioral biases and demand for liquidity) as to why individuals obtain such disappointing performance.

**Individual Trading and Cost of Time**

Researchers have not fully investigated one aspect of costs related to individual investor trading. In addition to the costs that individuals pay to execute their trades, they have to spend time conducting research for their trading activities. Despite the findings that individuals do not necessarily carefully process relevant information before trading, they probably spend time attempting to glean useful information ex ante. Individual households could reasonably substitute the time that they spend on research and trading for some other valuable activities in life.

This topic looking at the adoption of mutual fund investment by households with different levels of the cost of their time. The study draws similar
conclusions from two distinct sources, the Survey of Consumer Finance and data on portfolio choice and trading from a large discount brokerage firm. With the Survey of Consumer Finance data, finds that households with higher cost of time are both more likely to invest in mutual funds and invest a greater fraction of their portfolios through mutual funds. Households with greater professional engagement invest a higher fraction of their portfolios in mutual funds. Ceteris paribus, a household with Rs. 10,000 higher annual income or a household head working in a professional occupation invests 7 and 9 percent more in mutual funds. Because such investors have greater professional responsibilities and a busier schedule, the findings support the hypothesis that households with greater cost of time are less likely to engage in direct stock trading.

Also consistent with this hypothesis, finds that households in which the household head is married or lives with a spouse/partner or owns their primary residences, invest 6 and 15 percent more, respectively, in mutual funds, among all equity investments. Such households are busier with domestic activities and hence have less time for direct investment. This finding lends support to the hypothesis that investors with higher cost of time are more likely to invest in mutual funds. Finally, finds that households that have more/less leisure time tend to invest less/more in mutual funds. Households in which household heads are retired invest 19 percent less while households in which both adults are full-time employed invest 12 percent more in mutual funds, providing further evidence that the cost of time influences household choice between direct and indirect investment in equities.

The analyses using data from a large discount brokerage firm confirm the findings from the Survey of Consumer Finance. In addition, such supplemental analyses confirm that households with higher costs of time are indeed less likely to trade common equities and turn over their portfolios less frequently.

SUMMARY AND CONCLUSIONS

This article summarizes extant research on individual investor trading activities. As the study suggests, rational theory cannot easily explain a large portion of individual investor trading activities. Individual behavioral patterns, on the other hand, seem to provide more probable explanations to many findings of individual investor trading. Although many of individuals’ trading patterns seem to their financial well-being, some studies suggest that the overall welfare loss from individuals’ behavioral biases may indeed be limited. Although whether individuals suffer considerably from their trading activities remain an open question, more studies seem to confirm that their trading activities carry important weight to asset price formation. Therefore, unlike the traditional wisdom that assumes individual investors to be insignificant noise traders, future studies in finance and economics have to take individual investors more seriously and devote more attention to individual investors’ trading activities.

REFERENCES


THE OPTIMUM USE OF EDUCATION CESS FOR DEVELOPING THE INFRASTRUCTURE AS WELL AS THE STANDARD OF SCHOOLS IN INDIA

B. Ganeshkumar*, S. Saraswathi**

Introduction

A tax is a financial charge levy or imposed by a state or to administration divisions on income input, sales etc., Taxes consist of direct or indirect taxes and it is paid in money. Money provided by taxation has been used by states some of these include expenditure on war, the enforcement of law and public order, protection of property, economic infrastructure (roads, legal tender, enforcement of contracts, etc., public works, social engineering, subsidies and the operation of government itself. A portion of taxes also go to pay off the state's debt and the interest this debt accumulates. Governments also use taxes to fund welfare and public services. These services can include education systems, health care systems, and pensions for the elderly, unemployment, and public transportation. Energy, water and waste management systems are also common public utilities. Governments use different kinds of taxes and vary the tax rates. This is done to distribute the tax burden among individuals or classes of the population involved in taxable activities, such as business, or to redistribute resources between individuals or classes in the population. A nation's tax system is often a reflection of its communal values and/or the values of those in power. To create a system of taxation, a nation must make choices regarding the distribution of the tax burden—who will pay taxes and how much they will pay—and how the taxes collected will be spent. In taxation, the resource collected from the public through taxation is always greater than the amount which can be used by the government. The difference is called the compliance cost. The collection of a tax in order to spend it on a specified purpose, for example collecting a tax on alcoholism rehabilitation centers is called hypothecation. This practice is often disliked by finance ministers, since it reduces their freedom of action. Some economics theorists consider the concept to be intellectually dishonest since, in reality, money is fungible. Furthermore, it often happens that taxes or exercise initially levied to fund some specific government programs are then later diverted to the government general fund. In some cases, such taxes are collected in fundamentally inefficient ways, for example highway tolls.

Some economists, especially neo-classical economists, argue that all taxation creates market distortion and results in economic inefficiency. They have therefore sought to identify the kind of tax system that would minimize this distortion.

An Education cess was introduced by the UPA government, former Finance minister P. Chidambaram on July 2004 proposed to levy Education cess of two per cent on income tax, corporation tax, exercise and customs duties and service tax in order to give a boost to primary education in the country. An additional one per cent Secondary and Higher Education cess was imposed in the year 2007 to help fund new seats in higher education that are required to implement the 27% reservation of seats for other backward classes. “It has been introduced to fund secondary and higher education as well as for the expansion of capacity by 54% for reservation for socially and educationally backward classes”. Education cess is a earmarked tax to full fill the needs and demands of secondary and higher education. But the amount collected as Education cess does not effectively utilized for developing the standard of education, it is only filling up the government’s coffer. The government expected yield from Education cess was Rs. 4,000 to 5,000 crores per annum but the average yield is Rs. 16,000 crores per annum. Even the government

*Research Scholar in Commerce, Sri Kaliswari College, (Autonomous), Sivakasi.
**Assistant Professor, Department of PG Commerce, Sri Kaliswari College, (Autonomous), Sivakasi.
receives more money comparing with their estimated yield the governments strapped cash allocated for the development of secondary and higher education every year.

**Statement of the Problem**

In India most of the families are financially very poor. Hence they are not ready to allow their children to continue their school education because of the cost of education is high compare with their family income. In order to reduce the cost of education and improve the education growth Indian government requires huge amount. So, the government desire to levy education cess on both direct and indirect tax. Year after year the government collect huge amount collected as education cess, whether it is correctly channelized or used is the crux of the problem.

**Objective of Study**

- To study the reasons for the levying education cess.
- To identify the sources for the collection of education cess.
- To know the applications of education cess.
- To compare the sources and applications of education cess.
- To offer the suitable suggestion.

**Methodology**

The data needed for the study is collected from secondary source. The statistical data are taken from indiabudget.nic.in and the description about education cess collected from Direct and Indirect tax books. The present study is both descriptive and analytical in nature.

**Period of Study**

The study covers the data of seven assessment years from 2007 - 08 to 2013 - 14.

**Amount Collected as Education Cess**

Tax is the most significant source of revenue of the government to maintain law, promote the welfare of the people, and safeguard the country. The fund mobilized as tax is from two source,

- Direct taxes
- Indirect taxes
- Direct taxes consist - income tax and wealth tax.
- Indirect taxes consist - customs duties, exercise duty.

Education cess is collected on tax amount. The cess collected during the last seven assessment year from direct and indirect taxes are as under.

**Table – I**

<table>
<thead>
<tr>
<th>S No</th>
<th>Major heads</th>
<th>2007 - 08 (Rs)</th>
<th>2008 - 09 (Rs)</th>
<th>2009 - 10 (Rs)</th>
<th>2010 - 11 (Rs)</th>
<th>2011 - 12 (Rs)</th>
<th>2012 - 13 (Rs)</th>
<th>2013 - 14 (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Corporation Tax</td>
<td>5,475</td>
<td>6,466</td>
<td>7,295</td>
<td>8,748</td>
<td>9,661</td>
<td>10,453</td>
<td>11,466</td>
</tr>
<tr>
<td>2</td>
<td>Income Tax</td>
<td>3,108</td>
<td>3,583</td>
<td>3,794</td>
<td>4,326</td>
<td>4,803</td>
<td>5,998</td>
<td>6,879</td>
</tr>
<tr>
<td>3</td>
<td>Customs Duties</td>
<td>2,935</td>
<td>3,145</td>
<td>2,560</td>
<td>3,320</td>
<td>5,210</td>
<td>6,325</td>
<td>4,125</td>
</tr>
<tr>
<td>4</td>
<td>Union Excise Duties</td>
<td>3,690</td>
<td>3,115</td>
<td>3,075</td>
<td>4,425</td>
<td>4,876</td>
<td>6,696</td>
<td>6,900</td>
</tr>
<tr>
<td>5</td>
<td>Service Tax</td>
<td>1,050</td>
<td>1,650</td>
<td>1,600</td>
<td>2,021</td>
<td>2,641</td>
<td>3,900</td>
<td>4,800</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>16,258</td>
<td>17,959</td>
<td>18,324</td>
<td>22,840</td>
<td>27,193</td>
<td>33,251</td>
<td>34,170</td>
</tr>
</tbody>
</table>

Source: http://indiabudget.nic.in

From the above table it is clear that the amount collected as education cess collected is doubled within six months. The contribution from the service tax is increased in four times. The major contribution to total education cess is from corporate tax.

**Distribution of Education Cess**

The amount spends by the government for higher education during the last seven assessment year from Education cess is as hereunder.

Indian government is wedded to socialistic pattern of society it is the foremost duty of the government to bring out welfare and development programmes which will be bridge the gap between rich and the
poor. Tax amount collected may be used for general purposes where educational cess should be only used for secondary or higher education.

Table – II

(Rs in crores)

<table>
<thead>
<tr>
<th>S. No</th>
<th>Major heads</th>
<th>2007 – 08 (Rs)</th>
<th>2008 – 09 (Rs)</th>
<th>2009 – 10 (Rs)</th>
<th>2010 – 11 (Rs)</th>
<th>2011 – 12 (Rs)</th>
<th>2012 – 13 (Rs)</th>
<th>2013 – 14 (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>General Education</td>
<td>1,958.97</td>
<td>3,472.47</td>
<td>3,772.97</td>
<td>4,992.47</td>
<td>5,672.18</td>
<td>6,572.50</td>
<td>7,642.34</td>
</tr>
<tr>
<td>2</td>
<td>Technical Education</td>
<td>981.47</td>
<td>2,641.37</td>
<td>3,371.41</td>
<td>3,821.35</td>
<td>5,071.32</td>
<td>5,411.63</td>
<td>5,731.67</td>
</tr>
<tr>
<td>3</td>
<td>Secretarial-Social Services</td>
<td>1,201.36</td>
<td>2,501.36</td>
<td>3,001.36</td>
<td>3,001.36</td>
<td>1,501.36</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>North Eastern Areas</td>
<td>320.31</td>
<td>680.50</td>
<td>796.30</td>
<td>979.60</td>
<td>1,260.80</td>
<td>1,380.63</td>
<td>1,420.90</td>
</tr>
<tr>
<td>Total</td>
<td>3,251.95</td>
<td>6,801.45</td>
<td>7,951.35</td>
<td>9,791.95</td>
<td>12,812.15</td>
<td>13,412.94</td>
<td>14,713.93</td>
<td></td>
</tr>
</tbody>
</table>

Source: http://indiabudget.nic.in

Out of 34,170 crores collected as education cess in the year 2013 – 14 only 14,703 crores were spent. Out of 14,703 crores 7,642.43 crores were spent for general education, 5,635.67 crores for technical education, 1,424.90 crores for developing education in north, eastern areas.

Amount spent for general education was Rs. 1,958.97 crores during the year 2007 – 08 where it is increased to Rs. 7,642.43 crores. Even though the amount was increased in three times it is not enough for the development of the education.

**Collection and Distribution of Education Cess**

Appropriate allocation and application of educational cess is to fund a project for the up liftment of schools standards. It is an integrated work among concern states, educational ministry, direct and indirect tax departments etc.

Tax is actually a burden for the tax payer. Tax payers are levied at the maximum of 30% as tax on the related sauces. In addition to that they are also responsible for paying educational cess. The comparison between the education cess collected and spent for the last seven years are tabulated below.

Table – III

(Rs in crores)

<table>
<thead>
<tr>
<th>S. No</th>
<th>Year</th>
<th>Income</th>
<th>Expenditure</th>
<th>Utilization Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2007 - 08</td>
<td>16,258</td>
<td>3,261.95</td>
<td>20.06</td>
</tr>
<tr>
<td>2</td>
<td>2008 - 09</td>
<td>17,959</td>
<td>6,800.50</td>
<td>37.86</td>
</tr>
<tr>
<td>3</td>
<td>2009 – 10</td>
<td>18,324</td>
<td>7,952.50</td>
<td>43.39</td>
</tr>
<tr>
<td>4</td>
<td>2010 – 11</td>
<td>22,840.36</td>
<td>9,799.50</td>
<td>42.90</td>
</tr>
<tr>
<td>5</td>
<td>2011 – 12</td>
<td>27,193.88</td>
<td>12,815</td>
<td>47.12</td>
</tr>
<tr>
<td>6</td>
<td>2012 - 13</td>
<td>33,251</td>
<td>13,494</td>
<td>40.58</td>
</tr>
<tr>
<td>7</td>
<td>2013 – 14</td>
<td>34,170</td>
<td>14,703</td>
<td>43.02</td>
</tr>
</tbody>
</table>

Source: Computed data

The fact derived from the above table is that in the year 2007-08, the amount collected as education cess was 16258 crores, but the amount spent is only 3261.95 crores. It is amount spent is only a 20.06 % on amount collected. Even though it is a less amount, in the very next year it was increased to 37.86% it reached

The above table reveals the percentage of amount spend by the government for the educational purpose from the collected educational cess. From the result of comparison of income and expenditure of education cess we can understand that the government does not spend the half of the collected amount for educational purpose. During the study period the government averagely spends only 39.27 percentage amount per annum for the educational growth from the total amount. The hike of 47.12 % on 2011 – 12, but in the next year it was decreased to 40.58%. In 2013 – 14 the utilization ratio is increased to 43.02%.

**Suggestions**

- The government could pass a resolution insisting on the utilization of the realizing education
The awareness should be created among the teachers towards the utilization of educational cess

- Government could spend educational cess to make at least one government school in every district as a model school of the district every year

- Toilet facilities in government schools is pathetic in general. Initially government could spend this amount for creating the basic infrastructural facilities

- A separate committee may be appointed for monitoring the collection and proper utilization of educational cess

- Tax payers are informed to pay their tax on or at a particular data through social media, like that the unutilized educational cess, procedure to avail and use can also informed to teachers and public through social advertisement in television

**Conclusion**

The above data shows that the fund realized as educational cess has not been optimally utilized and so it results in slow development of the educational sector. The infrastructure facilities in various schools and villages are very poor. If the government stimulates a step to utilize the cent per cent educational cess collected on education, it will strengthen our nation in the forthcoming years.

**Reference**

http://indiabudget.nic.in
SPURIOUS BRANDS IN INDIAN RURAL MARKETS

N. Maria Joseph*, Dr. S. Lourdulnitha**

Abstract
The word imitation has no limitation in the rural markets of India. Though, it is a global issue and an immense challenge for several transcontinental brands world-wide, emerging economies like India is an easy prey for spurious brands to be persistently successful and sustain. Our legal framework is so scrawny, particularly in the field of consumerism which gives more space for such duplicate brands to be aggressive to the extent of 22 percent increase in the last two years. Multinational brands in India has culpably failed to curb this rapid growth and the Government too, a big loser to the extent of 830 crores as tax revenue. One of the primary causes for this menace is undoubtedly, the lack of awareness about spurious brands among rural consumers in India. Hence the multinational brands cannot afford to waste the white-water from the flood-gates of rural market anymore and they instantaneously required educating their consumers and promote awareness for their endurance. Hence, this study is pertinent and evocative in understanding the need for building awareness among rural mass about the tribulations of spurious brands and its impact on rural consumerism.

Key Words: Imitation, consumerism, Multinational brands, Rural Market

Introduction
Rural market in India is no more a local market; rather it is emerging as contender for the urban counter-part market in both goods and services. The changing development of rural market indicates its hyper-heterogeneity aspect amidst the homogeneous outlook. The changeover of rural market base from village to town and town to sub-urban is noticeable. Several multinational companies have unmistakably understood the need for penetrating the less-tapped market for their very survival. However, the peculiar features of rural consumers cannot be ruled-out; particularly in understanding the real needs of the customer and hence it is too difficult to customize the customer-centric rural market. The gap between the need for branded and unbranded goods causes the flood-gates opened for spurious brands to gangrenous the rural marketing environment. The word imitation has no limitation in the rural markets of India. Though, it is a global issue and an immense challenge for several transcontinental brands world-wide, emerging economies like India is an easy prey for spurious brands to be persistently successful and sustain.

Objectives
The primary objective of the paper is to study the spurious brands in rural markets, particularly the Packaged Mass Consumption Goods (PMCG) in India. However, this paper also reckons to study the following aspects:
- To understand the fake brands in India and its impact on rural markets
- To investigate the entry channels of spurious brands in rural markets and
- To analyse the legal protection available to save the consumer against fake brands.

Methodology
The paper titled “Spurious brands in Indian Rural Markets” is exclusively based on secondary data collected from various published sources. Further, the researchers have employed descriptive type of study to find out the impact of spurious brands in the rural markets principally with reference to the Packaged Mass Consumption Goods.

What is Fake Brands?
The fake brands in the Indian rural markets can be

*Asst. Professessor in Commerce, Loyola College, Chennai.
** Associate Professor in Commerce, S.I.V.E.T. College, Chennai
classified into two types, viz. Counterfeit products and Pass-off products with look-alikes and spell-alikes. The former is a kind of replication where even the original manufacturer would not be able to distinguish between a genuine and a spurious product. These fake products bear the identical name of the original one in every aspect such as its packaging, graphics, colour pattern, design and even same name and address as the genuine manufacturer. A pass-off product, on the other hand, is one that comes with a few inconsequential changes from the original product. The look-alikes are those products where the colour scheme on the original packaging closely resembles that of a popular brand, while the pack carries a different name. The spell-alikes are fakes of original brands packaged in colours and designs in similar to those of the originals, but with names that are subtly and clearly misspelt. The changes are wittingly made to circumvent being categorized legally as counterfeits. For example, ‘Bond’s Magic Talc’ is replicated for ‘Pond’s Magic Talc’ and the manufacturer use analogous type of packaging or colour or designs. They come out with the motive of misleading and cheating the ordinary consumers who are uneducated or in a hurry in purchasing products, particularly focusing upon packaged mass consumption goods (PMCG) in the rural markets.

Spurious Brands in Indian Rural Markets

A recent study on fake brands in Indian rural markets reveals that there are nearly 128 ‘known versions’ of Parachute Hair Oil, 113 of Fair & Lovely cream, 44 of Vicks VapoRub, and 38 of Clinic Plus Shampoo. Further, it is very common to get the products like Polons, Run, Chaudharys éclairs, Nilima, Narima, Lifejoy, Liteboy, College Toothpaste, Friends and Lovely and so on. In an average rural market party-g or prima-g biscuits are edging out the original parle-g. And the fair & love skin cream is selling like hot cake, right under fair & lovely's nose. Fakes of parle-g biscuits and fair & lovely fairness cream are extremely popular in rural markets.

Further, a latest survey by city-based marketing consultancy rural relations has not only revealed that the spurious brands are outselling the original ones, but that these brands have a surprising variety of products, a strong marketing network and more than a few wicked tricks up their sleeves. Although giants like Hindustan Unilever Limited (HUL), Marico, Procter and Gamble (P&G), Pepsi and many others are doing their best to fight against spurious brands in India. A large chunk of the turnover comes from rural markets where consumers are largely influenced by the retailers. However, the Brand Protection Committee (BPC) constituted by marketing giants seem to be concentrating more on exposing fake items in urban markets through raids, even as spurious brands continue to thrive in rural areas.

The distribution network of spurious brands was better than that of the originals as the profit margins too are larger and ranging between 50 and 200 per cent. Spurious brands of goods ranging from incense sticks to tea are available in rural markets. The packaging of spurious brands is extremely sophisticated and matched the original, except for the ingredients and Maximum Retail Price (MRP) columns. It is surprising to note that in Rajasthan, Gujarat and Madhya Pradesh the market share of Tata Tea fell drastically due to the foul-play and rumours such as usage of meat in tea processing etc. The attitude of customer is to believe the retailers who get more margins from spurious brands than the brand awareness. Only through aggressive brand awareness programme, the marketers came to know this strategy of spurious brand and nearly more than 50 percent of them agreed that the rumour kept them away from such branded packaged goods.

Is spurious local or global?

Spurious is not only a local issue, but also a global issue. It did not spare even the most developed nations of the world and mercilessly posing a persistent threat to renowned global brands. According to a recent global study, the Web site of De La Rue reveals:
• Ten per cent of perfumes and cosmetics and 11 per cent of clothing and footwear bought by consumers are fakes.

• There are around 160 Web sites offering ‘genuine Channel products, despite the fact that Channel doesn’t sell any of its products on the Net.

• The US FDA recalled $7 million worth of intra-aortic pumps used during open-heart surgery after it discovered malfunctioning counterfeit parts in the devices.

• Counterfeit baby formula resulted in some babies developing rashes and seizures after imbibing.

• US investigators discovered that more than 600 helicopters sold to US civilians and NATO was equipped with counterfeit parts.

• Fake perfumes have been found to contain urine as a stabilizer.

Legal Protection against Spurious Brands

The consumers are neither protected by the law nor by any forum. The complexity prevailing in the existing system paves way for the spurious brand to be more comfortable than the original ones. The Government is not an exemption to the ill-effect of spurious brands; at least the Government loses its tax revenues. The Indian consumers are protected by several legislations against this social evil, but when it comes to reality, no doubts, they are at cross roads. Some of the legislations meant for controlling the spurious brand market in India include:

- Indian Penal Code 1860
- Drugs and Cosmetics Act, 1940
- Prevention of Food Adulteration Act 1954
- Consumer protection Act 1986
- Bureau of Indian Standards Act 1986 and
- Trade Mark Act, 1999

Suggestions and Recommendations

- Educating rural consumers, particularly the youth and school children in villages and towns
- The manufacturers of fake goods must be stringently curbed with iron-hands and their business must be completely closed by legal enforcement.
- The retailers must be well-informed about the legal implications on sale of fake goods
- The manufacturers must periodically engage their marketing force to ensure the depletion of spurious brands, apart from achieving their sales target.
- The Government must create adequate awareness programme about the spurious brands and its ill-effects through panchayat, schools, taluk, self-help groups etc.
- The market research team of renowned brands must make ample efforts to develop strong brand building techniques and get the customer patronage.

Conclusion

Spurious brand is a real challenge for original brands, consumers and regulatory bodies in all possible aspects. The peculiar advantage enjoyed by the spurious brands and its customer patronage in rural markets is a factual challenge. These brands gain the advantage in terms of sales on the base of the reputation of the original brands and also give more financial leverage to the retailers. Our legal framework is so scrawny, particularly in the field of consumerism which gives more space for such duplicate brands to be aggressive to the extent of 22 percent increase in the last two years. Multinational brands in India has culpably failed to curb this rapid growth and the Government too, a big loser to the extent of 830 crores as tax revenue. One of the primary causes for this menace is undoubtedly, the lack of awareness about spurious brands among rural consumers in India. Hence the multinational brands cannot afford to waste the white-water from
the flood-gates of rural market anymore and they instantaneously required educating their consumers and promote awareness for their endurance.

References

- www.businessline.com
- www.economictimes.com
Abstract.
Creating and maintaining a brand is the fundamental task of every business. This is an organized task that stems from the very purpose of the organisation. Periodically one must measure the value of the brands and its relative strength and weaknesses. It will reflect the health of the brand in financial terms. This is determined through the brand’s current earnings and its potential future earnings. The organisation must continuously try to improve its brand value to avoid brand switching. Building strong brands will put an entry barrier for the new business and also restrict the existing companies to capture the present customers of the brand. This study attempts to explain the meaning of the term brand switching, reasons for brand switching and how to prevent and overcome brand switching by creating strong switching barriers.

INTRODUCTION:
Brand switching is a situation in which someone changes from buying one brand of a product to buying a different brand. The fortunes of established brands are driven by consumer’s fluctuating desires, not by changed perceptions. When a consumer switches around within a set of brands, it is because his or her fluctuating desires temporarily alter how important it is that he or she receives the benefits of one brand vs. another. Once a product has been used, a consumer’s perception of it rarely changes, but desires for the perceived benefits of competing brand often fluctuate and it is this that creates brand switching.

BRAND SWITCHING:
Brand switching is sometimes known as brand jumping, and it is process of choosing to switch from routine use of one product or brand to steady usage of a different but similar product. Much of the advertising process is aimed at encouraging brand switching among consumers, thus helping to grow market share for a given brand or set of brands.

Convincing consumers to switch brands is sometimes a difficult task. It is not unusual for customers to build up a great deal of brand loyalty due to such factors as quality, price, and availability. To encourage switching brands, advertisers will often target these three areas as part of the strategy of encouraging brand switching.

However, price is not always enough to encourage brand switching. There are consumers who are less concerned with cost. For these users, the approach is to present the new brand as being of superior quality to the established brand. Essentially, this means demonstrating that the new brand can do everything the older brand can do, plus a little more.

Switching behavior was induced by extrinsic (e.g., price, coupon) or intrinsic (e.g., a desire to try a new brand) incentives. Unlike intrinsically induced switching, extrinsic incentives motivate consumers to switch despite a high level of satisfaction with the last purchased brand. However, this switching behavior resulted in weaker intentions to repurchase the new brand.

REASONS FOR BRAND SWITCHING:
Several reasons may be responsible for consumers of switching from one brand to another.

- Low research and development which do not provide improvisation in product quality and standards.
- Customers finding it uncomfortable if quality of products starts falling.
• Unavailability of product brand and variant which customers demand for.
• Uniqueness and variety in other brands.
• Price escalation or availability of other brands at competitive price.
• Kleptomaniac customers who are not advocates of brand loyalty, but after consumption and taste of every kind of products and utility possession.
• Inconsistent brand positioning of the brand or product.

WHAT MAKES THE CONSUMER TO SWITCH OVER TO OTHER PRODUCT?

There are many factors which make the consumers to switch over to other brands. It is explained here with the help of banking industry.

What changes will prompt consumers to switch from one bank to another bank are;
Free checking account - 39%
Service quality - 35%
Convenient branches - 29%
Fair OD, NSF charges - 20%
Surcharge fee ATMs - 19%
Convenient branch hours - 19%
Deposit rates - 17%
Online banking technology - 16%
Large ATM network - 16%
OD coverage for cheks - 14%
Loan rates - 14%
OD coverage for ATM check - 13%
Range of product services - 11%
Mobile banking technology - 6%
Other - 5%

FACTORS INFLUENCING THE BRAND SWITCHING:

1. Better price (41%)
2. Better quality (26%)
3. Better service agreement (15%)
4. Better selection (10%)
5. Better features (8%)

BRAND SWITCHING BEHAVIOUR:

Consumer-switching behavior refers to customers abandoning a product or service in favor of a competitor's. For example, a customer might move funds from one bank to another if he is dissatisfied with the customer service at the first. Consumer-switching behavior is an ever-present danger for a business -- if the company does not keep its customers happy, its competitors might directly benefit.

HOW TO PREVENT BRAND SWITCHING

Prevent consumer switching by soliciting feedback and continually optimizing your customer service. You can’t please everybody, but making the effort can go a long way. If your customers sense that you are out for their best interests, brand loyalty will develop, and your business will be less threatened by consumer-switching behavior.

Companies often use promotional offers to induce consumers to switch to their brands. A widely used promotion toward this end is price discounts. These discounts may take the form of sales, rebates, price reductions, or coupons with the objective of attracting both switchers and consumers who prefer an alternative brand.

Conventional wisdom presents a very different view. Ever since the valid concept emerged that brands are positioned perceptually, marketers have taken it for granted that brand switching occurs because advertising has changed perceptions – or because of promotion or lack of product availability. They assume for advertising to succeed it can and must move consumers’ perceptions closer to their ideal.

However, when consumer brand perceptions are tracked for an established brand, one finds they are
rarely any different during or after a campaign that increased market share than they were before. Because the share went up, these tracking results are usually dismissed as meaning only that perceptual changes were too subtle to measure or that some critical attribute was missed. Had this research been taken at face value, marketers would now be looking at their brands very differently, and established brands would be managed more profitably.

Here is a general theory of consumer purchase behavior that has important implications to the management of established brands.

1. The experience a consumer receives from using a brand solidifies his or her perceptions of it. These fixed perceptions can rarely be changed through advertising alone.

2. How a consumer perceives each of the different brands in a category determines which ones are used and which ones are not. The consumer may perceive different brands to be superior on different desirable attributes and these results in his or her switching around within a set of brands rather than using a single brand.

3. When a consumer uses a set of brands, the consumer’s fluctuating wants and desires are what causes switching from one brand to another.

4. In many categories, brand use itself is what causes a consumer’s desires to fluctuate. The consumer may temporarily satisfy certain desires by using one brand but simultaneously deprive themselves of other satisfactions they could have received from a competing brand.

5. As consumers’ desires fluctuate relative to their fixed perceptions of brands, a consistent process of brand choice (brand switching) results over time.

6. Advertising and promotion intervene in the process of brand choice by temporarily changing the probability of a user purchasing the brand the next time the category is shopped.

a. Advertising intervenes by temporarily intensifying the consumer’s desire for some benefit the brand is already perceived to provide.

b. Price promotion intervenes by temporarily changing the perception of price and value.

7. New brands, line extensions, product improvements, disequilibrium price changes and restages of existing brands change consumers’ perceptions and permanently alter the process of brand choice (the probabilities of brands being selected) for some category users.

8. It is the fate of most brands that their own advertising will never improve users’ perceptions, but instead that new competitors will diminish these perceptions over time.

WAYS TO OVERCOME BRAND SWITCHING

- Develop strong brands that signal a certain level of quality so that satisfied buyers can easily choose the product again.

- The pricing strategy should be based on consumer’s perception of value.

- Create brand loyalty that provides predictability and security of demand for the product and it increases strong switching barriers. Loyalty can also translate into customer willingness to pay a higher price – often 20% to 25% more than competing brands.

- Create brand equity which must reflect in consumers’ perceptions, preferences and behaviour related to all aspects of the marketing of a brand.

- Keep brand promise which is the marketers’ vision of what the brand must be and do for the consumer.

- Conduct brand audit to assess the health of the brand

- Conduct brand tracking studies to collect quantitative data from consumers on a routine basis over time to provide marketers with
consistent, baseline information about how their brands and marketing programs are performing on key dimensions.

- Periodically estimate brand valuation to assess the total financial value of the brand.
- Rejuvenate the brand to add some value to an ongoing brand by improving product attributes and enhance its overall appeal. This is intended to recapture the attention of consumers. Consumer psychological desire for change is the key factor behind brand rejuvenation. Quite often, we see ongoing brands appearing as ‘new’ ‘super’, ‘special’, ‘plus’, ‘premium’, ‘delux’, ‘extra strong’, ‘fresh’. They appear in new shapes, new colour and flavours, new pack sizes/design and new containers. Basically what happen here is dressing up and a facelift of the ongoing brands.

CONCLUSION

It is very difficult to create a brand and establish a strong brand position for the product in the minds of the customers. Once a brand is established it is the marketers’ duty to improve its brand to increase its market share. For that the marketer must strengthen its brand by continuously improving its quality and thereby the marketer must create strong switching barriers to withstand the brand in the market for an unending period.

REFERENCES

ACCOUNTING AND VALUATION OF INTELLECTUAL ASSETS:
A STUDY ON THE PERCEPTION OF CHARTERED ACCOUNTANTS OF INDIA

N. Sivakoumar*, R. Kasilingam**

Abstract
Intellectual assets are the most valuable assets of the knowledge intensive industries. Since, technological change is embedded with intellectual assets, these assets rise in prominence in the asset portfolio of knowledge intensive industries. Hence, intellectual assets demand their due recognition in the financial statements of firms. Worldwide, the accounting standards are inconsistent in the recognition of intangible assets, especially when they are internally created. Since, accounting for intellectual assets depend on valuation of these assets, there is a need to convince the accounting profession on the relevance of intellectual assets in technology management. Thus far the studies on valuation of intangibles have used ‘assumed’ amortization rates to accord asset status to internally created intangibles and convince the accounting profession on the need for recognition and valuation of these assets. The present study was undertaken to gauge the perception of the accounting profession on recognition and valuation of internally created intellectual assets and to arrive at appropriate amortization rates for treating the intangibles as assets. The results of the survey undertaken suggest that the accounting profession is slowly reconciling with the growing importance of intellectual assets.

Introduction:
Intellectual assets are the most valuable assets of the knowledge intensive industries. Since, technological change is embedded with intellectual assets, these assets rise in prominence in the asset portfolio of knowledge intensive industries. Hence, intellectual assets demand their due recognition in the financial statements of firms. Since, accounting for intellectual assets depend on valuation of these assets, there is a need to convince the accounting profession on the relevance of intellectual assets in technology management. The main purpose of financial reporting is to provide useful information to the users of the financial statements for taking economic decisions about the financial position of the company. In the industrial economy, the tangible resources like production facilities, physical location and efficient manufacturing process are the vital resources to sustain and succeed in the market place. But, in the knowledge economy, capabilities like differentiation, innovation and intangible assets like research and development, patents, trademarks, copyrights are essential to achieve competitive advantage. Even though it is generally accepted that investments in intangibles are important sources of future performance, the cost perspective accounting rules of assets, do not recognize the intangible assets and include them in the balance sheets, especially if they are internally generated. More importantly, all cost incurred to develop the intangible assets are treated as expenses. This means that the current profit is reduced and future profit is overstated. The growing difference between the value of a firm in the market and the value in its books of account stands as a testimony to this statement. Since, accounting is considered as the language of business, this language should be clear enough to communicate the real picture about a company to its stakeholders. The shift from industrial economy to knowledge economy has direct effect on the accounting profession, especially when there is an imminent need to account for intellectual assets. This paper analyses the important national and international accounting standards on recognition and treatment of internally created intellectual assets and presents the perception of the Chartered Accountants, on valuation of intellectual assets.

* Professor, Central University, Pondicherry
** Assistant Professor, Indira Gandhi College of Arts and Science, Pondicherry
Intellectual Assets and Accounting Standards:

The terms Intellectual Capital, Knowledge Capital, Intellectual Assets or Intangible Assets are used interchangeably as they all represent a non-physical claim to future benefits. Economists call them as Knowledge Capital, Management experts refer to them as Intellectual Capital and Accountants call them as Intangible Assets or Intellectual Assets. Intangible Assets is a generic term used to describe the invisible capital of a firm that generates value for it. Intangible Assets in its evolving forms is commonly referred to as Intellectual Capital or Knowledge Capital or Intellectual Assets. Legally protected Intellectual Assets becomes Intellectual Property. One of the most succinct definitions of Intellectual Capital is given by Stewart (1997), as ‘packaged useful knowledge’. He explains that this includes an organization’s processes, technologies, patents, employees’ skills, and information about customers, suppliers, and stakeholders. A comprehensive definition of Intellectual Capital is offered by Brooking (1996), ‘Intellectual Capital is the term given to the combined intangible assets which enable the company to function’. As mentioned earlier, these assets are either understated or unstated in the financial statements. This is primarily because worldwide, the accounting standards are conservative in recognizing these assets. Accounting standards define the structure and contents of financial statements. They do not just affect the company accounts, but the business decisions of the company also. The following are some of the important accounting standards that lay down the prescription for recognition of intangible assets.

International Financial Reporting Standards (IFRS):

Since, different countries follow different standards in preparation of the financial statements, the companies operating in these countries face a problem in consolidation of their accounts, especially when they have multinational operations. International Financial Reporting Standards (IFRS) were developed to harmonize the different national accounting standards. The new International Accounting Standards Board (IASB) adopted the International Accounts Standards Committee (IASC) and all its accounting standards. The IASC issued International Accounting Standard (IAS) 38 which prescribes the accounting treatment of intangible assets. According to IAS 38 an asset to be qualified as intangibles, shall be identifiable, separable, be capable of generating future economic benefits and be reliably measured. This standard explicitly states that expenditure on internally generated intangible assets such as brands, mastheads, publishing titles, customer lists and similar items cannot be capitalized. Expenses on direct response advertisement are also treated as expenditure. While it does not permit capitalization of expenditure at research phase, it permits the expenditure on creation of an internally generated intangible asset at the development phase for capitalization and that too subject to many conditions. Further IFRS-3 describes the accounting treatment for intangible assets acquired as a part of business combination. The introduction of IFRS-3 resulted in an increase in the number of intangible assets recognized at the time of acquisition. Goodwill and in-process research and development are recognized only during mergers and acquisitions. Goodwill is measured as a residual value. Acquired goodwill is not permitted for amortization at the initial stage. It is put to impairment test. Subsequently, it is amortized using straight line method less at historical cost less impairment value or at fair value less impairment. However internally generated goodwill is treated as expenses only. Over 90 countries have fully adopted IFRS and 120 countries require IFRS for their domestic listed companies.

US GAAP:

USA still follows their Generally Accepted Accounting Principles (GAPP), but has committed to converge with IFRS by 2015. The US GAPP is prescribed by Federal Accounting Standards Board (FASB). The Statement of Financial Accounting
Standards Board (SFASB) no. 142 prescribes the accounting treatment of acquired intangible assets, goodwill and internally generated intangible assets. According to SFASB 142, an asset to be recognized as intangible it shall be identifiable, separable, be capable of generating future economic benefits and be reliably measured. As regard to internally generated intellectual assets that are not separable, having indeterminate life or inherent to a continuing business and that are related to the company as a whole are treated as expenses only. The Statement of Financial Accounting Standards Board (SFASB) no. 142 prescribes the treatment of intangible assets acquired during merger and acquisitions. The USGAAP accords similar treatment to internally generated intangible assets like IFRS, with the only exception on direct response advertisement, that too with many conditions. There is no much of difference between IFRS and USGAAP in the treatment of internally generated assets arising out of research and development. However, the expenditure related to software development for internal management and the website development cost is permitted for capitalization, subject to some conditions. Under USGAAP revaluation of acquired goodwill is not allowed subsequently, it is only permitted for valuation at amortized cost less impairment. Like IFRS the US GAAP treats internally generated goodwill as expenses only.

UK GAAP: Under UK GAAP, Financial Reporting Standard-10 (FRS-10), issued by the Accounting Standards Board in December 1997, sets out the principles of accounting for goodwill and intangible assets. FRS 10 applies to all financial statements that are intended to give a true and fair view of a reporting entity’s financial position and profit or loss for a period. The conditions as to recognition and measurement are similar to IFRS for acquired intangibles. But in the case of internally generated intangibles, all cost excluding development cost, may be capitalized only if they have a readily ascertainable market value. Acquired goodwill is permitted for amortization for 20 years. The UK GAAP caps on the life of intangibles to 20 years. Similar to IFRS, the FRS 10 recognizes internally generated intangibles related to research and development only at the development phase and not at the initial phase. It is silent on acquired in-process research and development.

Indian GAAP: Though the Institute of Chartered Accountants of India (ICAI) announced that IFRS is mandatory from April, 2012, it still follows its own GAAP. Accounting Standard (AS) 26 is the accounting standard that deals with accounting of intangible assets by the Indian companies. Accounting Standard (AS) 28 deal with impairment of assets including intangible assets. The AS 26 is similar to IAS 38 in all respects except the following: Revaluation of acquired and internally generated intangible assets is not permitted; goodwill arising out of amalgamation is amortized for five years; the useful life of intangible assets shall not exceed 10 years. As 26 is silent on treatment of acquired in-process research and development. Further it treats cost at the planning state of website development as expenses, but the cost of website application is capitalized.

On the analysis of the above accounting standards, it is clear that word wide accounting standards treat intangibles in two ways. If a firm ‘acquires’ an intangible asset, it is recognized and shown in the balance sheets as an ‘asset’, of course with stringent conditions on revaluation. On the other hand if a company ‘creates’ intangible assets, the cost of its creation is treated as an ‘expense’. This dichotomy defies the very logic and basis of treating the internally generated intangible assets as expense. Consider the following hypothetical case: Firm A acquires an in-process research & development project at ‘market value’. Subsequently it ‘spends’ considerable amount for further improvement. According to the accounting standards the ‘spending’ is to be treated as expense. Another firm offers to buy the improved in-process research and development, what would be the value for the new improved research and development project? Is it the
value at which it was initially acquired or at a higher value? If at a higher value, how the ‘spending’ is incorporated in impairment? From a different perspective, if a R&D project fails, the company may embark on a second project. The second project succeeds, primarily on the accumulated knowledge of the failed R&D project. In such a situation, if the cost incurred on failed research and development is to be treated as expenses, how the successful R&D project would be valued? Only the cost associated with the development phase of the succeeded project would be treated as asset? Is the actual value of assets of a company, vanishing from the financial statements due to the inconsistencies in the accounting standards?

**Review of Past Studies:**

Canibano et al (2000) have extensively examined the studies related to accounting of intangibles and have found that accounting (standards) have failed to provide an accurate view of intangible value drivers and therefore traditional financial statements have experienced a significant loss of relevance. As a consequence there is a significant gap between the accounting estimate of a firm’s value and its market value. The study opined that the standard setting bodies are facing the need to develop new guidelines for recognition, valuation and reporting of intangibles.

Gill (2002) has scanned the international practices set forth by IAS No. 38 and APB Opinion No. 17 as well as the lately issued FASB Summary of Statement No. 142 and AS 26 prescribed by the Institute of Chartered Accountants of India (ICAI). The study concludes by recommending that, the difficulties in valuing intangibles should not discourage the companies from the disclosure of correct, factual and important information about the intangibles.

Bhartesh and Bandyopadhyay (2005) have analyzed the inconsistencies in the accounting standards by analyzing the accounting standards prescribed by IAS 38, SFASB 142, and AAS 13. They state that the accounting standards do not to identify, recognize, value and record the real value of internally generated intangible assets of an enterprise. This will result in not disclosing the real value of the enterprise, leading to difference between market value of an enterprise and its value shown in the financial statements. The study concludes by this lack of disclosure that shareholders will be at a loss and the management may collude with the other party for their personal benefits while finalizing the deal of amalgamations and acquisitions of businesses.

Lev (2000) analyses in this article the gap in the Generally Accepted Accounting Practices (GAAP). He proves that the accounting standards in USA do not account for intangible assets properly, especially the internally generated intangibles. He suggests that policymakers should play an important role in the development of New Accounting, focusing on the accounting for intellectual assets. He concludes that development of standardized measurement and reporting modes for key elements of the new information structure will be an important contribution to improved accounting and reporting.

Lev et al (2005) have analyzed the evolution of accounting for intellectual capital. The study has analyzed the IASB and FASB standards on accounting for intangible assets and observes that there is controversy about the recognition of internally generated intangibles. They further observe that the traditional cost based accounting system needs to be complemented with information on the intangible value drivers. They have proposed alternatives to overcome the problem of accounting for intangibles. They suggested capitalization approach and fair market value approach for accounting for intangibles.

Ghafle (2010) observes that the traditional accounting practice does not recognize intellectual assets that are created by the companies. He further states that the excess that is paid for a company than its book Value during mergers and acquisitions was lumped as goodwill. This paper traces the recent developments in the accounting standards and
proposes for a ‘Statement of Intellectual Property’ to be appended with the financial statement, until the accounting profession reconciles with the reality to account for internally generated intangible assets.

Mehra (2012) has analyzed the accounting standards dealing with intangibles. The study compared the IFRS, USGAAP, UK GAAP, Indian GAAP and the Chinese GAAP for identifying the inconsistencies in recognition and measurement of acquired and internally generated intangibles. The study adopted the content analysis methodology to prove the indispensability of intangibles on the performance of companies in India and UK to strengthen the growing demand of ‘proper accounting for intangible assets’ by the accounting profession.

The studies presented above have analyzed the accounting standards dealing with the recognition and measurement of intangibles. These studies have identified that there are either inconsistencies within the standards (Lev, 2005), (Lev, -----) or they do not help the stakeholders to have a true picture about the firms (Gill, 2002), (Bhartesh and Bandyopadhyay, 2005). They therefore suggest for alternatives like appending the financial statement with ‘Reports of Intellectual Assets’, (Ghafle, 2010), (Lev, 2005), (Bhartesh and Bandyopadhyay, 2005). So far, the academic researchers have only identified the inconsistencies in the accounting standards and suggested alternatives for reporting intangible assets in financial statements. This suggests that the accounting profession and the academicians are at opposite ends on the issue of recognition and measurement of internally generated intangible assets. This study is an attempt to bridge the gap in the GAAP, by taking into confidence, the accounting profession.

Research Methodology:

The study presented a questionnaire to 50 Chartered Accountants in Pondicherry and Chennai, India, to gauge their perception on recognition and measurement of internally generated intellectual assets, as a pilot study. 34 filled up questionnaires were received. Of these 3 respondents did not provide complete information. So the pilot study was restricted to 31 responses.

Findings:

Of the 31 responses, 14 have mentioned that the cost of creating internal intellectual assets should not be treated as investments, inferring, that they shall be treated as expenses only. On the other hand, 17 respondents have mentioned that cost of creating internal intellectual assets can be treated as investments and thus qualify as assets. Interestingly, even those 15 respondents who were not inclined to accord the status of assets to internally generated intangibles were tempted to record their opinion on amortization of the expenses related to these internally generated assets, which can be inferred that they also are also in favor capitalization of these expenses.

Table I: Perception on assumption of expenses on intangibles as investments.

<table>
<thead>
<tr>
<th>Question</th>
<th>Perception (in percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whether expenses related to R&amp;D, Advertising, Marketing, Salaries,</td>
<td></td>
</tr>
<tr>
<td>Training &amp; development, General &amp; administrative ‘expenses’ can be</td>
<td></td>
</tr>
<tr>
<td>assumed as ‘investments’ for the purpose of capitalization in order to</td>
<td></td>
</tr>
<tr>
<td>treat them as ‘assets’?</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>55</td>
</tr>
<tr>
<td>No</td>
<td>45</td>
</tr>
</tbody>
</table>

Subsequently when the same question was asked with reference to capitalization, interestingly, even those 15 respondents who concur with the current accounting standards were tempted to record their opinion on amortization of the expenses. Table II presents the perception of the respondents who have recorded ‘Yes’ on amortization of the expenses leading to creation of internally generated assets.
Table II: Perception on amortization rates for capitalization of expenses on intangibles by those who recorded “Yes” (No. of responses 17/31)

<table>
<thead>
<tr>
<th>Investments</th>
<th>Perception on amortization rates (in percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>Nil</td>
</tr>
<tr>
<td>Advertisement</td>
<td>Nil</td>
</tr>
<tr>
<td>Marketing</td>
<td>6</td>
</tr>
<tr>
<td>Salaries &amp; Wages</td>
<td>6</td>
</tr>
<tr>
<td>Staff Welfare &amp; Training</td>
<td>18</td>
</tr>
<tr>
<td>General &amp; Administration</td>
<td>12</td>
</tr>
</tbody>
</table>

Table III presents the perception of the respondents who have recorded ‘No’ on amortization of the expenses leading to creation of internally generated assets.

Table III: Perception on amortization rates for capitalization of expenses on intangibles by those who recorded “No” (No. of responses 14/31)

<table>
<thead>
<tr>
<th>Investments</th>
<th>Perception on amortization rates (in percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>7</td>
</tr>
<tr>
<td>Advertisement</td>
<td>Nil</td>
</tr>
<tr>
<td>Marketing</td>
<td>Nil</td>
</tr>
<tr>
<td>Salaries &amp; Wages</td>
<td>7</td>
</tr>
<tr>
<td>Staff Welfare &amp; Training</td>
<td>7</td>
</tr>
<tr>
<td>General &amp; Administration</td>
<td>7</td>
</tr>
</tbody>
</table>

From the table VI it may be observed that the assumed amortization rates used in the various studies on valuation of intangibles, range between 10 -25 percent for Research & Development expenses; 15-50 percent for Advertisement expenses; 20-33 percent for Marketing expenses (in many studies only Advertisement expenses are considered); Salaries at 20 percent; 15-20 percent for Training & Development and 20-25 percent for General & Administrative expenses. It may be noticed that the assumed amortization rates are in tandem with the perception of the Chartered Accountants of India.

Conclusion:

Intellectual assets are the most valuable assets of the knowledge intensive industries. The rising prominence of these assets in the asset portfolio of knowledge intensive industries, demand their due recognition in the financial statements of firms. Further, the growing difference between the market to book value of firms, indicate some misalignment in the pricing of these assets. However, worldwide the accounting standards are inconsistent in the recognition of intangible assets, especially when they are internally created. Therefore there is a need to sensitize the accounting profession on the need and relevance of intellectual assets in technology management. Thus far the studies on valuation of intangibles have ‘assumed’ amortization rates to accord assets status to internally created intangibles and convince the accounting profession on the need for recognition and valuation of these assets. The present study, was undertaken to reconcile with the accounting profession on recognition and valuation of internally created intellectual assets. The results of the survey undertaken suggest that the accounting profession is slowly reconciling with the growing importance of intellectual assets. Above all, since the amortization rates are suggested by the accounting profession itself, it would lend more credence to valuation efforts.
Table IV: A Literature Survey of the Assumed Amortization Rates used by the studies on valuation of Intangibles

<table>
<thead>
<tr>
<th>S. No</th>
<th>Studies</th>
<th>R&amp;D Expenses</th>
<th>Advertisement Expenses</th>
<th>Marketing Expenses</th>
<th>Salaries</th>
<th>Training &amp; Development Expenses</th>
<th>General Administrative Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kanwar (2014)</td>
<td>15; 30</td>
<td>15</td>
<td>Nil</td>
<td>Nil</td>
<td>15; 30</td>
<td>Nil</td>
</tr>
<tr>
<td>2</td>
<td>Jaana (2014)</td>
<td>15</td>
<td>Nil</td>
<td>20</td>
<td>20</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>Lidia, Arturo &amp; Jose (2014)</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>15; 30</td>
<td>Nil</td>
</tr>
<tr>
<td>4</td>
<td>Hulten (2010)</td>
<td>25</td>
<td>33</td>
<td>33</td>
<td>33</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>5</td>
<td>Kavida &amp; Sivakumar (2009)</td>
<td>20</td>
<td>50</td>
<td>25</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>6</td>
<td>Srinivasan &amp; Lilian (2009)</td>
<td>15; 20</td>
<td>40; 45</td>
<td>Nil</td>
<td>Nil</td>
<td>15; 30</td>
<td>Nil</td>
</tr>
<tr>
<td>7</td>
<td>Hulten &amp; Hao (2008)</td>
<td>10</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>8</td>
<td>Czarnitzki, Hall &amp; Oriani (2006)</td>
<td>15</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>9</td>
<td>Corrado, Hulten &amp; Sichel (2005)</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>10</td>
<td>Hall &amp; Oriani (2006)</td>
<td>15</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>11</td>
<td>Chan et al (2001)</td>
<td>20</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>12</td>
<td>Aboody &amp; Lev (2001)</td>
<td>20</td>
<td>50</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>13</td>
<td>Blundell et al (1999)</td>
<td>15</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>14</td>
<td>Hall &amp; Vopel (1997)</td>
<td>15</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>15</td>
<td>Hall (1993)</td>
<td>15; 67</td>
<td>15</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>16</td>
<td>Hall (1992)</td>
<td>15; 40</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>17</td>
<td>Hall (1990)</td>
<td>15</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>18</td>
<td>Cockburn &amp; Griliches (1990)</td>
<td>15</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>19</td>
<td>Griliches &amp; Hall (1988)</td>
<td>15</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

* Rates for robustness check
** Rates applied for combination of the Intangibles

References:


REASONS FOR ADOPTION OF MOBILE BANKING SERVICES IN INDIA

- AN EXPLORATIVE VIEW

T. Velmurugan*, Dr. M. Ramesh**

ABSTRACT

Mobile banking is an innovation that has progressively rendered itself in pervasive ways cutting across several financial institutions and other sectors of the economy. During the 21st century mobile banking advanced from providing mere text messaging services to that of pseudo internet banking where customers could not only view their balances and set up multiple types of alerts but also transact activities such as fund transfers, redeem loyalty coupons, deposit cheques via the mobile phone and instruct payroll based transactions. A positive aspect of mobile phones is that mobile networks are available in remote areas at a low cost. The poor often have greater familiarity and trust in mobile phone companies than with normal financial institutions. This paper has dealt with reasons for adoption of mobile banking services with various points of views.

Key words: Mobile Banking, Security, Simplicity and Speed.

INTRODUCTION
Mobile banking (m-banking) refers to provision and a ailment of banking and financial services through the help of mobile telecommunication devices. The scope of offered services may include facilities to conduct bank and stock market transactions, administer accounts and to access customized information.

In the present day banking, total automation of banking operation and is an imperative for all banks to attract more customers, provide efficient service and survive the competition, apart from achieving the profit, which is the main goals of the business. Mobile banking is one of the alternatives channels available to customer for quick and efficient service at anytime and anywhere. Banks can also use unable banking for increasing the efficiency of their staff create a platform for better customer service and improve relationship with their customers.

Mobile banking is an application of mobile computing which provides customers with the support needed to be able to bank anywhere, anytime using a mobile handheld device and a mobile service such as Short Message Service (SMS). Mobile banking facility removes the space and time limitations from banking activities such as checking account balances or transferring money from one account to another and time saving when we go to bank and doing some banking activities. Internet Banking helps give the customer's anytime access to their banks. Customer's could check out their account details, get their bank statements, perform transactions like transferring money to other accounts and pay their bills sitting in the comfort of their homes and offices. But the biggest limitation of Internet banking is the requirement of a Personal Computer with an Internet connection, but definitely a big barrier if we consider most of the developing countries of Asia like India. Mobile banking addresses this fundamental limitation of Internet Banking, as it reduces the customer requirement to just a mobile phone. Mobile usage has seen an explosive growth in most of the Asian economies like India. The main purpose of Mobile Banking scores over Internet Banking is that it enables ‘Anywhere Anytime Banking is Available’. Customers don't need access to a computer terminal to access their bank accounts.

**Mobile Banking services:**

**Account Details** - define the information related to accounts and following are the main services of accounts.

a) Mini-statements and checking of account history
b) Alerts on account activity
c) Monitoring of term deposits
d) Access to loan statements/card statements.
e) Mutual funds / equity statements
f) Insurance policy management
g) Pension plan management

**Payments and Transfers** - define the information about the payments and transfers activities like bill payment process.

a) Domestic and international fund transfers
b) Micro-payment handling
c) Mobile recharging
d) Commercial payment processing
e) Bill payment processing
Investments Details: define the information related to investments services.
a) Portfolio management services
b) Real-time stock quotes
c) Personalized alerts and notifications on security prices Support
d) Status of requests for credit, including mortgage approval, and insurance coverage
e) Check (cheque) book and card requests
f) Exchange of data messages and email, including complaint submission and tracking

Review of Literature
Recent literature has a narrow focus and ignores internet banking almost entirely; it equates internet money with the substitution of currency with internet gadget. For instance Freedman (2000) suggests that internet banking and internet money consists of three devices; access devices, stored value cards, and network money. Internet banking is simply the access to new devices and is therefore ignored. Internet money is the sum of stored value (smart cards) and network money (value stored on computer hard drives).

Bhattacharya and Thakor (1993) contemporary banking theory suggests that banks, together with other financial intermediaries are essential in the allocation of capital in the economy. This theory is centered on information asymmetry, an assumption that “different economic agents possess different pieces of information on relevant economic variables, in that agents will use this information for their own profit” (Freixas and Rochet 1988). Asymmetric information leads to adverse selection and moral hazard problems. Asymmetric information problem that occurs before the transaction occurs and is related to the lack of information about the lenders characteristics, is known as adverse selection. Moral hazard takes place after the transaction occurs and is related with incentives by the lenders to behave opportunistically.

Rogers (1995) identified five critical attributes that greatly influence the rate of adoption. These include relative advantage, compatibility, complexity, triability and observability. According to Rogers, the rate of adoption of new innovations will depend on how an organization perceives its relative advantage, compatibility, triability, observability and complexity.

Santomero and Seater (1996), Prinz (1999), Shy and Tarkka (2002) present models that identify conditions under which alternative payments substitute for currency. Most of these models indicate that there is at least a possibility for internet substitutes for currency to emerge and flourish on a wide scale depending on the characteristics of the various technology and those of the potential users.

Friedman (1999), intimated that internet banking presents the possibility that an entire alternative payment system not under the control of the Central Bank may arise. Today computers make it at least possible to bypass the payment system altogether, instead using direct bilateral clearing and settlement (Friedman, 1999).

Reason for adoption of Mobile Banking
A mobile payment service in order to become acceptable in the market as a mode of payment the following conditions have to be met:

a) **Simplicity and Usability**: The m-payment application must be user friendly with little or no learning curve to the customer. The customer must also be able to personalize the application to suit his or her convenience.

b) **Universality**: M-payments service must provide for transactions between one customer to another customer (C2C), or from a business to a customer (B2C) or between businesses (B2B). The coverage should include domestic, regional and global environments. Payments must be possible in terms of both low value micro-payments and high value macro-payments.

c) **Interoperability**: Development should be based on standards and open technologies that allow one implemented system to interact with other systems.

d) **Security, Privacy and Trust**: A customer must be able to trust a mobile payment application provider that his or her credit or debit card information may not be misused. Secondly, when these transactions become recorded customer privacy should not be lost in the sense that the credit histories and spending patterns of the customer should not be openly available for public scrutiny. Mobile payments have to be as anonymous as cash transactions. Third, the system should be foolproof, resistant to attacks from hackers and terrorists. This may be provided using public key infrastructure security, biometrics and passwords integrated into the mobile payment solution architectures.

e) **Cost**: The m-payments should not be costlier than existing payment mechanisms to the extent possible. A m-payment solution should compete with other modes of payment in terms of cost and convenience.

f) **Speed**: The speed at which m-payments are executed must be acceptable to customers and merchants.

g) **Cross border payments**: To become widely accepted the m-payment application must be available globally, word-wide.

**Advantages of Mobile Banking**

A very effective way of improving customer service could be to inform customers better. Credit card fraud is one such area. A bank could, through the use of mobile technology, inform owners each time purchases above a certain value have been made on their card. This way the owner is always informed when their card is used, and how much money was taken for each transaction. Similarly, the bank could remind customers of outstanding loan repayment dates, dates for the payment of monthly installments or simply tell them that a bill has been presented and is up for payment. The customers can then check their balance on the phone and authorize the required amounts for payment. The customers can also request for additional information. They can automatically view deposits and withdrawals as they occur and also pre-schedule payments to be made or cheques to be issued. Similarly, one could also request for services like stop cheque or issue of a cheque book over one’s mobile phone.

There are number of reasons that should persuade banks in favor of mobile phones. They are set to become a crucial part of the total banking services experience for the customers. Also, they have the potential to bring down costs for the bank itself. Through mobile messaging and other such interfaces, banks provide value
added services to the customer at marginal costs. Such messages also bear the virtue of being targeted and personal making the services offered more effective. They will also carry better results on account of better customer profiling.

Conclusion

The world has also become increasingly addicted to doing business in the cyber space, across the internet and World Wide Web. Internet commerce in its own respect has expanded in various innovative forms of money, and based on digital data issued by private market actors, has in one way or another substituted for state sanctioned bank notes and checking accounts as customary means of payments. Technology has greatly advanced playing a major role in improving the standards of service delivery in the financial institution sector. Days are long gone when customers would queue in the banking halls waiting to pay their utility bills, school fees or any other financial transactions. They can now do this at their convenience by using their ATM cards or over the internet from the comfort of their homes. Additionally due to the tremendous growth of the mobile phone industry most financial institutions have ventured into the untapped opportunity and have partnered with mobile phone network providers to offer banking services to their clients.

References

Bryman and Bell (2003), is the resource-based ‘view’ a useful perspective for strategic management research?, *The Academy of Management Review, 26*(1), 22-40


A CONCEPT REVIEW ON STRESS

R.Priyadharsini.,*Dr.J.Shanthilakshmi*

ABSTRACT

Stress is today a deeply held modern metaphor, an unquestioned explanation of the darker sides of human experience. Stress places a cost of burden on organizations in all the locations and sectors, and there is also a human price among those who work in stressful situations or suffer from stress related injuries and illness. It produces a state of knowledge built around a research agenda that conveyed the issues of the day. The concept of stress has a complex history. In the fast moving world people are struggle with the stress because they are not having a capacity to cope with stress. In country like India poverty is the main problem. It can exists as indigenous mass poverty in poor countries, pockets of poverty amidst wealth in rich countries, sudden poverty resulting from disasters and conflicts, temporary poverty from loss of employment, or the marginal poverty of those performing humble but essential work for inadequate wages. Behind these faces of poverty lies the unpleasant reality of do or die lives without choices and often, governments that lack the capacity to cope. There are also serious health and social problems in countries with economies in transition and countries experiencing fundamental political, economic and social transformations (Cornia, 1994). Fortunately, more and more health professionals and policy makers are beginning to understand that biomedicine is not alone to find out the solution to these problems. We also take into the consideration of the socio – economic and psychosocial conditions of life, the way people are cope with these conditions and the ensuing stress and health effects.
INTRODUCTION

“Stress” is the organism’s response to stressful conditions or stressors, consisting of a pattern of physiological and psychological reactions, both immediate and delayed (Judith G, 1976)

Twenty four centuries ago, Hippocrates, the father of medicine, told his disciples in Greece that disease is not only suffering, but also toil, that is, the fight of the body to restore itself toward normal (Selye, 1956, p.11). In order to explain its origins and meanings, authors have taken a number of different strategies.

“People are disturbed not by a thing, but by their perception of a thing.” - Epictetus

But tracing the scientific origins of term “Stress” to its first appearance in Psychological Abstracts in 1944 (Jones and Bright, 2001). Before 1940’s the term “Stress” is very difficult to accept. Some authors, considering the evolution of the term “Stress”, was described in the seventeenth century, it’s meaning is evolved through the eighteenth and nineteenth centuries to reflect some sort of force, pressure, or strain. The historical origins of the word “Stress” will allow us to consider whether “Stress is a disease of our times”. In the Modern society the individual’s ability to cope with the pace of life with stress became an almost ritualistic belief in the nineteenth century and in the twentieth century the pace of life was viewed as the root cause of much illness and disease (Abbott, 2001).

Stress is the feeling of pressure, strain or tension that comes from dealing with challenging situations. According to the founding fathers of WHO (1946), health could be characterized as ‘not only the absence of disease or infirmity but also a state of complete physical, mental and social well – being’. Stress means the experience of a perceived threat (real or imagined) to one’s mental, physical, or spiritual well – being, resulting from a series of physiological responses and adaptations.

2. PERCEPTION ON STRESS IN EARLY CENTURIES

Hinkle (1973) was the one who had brought out the meaning of stress in 17th century which had come to mean “hardship”. By the mid of seventeenth century Robert Hooke analysed the stress in the field of physics as an engineering analogy of stress. The basic premise of Hooke’s law is that the amount of distortion is often called the strain on the object and the stress is the outside force being applied. The Hooke’s Law is frequently paraphrased as “the strain is proportional to the stress” (Michael 2001). Hooke’s this work was concerned with how man – made structures (e.g. bridges) could be made to withstand heavy loads without collapsing (Engel, 1985; Hinkle, 1973; Lazarus, 1999). Hooke represents the idea that the stress is the impact on the body of the wear and tear of life in his work (Doublet,2000; Selye, 1956).

However, Cox (1985) he pointed out an engineering analogy of stress is too simplistic. He said that we have to accept some interfering psychological process which causes in – between the outcomes of stress has to be perceived and recognized by man. Likewise “A machine still does not have to realize the load or stress placed upon it.” In the 17th century and the writings of Descartes also left an indelible mark, if not on the concept of “stress” itself, then at least on the emerging field of psychology, the discipline of many contemporary stress researchers. Descartes work confronted an age – old problem, the relationship between the mind and the body, by suggesting, “that the non-physical mind could influence the physical body” (Hergenhahn, 1992).

In Eighteenth century the problem of stress is re – relating, mind to body immediately arises. In order to avoid the mind and body problem entirely one must refuse any distinction between mind and body (JulienOffray de la Mettrie 1709-1751). Scientists and social observer of 18th century also continued
their research on stress by rushing pace of life and their impact of health and well – being, to the extent that by the time the 19th century arrived, there was clearly a fear that “The human nervous system was ill – adapted to cope with the increased the complication of modern life” (Wozniak, 1992). Wozniak further exemplifies the work of George Miller Beard (1839 – 1883), a noted American Physician specializing in diseases of the nervous system. He is the first coined the term Neurasthenia to described persons with unexplained chronic fatigue, lassitude, and weakness. Often accompanying these symptoms were complaints such as nervousness, irritability, anxiety, depression, headaches, insomnia, poor appetite, menstrual or sexual disorders and more.

Charles Darwin and Florence Nightingale may have suffered with this syndrome. In his work, mid on 18th century he suggest that the pressing demands of nineteenth century life may lead to an overload of nervous system this causes stress to human beings. Neurasthenia can be considered as “one of the growing pains of a new and better society” (Rosenberg, 1962). It was also during eighteenth century Claude Bernard (1859), a noted French physician, taught that one of the most characteristic features of all living beings in their ability to maintain the constancy of their internal milieu, despite changes in the surroundings, this led to the concept of “Homeostasis” or stress (Selye, 1956). According to Bernard point of view about stress, the internal environment was simply the blood. But the fixity of the internal environment supposes a perfection of the organism such that the external environment varied at each moment compensated and Constance. He also indicated that the stability of the internal environment is the condition for the free and independent life (Charles, 1998).

Oskar Vogt (1870 – 1955) and his wife Cecile (1875 – 1962) were neurologists and neuroanatomists with a strong interest in the cytoarchitectonics and mtecloarchitectonics of the brain and in the functional anatomy of the basal ganglia. He had an intense interest and skill at hypnosis as a therapeutic procedure, which was practised and adapted by many medical luminaries of the time, including Charcot, Forel, and Freud. Oskar developed a technique of hypnosis to retrieve suppressed traumatic memories in the treatment of neurosis. Oskar Vogt taught methods of self - hypnosis as early as 1900; one of his followers, Johannes Schultz, developed a method called autogenic training, beginning in the 1920s. This method was somewhat ritualized from of self – hypnosis, has many contemporary advocates (Ernest R. Hilgard, 2013).

Autogenic training uses bodily sensations of warmth and heaviness to relax the body and then the mind by the use of imaginary. It has been found to reduce anxiety, depression, and tiredness, and increase resistance to stress. Relaxation consequently brings balance, emotional stability, ability to coordinate and ability to fight against physical problems. Vogt further observed that these short term mental exercises, when practised a few times during the day, reduced stressor effects such as fatigue and tension. On the basis of these observations, Vogt considered such self – directed mental exercises, which he called ‘prophylactic rest – auto hypnosis’ (Kanji, 1997).

In nineteenth century, the ground work for the modern meaning of “stress” was laid by Dr. Walter B. Cannon, a physiologist at Harvard almost 100 years ago. Canon followed up Bernard’s work “Homeostasis” and he is the first person to give us the concept of “Homeostasis”- the staying power of the body. His work about this psychosomatic approach crossed three decades. Canon was the researcher who first identified this stress reaction as the “fight” or “flight” response (Jerrold, 2011). It is a series of involuntary physiological and biochemical changes that prepare you to deal with threats of danger. This fight or flight notion would ultimately come to play an important role in stress discussion (Doublet, 2000). This response was critical to the survival of primitive humankind when requiring quick bursts of energy to fight or flee predators such as the sabre – toothed tiger.
Stress can be characterized as an experience arising between a person and the environment, but there is a mismatch between an individual’s resources and the perceived challenge or need. Some of his early research on stress established the flight – or fight response. His work showed that when an organism experiences a shock or perceives a threat, it quickly releases hormones that help to survive. In this response to a threat or “Stress”, the fight or flight response made it possible for a person to “more effectively meet the challenges, through mobilizing mental and physical abilities” (Aldwin, 2000, p. 27).

Canon’s work clearly reflects the social reformist ideals of the psychosomatic movement. Doublet (2000) argues that the work of Canon as, without the homeostasis, the concept of stress would not be essential. Cannon documented the physiological effects of what he termed the “emergency reaction,” which he defined as an acute physiologic reaction that prepares the organism for fighting or feeling. Cannon also hypothesized that stress not only induces these physiologic changes, but also believed that stress precipitates sudden death on his studies on voodoo death (Gregg D, 2001).

Interest in stress can be seen in more prominent social circumstance. Dr. Hans Selye contribution to the field of stress in early mid of nineteenth century and twentieth century was created a glory of academic excitement and argument. To this, Selye adds that discovery of stress “it is not to see something first, but to establish solid connections between the previously known and the hitherto unknown that constitutes the essence of scientific discovery” (1956, p.6). Selye defined “stress as the non specific response of the body to any demand” (1956, p.55). That means good things (e.g., a job promotion) to which we must adapt (termed eustress) and bad things (e.g., the death of a loved one) to which we must adapt (termed distress); both are experienced the same physiologically (Jerrold.S, 2011). As a medical student at the University of Prague in 1925, became interested in the development of stress he described as “the syndrome of just being sick”. Later Dr. Selye, in spite of discouragement of his colleagues and teachers, continued studying of the syndrome of “Just being sick”. At first on July 4, 1936 Selye published his first article in the British journal, NATURE, under the title, “A Syndrome Produced by Diverse Nocuous Agents” (1956).

As a result of over forty years of scientific work by Hans Selye is the introduction of a denoted explanation of how the body responds to stressors. This explanation is for both general and localized adaptation. Dr. Selye calls the physiological response to stressors the “General Adaptation Syndrome” usually abbreviated as G.A.S. In addition he also described the local response to stressors under the concept of “Local Adaptation Syndrome”. General Adaptation Syndrome involves in three stages which he mentioned, namely: 1. the alarm reaction, 2. the stage of resistance, 3. the stage of exhaustion (1956, p.38).

By the end of nineteenth century, stress turns as an authorized subject of academic study. By this time the stress concept has also become established within the discipline of psychology. In this period Haward (1960, p.185), says that stress as a term, then, if not as a concept, is a comparative new comer to psychology, yet as an experimental variable it has assumed far – reaching importance in both theoretical and applied fields. Giving rise to this early speculation as to whether stress was an even more fundamental concern, and is still being played out. Developments throughout this period meant that attempts to provide any logical framework is required that different perspectives are identified, tried out, reviewed, incorporated, or even discarded. In the 1960s and 1970s psychosomatic theories took as a goal, to explore those psychosocial variables which increase the exposure to illness as well as those which support adaptive coping with it (Lipowski, 1977a). This provided the opportunity for a period of quiet reconstruction in stress research.

Looking back over the first fifty years of research in stress there is unanimity among reviewers that the substance of the work developed by Cannon, Selye,
Harold Wolff “appears to be correct, and it is generally accepted to be so” (Hinkle, 1987). The first psychological approaches of understanding the stress concept were engendered independently by the work of Cannon and Selye. It is a fact that the psychological approaches were afterwards used as a path for understanding the psychological reactions. They also had given popularity to the field of research in stress in twentieth century.

In 1998, Dr. James L. Wilson coined the term ‘adrenal fatigue’ to identify a specific kind of chronic tiredness that many people experience. It can affect anyone who undergoes frequent, persistent or severe mental, emotional or physical stress. Adrenal function can also be an important factor in health issues from allergies to obesity. In his book Adrenal Fatigue: The 21st Century Stress Syndrome, he provides an additional support and access to resources to help to handle the stress in day-to-day life.

Dr. Wilson supposed to state in his book Adrenal Fatigue: The 21st Century Stress Syndrome, in fact the adrenals are known as “the glands of stress” because it helps our body to cope with stresses and survive (Wilson, 2001, p. 3). Adrenal fatigue affects millions of people in the U.S and around the world in many ways and for many reasons. It is a collection of signs and symptoms, known as a “syndrome”. People with adrenal fatigue often look and act relatively normal. They may not have any obvious signs of physical illness, yet they are not well and live with a general sense of unwellness or “gray” feelings and it also have an affects on mental states. People with adrenal fatigue show a tendency toward increased fears, anxiety and depression, have intervals of confusion, increased difficulties in concentrating and less acute memory recall (Wilson, 2001).

Psychological stress is the negative emotional and cognitive states that occur when individuals believe the demands placed on them exceed their ability to cope (Lazarus & Folkman, 1984).

According to the national institute for occupational safety and health (NIOSH, 2002), job stress has become a common and costly problem in the workplace. NIOSH listed several occupations as highly stressful, including labourers, secretaries, and individuals in various health related professions. Individuals in these careers face new and uncertain challenges each day, and much of the stress that occurs is the result of their lack of control over these day to day situations (Fisher, 1985). Managerial work is also considered to be a highly stressful occupation (NIOSH); however for managers, job related stress is generally caused by being overloaded with work as opposed to not being in control of the job (Glowinkowski & Cooper, 1986). In the case of the restaurant industry, managers are often asked to work long or irregular hours, which may lead to work overload and higher levels of job – related stress.

3. STRESS IN THE GLOBAL ENVIRONMENT

Globalisation is defined as “the increase in total world economic activity as a consequence of the liberalisation of trade and the elimination of the hindrances to the transfer of capital, goods, and services across the national border” (Rantanen, 2000). In other words, globalisation and deregulation has resulted in increasing the gap between the rich and the poor, and in excluding and interacting the general worker, particularly in developing countries. However, the developing countries faced the challenges and handling the changing nature of work, such as the increasing fragmentation of the labour market, the demand for flexible contracts, increased job insecurity, a high work pace, long and irregular working hours, low control over job content and process, and low pay, together with new occupational hazards accompanying the old and new industries and technologies (Irene Houtman, Karin Jettinghoff, 2007).

Occupational stress is a pattern of physiological, emotional, cognitive and behavioural reactions to some extremely taxing aspects of work content, work organization and work environment. When people experience this work – related stress, they often feel
tense and distressed and feel they cannot cope. Due to globalization and changes in the nature of work, people in developing countries have to deal with increasing occupational stress. In industrialized countries, people are more comrades with what work-related stress is and how to manage it, although the problem remains and even appears to be increasing in the European Union (Iavicoli, S. et al., 2004).

Although some research has been conducted in developing countries, but there are still not enough in-depth studies to fully analyze both cultural differences and behaviors which vary from one country to another. Along with being difficulties in controlling other more well-known occupational risks, there is a lack of awareness of work-related stress, and shortage of resources to deal with it. In developing countries the largest part of the workforce is self-employed, occupied in small countries and home industries. These companies or individuals often the resources and infrastructure to protect their workers or themselves from occupational stress and their groups of workers are difficult to reach both in terms of information dissemination and assistance (Irene Houtman, Karin Jettinghoff, 2007).

International stress management association UK, it is an organization exists to advance the education of the public in the field of biological stress. The work of ISMA UK includes providing advice to the members of the public and employer/organisations, and adds support to the Health & Safety Executive in the delivery of their requirements for Stress Risk Assessment and the implementation of the HSE management standards. And also The National Stress Awareness Day (NSAD) is campaigned on the first Wednesday of November each tear involves ISMAUK members, the general public and participating organisations in developing an awareness of stress and how it can be managed.

The American institute of stress (AIS) is a non-profit organization which imparts information on stress reduction, stress in the workplace, effects of stress and various other stress related topics. AI was founded in 1978, at the request of Dr. Hans Selye to serve as a clearinghouse of all stress related information. Today, AIS provides a diverse and inclusive environment that fosters intellectual discovery creates and transmits innovative knowledge, improves human health and provides leadership to the world on stress related topics.

Globalization is highlighted cross-cultural differences in working patterns: it is interesting in mentioned that the national variation in the coping strategies applied in the workplace, such as Bulgarian managers more likely to employ both objective and planning strategies for coping, as well as seeking help and using non-work resources, than managers from the UK, US and India (Bernin et al., 2003). Whereas cultural differences in leadership style are also highly relevant to change scenarios with Middle Eastern countries prioritizing aspects of managerial process, such as diplomacy, over the performance outcomes, which seem more highly prized in western and southern Europe (Abdalla and Al-Homoud, 2001).

According to Adrienne Stauder (2009) chronic stress is one of the largest contributors to the strikingly high morbidity and premature mortality rates in Hungary as well as in other central and Eastern European Countries experiencing rapid social and political changes because it interrupts the Soviet Union. In this research, they describe the work whereby a standardized behavioural intervention program, formulated originally for the US population, was adapted for use in different cultural circumstances at Hungary. They also tested that the intervention is effective in reducing everyday stress and stress related symptoms in real world settings. At the end of the result the real-life field study confirmed the effectiveness of the intervention in distressed individuals depicted a significant reduction of the indicator of distress and an increase in well-being and life satisfaction. The stress management program primarily reduces stress level, and there is a reasonably weaker reduction of stress-related
symptoms such as anxiety, depression, and somatic symptom scores.

Women in workplaces generally experience and express stress-related problems more than men (for example, Kauppinen et al, 2003, Giuffrida et al, 2001). Causes for work-related stress that are rather frequent and specific for women in both industrialised as well as developing countries are: the double role they have to play both at home and work, and the difficulty in balancing these roles, the gender roles of society and the need for an independent role against the need to adjust social expectations, the sexual harassment at work, which is mainly directed at women at work, and gender based discrimination reflected in lower wages and higher job requirements.

4. CONCLUSION

Thus work-related stress in developing countries is often made more terrible by a broad range of factors outside the work environment from gender inequalities, poor paths of participation and poor environmental management of industrial pollution to illiteracy, dependent to others and infectious diseases, poor hygiene and sanitation, poor nutrition, poor living conditions, inadequate transportation systems and general poverty. These overwhelming problems linked to globalization are unemployment, under and self-employment, uncertainty of working conditions due to new systems of work organization and relaxation of the industrial relations. Globalization has led to growing inequality and decreasing prioritizes of social aspects in many parts of the world.

Work-related stress is a matter of growing concern in developing countries as it will inevitably have future negative consequences for the health, safety and well-being of workers and the productivity and cost-effectiveness of the companies they work for. Increasing globalization and transfer of unhealthy work practices and unsafe technology make this easily become a great challenge.

As organizations and workplaces constantly change to keep up with the developments of globalization, the causes of work-related stress may change as well. According to the WHO, “all workers have the right to healthy and safe work and to a work environment that enables them to live a socially and economically productive life” (WHO, 1994). National law may include the obligation for employers to take measures to protect workers' health and safety. However, making sure that sufficient measures are taken to protect the health and safety of workers will prove to be beneficial to the workers as well as to the company.

Therefore, employers and worker representatives must be aware and be able to prevent, or at least recognise signs of work-related stress in workers. Employers and workers are best prepared to manage work-related stress by changing its structural causes in the company. The role of the workers and their representatives should be to warn the company management when occupational stress creates a problem. The following data was published by American Psychological Association, American Institute Of Stress, NY to hint the causes for stress among the people living in US.

Top causes of stress in the U.S

<table>
<thead>
<tr>
<th>CAUSES</th>
<th>FACTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Job pressure</td>
<td>Co-Worker Tension, Bosses, Work Overload</td>
</tr>
<tr>
<td>2. Money</td>
<td>Loss Of Job, Reduced Retirement, Medical Expenses</td>
</tr>
<tr>
<td>3. Health</td>
<td>Health Crisis, Terminal or Chronic Illness</td>
</tr>
<tr>
<td>4. Relationships</td>
<td>Divorce, Death of Spouse, Arguments with Friends, Loneliness</td>
</tr>
<tr>
<td>5. Poor Nutrition</td>
<td>Inadequate Nutrition, Caffeine, Processed Foods, Refined Sugars</td>
</tr>
<tr>
<td>6. Media Overload</td>
<td>Television, Radio, Internet, E-Mail, Social Networking</td>
</tr>
<tr>
<td>7. Sleep Deprivation</td>
<td>Inability to release adrenaline and other stress hormones</td>
</tr>
</tbody>
</table>

(Source: American Psychological Association, American Institute Of Stress, NY)

U.S Stress Statistics

<table>
<thead>
<tr>
<th>U.S Stress Statistics:</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of people who regularly experience physical symptoms caused by stress</td>
<td>77%</td>
</tr>
<tr>
<td>Regularly experience psychological symptoms caused by stress</td>
<td>73%</td>
</tr>
<tr>
<td>Feel they are living with extreme stress</td>
<td>33%</td>
</tr>
<tr>
<td>Feel their stress has increased over the past five years</td>
<td>48%</td>
</tr>
<tr>
<td>Cited money and work as the leading cause of their stress</td>
<td>76%</td>
</tr>
<tr>
<td>Reported lying awake at night due to stress</td>
<td>48%</td>
</tr>
</tbody>
</table>

Stress Impact Statistics

| Percent who say stress has a negative impact on their personal and professional life | 48% |
| Employed adults who say they have difficulty managing work and family responsibilities. | 31% |
| Percent who cited jobs interfering with their family or personal time as a significant source of stress. | 35% |
| Percent who said stress has caused them to fight with people close to them | 54% |
| Reported being alienated from a friend or family member because of stress | 26% |
| Annual costs to employers in stress related health care and missed work. | $300 billion |
| Percent who say they are “always” or “often” under stress at work | |

People who cited physical symptoms experienced the following

| Fatigue | 51% |
| Headache | 44% |
| Upset stomach | 34% |
| Muscle tension | 30% |
| Change in appetite | 23% |
| Teeth grinding | 17% |
| Change in sex drive | 15% |
| Feeling dizzy | 13% |

People who cited psychological symptoms experienced the following

| Irritability or anger | 50% |
| Feeling nervous | 45% |
| Lack of energy | 45% |
| Feeling as though you could cry | 35% |

(Source: American Psychological Association, American Institute Of Stress, NY)

REFERENCES

16. Stresses And Strains, Stress And Disease by Harold G. Wolff, Review by: L. J. Witts
36. Irene Houtman, Karin Jettinghoff (2007) Raising Awareness of stress at Work in Developing Countries A modern hazard in a traditional working environment, advice to employers and worker representatives, Protecting workers' health series; no. 6, world health organization.

CSR PRACTICES – A CASE STUDY OF PHARMACEUTICAL INDUSTRY IN INDIA

Dr. C. VETHIRAJAN

ABSTRACT

In recent times there have been evidences of an increasing awareness of corporate social responsibility in Indian business scenario. India a fast growing economy and is booming with national and multinational firms. Therefore it is all the more imperative for the Indian companies to be sensitized to CSR in the right perspective.

In this paper an effort is made to examine the CSR initiatives of pharmaceutical sectors. Three companies from the Nifty Index with diverse industrial background have been selected for the study because their contribution in the area of CSR initiatives are substantial and worthy of emulation by other companies.

Introduction

The concept of Corporate Social Responsibility (CSR) is not new to Indian companies. However, what is new is the way it has caught on with Indian corporate and the direct involvement of employees in implementation of these projects. Dedicated departments in most organizations are looking into much more than just funding or getting involved in one-time projects.

In recent times, there have been evidences of an increasing awareness of the responsibility of
corporate towards the society and the community at large. This is very essential as the society provides all the necessary inputs required for the successful and effective functioning of the business organizations. Hence it is the bounden duty of the corporate to utilize their talents and resources to the possible extent for the benefit of the society. Corporate social responsibility is one such niche area of Corporate Behavior and Governance that needs to get aggressively addressed and implemented tactfully in the organizations. At the same time CSR is one such effective tool that synergies the efforts of corporate and the social sector agencies towards sustainable growth and development of societal objectives at large. India is a fast growing economy and is booming with national and multinational firms. At the same time, the Indian land also faces social challenges like poverty, population, growth, corruption, and illiteracy just to name a few. Therefore it is all the more imperative for the Indian companies to be sensitized to CSR in the right perspective in order to facilitate and create an enabling environment for the partnership between the civil society and business.

**Corporate Social Responsibility**

Corporate Social Responsibility (CSR) is about how companies manage the business processes to produce an overall positive impact on society. For this, companies need to answer two aspects of their operations:

- The quality of their management in terms of both people and processes.
- The nature and quantity of their impact on society in various areas.

Outside stakeholders are taking an increasing interest in the activities of a company—what the company has actually done, good or bad; in terms of its products and services; its impact on the environment and on local communities or, how it treats and develops its workforce. The World Business Council for Sustainable Development, in its publication “Making Good Business Sense” by Lord Home and Richard Watts, defined:

“Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large”.

Corporate social responsibility is the capacity of building sustainable livelihoods. It respects cultural differences and finds business opportunities in building skills of the employees, the community and the government, more precisely, CSR is giving back to society what it gets from it. It is the concept that an enterprise is accountable for its impact on the stakeholders.

According to Daniel Bell (1999):

When one uses the phrase ‘social responsibility’ of the corporations, one is not indulging in rhetoric (though many corporate officials are), or thinking of noblesse (which fewer corporate officials do) of assuming that some doctrine is being smuggled into the society (as some laissez-faire economists suggest) but simply accepting a cardinal socio-psychological fact about human attachments.

To Friederici (1970), “Corporations, if they are to survive, will have to be responsive to the needs of the society.”

**Scope of Study**

There are many reports and studies undertaken by a variety of agencies about the social responsibility of corporate organization’s responsibility towards other stakeholders such as the employees, the customers, the shareholders, the suppliers and the government.

The scope of this study is limited to the examination of the Corporate Social Initiatives of 3 pharmaceutical Industries. The scope also includes
the theoretical aspects of Corporate Social Responsibility. The present study is predominantly based on secondary data. It is aimed at examining various aspects relating to Corporate Social Performance in a number of areas. The study has adopted the case representing various industries.

Selection of the Companies

Three pharmaceutical companies from the Nifty Index and from diverse industrial background companies which constitute a judgmental sampling have been selected for the study. These companies have been selected because their contribution in the area of Corporate Social Initiatives are substantial and worthy of emulation by other companies.

<table>
<thead>
<tr>
<th>List of Companies</th>
<th>Industry Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>DABUR INDIA</td>
<td>PHARMACEUTICALS</td>
</tr>
<tr>
<td>RANBAXY LABS</td>
<td>PHARMACEUTICALS</td>
</tr>
<tr>
<td>DR. REDDY’S LAB</td>
<td>PHARMACEUTICALS</td>
</tr>
<tr>
<td>GLAXO (SMITHLINE LAB)</td>
<td>PHARMACEUTICALS</td>
</tr>
</tbody>
</table>

REVIEW OF LITERATURE

Many scholars have conducted studies in the aspect of corporate social responsibility and socially responsible stakeholder policies. These studies have been reviewed below.

Lockwood (2004) explained the critical role of the HR function in organizations play in leading and educating their firms regarding the importance of CSR, while at the same time, strategically implementing sound HR management practices that support the company’s business and CSR goals. According to him, firms must shift from first and second generation social responsibility practices of not risking a firm’s business success in the name of CSR and move over to third generation CS practices where a firm addresses significant societal issues, such as poverty and cleansing the environment; and the HR function must lead this shift.

Corporate social responsibility has been studied from the value perspective. Hopkins (2004) studied the economic value-added implications of CSR actions and has found the following areas of impact: Brand equity and companies’ reputation, Access to financing, Employee motivation, Innovation, creativity, intellectual capital and learning, and Better risk management.

Bigg and Ward (2004) tried to link corporate social responsibility, good governance and corporate accountability through an institutional framework. They found that it is necessary to integrate public governance and CSR activities for better results. Further, they feel that corporate must create a more inclusive agenda through a value framework of sharing and caring. Ultimately, firms must have a multi-stakeholder outlook to frame their CSR policies.

Fombrun (2005) studied the evolving standards regarding building corporate reputation through Corporate Social Responsibility (CSR) initiatives.

CORPORATE SOCIAL RESPONSIBILITY OF RANBAXY LABS

Ranbaxy has a strong element of Corporate Social Responsibility inscribed in its values and its concern for the society extends well beyond its business motives.

Success and achievement are not viewed in terms of commercial gains only. They believe that corporate social responsibility is the key for providing a deep symbiotic relationship that exist between the company and the environment in which it functions.

As a responsible corporate citizen Ranbaxy has always appreciated the importance of the social development in its environment. It is a part of Ranbaxy’s ‘Values in Action’.

RCHS- Ranbaxy Community Healthcare Society

Ranbaxy created the Ranbaxy Community Healthcare Society (RCHS) in 1994 to improve the primary health of the population in the underprivileged section of the society. Starting with a small group, today the society covers 95 villages and a population of almost 2 lakh people.
The RCHS team of doctors and paramedics operate through mobile healthcare vans. On a weekly basis they also hold clinics in different villages. Focusing on providing information rather than only distributing medicines, the team has been successful in mobilizing, local support for their activities.

Addressing on areas of immunization, vitamin deficiency, malnourishment among children and maternity health; RCHS undertakes preventive, promotive and curative checks. Under its care, infant mortality has reduced considerably. It also implements several projects on reproductive child health and family welfare, specifically in the low attention areas of Madhya Pradesh, Himachal Pradesh, Punjab and Delhi.

RCHS is an active participant in all major national health campaigns like National Pulse Polio Immunization drive. It holds rallies and administers polio does to the children in and around the Company’s facilities. It also organizes awareness campaigns on safe motherhood, nutrition, breastfeeding and on population control education program in conjunction with several NGO’s and local administration.

**HIV/AIDS**

HIV/AIDS is among the gravest issues cornering the world today. With over forty million people infected with HIV and its expected escalation to over fifty million by the end of 2012, the situation has become a cause for great concern. Currently, an estimate six million People Living with HIV/AIDS (PLHAs) in developing countries requires Anti-Retroviral Therapy (ART). RCHS carried out a project called as “Targeted Intervention for Prevention of HIV/AIDS among Truckers and Migrant Laborers in the Urban Slum Areas of Dewas, Madhya Pradesh” along with Madhya Pradesh AIDS Control Society.

The project led to an overall increase in the level of awareness about AIDS to about 10% with simultaneous decrease in unsafe sexual behavior to about 7% amongst the target groups.

**Managing Chemical Wastes**

Ranbaxy is fully aware of the importance of ground - water protection in terms of both availability and quality. Continuous efforts are made to reduce the detrimental environmental footprints by initiatives like wastewater reduction and resources conservation. Utmost care is taken while designing the manufacturing facilities to ensure total containment of the chemical handled. To minimize the chemical discharge to the environment Ranbaxy has invested in effluent treatment plant using the latest reverse osmosis membrane based technology integrating it with the multi-effect thermal evaporating system and state-of-the-art incinerator. Simultaneously, steps are taken to reduce waste at the source.

Company carries out several other welfare initiatives around its facilities in Mohali &Toansa in Punjab; Paonta Sahib in 1-limachal Pradesh. In these regions drinking water scarcity was a major issue. Ranbaxy, therefore, initiated special drinking water projects in these villages to put an end to long-standing problem.

**Towards eradicating Malaria**

Ranbaxy has joined hands with Medicines for Malaria Venture (MMV) to develop a life saving Synthetic Peroxide Anti-malaria Drug. MMV is a nonprofit Swiss Foundation dedicated to the eradication of this disease for the developing countries.

**Frost & Sullivan award**

Ranbaxy received the prestigious Frost &Sullivan Award 2004 for Customer Value in recognition for its sustained and consistent effort, to bring about an easy access for Anti-retroviral to millions of people suffering from HIV/ AIDS in the developing countries at affordable price. The company’s offers of ‘less than a dollar a day’ HMRT (High Active Anti-Retroviral Regiment) therapy has been found the most economical in the world as per a price survey done by Medicines Sans Frontieres.
CORPORATE SOCIAL RESPONSIBILITY OF GLAXO SMITHKLINE

GAVs, a trust promoted for the development of rural masses GraminArogyaVikasSanstha (GAVs) is a registered public trust promoted by Glaxo in April 1997. The trust operates in three needy, predominantly tribal villages, 55kms away from GSK’s factory at Nashik. The trust aims at fulfilling basic healthcare, education and other developmental needs of the villagers.

GAVS organizes weekly medical check-ups and treatment by qualified doctors, preventive health awareness programs using audio-visual besides running a small savings scheme for women and youth. Training programs in health, midwifery is also being conducted by the organization.

All programs are implemented through a full-time trained social worker, under the guidance of four trustees (all GSK management staff) who periodically visit the project and provide their time, professional skills and expertise towards its activities.

SSSS, a trust working for disadvantaged slum children in Mumbai ShishukalyanSnehiSwayamsevakSanstha (SSSS) - meaning “a voluntary organization for Child Welfare”, is a charitable trust promoted by Glaxo India employees in 1979 for the development of financially disadvantaged children-deprived of opportunities such as basic education, healthcare and recreation.

The SSSS operates in the slums of World Koliwada, a fisher folk community, located near the company’s head office in Mumbai. The SSSS runs a Medical Care Center, which provides comprehensive health check-up and treatment, Nutritional Supplements Scheme for children at a preprimary education, center and an Educational Sponsorship Scheme for needy girl students of a local school.

Glaxo AIDs help line

As a unique and innovative initiative for counseling and dissemination of information on HIV/AIDS to the lay public in Mumbai, the company launched a 24 hours phone-in help line in October 2000. Highly trained and experienced’ team of counselors answer thousands of callers from 10 a.m. to 9 p.m. Thereafter, the callers can obtain basic information on issues related to HIV/AIDS through a comprehensive Interactive Voice Response that is operational from 9 ‘p.m. to 10 a.m., available in two local languages besides English. The help line focuses on various aspects related to general awareness, prevention, treatment and ‘care, psychosocial support for HIV positive people and their families.

During 2006-07 GSK donated life-saving medicines worth £27 million ($49 million), to support relief efforts in almost 100 countries. Supplies of antibiotics and basic medicines were sent in response. To the South East Asian tsunami, hurricanes in the US and the Caribbean and the earthquake in Pakistan.

In the immediate aftermath of the tsunami they donated more than 3.6 million doses of antibiotics to prevent the spread of infectious diseases in affected countries. GSK has also committed £2 million ($3.8 million) to support organizations working on relief and reconstruction operations in the disaster area.

Following hurricane Katrina GSK donated medicines valued at $10 million to relief facilities in ten US states. This included antibiotics, vaccines and consumer healthcare products such as toothpaste, antacids and pain relievers. GSK also supplied interim shipments of medicines for diabetes, heart disease, and asthma for patients who had lost their supplies in the disaster. Some of the medicines were distributed to hospitals and shelters by our partner organizations such as Project HOPE and Americas.

CORPORATE SOCIAL RESPONSIBILITY BY DR. REDDY’S LAB
While ‘Sustainability. The Triple Bottom Line’ as a term may have a contemporary ring to it, the spirit underlying it has been relevant through the ages.

At Dr Reddy’s, they believe that any high performance sustainable organization rests on the three pillars of economic, social and environmental performance. To be a truly sustainable organization, in the broadest definition of its terms, an organization must perform well across all three dimensions.

Naandi Foundation

Being a discovery-led company, Dr. Reddy’s laboratories Ltd. recognizes and upholds the need to support innovation-driven enterprises that create breakthroughs, not only in laboratories, but in the social sector as well, to impact the quality of life.

Life Research, Hope-Driven by this spirit, the company, led by Chairman, Dr. K Anji Reddy, called upon similar-minded corporates and created a new platform, a not-for-profit development organization that could showcase not only to India but the international community as well, the depth of corporate will in shouldering the responsibility of finding solutions to long-pending social development problems of the country.

For employees who want to do more, Naandi offers several windows of opportunities to give back to the society. These range from adopting government schools, and volunteering in them to improve quality education, to participating in tribal development projects. Dr. Reddy’s new recruits inevitably get their first taste of rural India, every year, through an Outbound Rural Sensitivity Training, which is organized by Naandi.

Ability to garner civil society support has propelled Naandi’s growth and reach. It is the only NGO in the country to run automated central Midday meal kitchens in urban centers-the ones at Hyderabad and Vishakapatnam presently cater to around 1200 government schools. So far the kitchens have supplied 45 million meals, without complaints, to the underprivileged that come to these schools. This task gets bigger as Naandi targets to implement this model for the children of 5 other cities in the country.

CORPORATE SOCIAL RESPONSIBILITIES OF DABUR

Promoting Hygiene and Health

In collaboration with the Chunnilal Medical Trust, they operate in 12 adopted villages providing medicare services and conducting mass awareness drives.

Promoting formal and non-formal education

For children who have dropped out of school as well as ones who have never been to school, sundesh provides the assistance and opportunity to take up formal education. Sundesh also works for promotion of adult literacy and has opened many teaching centers.

Promoting income generating activities

To help communities find means of livelihood that suit their skills, Sundesh has established vocational training facilities for cutting and tailoring, beekeeping, mushroom farming and food preservation.

Promoting self-reliance

They encourage people to form cooperatives and self-help groups that can ultimately take care of the community’s needs. There are already 25 Self-Help groups of economically weak families and groups formed by members of lower and middle-income families.

Sundesh

At Sundesh, The Team has initiated social development programs that take a holistic approach. Integrating various aspects like health, literacy, employment and empowerment to let people take control of their lives.

At Sundesh the aim is not to provide charity, but to enable deprived communities, so that they have the resources to lead a better life. And ultimately be a dynamic and resourceful arm of mainstream society.
Afforestation

Dabur has also set up the most modern tissue culture facility for micro propagation of medicinal herbs. The company is involved in reforestation in the Himalayan Range, which would help in maintaining the green cover there. The company has set up a state-of-the-green house for saplings of more than 40 endangered plant species to help in averting the extinction of these plant species. This contract activity provides additional source of income to farmers.

Conclusion

The time has come where corporate have to realize that CSR is no more an addition to the business; it is a key differentiator of it. CSR is not about how a company gives away its money, it is about how it makes money now it is a fact that business has little choice to take the path of CSR in the interest of profit and sustainability. The sooner corporate entities realize this and aggressively pursue this process, the better off they will be.

We can conclude with the quote of J.R.D Tata about the need of CSR in Indian business houses—“Every company has a specific and continuing responsibility towards the people of the area in which it is located and in which its employees and their families live. In every city, town, or village, large or small, there is always need for improvement for help, for relief, for leadership and for guidance.”

References

INSTITUTIONAL BRANDING DIMENSIONS: HRPERSPECTIVES

*Dr. V. Samuel Rajkumar, ** Dr. P. Ganesan, ***R.Jeyachandran

Introduction
One of the foremost priorities of branding is to enable attractive, credible, holistic and sustainable understanding of brands by the target audience. Branding is often and increasingly seen as a sales enabler. The increasing need to brand Iperhaps also affects the rise of communication platforms. To meet the end objective of profitability and growth, companies operating in similar industry verticals, competing in markets, are vying with the accommodation of the dominant brand equity. The collateral impact of the explosion in the communicative on platforms has meant that the space is quite crowded and this constant challenge enhances the brand’s stop after a recall. Whether it is selling a product or an idea, all thought through has laid down brand helpings.

Any high education technical institute has its stakeholders like industry, students, parents, government, society etc. Students and the industry are considered by the major stakeholders for any educational institution. This study is based on institutional branding in the specific context of campus recruitment. Various branding activities are done by the higher education institution to attract top global companies for campus recruitment and industry-institute interactions. Campus recruitment is among the most critical factors that are increasingly parent of aspiring students considering deciding their ward’s admission into an educational institution in this country.

In the present globalized context, institutions need to brand themselves as sustainable in the competitive market. With the freshers’ numbers going down due to recession and other external factors, the employers have become choosy with regard to the educational institutions conducting campus recruitment. Thus, the educational institutions have to brand themselves to attract the employer to get their graduates employed. Unlike in other countries, Indian engineering education is directly linked with the admission process and hence much importance is given by the educational institutions in having a major campus recruiting companies on campus. Based on the search problem the following objectives are proposed,

Research Objectives

1. To identify the branding dimensions in institutional branding in campus recruitment
2. To understand the dependencies of such sectors of the firm affecting the institutional branding dimensions.

One of the major objectives of this study is to explore the institutional branding paradigm. This deals with various features of an institutional brand key to attracting employer organizations for conducting campus recruitment in the University (VIT University, Vellore). An attempt was made to identify the branding dimensions that were considered by the employers while choosing an institution for campus recruitment/engagement. The reliability and the validity of these dimensions were tested by using appropriate statistical techniques.

The study attempted to answer the following hypotheses that are framed based on the earlier review of literature. Earlier studies showed that the requirements in a campus recruitment process varied with the sector (Clarke, 2008). Software services companies gave more importance to the soft skills (Gokulas, 2010) during the campus recruitment process compared to the core eng...
ineeringsectorwhich emphasizedmoreonthehardskills.Hardskillsare relatedtothe academicsandsoftskillsdealwith thebehavioralaspects.

By analyzingtherequirementsofcoreengineeringandsoft wareservices companies,anattemptismadetofindoutifthereisanysignificantdifferenceintheinstitutional branding dimensions perceived by the HR managers of both thesectors. Accordingly, 

**H1:** Thereisnosignificantdifferencebetweencoreengineeringandsoftwarecompaniesinthelevelof importance attributed to various dimensions that driveinstitutional branding.

Campusrecruitmentnumbersvarieswiththesize of the companies. Similarly, the companies’ recruitmentstrategiesalsovary withthesize(PiyaliGhoshandGeetika,2007). Thebelo hypothesis is framed to test if thebrandingdimensions also varied withthesizeof thecompany.

**H2:** Company’s size(byemployeebase) castsno significant differencein the‘level’ of importance attributed to various dimensions that driveinstitutional branding.

**Methodology**

Thepopulationofthestudy consistedof172HRmanagersfromvariousindustrieswh hovevisited VITUniversity inthepastforcampusrecruitments. Apilotstudy wasdonewith10HRmanagers,5 fromcoreengineeringfirmsand5fromthesoftwarefirms.

Forfinalsurvey,randomsamplingmethod,namely stratifiedrandomsamplingmethodwasusedto stratifytheHRmanagersintotwogroupsnamely,coreen gineeringandsoftwaresectors.Asamplesize of86HRs(50percentofthepopulation)wasfixed. Thissw asbasedontheductive reasoning technique(SekaranandBougie,2010)insamplingandre}

liability onlargersamplesize(CooperandSchindler, 2006). Therandomnumbergenerationprocess(through MS-excel)ofrandomsampling methodwasappliedtoselect43HRmanagersfromeachs ector. Afterduecareoneediting processwithquestionnairesformissing data, 65 samplerspondentswerechosenforthefinalsur vey, of which, 39 ofthem werefromsoftwarefirms and 26 were from core engineeringfirms. Astructuredquestionnairewasdevelopedforinstitution albrandingtocapturethebrandingdimensions.

**Constructs - Institutional branding dimensions**

Variousbranding dimensionswereidentified throughcriticalliteraturesurvey. Thetable (1)belowpresentstheconstructsmeasuringthebranding dimensions..

**Table1:** Constructs’ measuringbrandingdimensions ininstitutional branding

<table>
<thead>
<tr>
<th>Institutional branding</th>
<th>Institutional branding dimensions</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Sources</td>
<td>Media sources</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Direct feedback</td>
<td>9</td>
</tr>
<tr>
<td>Academics</td>
<td>Academic systems</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Academic faculty</td>
<td>6</td>
</tr>
<tr>
<td>Students</td>
<td>Students skills</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Student academics</td>
<td>4</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Academic infrastructure</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Non-</td>
<td>8</td>
</tr>
<tr>
<td>Events</td>
<td>Events</td>
<td>7</td>
</tr>
<tr>
<td>Reputation</td>
<td>Reputation-product</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Reputation</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Reputation</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Reputation</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Reputation</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Reputation</td>
<td>9</td>
</tr>
<tr>
<td>Credibility</td>
<td>Credibility</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Credibility</td>
<td>5</td>
</tr>
<tr>
<td>Company engagement</td>
<td>Student engagement</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Institutional engagement</td>
<td>8</td>
</tr>
<tr>
<td>Placement responsiveness</td>
<td>Preplacement responsiveness</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Placement responsiveness</td>
<td>3</td>
</tr>
<tr>
<td>Industry Dimension</td>
<td>Industry</td>
<td>5</td>
</tr>
</tbody>
</table>
ANOVA was used to find out the significance of demographic and academic variables in branding an institution. All the scales that were developed or adopted were vetted and tested for their reliability. Cronbach’s alpha reliability test was used to test the instrument before it was administrated. The Cronbach alpha values were where the alpha values ranged between 0.753 and 0.95 and the average value of 0.86 and above was found.

**Demographic details of the respondents**

With respect to sector details, out of 65 respondents, 39 (60 percent) were from the software sector and 26 (40 percent) were from the core engineering sector. With regard to the company size, 23 (35.4 percent) were from the organizations that had an employee strength of less than 50000 and 42 (64.6 percent) were from those organizations with an employee strength of more than 50000.44 (67.7 percent) of them were male and 21 (32.3 percent) of them were female.

**Results and Discussions**

**Analysis using ANOVA**

ANOVA was used to analyze the institutional branding dimensions based on the industry sector and company size. The results are presented below.

**Dimension’s importance based on industry sector (software vs. core engineering)**

The HR managers were divided into two groups namely software and core engineering. ANOVA was used to find out if there was any difference in the importance given to the branding dimensions. Table 2 shows the ANOVA results for the dimension importance based on the industry sector.

**Table 2: Overall importance given to branding dimensions**

<table>
<thead>
<tr>
<th>Branding Dimensions</th>
<th>Core Engineering Mean (SD) N=26</th>
<th>Software Mean (SD) N=39</th>
<th>F-Value (sig)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Placement dimension-preplacement</td>
<td>1.329 (.369)</td>
<td>1.470 (.530)</td>
<td>1.384 (.244)</td>
</tr>
<tr>
<td>Placement dimension-post placement</td>
<td>1.333 (.410)</td>
<td>1.444 (.553)</td>
<td>.765 (.385)</td>
</tr>
<tr>
<td>Industry dimension</td>
<td>1.492 (.537)</td>
<td>1.600 (.686)</td>
<td>.453 (.503)</td>
</tr>
<tr>
<td>Reputation-corporate leadership</td>
<td>1.551 (.573)</td>
<td>1.598 (.552)</td>
<td>.110 (.742)</td>
</tr>
<tr>
<td>Infrastructure academics</td>
<td>1.551 (.541)</td>
<td>1.581 (.744)</td>
<td>.031 (.861)</td>
</tr>
<tr>
<td>Management dimension</td>
<td>1.576 (.549)</td>
<td>1.625 (.645)</td>
<td>.100 (.753)</td>
</tr>
<tr>
<td>Reputation contribution</td>
<td>1.634 (.656)</td>
<td>1.743 (.560)</td>
<td>.514 (.476)</td>
</tr>
<tr>
<td>Academic dimension systems</td>
<td>1.649 (.609)</td>
<td>1.757 (.492)</td>
<td>.622 (.433)</td>
</tr>
<tr>
<td>Engagement-student</td>
<td>1.653 (.515)</td>
<td>1.711 (.467)</td>
<td>.219 (.642)</td>
</tr>
<tr>
<td>International relations</td>
<td>1.692 (.631)</td>
<td>1.743 (.616)</td>
<td>.106 (.746)</td>
</tr>
<tr>
<td>Student dimensions skills</td>
<td>1.719 (.515)</td>
<td>1.917 (.424)</td>
<td>2.849 (.096)</td>
</tr>
<tr>
<td>Student dimensions academics</td>
<td>1.730 (.647)</td>
<td>1.852 (.552)</td>
<td>.660 (.420)</td>
</tr>
<tr>
<td>Events</td>
<td>1.774 (.602)</td>
<td>1.952 (.645)</td>
<td>1.245 (.269)</td>
</tr>
<tr>
<td>Reputation concern for individuals</td>
<td>1.777 (.591)</td>
<td>1.812 (.6444)</td>
<td>.047 (.829)</td>
</tr>
<tr>
<td>Source feedback</td>
<td>1.782 (.538)</td>
<td>1.940 (.631)</td>
<td>1.098 (.299)</td>
</tr>
<tr>
<td>Reputation product</td>
<td>1.807 (.561)</td>
<td>1.979 (.520)</td>
<td>1.595 (.211)</td>
</tr>
<tr>
<td>Credibility trustworthiness</td>
<td>1.815 (.616)</td>
<td>2.025 (.558)</td>
<td>2.033 (.159)</td>
</tr>
<tr>
<td>Academic dimension faculty</td>
<td>1.820 (.590)</td>
<td>1.897 (.526)</td>
<td>.302 (.585)</td>
</tr>
<tr>
<td>Infrastructure nonacademics</td>
<td>1.860 (.676)</td>
<td>1.814 (.741)</td>
<td>.066 (.799)</td>
</tr>
<tr>
<td>Credibility expertise</td>
<td>1.865 (.511)</td>
<td>1.974 (.592)</td>
<td>.587 (.446)</td>
</tr>
<tr>
<td>Reputation employer role</td>
<td>1.890 (.610)</td>
<td>1.945 (.565)</td>
<td>.138 (.711)</td>
</tr>
<tr>
<td>Engagement institute</td>
<td>1.971 (.656)</td>
<td>1.875 (.540)</td>
<td>.415 (.522)</td>
</tr>
<tr>
<td>Reputation customer treatment</td>
<td>2.038 (.593)</td>
<td>2.066 (.597)</td>
<td>.035 (.852)</td>
</tr>
<tr>
<td>Mediasources</td>
<td>2.324 (.751)</td>
<td>2.359 (.682)</td>
<td>.036 (.850)</td>
</tr>
</tbody>
</table>

The above table (2) highlights that there is no significant difference in the branding dimensions based on the industry sector. The average mean values of the significant importance of all the branding dimensions relating to the industry sector. Hence, the hypothesis H1 is accepted as there is no significant difference among the two groups of HR managers based on sector with respect to institutional branding dimensions.

**Institutional branding dimension importance based on company size**
The samples were divided into 2 groups based on the size of the company (size determined based on the number of total employees), namely more than 50,000 and less than 50,000 employees.

**Table 3: Overall importance of branding dimensions (based on company size)**

<table>
<thead>
<tr>
<th>Branding dimension</th>
<th>Less than 50K Mean (SD)</th>
<th>More than 50K Mean (SD)</th>
<th>F-Value (sig)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Placement dimension-postplacement</td>
<td>1.362 (.448)</td>
<td>1.420 (.531)</td>
<td>.199 (.657)</td>
</tr>
<tr>
<td>Placement dimension-preplacement</td>
<td>1.410 (.432)</td>
<td>1.415 (.501)</td>
<td>.001 (.970)</td>
</tr>
<tr>
<td>Infrastructure academics</td>
<td>1.594 (.543)</td>
<td>1.555 (.730)</td>
<td>.049 (.825)</td>
</tr>
<tr>
<td>Academic dimension-systems</td>
<td>1.753 (.569)</td>
<td>1.693 (.530)</td>
<td>.184 (.670)</td>
</tr>
<tr>
<td>Engagement-student</td>
<td>1.750 (.412)</td>
<td>1.654 (.520)</td>
<td>.571 (.453)</td>
</tr>
<tr>
<td>International relations</td>
<td>1.760 (.598)</td>
<td>1.702 (.634)</td>
<td>.131 (.718)</td>
</tr>
<tr>
<td>Student dimensions-skills</td>
<td>1.798 (.402)</td>
<td>1.859 (.505)</td>
<td>.257 (.614)</td>
</tr>
<tr>
<td>Student dimensions-academics</td>
<td>1.902 (.651)</td>
<td>1.750 (.554)</td>
<td>.987 (.324)</td>
</tr>
<tr>
<td>Reputation-concern for individuals</td>
<td>1.985 (.605)</td>
<td>1.695 (.609)</td>
<td>3.374 (.071)</td>
</tr>
<tr>
<td>Source - feedback</td>
<td>1.975 (.564)</td>
<td>1.822 (.613)</td>
<td>.979 (.326)</td>
</tr>
<tr>
<td>Reputation-product</td>
<td>1.904 (.571)</td>
<td>1.914 (.528)</td>
<td>.005 (.944)</td>
</tr>
<tr>
<td>Credibility-trustworthiness</td>
<td>1.930 (.554)</td>
<td>1.947 (.610)</td>
<td>.013 (.911)</td>
</tr>
<tr>
<td>Academic dimension-faculty</td>
<td>1.905 (.570)</td>
<td>1.845 (.543)</td>
<td>.178 (.675)</td>
</tr>
<tr>
<td>Infrastructure – nonacademics</td>
<td>1.929 (.647)</td>
<td>1.779 (.745)</td>
<td>.654 (.422)</td>
</tr>
<tr>
<td>Credibility- expertise</td>
<td>1.978 (.405)</td>
<td>1.904 (.631)</td>
<td>.253 (.617)</td>
</tr>
<tr>
<td>Events</td>
<td>2.012 (.737)</td>
<td>1.809 (.559)</td>
<td>1.554 (.217)</td>
</tr>
<tr>
<td>Reputation – employer role</td>
<td>2.049 (.600)</td>
<td>1.853 (.563)</td>
<td>1.717 (.195)</td>
</tr>
<tr>
<td>Engagement-institute</td>
<td>2.087 (.549)</td>
<td>1.818 (.590)</td>
<td>3.221 (.078)</td>
</tr>
<tr>
<td>Reputation- customer treatment</td>
<td>2.130 (.548)</td>
<td>2.014 (.615)</td>
<td>.570 (.453)</td>
</tr>
<tr>
<td>Media sources</td>
<td>2.550 (.737)</td>
<td>2.232 (.669)</td>
<td>3.120 (.082)</td>
</tr>
</tbody>
</table>

Hence, the hypothesis (H2) is accepted as there is no significant difference in the majority of institutional branding dimensions based on the size of the company. Based on the ANOVA results, it was observed that there was no perceived difference in the importance given to the industry sector (software and core engineering). Though the students’ skill dimensions showed a marginal variance, it was also observed that there is significant consideration at the 0.10 level of confidence. The responses to the students’ skill dimensions might have varied within the sector because of the difference in the student employability attributes that are required to get employed in the software and core engineering sector. ANOVA results also reported that there is no significant difference in the importance of branding dimensions related to the size of the companies. It indicates that the institutions may focus on the important branding dimensions highlighted based on the frequencies in improving the brand equity.

The top institution branding dimensions were almost same as it is based on the sector size of the company. Among the top five, the responsiveness of the placement office in the placement process (pre and post) emerged as the top branding dimension. Branding of an institution in campus recruitment is based on the relationship between the HR and the placement personnel and the facilitation support provided by the placement office. Conducting the process, this is major differentiation for any institution in branding itself. Involvement and commitment of the top management was also given prim importance. Unless the leadership team of the institution is committed and focused, branding efforts would not happen. The top management of the institution should set the mission and vision clearly and work towards the achievement of academic excellence. This requires

Oneway ANOVA (table 3) revealed that there was no significant difference in the importance of branding dimensions based on the size of the company.
continuous assessment, involvement of the stakeholders, constant feedback etc., Clear vision and continuous support of the leadership (Chapleo, 2010) would help the universities to enhance their brand building.

Conclusion

The study highlighted the important branding dimensions for the institution branding where the perceptions of the HR managers who belonged to the soft ware and core engineering sector were same. Students' academic and soft skills dimension were given equal importance by the HR managers of both the sectors. It was also evident that the size of the company did not alter the perception of the HR. The most significant finding of the study was that, regardless of the demographics, the HR managers' selecting the placement responsiveness of the institution as the most important branding dimension. Leadership dimensions which included the top management commitment and involvement were also given due importance. Another interesting finding was that the low importance given to the media sources. The institutions should lower their budget on media advertisements as it has a low bearing on the institutional branding. The study also revealed that the importance given to academic infrastructure, academic systems and student offerings which the institutions should focus on building the brand among the corporate.

References:


