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R.V. INSTITUTE OF MANAGEMENT

Bengaluru

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A STUDY ON FOOD COST CONTROL – AN EMPIRICAL STUDY UNDERTAKEN IN A BUSINESS HOTEL, BANGALORE

Dr. A. Mahalakshmi *

Abstract

Food costing refers to the process of calculating how much actually is spent in order to produce the food that is sold. Maintaining proper food cost is important because it is one of the best ways to make a restaurant financially successful. Since the hotel business is one of the most important dynamic industry having tight margins, fundamental financial concept that must be understood, controlled and manicured is the food cost. A study on food cost at Hotel Radha Regent, Bangalore has been undertaken in order to study food cost related to materials namely groceries, milk and cream, vegetables, imported fruits, poultry, sea food, meat, ice cream etc. issued to the kitchen and the cost percentage. Correlation and regression methods were used in this study to find out the weightage of issue of materials to kitchen with the food cost. The main challenge a hotel faces is to maintain an ideal food cost percentage which is 28%. The objective of this study includes the study of food cost percentage, association of materials issued to kitchen with food cost percentage and to identify which material issued to kitchen has more weightage on food cost at Radha Regent, Bangalore. The major finding of this study revealed that food cost percentage was too high (119.24%) in the month January 2015 and the weightage of groceries was found to be highly influencing the food cost. It was also observed that food cost was high on Jan. 10th and Jan. 13th, 2015. This indicated that the materials issued to kitchen, especially groceries should have been used effectively to take the revenues on those days.

Keywords: *food cost, issue of materials, weightage of groceries, revenues*

Introduction:

Cost control consists of sequence of steps a business uses to maintain proper control over its costs. Implementing this level of control can have a profound positive impact on profits over the long term. Controlling the cost is very important

because “money saved is money earned”. In hotel industry, the circle of managing costs begins from purchasing. From being aware of the processes involved to knowing the actual requirements of the kitchen, the purchase manager and his superiors need to always be on a vigil. The purchase costs for food and beverages are

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proportional to the total turnover of the establishment. As the business grows, so does the cost. Hence controlling costs is crucial and it is controllable.

More than ever, in restaurant business, one of tight margins and one of the most important fundamental margins that must be understood, controlled and manicured is food cost. Alcohol sales and food sales are the two main profit centres of just about any restaurant. In some cases it is the only profit centre. When restaurants are counting so much on food sales to generate enough gross profit to cover payroll, rent, insurance, costs of goods sold, repairs, marketing, utilities, administration, taxes and fees, and still have something left over to take home, they really want to be as effective as possible with how they should handle food costs. Food cost is technically referred to the costs of goods sold, in this case food, expressed as a percentage of what we sell it for. The average food cost in a month for hotels is 28%.

Knowing food cost is important because only if one knows the total cost, then the selling price of a dish can be fixed. The selling price is fixed in restaurants keeping in view the food cost. It also plays a major role in preparation of account and control of food cost where the regular review of production, sales and operating results, stocks of raw material and finished food and other items are valued at cost price or market price. The stock inventory is taken by physically verifying each item. After ascertaining the stocks and taking a note

of costs and sales, the manager is able to control the food cost. The food cost accounting also helps management in formulating operating policies like what should be the food cost, whether to bake bakery products in house or out source. Even desserts can be bought from outside if the sale of the same is not sufficient to keep a dessert chef.

Major Hotel Industry Players:

The major players in the Indian hotel industry include a group of Indian-owned hotel chains and a few international chains as well. Of India's top five hotel chains, four are Indian-owned. ITDC Hotels is the only government-owned chain in the top five. It is interesting to note that most international hotel chains in India have adopted a strategy of entering the Indian market through franchises¹ management contracts.

The hotels in India are categorised as below:

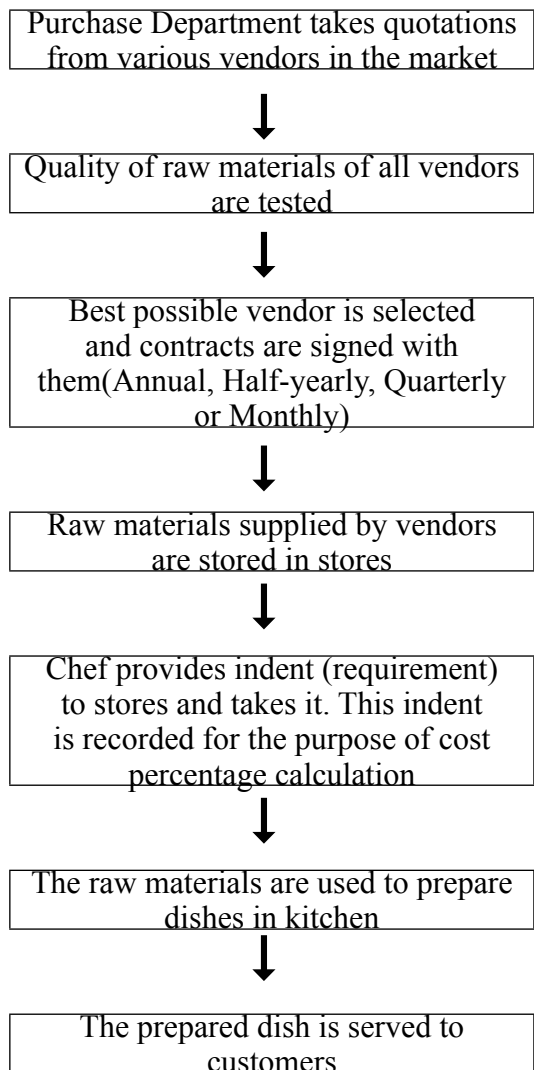
Category	Hotels	Rooms
5 Star - Deluxe	41	10574
5 Star	59	8028
4 Star	77	5586
3 Star	256	13231
2 Star	208	8023
1 Star	49	2472
Heritage	34	965
Approved Unclassified	112	6009
Sub-Total	836	54888
Unapproved	836	31486
Total	1672	86374

Standing proud in the heart of Electronics City- Bengaluru, Radha Regent, a four star business hotel elegantly mirrors the globalized persona of brand India. A modern showpiece of luxury and aesthetics, this premium business hotel artistically blends contemporary and classic design with warm hospitality. A wonderful lobby leads up to 104 spacious rooms with deluxe amenities-bath with separate walk-in shower cubicles, generous work area with hi-speed internet access, personal bar, individual air-conditioning control and multi-channel LED television. 104 rooms / swimming pool / fitness centre / two F & B outlets / In room Dining / Banqueting and Conferencing area of 7500 sq. ft. with 3 meeting room and one Banquet hall / currency ex-change / travel car / doctor on call / gift shop / laundry service / in room safe locker.

It is one of Electronic city's most preferred business hotel. Located on the prime IT hub for today's discerning business traveler offering a quiet and relaxed atmosphere yet in close proximity to major industrial belts Bommasandra, Jigani, Anekal, Attibele & Hosur Industrial Area. The nature of business carried are food / meals, lodging, accommodation, catering and hospitality.

Workflow model:

An understanding of the work model at Radha Regent help in deriving the importance of food cost.



Need for the study:

The main goal of studying cost control is to have efficient control over the cost of dishes prepared in the hotel. This would automatically help in increased profits for the hotel.

1. To generate enough gross profit to cover payroll, rent, insurance, costs of goods sold, repairs, marketing,

utilities, administration, taxes and fees, etc.

2. To decrease the wastage.
3. To balance the menu.
4. To control the portion size because sometimes even small things can be the difference in meeting a target food cost.

e.g. each portion of a plate of biryani should contain 100 grams of rice and 3 chicken pieces and not any more.

Statement of the problem:

Every hotel, big or small has to control the cost. One of the major areas where the cost can be controlled is by controlling the food cost. No restaurant or hotel owner in today's environment can afford to ignore controlling costs of the food they prepare as it directly contributes to their profit.

The ideal food cost percentage in hotels is 28%. If the hotel incurs a food cost of say more than 40%, it indicates that the food is not being prepared effectively and hence loss occurs. If the food cost is too low, say, less than 15%, then it means either the guest is given a small portion or he is served sub-standard quality of food. It will subsequently result in losing permanent customers and hence will reduce sale and profit.

Literature Review:

Polansky & Mecool (1991) has discussed a forecasting methodology based on a

statistic called the Capture Ratio in the place of the traditional covers per occupied room statistic which was developed and implemented by the Stouffer Orlando Resort.

Juvan, Grun, & Doinicar (2017) attempted to measure food waste at a hotel breakfast buffet and identified certain guest and breakfast characteristics significantly associated with higher plate waste.

Research work in the area of food cost is found to be rare and hence the present study is undertaken.

Objectives of the study:

1. To study the food cost percentage at HotelRadha Regent, Bangalore for a period of 12 months from Jan. 2015 to Dec. 2015.
2. To study the association between materials issued to the kitchen and the cost percentage.
3. To identify the weightage of materials issued to the kitchen with the food cost.

Research Methodology:

The data of the study was collected from the records maintained in the organization. Secondary data was collected from finance executive and discussion with the various concerned personnel in different departments to understand their system of operation and the methods adopted

at various levels. The study period was January-December 2015. The statistical tools used in this study are Correlation and Regression.

Limitations of the study:

1. This study concentrates only on the control of food cost and no other costs.
2. The cost of the basic raw material varies from season to season. In off season, the cost of raw material is always high.
3. The ordering cost of large quantity of goods (raw material) is much less than the ordering cost of small quantity of goods (raw material).
4. The price of raw material may always go high during the shortage of goods in the market due to high consumption or low production.

Data analysis and Interpretation:

The food cost percentage is calculated in order to assess the effective utilization of materials issued to the kitchen such as groceries, milk & cream, vegetables, poultry, sea food, meat, fruits, ice cream etc.

The calculation of food cost percentage is as shown below.

$$\text{Food Cost \%} = \frac{\text{Total materials issued to kitchen}}{\text{Total of revenues generated}}$$

Table 1 (a): Calculation of food cost % on Jan. 01, 2015

DATE	1-Jan-15		
GROSS FOOD COST REPORT			
SALE	TODAY	TODATE	BUDGET
THE LOBBY CAFÉ	28908	28908	38468
ROOM SRVCE	3390	3390	2419
AURA	0	0	6290
TAKE AWAY	0	0	6484
BANQUET	0	0	53226
MINI BAR	500	500	1290
PLAN AMT TLC	5250	5250	25806
PLAN AMT BAN		0	0
DISCOUNT		0	0
TOTAL	38048	38048	133983
ISSUE			
GROCERIES	7,593.56	7594	19.96%
MILK & CREAM	3063.70	3064	8.05%
VEGETABLE EXOTIC	16.00	16	0.04%
FRUITS IMPORTED	0.00	0	0.00%
POULTRY	1434.00	1434	3.77%
SEA FOOD	1100.00	1100	2.89%
MEAT	5250.00	5250	13.80%
VEGETABLE	4740.00	4740	12.46%
FRIUTS	2085.00	2085	5.48%
ICE CREAMS	0.00	0	0.00%
TOTAL	25282.26	25282.26	66.45%
Kitchen Fuel issued	40.00	40	
Kitchen Fuel COST %	0.11%	0.11%	
COST %	66.45%	66.45%	28.0%

Table 1(b): Food Cost % of all months

Months	Food Cost %
Jan. 2015	119.24%
Feb. 2015	49.46%
Mar. 2015	24.12%
Apr. 2015	70.57%
May. 2015	15.13%
June 2015	33.40%
July 2015	27.30%
Aug. 2015	38.43%
Sept. 2015	26.87%
Oct. 2015	28.63%
Nov. 2015	36.95%
Dec. 2015	40.20%

The food cost percentage was too high in the month of January (i.e. 119.24%), which was more than 4 times the ideal food cost percentage of 28% and hence it indicates that more food is being wasted or food is not supplied in correct portion. Food cost was slightly on the higher side for the months February, April, and December too with 49.46%, 70.57% and 40.20% respectively.

The hotel has been performing fairly in the months of March, June, July, August, September, October and November with 24.12%, 33.40%, 27.30%, 38.43%, 26.87%, 28.63% and 36.95% respectively. However the hotel has been operating with a low food cost % in the month of May with 15.13%.

Using correlation, the association of various materials issued to the kitchen such as groceries, milk & cream, vegetables, poultry, sea food, meat, fruits, ice cream etc. with the cost % has been analysed. The weightage of various materials issued to the kitchen such as groceries, milk & cream, vegetables, poultry, sea food, meat, fruits, ice cream etc. with the cost % has been analysed monthly with the help of regression. The following hypothesis has been tested.

Testing of Hypotheses:

Ho: There is no significant relationship between materials issued to kitchen and cost %.

Table 2: Correlation for materials issued to kitchen for the month January and the cost percentage

	Groceries	Milk & Cream	Vegetables exotic	Fruits imported	Poultry	Sea Food	Meat	Vegetables	Fruits	Ice Cream	Kitchen Fuel	Cost %
Groceries	1											
Milk & Cream	0.74	1										
Vegetables exotic	0.64	0.48	1									
Fruits imported	0.41	0.23	0.64	1								
Poultry	0.85	0.91	0.57	0.43	1							
Sea Food	0.54	0.38	0.67	0.38	0.55	1						
Meat	0.63	0.25	0.56	0.38	0.53	0.69	1					
Vegetables	0.85	0.88	0.64	0.35	0.87	0.48	0.5	1				
Fruits	0.6	0.28	0.59	0.77	0.49	0.45	0.64	0.51	1			
Ice Cream	0.29	0.00	0.17	0.12	0.08	0.31	0.07	0.03	0.11	1		
Kitchen Fuel	0.36	0.22	0.39	0.25	0.34	0.5	0.56	0.32	0.42	0.06	1	
Cost%	0.36	0.35	0.28	0.31	0.31	-0.1	0.15	0.47	0.49	-0.23	-0.06	1

Table 2 shows that that issue of seafood, ice cream and kitchen fuel are negatively associated with the food cost and all other the issues to the kitchen are positively associated

Table 3: Regression for materials issued to kitchen for the month January and the cost percentage

Groceries	Coefficients	P-Value
Milk & Cream	0.54703	0.01697
Milk & Cream	2.25E-06	0.81329
Vegetables exotic	7.34E-06	0.73267
Fruits imported	0.00027	0.69018
Poultry	8.47E-05	0.63875
Sea Food	1.22E-05	0.59946
Meat	2.24E-05	0.29995
Vegetables	4.70E-06	0.87743
Fruits	1.92E-05	0.48001
Ice Cream	9.59E-05	0.04904
Kitchen Fuel	1.21E-05	0.315503

Table 3 indicates that groceries have more weightage against the food cost %. It is also evident that p value is < 0.05 for groceries and ice cream and hence indicates a strong evidence against null hypothesis. Hence the null hypothesis is rejected. Since p value > 0.05 for milk & cream, vegetables exotic, fruits imported, poultry, sea food, meat, vegetables, fruit and kitchen fuel, null hypothesis is accepted

Table 4: Correlation between materials issued to kitchen for the month February and the cost percentage

	Groceries	Milk & Cream	Vegetables exotic	Fruits imported	Poultry	Sea Food	Meat	Vegetables	Fruits	Ice Cream	Kitchen Fuel	Cost %
Groceries	1											
Milk & Cream	0.46	1										
Vegetables exotic	0.48	0.41	1									
Fruits imported	0.51	0.46	0.42	1								
Poultry	0.66	0.42	0.21	0.16	1							
Sea Food	0.47	0.58	0.43	0.19	0.54	1						
Meat	0.53	0.47	0.59	0.09	0.58	0.62	1					
Vegetables	0.44	0.41	0.68	0.62	0.11	0.32	0.38	1				
Fruits	0.59	0.25	0.51	0.77	0.34	0.16	0.22	0.63	1			
Ice Cream	0.16	0.26	0.28	0.11	0.16	0.37	0.17	0.18	0.24	1		
Kitchen Fuel	0.38	0.22	0.39	0.25	0.34	0.5	0.56	0.32	0.42	0.07	1	
Cost%	0.14	-0.34	-0.1	0.33	-0.31	-0.4	-0.28	0.23	0.43	-0	0.25	1

It is evident from Table 4 that milk & cream, vegetables exotic, poultry, seafood, meat and kitchen fuel issues are negatively associated with the food cost and all other the issues to the kitchen are positively associated.

Table 5: Materials issued to kitchen for the month February and the cost percentage – Results of Regression

Groceries	Coefficients	P-Value
Milk & Cream	0.386	5.7E-05
Milk & Cream	9.92E-06	0.035
Vegetables exotic	1.47E-05	0.111
Fruits imported	0.000592	0.07735
Poultry	3.591E-05	0.73538
Sea Food	2.207E-05	0.02430
Meat	6.70E-06	0.50271
Vegetables	5.737E-06	0.55925
Fruits	9.003E-06	0.53623
Ice Cream	5.316E-05	0.16912
Kitchen Fuel	8.468E-06	0.51188

From the above table it is evident that groceries have more weightage against the food cost %. It is also evident that p value is < 0.05 for groceries and sea food and hence indicates strong evidence against null hypothesis. Hence the null hypothesis is rejected. Since p value > 0.05 for milk & cream, vegetables exotic, fruits imported, poultry, meat, vegetables, fruit, ice cream and kitchen fuel, null hypothesis is accepted for these items.

Table 6: Correlation for materials issued to kitchen for the month March and the cost percentage

	Groceries	Milk & Cream	Vegetables exotic	Fruits imported	Poultry	Sea Food	Meat	Vegetables	Fruits	Ice Cream	Kitchen Fuel	Cost %
Groceries	1											
Milk & Cream	0.53	1										
Vegetables exotic	0.29	0.24	1									
Fruits imported	0.67	0.32	0.56	1								
Poultry	0.55	0.68	0.22	0.30	1							
Sea Food	0.40	0.69	0.05	0.26	0.74	1						
Meat	0.31	0.49	0.17	0.07	0.62	0.48	1					
Vegetables	0.74	0.48	0.74	0.76	0.42	0.33	0.24	1				
Fruits	0.72	0.42	0.66	0.75	0.25	0.17	0.17	0.87	1			
Ice Cream	-0.04	-0.29	-0.11	-0.02	-0.23	-0.23	-0.03	-0.02	0.09	1		
Kitchen Fuel	0.46	0.63	0.36	0.33	0.53	0.53	0.28	0.41	0.38	-0.28	1	
Cost%	0.23	-0.19	0.33	0.34	-0.23	-0.23	-0.39	0.49	0.58	0.32	-0.09	1

From the above table it is evident that milk & cream, poultry, seafood, meat and kitchen fuel issues are negatively associated with the food cost and all other the issues to the kitchen are positively associated.

Table 7: Regression for materials issued to kitchen for the month March and the cost percentage

Groceries	Coefficients	P-Value
Milk & Cream	1.602	0.22
Milk & Cream	7.43E-05	0.05
Vegetables exotic	0.0005	0.32
Fruits imported	0.0004	.05
Poultry	2.03E-05	0.41
Sea Food	6.71E-06	0.72
Meat	5.11E-05	0.01
Vegetables	8.38-05	0.76
Fruits	0.0002	0.12
Ice Cream	2.27E-06	0.96
Kitchen Fuel	0.117	0.51

Table 7 indicates that it is evident that groceries have more weightage against the food cost %. It is also evident that p value is < 0.05 for milk & cream, imported fruits, meat and fruits and hence indicates strong evidence against null hypothesis. Hence the null hypothesis is rejected. Since p value > 0.05 for groceries, vegetables exotic, poultry, sea food, vegetable, ice creams and kitchen fuel, null hypothesis is accepted.

Table 8: Correlation for materials issued to kitchen for the month April and the cost percentage

	Groceries	Milk & Cream	Vegetables exotic	Fruits imported	Poultry	Sea Food	Meat	Vegetables	Fruits	Ice Cream	Kitchen Fuel	Cost %
Groceries	1											
Milk & Cream	0.74	1										
Vegetables exotic	0.66	0.68	1									
Fruits imported	0.53	0.82	0.66	1								
Poultry	0.74	0.74	0.69	0.62	1							
Sea Food	0.61	0.77	0.68	0.85	0.81	1						
Meat	0.74	0.88	0.75	0.68	0.85	0.78	1					
Vegetables	0.63	0.56	0.72	0.66	0.68	0.68	0.57	1				
Fruits	0.69	0.65	0.59	0.67	0.66	0.63	0.58	0.86	1			
Ice Cream	0.43	0.66	0.49	0.63	0.43	0.46	0.69	0.26	0.25	1		
Kitchen Fuel	0.36	0.21	0.39	0.25	0.34	0.50	0.56	0.32	0.42	0.07	1	
Cost%	0.40	0.68	0.47	0.78	0.29	0.36	0.53	0.24	0.40	0.60	0.25	1

From the above table it is evident that none of the issues to kitchen are negatively associated with the food cost and hence all the issues to the kitchen are positively associated.

Table 9: Results of regression analysis for materials issued to kitchen for the month April and the cost percentage.

Groceries	Coefficients	P-Value
Milk & Cream	1.589	0.23
Milk & Cream	8.09E-07	0.94
Vegetables exotic	7.46E-05	0.05
Fruits imported	0.0005	0.33
Poultry	0.0004	0.05
Sea Food	1.95E-05	0.47
Meat	5.09E-05	0.01
Vegetables	8.40E-05	0.08
Fruits	0.0002	0.12
Ice Cream	1.89E-06	0.96
Kitchen Fuel	0.114	0.53

From the above table it is evident that groceries have more weightage against the food cost %. It is also evident that p value is < 0.05 for vegetables, meat and fruits and hence indicates strong evidence against null hypothesis. Hence the null hypothesis is rejected. Since p value > 0.05 for groceries, milk & cream, vegetables exotic, fruits imported, poultry, sea food, ice cream and kitchen fuel, null hypothesis is accepted.

Table 10: Correlation between materials issued to kitchen for the month May and the cost percentage

	Groceries	Milk & Cream	Vegetables exotic	Fruits imported	Poultry	Sea Food	Meat	Vegetables	Fruits	Ice Cream	Kitchen Fuel	Cost %
Groceries	1											
Milk & Cream	0.57	1										
Vegetables exotic	0.49	0.38	1									
Fruits imported	0.46	0.39	0.37	1								
Poultry	0.77	0.63	0.41	0.41	1							
Sea Food	0.60	0.52	0.36	0.50	0.83	1						
Meat	0.59	0.46	0.24	0.32	0.79	0.78	1					
Vegetables	0.63	0.55	0.7	0.60	0.9	0.52	0.42	1				
Fruits	0.52	0.46	0.55	0.84	0.41	0.48	0.37	0.74	1			
Ice Cream	0.10	0.05	-0.19	-0.07	0.10	0.007	0.30	-0.08	0.28	1		
Kitchen Fuel	-0.16	-0.25	-0.06	-0.22	-0.26	-0.20	-0.26	-0.25	-0.27	0.17	1	
Cost%	0.07	0.002	0.14	0.06	-0.29	-0.29	-0.25	0.13	0.19	0.33	0.37	1

Table 10 indicates that poultry, seafood and meat issues are negatively associated with the food cost and all other the issues to the kitchen are positively associated.

Table 11: Results of regression analysis for materials issued to kitchen for the month May and the cost percentage

Groceries	Coefficients	P-Value
Milk & Cream	1.515	0.24
Milk & Cream	1.43E-07	0.08
Vegetables exotic	1.50E-05	0.47
Fruits imported	9.54E-06	0.98
Poultry	7.83E-06	0.96
Sea Food	5.77E-05	0.04
Meat	1.24E-06	0.95
Vegetables	9.51E-06	0.59
Fruits	3.19E-05	0.24
Ice Cream	1.22E-05	0.81
Kitchen Fuel	7.28E-05	0.03

From the above table it is evident that groceries have more weightage against the food cost %. It is also evident that p value is < 0.05 for sea food and kitchen fuel and hence indicates strong evidence against null hypothesis. Hence the null hypothesis is rejected. Since p value > 0.05 for groceries, milk & cream, vegetables exotic, fruits imported, poultry, meat, vegetable, fruits and ice creams, null hypothesis is accepted.

Table 12: Correlation between materials issued to kitchen for the month June and the cost percentage

	Groceries	Milk & Cream	Vegetables exotic	Fruits imported	Poultry	Sea Food	Meat	Vegetables	Fruits	Ice Cream	Kitchen Fuel	Cost %
Groceries	1											
Milk & Cream	0.46	1										
Vegetables exotic	0.55	0.57	1									
Fruits imported	0.36	0.38	0.61	1								
Poultry	0.30	0.31	0.36	-0.06	1							
Sea Food	0.20	0.11	0.001	-0.27	0.71	1						
Meat	0.30	0.23	0.16	0.02	0.54	0.44	1					
Vegetables	0.63	0.55	0.80	0.44	0.37	0.08	0.20	1				
Fruits	0.62	0.42	0.76	0.83	0.19	-0.12	0.19	0.63	1			
Ice Cream	0.10	-0.19	0.17	0.005	0.10	-0.15	0.03	0.34	0.13	1		
Kitchen Fuel	-0.03	0.19	0.14	0.17	-0.12	-0.13	0.02	0.008	0.05	0.061	1	
Cost%	-0.05	-0.15	0.01	0.31	-0.14	-0.03	0.17	-0.11	0.21	-0.22	0.014	1

Table 12 reveals that groceries, milk & cream, poultry, sea food, vegetables and ice cream are negatively associated with the food cost and all other the issues to the kitchen are positively associated.

Table 13: Results of regression analysis for materials issued to kitchen for the month June and the cost percentage

Groceries	Coefficients	P-Value
Milk & Cream	0.129	0.76
Milk & Cream	2.71E-07	0.58
Vegetables exotic	3.26E-05	0.16
Fruits imported	3.26E-05	0.96
Poultry	0.0001	0.44
Sea Food	1.19E-05	0.47
Meat	6.12E-06	0.58
93Vegetables	1.52E-05	0.17
Fruits	1.83E-06	0.93
Ice Cream	1.99E-05	0.65
Kitchen Fuel	2.48E-05	0.26

Table 13 shows that groceries have more weightage against the food cost %.It is also evident that p value is not < 0.05 for any of the issues and hence indicates weak evidence against null hypothesis. Hence the null hypothesis is accepted for all issues to kitchen such as groceries, milk & cream, vegetables exotic, fruits imported, poultry, sea food, meat, vegetable, fruits, ice creams and kitchen fuel.

Table 14: Correlation between materials issued to kitchen for the month July and the cost percentage

	Groceries	Milk & Cream	Vegetables exotic	Fruits imported	Poultry	Sea Food	Meat	Vegetables	Fruits	Ice Cream	Kitchen Fuel	Cost %
Groceries	1											
Milk & Cream	0.42	1										
Vegetables exotic	0.36	0.16	1									
Fruits imported	0.52	0.05	0.49	1								
Poultry	0.49	0.55	0.14	0.31	1							
Sea Food	0.51	0.49	0.01	0.32	0.78	1						
Meat	0.16	0.26	0.05	0.30	0.52	0.50	1					
Vegetables	0.48	0.36	0.8	0.66	0.48	0.35	0.22	1				
Fruits	0.54	0.31	0.72	0.71	0.38	0.29	0.17	0.90	1			
Ice Cream	0.02	0.11	0.13	-0.07	-0.12	0.02	0.17	0.02	0.01	1		
Kitchen Fuel	-0.38	0.11	0.002	-0.06	-0.04	-0.06	0.24	-0.03	-0.08	-0.27	1	
Cost%	0.22	-0.07	0.40	0.18	-0.35	-0.41	-0.34	0.18	0.26	-0.06	-0.11	1

The above table points that milk & cream, poultry, sea food, meat, ice cream and kitchen fuel issues are negatively associated with the food cost and all other the issues to the kitchen are positively associated.

Table 15: Results of regression analysis for materials issued to kitchen for the month July and the cost percentage

Groceries	Coefficients	P-Value
Milk & Cream	0.686	0.63
Milk & Cream	1.08E-05	0.11
Vegetables exotic	8.24E-06	0.69
Fruits imported	0.0004	0.46
Poultry	0.0001	0.63
Sea Food	2.82E-05	0.17
Meat	2.35E-06	0.23
93Vegetables	5.79E-07	0.97
Fruits	7.38E-07	0.98
Ice Cream	2.35E-05	0.64
Kitchen Fuel	2.34E-05	0.35

From the above table it is evident that groceries have more weightage against the food cost %. It is also evident that p value is not < 0.05 for any of the issues and hence indicates weak evidence against null hypothesis. Hence the null hypothesis is accepted for all issues to kitchen such as groceries, milk & cream, vegetables exotic, fruits imported, poultry, sea food, meat, vegetable, fruits, ice creams and kitchen fuel.

Table 16: Correlation between materials issued to kitchen for the month August and the cost percentage

	Groceries	Milk & Cream	Vegetables exotic	Fruits imported	Poultry	Sea Food	Meat	Vegetables	Fruits	Ice Cream	Kitchen Fuel	Cost %
Groceries	1											
Milk & Cream	0.68	1										
Vegetables exotic	0.51	0.46	1									
Fruits imported	0.51	0.44	0.28	1								
Poultry	0.64	0.60	0.36	0.48	1							
Sea Food	0.40	0.48	0.52	0.37	0.47	1						
Meat	0.38	0.51	0.29	0.38	0.68	0.63	1					
Vegetables	0.58	0.52	0.78	0.43	0.64	0.44	0.53	1				
Fruits	0.62	0.48	0.47	0.72	0.64	0.32	0.35	0.69	1			
Ice Cream	-0.09	0.08	-0.07	-0.09	0.08	0.04	0.24	-0.00	0.07	1		
Kitchen Fuel	0.22	-0.01	0.12	-0.04	0.23	0.27	0.25	0.13	0.04	0.08	1	
Cost%	0.17	0.02	0.31	0.10	-0.07	0.25	0.27	0.32	0.06	-0.10	-0.07	1

Correlation between materials issued to kitchen for the month August and the cost percentage reveal that poultry, ice cream and kitchen fuel issues are negatively associated with the food cost and all other the issues to the kitchen are positively associated.

Table 17: Results of regression analysis for materials issued to kitchen for the month August and the cost percentage

Groceries	Coefficients	P-Value
Milk & Cream	2.32	0.09
Milk & Cream	1.46E-07	0.06
Vegetables exotic	5.92E-05	0.12
Fruits imported	4.64E-05	0.96
Poultry	6.30E-05	0.80
Sea Food	7.05E-05	0.01
Meat	1.11E-06	0.62
93Vegetables	7.21E-05	0.04
Fruits	4.49E-06	0.26
Ice Cream	6.41E-05	0.88
Kitchen Fuel	1.62E-05	0.59

From the above table it is evident that groceries have more weightage against the food cost %. It is evident that p value is < 0.05 for sea food and vegetables and hence indicates strong evidence against null hypothesis. Hence the null hypothesis is rejected. Since p value > 0.05 for groceries, milk & cream, vegetables exotic, fruits imported, poultry, meat, fruits, ice creams and kitchen fuel, null hypothesis is accepted.

Table 18: Correlation between materials issued to kitchen for the month September and the cost percentage

	Groceries	Milk & Cream	Vegetables exotic	Fruits imported	Poultry	Sea Food	Meat	Vegetables	Fruits	Ice Cream	Kitchen Fuel	Cost %
Groceries	1											
Milk & Cream	0.63	1										
Vegetables exotic	0.44	0.47	1									
Fruits imported	0.17	0.21	0.26	1								
Poultry	0.51	0.43	0.25	-0.00	1							
Sea Food	0.41	0.48	0.24	-0.12	0.72	1						
Meat	0.40	0.38	0.26	0.06	0.82	0.67	1					
Vegetables	0.54	0.52	0.79	0.58	0.40	0.29	0.43	1				
Fruits	0.52	0.59	0.81	0.44	0.26	0.28	0.27	0.89	1			
Ice Cream	0.20	0.12	0.20	0.32	0.03	-0.08	0.07	0.25	0.12	1		
Kitchen Fuel	-0.11	0.17	0.02	-0.14	-0.25	0.25	-0.18	-0.08	0.07	-0.26	1	
Cost%	0.07	-0.14	0.30	0.18	-0.40	-0.33	-0.38	0.17	0.19	-0.05	0.14	1

From the above table it is evident that milk & cream, poultry, sea food, meat and ice cream issues are negatively associated with the food cost and all other the issues to the kitchen are positively associated.

Table 19: Results of regression analysis for materials issued to kitchen for the month September and the cost percentage:

Groceries	Coefficients	P-Value
Milk & Cream	1.310	0.59
Milk & Cream	2.39E-05	0.07
Vegetables exotic	5.31E-05	0.18
Fruits imported	0.0022	0.10
Poultry	0.0001	0.57
Sea Food	2.86E-05	0.42
Meat	1.39E-06	0.63
93Vegetables	1.60E-05	0.61
Fruits	2.63E-06	0.65
Ice Cream	7.24E-05	0.42
Kitchen Fuel	5.85E-05	0.25

From the above table it is evident that groceries have more weightage against the food cost %.

It is also evident that p value is not < 0.05 for any of the issues and hence indicates weak evidence against null hypothesis. Hence the null hypothesis is accepted for all issues to kitchen such as groceries, milk & cream, vegetables exotic, fruits imported, poultry, sea food, meat, vegetable, fruits, ice creams and kitchen fuel.

Table 20: Correlation for materials issued to kitchen for the month October along with the cost percentage

	Groceries	Milk & Cream	Vegetables exotic	Fruits imported	Poultry	Sea Food	Meat	Vegetables	Fruits	Ice Cream	Kitchen Fuel	Cost %
Groceries	1											
Milk & Cream	0.56	1										
Vegetables exotic	0.43	0.26	1									
Fruits imported	0.60	0.57	0.45	1								
Poultry	0.65	0.65	0.44	0.52	1							
Sea Food	0.49	0.66	0.34	0.22	0.79	1						
Meat	0.59	0.50	0.38	0.37	0.66	0.70	1					
Vegetables	0.64	0.40	0.69	0.69	0.70	0.47	0.49	1				
Fruits	0.67	0.57	0.52	0.88	0.59	0.32	0.39	0.76	1			
Ice Cream	0.30	0.28	0.10	0.03	0.17	0.35	0.14	0.24	0.18	1		
Kitchen Fuel	-0.23	0.24	-0.17	0.12	0.03	0.16	0.00	-0.17	0.03	-0.29	1	
Cost%	0.09	0.12	0.20	0.36	-0.00	-0.12	-0.00	0.19	0.21	0.00	0.03	1

From the above table it is evident that poultry, sea food and meat issues are negatively associated with the food cost and all other the issues to the kitchen are positively associated.

Table 21: Results of regression analysis for materials issued to kitchen for the month October and the cost percentage:

Groceries	Coefficients	P-Value
Milk & Cream	0.897	0.84
Milk & Cream	2.16E06	0.91
Vegetables exotic	5.18E-05	0.62
Fruits imported	0.0010	0.51
Poultry	0.0016	0.19
Sea Food	2.44E-05	0.79
Meat	6.08E-05	0.57
93Vegetables	1.64E-06	0.97
Fruits	3.60E-05	0.69
Ice Cream	0.0002	0.25
Kitchen Fuel	5.46E-05	0.61

From the above table it is evident that groceries have more weightage against the food cost %.It is also evident that p value is not < 0.05 for any of the issues and hence indicates weak evidence against null hypothesis. Hence the null hypothesis is accepted for all issues to kitchen such as groceries, milk & cream, vegetables exotic, fruits imported, poultry, sea food, meat, vegetable, fruits, ice creams and kitchen fuel.

Table 22: Correlation for materials issued to kitchen for the month November along with the cost percentage

	Groceries	Milk & Cream	Vegetables exotic	Fruits imported	Poultry	Sea Food	Meat	Vegetables	Fruits	Ice Cream	Kitchen Fuel	Cost %
Groceries	1											
Milk & Cream	0.70	1										
Vegetables exotic	0.14	0.15	1									
Fruits imported	0.21	0.35	0.38	1								
Poultry	0.39	0.41	0.27	0.39	1							
Sea Food	0.39	0.38	0.23	0.29	0.78	1						
Meat	0.22	0.48	0.34	0.54	0.60	0.64	1					
Vegetables	0.86	0.76	0.33	0.36	0.42	0.37	0.28	1				
Fruits	0.24	0.22	0.63	0.69	0.63	0.52	0.52	0.42	1			
Ice Cream	0.54	0.45	-0.07	-0.21	0.07	0.00	-0.12	0.53	-0.22	1		
Kitchen Fuel	-0.58	-0.28	0.11	0.17	0.07	0.05	0.22	-0.48	0.15	-0.48	1	
Cost%	0.00	-0.04	0.48	0.19	-0.20	-0.31	-0.09	0.06	0.22	-0.19	0.18	1

From the above table it is evident that milk & cream, poultry, sea food, meat and ice cream issues are negatively associated with the food cost and all other the issues to the kitchen are positively associated.

Table 22: Results of regression analysis for materials issued to kitchen for the month November and the cost percentage:

Groceries	Coefficients	P-Value
Milk & Cream	2.975	0.12
Milk & Cream	1.86E-07	0.09
Vegetables exotic	4.44E-05	0.88
Fruits imported	0.0013	0.04
Poultry	3.34E-05	0.85
Sea Food	9.36E-05	0.66
Meat	5.01E-05	0.06
93Vegetables	1.44E-05	0.61
Fruits	1.08E-05	0.76
Ice Cream	3.59E-05	0.62
Kitchen Fuel	3.75E-05	0.31

From the above table it is evident that groceries have more weightage against the food cost %.It is also evident that p value is < 0.05 for fruits imported and hence indicates strong evidence against null hypothesis. Hence the null hypothesis is rejected. Since p value > 0.05 for groceries, milk & cream, vegetables exotic, sea food, vegetables, poultry, meat, fruits, ice creams and kitchen fuel, null hypothesis is accepted.

Table 23: Correlation for materials issued to kitchen for the month December and the cost percentage

From the above table it is evident that groceries, milk & cream, fruits imported, poultry, sea food, meat, fruits and ice cream issues are negatively associated with the food cost and all other the issues to the kitchen are positively associated.

	Groceries	Milk & Cream	Vegetables exotic	Fruits imported	Poultry	Sea Food	Meat	Vegetables	Fruits	Ice Cream	Kitchen Fuel	Cost %
Groceries	1											
Milk & Cream	0.69	1										
Vegetables exotic	0.44	0.39	1									
Fruits imported	0.56	0.41	0.52	1								
Poultry	0.77	0.90	0.42	0.53	1							
Sea Food	0.81	0.76	0.24	0.31	0.86	1						
Meat	0.64	0.68	0.31	0.40	0.69	0.66	1					
Vegetables	0.50	0.48	0.57	0.50	0.41	0.27	0.43	1				
Fruits	0.39	0.53	0.32	0.56	0.46	0.23	0.55	0.67	1			
Ice Cream	-0.18	-0.05	0.02	-0.34	-0.10	-0.08	-0.03	-0.27	-0.17	1		
Kitchen Fuel	-0.00	0.00	-0.00	-0.21	-0.05	0.06	-0.00	-0.09	-0.20	0.11	1	
Cost%	-0.11	-0.32	0.27	-0.04	-0.43	-0.36	-0.48	0.24	-0.13	-0.03	0.09	1

Table 24: Results of regression analysis for materials issued to kitchen for the month December and the cost percentage:

Groceries	Coefficients	P-Value
Milk & Cream	0.212	0.90
Milk & Cream	1.04E-05	0.32
Vegetables exotic	5.26E-05	0.18
Fruits imported	0.0013	0.06
Poultry	8.03E-05	0.59
Sea Food	0.0001	0.008
Meat	3.43E-06	0.30
93Vegetables	8.92E-05	0.004
Fruits	4.22E-06	0.07
Ice Cream	1.29E-05	0.79
Kitchen Fuel	9.68E-06	0.73

From the above table it is evident that groceries have more weightage against the food cost %. It is also evident that p value is < 0.05 for sea food and vegetables and hence indicates strong evidence against null hypothesis. Hence the null hypothesis is rejected. Since p value > 0.05 for groceries, milk & cream, vegetables exotic, fruits imported, poultry, meat, fruits, ice creams and kitchen fuel, null hypothesis is accepted.

Thus the correlation analysis indicates the following.

Table 25: Positively and negatively correlated materials for 12 months from January -December, 2015

Months	Positively Correlated	Negatively Correlated
Jan. 2015	Groceries, milk & cream, vegetables exotic, fruits imported, poultry, meat, vegetables, fruits,	Seafood, ice cream and kitchen fuel
Feb. 2015	Groceries, fruits imported, vegetables, fruits, ice cream	Milk & cream, vegetables exotic, poultry, seafood, meat and kitchen fuel
Mar. 2015	Groceries, vegetables exotic, fruits imported, vegetables, fruits, ice cream	Milk & cream, poultry, seafood, meat and kitchen fuel
Apr. 2015	Groceries, milk & cream, vegetables exotic, fruits imported, poultry, sea food, meat, vegetables, fruits, ice cream, kitchen fuel	-
May. 2015	Groceries, milk & cream, vegetables exotic, fruits imported, vegetables, fruits, ice cream, kitchen fuel	Poultry, seafood and meat issues
June 2015	Vegetables exotic, fruits imported, poultry, sea food, meat, fruits, kitchen fuel	Groceries, milk & cream, poultry, sea food, vegetables and ice cream
July 2015	Groceries, vegetables exotic, fruits imported, vegetables, fruits, kitchen fuel	Milk & cream, poultry, sea food, meat, ice cream and kitchen fuel
Aug. 2015	Groceries, milk & cream, vegetables exotic, fruits imported, sea food, meat, vegetables, fruits	Poultry, ice cream and kitchen fuel
Sept. 2015	Groceries, vegetables exotic, fruits imported, vegetables, fruits, kitchen fuel	Milk & cream, poultry, sea food, meat and ice cream issues
Oct. 2015	Groceries, milk & cream, vegetables exotic, fruits imported, vegetables, fruits, ice cream, kitchen fuel	Poultry, sea food and meat issues
Nov. 2015	Groceries, vegetables exotic, fruits imported, vegetables, fruits, kitchen fuel	Milk & cream, poultry, sea food, meat and ice cream
Dec. 2015	Vegetables exotic, vegetables, kitchen fuel	Groceries, milk & cream, fruits imported, poultry, sea food, meat, fruits and ice cream

Table 25 points out that groceries is found to have significant relationship and more weightage on food cost % for all the 12 months from Jan.2015 - Dec. 2015.

Suggestions:

1. Based on the finding of food cost, it is observed that food cost % in the month of Jan. 2015 is found to be 119.24%. Hence the management should ensure that food is not being wasted or more portion of food per plate is not supplied.
2. In the month of May, the hotel is found to be operating with low food cost % (15.13%). Though this accounts to higher revenues, the management should confirm that food is not being served with lesser portion per plate or with sub-standard quality of food as it may result in loss of permanent customers.
3. Food cost % increases with the increase in positively correlated materials. Hence the management should see to it that such materials are carefully handled without wastages.
4. Weightage of groceries on food cost % is found to be high when compared to other materials. Hence groceries must be issued and cooked with utmost care.

Conclusion:

The high food cost % of 119.24 in the month **of January** negatively contributes to the profit. The low food cost% in the month of May at 15.13% implies that the food is not *being served with lesser portion per plate* or with sub-standard quality of food, Among all the materials issued to kitchen, groceries has *major impact on food cost % as the weightage of groceries is found to be more* in all the months. This study paves way for owners in hotel business to adopt suitable technique to take care of food cost in ensuring high profits.

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A STUDY ON INFLUENCE OF ORGANIZATIONAL CULTURE AS AN INNOVATIVE STEP TO ENGAGE EMPLOYEES IN SELECTED SOFTWARE COMPANIES IN BANGALORE

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Abstract

Every organization has its own distinct personality, just like people do. The unique personality of an organization is referred to as its culture. In an organization where group of people work together, organization culture is something that is invisible but powerful force that has a great impact on employee behavior.

Organizational culture is a structure of shared assumptions, beliefs and values, which governs how employees behave in organizations. The shared values always have a strong influence on employees and dictate how they dress, behave and perform their jobs. Every organization develops and retains a unique culture, which provides guidelines and boundaries for the behavior of the members of the organization.

Employee engagement is an approach which results in the proper conditions for the members of an organization to give their best always, be committed to organization's goals and values, be motivated to contribute to the success of organization, with a sense of their own well-being.

This paper will try to bring out the relationship between organizational culture and employee engagement. It tries to focus on influence of organizational culture on employee engagement in software companies of Bangalore.

A strong organizational culture could affect the growth of business as well as shape the morale and productivity of the employees. It helps in the growth of productivity of the industry which in turn helps in the growth of economy of the country. The study will help in knowing about how strong culture can influence the behavior of employees and influence the employees in keeping themselves engaged in work which in turn helps in the growth of software companies.

Keywords: *Organizational culture, performance, employee engagement, software companies*

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1 INTRODUCTON

1.1 ORGANIZATIONAL CULTURE

– It is the set of values and behaviors of the employees to facilitate distinctive social and psychological atmosphere of an organization.

Organizational culture includes the experiences, expectations, values and philosophy of the organization that hold it together and it is clearly expressed in the way organization is working, image created, networking of organization and future growth. The base of culture is the attitude, customs, beliefs and rules developed over time and shared. The culture of the organization is also shown in

- The way in which the organization treats its employees and customers and conducts its business
- The freedom given to employees in developing new ideas, decision making power and expressing oneself.
- The flow of information and power through hierarchy
- The way employees are committed and work towards collective objective.

It affects the productivity, performance organization's productivity and performance, and provides guidelines on customer care and service, product quality and safety, attendance and punctuality, and concern for the environment.

1.2 EMPLOYEE ENGAGEMENT:

The commitment that employee has to the organization and to accomplish its goals is employee engagement.

William Kahn in 1990 explored the conditions under which employees engage themselves physically, emotionally and cognitively with their work and coined the term “employee engagement”. Employee engagement has additional concepts like:

Needs Satisfaction: The degree to which employees have freedom to express themselves in their work.

Burnout Antithesis: Involvement, energy and efficacy in work vs. burnout concepts of fatigue, skepticism, and lack of accomplishment.

Multidimensional: Distinction between job engagement and organizational engagement

2. LITERATURE REVIEW:

According to Baumruk 2004, Richman 2006 and Shaw 2005, employee engagement is defined as intellectual and emotional commitment toward organization.

Jenny K. Rodriguez and Carlos F. Gomez (2009), in a paper “HRM in Chile: the impact of organisational culture”, Employee Relations”, the authors suggest that there is a collective definition of job characterized by following elements; namely, the existence of enormous work pressure exerted

by leaders; a focus of top levels on efficiency of organization as an element that is isolated which does not include HRM; there does not exist autonomy and empowerment of workers; the use of administrative jargon and understandings of reliability, commitment, obedience and professionalism as desired qualities in workers. The paper also says that the cultural disclosure has three distinct categories in most of the organisations: pessimistic, optimistic and bureaucratic.

Mukta Kulkarni (2014) in a paper "Organization structure and culture in an IT organization" has opined that the factor to determine the success of organization is not just its structure but a well defined roles and responsibilities, strong culture and its effective distribution among the employees. She says that presence of strong informal communication network with formal channel will foster significance of interpersonal skills and employee satisfaction in a challenging environment.

Josy Mathewa and Emmanuel Ogbonna (2013) in an article "Organisational culture and commitment: a study of an Indian software organisation", has explored and analysed the impact of organisaitonal culture on organisational commitment in software sector which is known to be dynamic and employee-centered. The authors mentioned that subcultural conflict arises when a new business operation is introduced in the organization. So, to encourage cultural hegemony and commitment of

employees, leaders should find out ways to understand and introduce subcultural characteristics which will be conducive to particular type of commitment needed for success of business unit in software organizations.

According to Maniam Kaliannan, "Employee engagement as an "engine" in ability administration drive draws its strength from the adequacy of different natural elements from inside and outside an association. Vital employee engagement activities bolster hierarchical marking and notoriety among employees.

3. RESEARCH METHODOLOGY

3.1 STATEMENT OF THE PROBLEM

Employee engagement implies the level with which every employee is focused on the firm they work for. The extraordinary enthusiasm for their work and the awesome pride the employees hold themselves for having the workmanship that is an incredible factor which influences them to put more vitality and time in to their work giving out high measure of execution.

3.2 SCOPE OF THE STUDY

The region which has been selected for the study is the software companies in Bangalore. The study involves knowing about the effective ways used by the organization in setting up right culture which gives a platform to engage employees in their work. Understanding what drives employee engagement

lights up the way pioneers can take to upgrade employee maintenance in their organisation.

3.3 NEED FOR THE STUDY

This relative investigation on the organization culture, which acts as a drive to engage employees, inspects relationship between various components of culture and its effect on employee engagement.

3.4 OBJECTIVES OF THE STUDY

- To gain in depth knowledge about the concept of organizational culture and the determinants of organization culture
- To know about the factors that influence employees to be engaged in the organization
- To examine the relationship between organizational culture and employee engagement

3.5 SAMPLING TECHNIQUE

The sample space of the study includes employees of IT companies in Bangalore. Random sampling has been employed to conduct the study. A sample of 50 employees were chosen for the study.

3.6 TOOLS OF DATA COLLECTION

The sources of data used are as follows:

Primary Data: Primary data is the kind of data which is collected. This then undergoes factual examination and is

utilized for statistical analysis. Mailed questionnaires in which questionnaires are mailed to the respondents along with a cover letter, direct personal interviews which involves going directly on field to acquire information, indirect oral interviews are used as the different methods of gathering primary data.

Secondary Data: The secondary data is the kind of data which is obtained through references.

The following are the major sources of secondary data:

- Articles
- Websites
- Journals
- Books
- Record etc

3.7 LIMITATIONS OF THE STUDY

- There are chances of biased response
- In some cases, respondents were not co-operative.
- Since it was random sampling, not all opinions and information could be collected.
- The data collected can be inaccurate

3.8 HYPOTHESES

- a) As expressed by Handy, Culture is 'the way we do things around here'. It is inclusive of the belief, knowledge, attitudes, customs and norms that exist in an organisation.

Organisations encompass distinctive cultures, and behavior that is acceptable in one organisational culture may not be appropriate in another. Culture develops over time and also can instantly change due to any major event, e.g. death of founder of company, merger and acquisition etc. Individuals who are committed remain in organization as they feel that they need to do so. An individual's mind-set about need for remaining in the organization may be prejudiced by the sacrifices that will likely incur if the individual leaves the organization (Allen & Meyer, 1990).

Norms are defined as precise but tacit standards of something that is socially and individually acceptable; explicit values but general statements of principle, of which the substance is continually changing through changing circumstances, norms and policies.

Given that employee engagement has an influence by the policies and norms set in the organization, it is reasonable to expect the following hypothesis.

H0: There is no significant impact of the norms set in the organization on employee engagement

H1: There is significant impact of the norms set in the

organization on employee engagement

- b) Symbols can shape how individuals think about their organization. The culture of the organization is expressed in terms of public symbols and it creates a sense of unity between the individuals. Corporate symbols articulate the philosophy of the organization in an easy way so that the thoughts they express can be reinforced easily. The symbols used to articulate corporate culture can be stories, ritual events and some physical artifacts.

Employees who engage themselves will be highly influenced by the rituals followed in the organization. In this light, the following hypothesis is set.

H0: The rituals followed at the organization influences employee engagement

H1: The rituals followed at the organization has no influence on employee engagement

- c) Shared values are what stimulate trust and bond an organization together. Shared values are also the uniqueness by which your organization is known all through its business areas. These values must be confirmed as both corporate objectives and individual values. Every organization and every leader will have a diverse set of values

that are appropriate to its business situation.

Shared values helps in employees bonding with each other which give a better understanding of work and employees feel more enthusiastic to work. In this regard, the following hypothesis is set.

H0: The shared values set in the organization has impact on employee engagement

H1: The shared values set in the organization has no impact on employee engagement

4. DATA ANALYSIS:

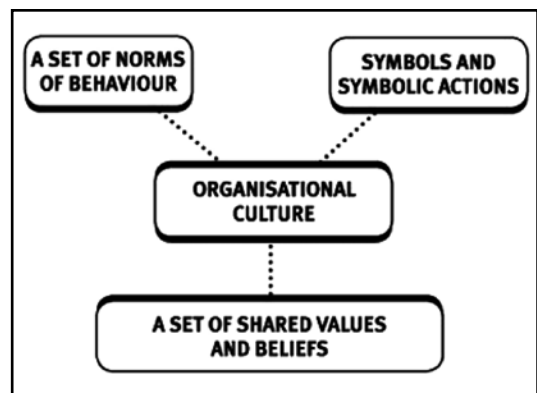
The following are the methods employed in data analysis:

Tabulation of Data: Here the collected data undergoes categorization into sequences of columns and rows on the grounds of its attributes and characteristics. The formatting of data in this way is called tabulation.

Analysis of Data: The tabulated data is analyzed and this process acts as a way of filtering the data which can then be used in its entirety.

Interpretation of Data: The conclusions that are made from analyzing the tabulated data is put into use here. In this process the filtered data is allotted meanings and are interpreted in a way that it can be directly used. The importance, conclusions and ramifications are decided with the results.

Organizations possess some of the components of a subculture. They have shared beliefs and values that at times translate into policies and practices. People can intuitively get a “sense” of an organization that is often complex to define but represents some instinctive “gut response” to the nature of the business. External commentators will often say that a progressive business has a “buzz” about it or a traditional one feels “oppressive and formal”. Organizational culture, then, refers to the deep-seated values of an organization as they are apparent in the ways in which people are expected to behave. The culture of an organization can be observed in the way it is structured, in the way authority is distributed.



Organizational culture is the workplace environment put together from the interaction of the employees in the workplace. Organizational culture is defined by including education, upbringing, strengths, weaknesses and life experiences of the employees. While leaders play a great role in defining

organizational culture by their actions and leadership, employees contribute to the organizational culture.

It is very important to select an employee who will fit organizational culture. Human resource plays a major role and only those whose values, beliefs, outlook and behavior are congruent with organizational culture will only be a good cultural fit for the organization.

Organizational commitment. In this study, the questionnaire is developed and 5 point likert scale is used which ranges from strongly agree to strongly disagree. The survey contained 16 questions to measure the relationship between organizational culture and employee engagement.

RESULTS:

Chi square test was used to examine the hypothesized relationship depicted in the research model.

a) H0: There is no significant impact of the norms set in the organization on employee engagement

H1: There is significant impact of the norms set in the organization on employee engagement

The chi square value of 33.96 calculated value which was more than the expected value found from the table which was 21 for degree of freedom 12 and at 5% level of significance. As the calculated

value was more than the table value, null hypothesis got rejected and the alternative hypothesis is accepted which clearly shows that there is significant impact of the norms set in the organization on employee engagement.

b) H0: There is no significant difference in the symbolic actions and employee engagement in the organization

H1: There is no significant difference in the symbolic actions and employee engagement in the organization

The chi square value of 13.72 calculated value which is less than the expected value found from the table which was 21 for degree of freedom 12 and at 5% level of significance. As the calculated value was less than the table value, null hypothesis is accepted and the alternative hypothesis is rejected which clearly shows that there is no significant difference in the symbolic actions and employee engagement in the organization

c) H0: The shared values set in the organization has no impact on employee engagement

H1: The shared values set in the organization has impact on employee engagement

The chi square value of 90.85 calculated value which is more than the expected value found from the table which was 41.3 for degree of freedom 12 and at 5% level of significance. As the calculated

value was more than the table value, null hypothesis is rejected and the alternative hypothesis is accepted which clearly shows that there is significant impact of shared values on employee engagement in the organization.

Culture guides flexible behavior and it picks up where the employee guide leaves off. Culture tells us how to retort to an unprecedented service request. It tells whether employees need to take risk telling bosses about creative ideas, and whether to discuss the problem or hide it. Employees every day make so many decisions on their own and culture guides them all. Culture helps employees know what to do when the boss is not around; it tells us whether we are free to take decision in certain situations.

The culture of an organization is not about business perks, employee happiness or even a management style, but also about helping organisation to do whatever it does best. Building Employee engagement elements which include hiring methods, rewards, performance, attitude, behaviour and values.

Organisation culture can be broken down into 3 key dimensions that build Employee Engagement:

Norms – The degree to which employees share and agree about cultural norms

Symbols – Employees buy-in to the culture and how they live the values

Shared Values – Innovation, teamwork, and integrity

To build a positive organizational culture and employee engagement in a workplace needs a lot of effort, commitment and but culture is the core of most of the successful organizations. It acts as a drive which makes employees show effort in their work and engage. Successful organizations have a set of values and traditions which create a foundation and help build a optimistic engaged work environment.

5. CONCLUSION:

The success of organization is the result of hard work of entire team. A strong culture built in software companies, employees from diverse background and sense of community in the workplace helps to make employees engage in their work in a positive way which helps organization work towards a common aligned goal. A positive culture in the organization has a lot of benefits for the organisation, but also improves the lives of the individuals who make up the organisation. Employee Engagement is built on a tough foundation that includes a clearly stated vision, mission, values, communication means, engaged employees and recognition of achievements. A strong organizational culture will assist in establishing organization as an employer of choice and results in positive returns to the bottom line of the business.

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ANALYSIS OF RELATIONSHIP BETWEEN SPOT AND FUTURES PRICES OF PALM OIL

Dr. A. N. Vijayakumar *

ABSTRACT

The study examined the relationship between spot and futures prices of crude palm oil using a daily data from Multi Commodity Exchange of India Limited for a period of ten years from July 2008 to March 2018. The study through Granger causality test identified a bidirectional relationship between the spot and future prices of crude palm oil.

Key words: Palm oil, Relationship, Spot and Future.

1. Introduction

Commodity futures contract is a widely used derivative instrument all over the world and performs important functions of price risk management and price discovery. Hedging through commodity futures markets compensates the loss or profit in futures market by profit or loss in spot markets (Kumar.B and Pandey.A 2009). Participating in futures contracts does not necessarily increase the financial outcome; however, mitigates the risk by making the outcome more certain. Future contract prices reveal the present expectations of the market regarding the prevailing spot prices in future. Futures prices discovered in the competitive, transparent exchange provide market participants a reliable measure to price their commodities. Warehousing facilities, scientific storage

systems and delivery standards provided over the exchange platform play a vital role in developing agricultural sector (Kang.M.G and Mahajan.N 2006).

At present, in India there are a number of commodities trading over the commodity exchanges including agricultural and non agricultural commodities. Commodity exchanges have created a platform for the market participants of agricultural commodities to manage their price risk of commodities by hedging through commodity futures contract. Among the agri commodities, crude palm oil futures contract is of importance as it is the second largest source of vegetable oil and caters to many industries such as food manufacturers, producers and processors of palm oil, international trading firms, and bio-fuel companies. India is one amongst the largest importer of palm

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oil. Volatility in palm oil prices caused by demand-supply factors calls for a mechanism for hedging the price risk, in this direction, Crude Palm oil (CPO) futures contract are ideal for managing the price risk of the farmers, processors, traders and other participants of the commodity value chain. In India, Crude Palm Oil (CPO) futures contract was launched in 2004 and it has been trading at the Multi-Commodity Exchange of India limited, Mumbai. This paper examines existence of casual relationship between spot and future prices to ascertain and understand interrelationship in price discovery.

The remaining contents of the study have been structured as – Section 2 reviews the existing literature on spot and future prices; Section 3 describes the methodology adopted for the study; Section 4 interprets the results and Section 5 presents the findings and conclusions.

2. Review of Literature

The commodity futures contract prices transmit information to all the market participants. Producers make their supply decisions on the basis of futures contract prices, whereas traders price their commodities on the basis of future prices. It may be, therefore, understood that futures markets dominate spot markets (Nicolau et.al, 2013). Nawal.P (2017) examined the price discovery function of futures' market in agricultural commodities by investigating the relation between futures' and spot prices of

agricultural commodities. Chana, Soya bean and Pepper commodities data were used to investigate the hypothesis of price discovery and indicated a significant relation between the future and spot prices and prices of the commodities determined in their respective spot markets. Joseph.A, Sisodia.G and Tiwari.A.K (2014) examined the direction, strength and extent of casual relationship between futures and spot prices of Indian commodity markets. Frequency domain approach of Breitung and Candelon (2006) was used and the results of the study indicated a strong unidirectional relationship from futures to spot in the commodities selected under the study. The results of frequency domain analysis indicated that futures market has a powerful price discovery function in all the selected commodities under the study, indicating the efficiency of Indian commodity futures market. Ab Rahman.N.M.N etl., (2012) investigated the market efficiency of the Malaysian crude palm oil futures using data for the sample period spanning from 1998 – 2010. Results of the study indicated that spot and futures prices of crude palm oil are co-integrated and a long-run equilibrium relationship exists between spot and future prices. Results of Error-Correction Model revealed that crude palm oil future prices perform the function of price discovery. The study concluded that future prices may be used by producers and traders as the relevant price indicator for decision making. Bose.S (2007) evaluated the

ability of prices in indicating the efficient functioning of the market or otherwise. The study found that contemporaneous futures and spot prices contribute to price discovery and the futures market provide information for current spot prices and thus help to reduce volatility in the spot prices of the relevant commodities and provide for effective hedging of price risk. Natarajan.P and Nirupama.E (2015) investigated the relationship between the spot and future prices of cardamom traded in MCX from February 2006 to March 2012 by using ADF test, PP test, Johansen Co-integration and Granger Causality test. The results indicated the existence of bi-directional relationship. Dey.K and Maitra.D (2012) explored the process of price discovery of pepper through Granger causality test, Johansen's co-integration tests and VECM. The results of the study clearly indicate that there is a unidirectional causality from futures to spot prices of pepper. Zhang.Y, Liu.L (2017) in their study used MF-DCCA (multifractal detrended cross-correlation analysis) method and the linear and nonlinear causality tests to explore the causal relationships between natural gas spot and futures prices in the New York Mercantile Exchange. The study found that spot and futures prices are positive cross-correlated, the natural gas futures linearly Granger cause spot price, and there are bidirectional nonlinear causality relationships between spot and futures prices of natural gas. Hernandez, Manuel & Torero, Maximo,

2010 examined the dynamic relationship between spot and futures prices of agricultural commodities using Granger causality tests. The results indicated that spot prices are generally discovered in futures markets and found that changes in futures prices lead changes in spot prices. Asche.F and Guttormsen.G.A (2002) in their study examined the relationship between spot and future prices by testing for co-integration with Eagle and Granger methodology and the results indicated that future prices leads spot prices and future contracts with longer time to expiration leads contracts with shorter time to expiration. Dhandayuthapani S.P and Dhineshni.K (2016) used Augmented Dickey Fuller test, Johansen cointegration test, Vector Error Correction Mechanism to examine the existence of long-run relationship between spot and futures series of Chilli, coriander, jeera, pepper and turmeric. The vector error correction model indicated a bidirectional causality between spot and futures series of Chilli, coriander, jeera, pepper and turmeric suggesting that both the spot and future markets of the selected commodities plays a leading role through price discovery process in India.

The casual relationship between spot and future prices of different commodities was examined by reviewing various scholastic studies on spot and futures markets. Co-integration test; Eagle and Granger, Granger Causality test (GC test); Error Correction Model (ECM)

etc have been used by various studies to examine the relationship between spot and future prices. The results of the studies have indicated an existence of relationship between the spot and future prices of commodities. This study has made an attempt to examine the relationship between spot and future prices of CPO using regression model and Granger Causality test with the following objectives.

Objectives

This paper shall have following objectives-

1. To understand the price movement of CPO in spot and futures market.
2. To examine the causality of spot and future prices of CPO.

3. Methodology

The study used secondary data from sources of Multi Commodity Exchange of India Limited apart from journals and other published sources. The statistical tools, methods and techniques have been part of the data analysis and interpretation. MS Excel and E-views Statistical package were used to analyse data. The study used regression, Augmented Dickey-Fuller and Granger causality test statistical tools. Charts and tables also are part of data analysis. The spot and future prices of Crude Palm Oil (CPO) from Multi Commodity Exchange of India Limited for a period of 10 years from July 2008 to March 2018.

4. Empirical Results

The study analysed relation between spot and future prices of crude palm oil (CPO) by adopting regression analysis, ADF and Granger causality test to find the causal relation between spot and futures prices of CPO. The results are as follows

4.1. Variability of spot and future prices of CPO

The variability of spot and futures prices of prices of CPO is analyzed using Coefficient of Variation (CV) and Standard Deviation (SD). The values are as under:-

Table No 4.1 Variability of CPO Prices

Particulars	Spot	Futures
Mean	469.38	469.38
SD	87.65	85.99
CV (%)	18.67	18.32

From the table 4.1, it can be noted that standard deviation of CPO spot prices is 87.65 and futures price is 85.99 and coefficient of variation is 18.67% and 18.32%. Coefficient of variation of spot prices is slightly higher than that of futures prices. This implies that futures prices is comparatively consistent than spot prices.

4.2 Price movements of CPO

The study based on secondary data evaluated price movements of CPO spot and futures prices as shown in chart no 4.2.1.

Chart No 4.2(a) Relationship between spot and future prices of CPO



Chart No 4.1(a) shows the relationship between spot and future prices of CPO (daily basis) for a period of 10 years from 06.07.2008 to 28.3.2018. Uniform price movement is observed between the spot and futures market during the study period. It is also observed that slight variations are seen, however, future and spot prices of CPO are moving together towards same direction.

4.2.1 Regression Analysis

Table no 4.2.1(A) Descriptive statistics

Multiple R	0.99
R Square	0.99
Adjusted R Square	0.99
Standard Error	9.87
Observations	2663

Table No 4.2.1(B) Anova

	df	SS	MS	F	Significance F
Regression	1	19425369.05	19425369.05	199539.2	0
Residual	2661	259051.42	97.35		
Total	2662	19684420.47			

Table No 4.2.1(C) Regression statistics

	Coeffi- cients	Standard Error	t Stat	P- value
Intercept	11.89	1.04	11.42	1.67E-29
Spot Price	0.97	0.00	446.70	0

From the above statistical table no. 4.2.1(C) the value of R square is 0.99 explaining the variances in future prices through spot prices to the extent of 99% at 95% level of confidence. The study finds p value is less than 0.05 from statistical table no 4.2.1(b) indicating significant relationship between spot and future prices of CPO through regression analysis.

The relationship can be explained through the following equation

$$Y = a + bx$$

Y = futures price

Y = 11.89 + 0.97 * spot prices

4.3 Test of Stationarity

The study used Augmented Dickey-Fuller test for examining the stationarity of spot and future price series of CPO the results is as under –

Table No 4.3 (a) Stationarity test

Sl.No.	Variable	At the level		At the first difference	
		t statistic	P - value	t statistic	P - value
1	Future Price series	-1.366378	0.6002	-33.40612	0.0000
2	Spot price series	-1.285949	0.6383	-32.97181	0.0000

The table no 4.3 (a), shoes the outcome of ADF test. At the level p value for Future Price series is 0.6002, it is more than 0.05 indicating non stationarity. However, the series became stationary at the first difference with p value of 0.0000 (less than 0.05). In case of Spot price series, the p value was 0.6383, but at the first difference converted into stationarity with a p value of 0.000.0. The series without unit root has been used to understand the causality of spot and future prices of CPO.

4.4 Causality of spot and future prices – Granger Causality Test

Granger causality test indicates the causal relationship existing between futures and spot prices i.e., spot price series causes future price series or future prices cause spot price series. The study used Granger causality to understand the causal effect of spot and futures prices of CPO.

Table No 4.4 Granger Causality Test

Sample: 1 2663			
Lags: 2			
Null Hypothesis:	Obs	F-Statistic	Prob.
FUTURE does not Granger Cause SPOT	2660	169.935	4.E-70
SPOT does not Granger Cause FUTURE		11.8152	8.E-06

1. *Null Hypothesis (Ho):* CPO future price does not Granger cause CPO spot prices

Alternative Hypothesis (H1): CPO future price Granger cause CPO spot prices

Table no. 4.4 shows the p value as 4.E-70 (it is less than the general acceptance level of 0.05), hence, CPO future price Granger cause CPO spot prices at 95% confidence level.

2. *Null Hypothesis (Ho):* CPO Spot price does not Granger cause CPO future prices

Alternative Hypothesis (H1): CPO Spot price Granger cause CPO future prices

Statistical data shown in table no 4.4 indicates P value as 8.E-06 (it is less than 0.05) hence, CPO Spot price Granger cause CPO future prices at 95% confidence level. It is therefore, there

exists a bidirectional relationship at 95% confidence level. Spot prices cause changes in futures and future prices cause changes in spot prices of crude palm oil. The results show that spot and future market are efficient.

5. Findings and Conclusion

The study examined the casual relationship between the spot and future prices of CPO. The results of regression analysis indicated the influence of spot prices on future price. The study also analysed the relationship between the spot and future prices of CPO using Granger Causality tests and identified a bidirectional relationship between spot to futures prices, spot prices causing changes in the future prices and future prices leading to changes in spot prices indicating that both the markets are efficient.

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Annexures

1. Future prices

1.1 At the level

Null Hypothesis: FUTURE has a unit root				
Exogenous: Constant				
Lag Length: 2 (Automatic based on SIC, MAXLAG=27)				
			t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic			-1.366378	0.6002
Test critical values:	1% level		-3.432616	
	5% level		-2.862427	
	10% level		-2.567287	
*MacKinnon (1996) one-sided p-values.				
Augmented Dickey-Fuller Test Equation				
Dependent Variable: D(FUTURE)				
Method: Least Squares				
Sample (adjusted): 4 2663				
Included observations: 2660 after adjustments				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
FUTURE(-1)	-0.001683	0.001232	-1.366378	0.1719
D(FUTURE(-1))	0.060923	0.019365	3.145994	0.0017
D(FUTURE(-2))	0.056555	0.019369	2.919834	0.0035
C	0.830589	0.587475	1.413830	0.1575
R-squared	0.007789	Mean dependent var		0.045752
Adjusted R-squared	0.006668	S.D. dependent var		5.467609
S.E. of regression	5.449349	Akaike info criterion		6.230372
Sum squared resid	78871.00	Schwarz criterion		6.239223
Log likelihood	-8282.395	Hannan-Quinn criter.		6.233575
F-statistic	6.949687	Durbin-Watson stat		2.001280
Prob(F-statistic)	0.000117			

1.2 At first difference

Null Hypothesis: DFUTURE has a unit root				
Exogenous: Constant				
Lag Length: 1 (Automatic based on SIC, MAXLAG=27)				
			t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic			-33.40612	0.0000
Test critical values:	1% level		-3.432616	
	5% level		-2.862427	
	10% level		-2.567287	
*MacKinnon (1996) one-sided p-values.				
Augmented Dickey-Fuller Test Equation				
Dependent Variable: D(DFUTURE)				
Method: Least Squares				
Sample (adjusted): 4 2663				
Included observations: 2660 after adjustments				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
DFUTURE(-1)	-0.884711	0.026484	-33.40612	0.0000
D(DFUTURE(-1))	-0.055399	0.019354	-2.862459	0.0042
C	0.040967	0.105681	0.387649	0.6983
R-squared	0.470363	Mean dependent var		0.004323
Adjusted R-squared	0.469965	S.D. dependent var		7.486229
S.E. of regression	5.450238	Akaike info criterion		6.230323
Sum squared resid	78926.44	Schwarz criterion		6.236961
Log likelihood	-8283.329	Hannan-Quinn criter.		6.232725
F-statistic	1179.824	Durbin-Watson stat		2.001123
Prob(F-statistic)	0.000000			

2. Spot prices

2.1 At the level

Null Hypothesis: SPOT has a unit root				
Exogenous: Constant				
Lag Length: 2 (Automatic based on SIC, MAXLAG=27)				
			t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic			-1.285949	0.6383
Test critical values:	1% level		-3.432616	
	5% level		-2.862427	
	10% level		-2.567287	
*MacKinnon (1996) one-sided p-values.				
Augmented Dickey-Fuller Test Equation				
Dependent Variable: D(SPOT)				
Method: Least Squares				
Sample (adjusted): 4 2663				
Included observations: 2660 after adjustments				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
SPOT(-1)	-0.001526	0.001187	-1.285949	0.1986
D(SPOT(-1))	0.018719	0.019321	0.968832	0.3327
D(SPOT(-2))	0.091727	0.019323	4.747156	0.0000
C	0.757847	0.566353	1.338117	0.1810
R-squared	0.009229	Mean dependent var		0.046692
Adjusted R-squared	0.008109	S.D. dependent var		5.373985
S.E. of regression	5.352151	Akaike info criterion		6.194377
Sum squared resid	76082.49	Schwarz criterion		6.203228
Log likelihood	-8234.521	Hannan-Quinn criter.		6.197580
F-statistic	8.246447	Durbin-Watson stat		2.008166
Prob(F-statistic)	0.000018			

2.2 At first difference

Null Hypothesis: DSPOT has a unit root				
Exogenous: Constant				
Lag Length: 1 (Automatic based on SIC, MAXLAG=27)				
			t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic			-32.97181	0.0000
Test critical values:	1% level		-3.432616	
	5% level		-2.862427	
	10% level		-2.567287	
*MacKinnon (1996) one-sided p-values.				
Augmented Dickey-Fuller Test Equation				
Dependent Variable: D(DSPOT)				
Method: Least Squares				
Sample (adjusted): 4 2663				
Included observations: 2660 after adjustments				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
DSPOT(-1)	-0.891585	0.027041	-32.97181	0.0000
D(DSPOT(-1))	-0.090692	0.019308	-4.697073	0.0000
C	0.041877	0.103793	0.403467	0.6866
R-squared	0.494778	Mean dependent var		0.003383
Adjusted R-squared	0.494398	S.D. dependent var		7.527957
S.E. of regression	5.352809	Akaike info criterion		6.194247
Sum squared resid	76129.86	Schwarz criterion		6.200886
Log likelihood	-8235.349	Hannan-Quinn criter.		6.196650
F-statistic	1301.036	Durbin-Watson stat		2.007874
Prob(F-statistic)	0.000000			

IMPACT OF DEMONETIZATION ON INDIAN ECONOMY

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Zakila Banu **

Abstract:

The Prime Minister of India announced the withdrawal of Rs.500 and Rs.1000 currency notes as legal tender with effect from midnight November 8,2018. As a result 23 billion currency notes became junk. It means currency circulation in the country came down by 86%. Life of the public became a challenge. Entire things, commercial activities rather our country on the whole got paralyzed. I have taken up this Research Study to analyze & understand better its impacts on our economy.

Key words: *Demonetization, Black money, Government, Cashless economy.*

1. Intrduction:

1.1 Rationale of the research

In order to know the positive and negative impacts of demonetization on Indian economy and business.

In order to know the conditions of all classes of people of India

In order to know how did it affect the daily routine of Indians and related functioning

In order to know whether it was good or bad for our country.

In order to know the opinions and reactions of Indian businessmen, economists, politicians and financial experts.

1.2 Scope of the Research

This research will help the citizens and businessmen to know the basic impacts on their daily transactions.

It will give information about the changes in financial functioning of financial functioning of various sectors like Banking, Revenue department, Direct and Indirect taxes department.

This research will investigate the extent of recovery of black money that existed in Indian economy.

2. Literature Review:

2.1 Meaning of demonetization

Demonetization means banning the circulation of currency notes ie taking

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out of certain currency notes by any government. It is one of the biggest and most critical step taken by any by any government for the recovery of black money.

Any government formulates financial strategies and policies for the economic growth of the country. Most of the times when unaccounted money generated through illegal trade or unauthorized funding of which sources of income are not known to the government is termed as black money. To remove this black money out of circulation, the government takes steps like demonetization so that the money holders are forced to deposit such money to the banks or lose their wealth.

2.2 Definitions of demonetization

Demonetization is the act of stripping a currency unit of its status as legal tender. It occurs whenever there is a change of national currency (Investopedia, 2017)

Demonetization refers to an economic policy where a certain currency unit ceases to be recognized as a form of legal tender (Important India, 2017)

Demonetization means withdrawal of a particular form of currency from circulation (Businessdictionary, 2017)

2.3 Other studies on 'Demonetization'

Article # 1

Wade Shepard (2017) , Forbes asserts that due to this cash crunch, India grounded to a halt. Business shutdown

, farmers couldn't , buy seeds ,taxi and rickshaw didn't had any way to get income, employers had no way to pay their employees, hospitals were refusing patients who had only old notes, many family had difficulty buying food and weddings through out the country were cancelled.

Article # 2 - Impact of Demonetization on Indian Society

We shall see a great impact of this move of the govt. on Indian society and economy. The first impact will be that people will have lower expenditure power , with that they will not be able to buy luxurious things. There shall be no ostentatious expenditures on marriages and other ceremonies. So the society will grow lesser materialistic and people more prudent. With the fake money destroyed, Indian economy society will see a big boom and the so-far booming-real-estate-sector shall come on the ground. The things may be cheaper. Indian Currency may get respect at the international market. There may be a great check on the terror-related funding and therefore on terrorist activities. Corruption shall be down to a great extent as people will stop the tendency of accumulating money using wrong means.

This big move will certainly bridge the gap between the haves and the have-nots. However, there may be some difficulties for a couple of months. But this inconvenience shall be temporary and for short-term.” (Gupta, V., 2016)

Article # 3 - ‘Demonetization was a despotic act’ said Amartya Sen (Nobel prize winner Indian Economist)

“The demonetization of currency was a despotic act as the government broke the promise of compensation that comes with a promissory note.””Demonetization goes against trust. It undermines the trust of entire economy,”

“Only an authoritarian government can calmly cause such misery to the people - with millions of innocent people being deprived of their money and being subjected to suffering, inconvenience and indignity in trying to get their own money back.” (Sen, A., 2017)

Article # 4 - “The biggest wild card in all of this, of course, is demonetization.” Said Kartik Hosanagar (A professor in Wharton’s department of operations, information and decisions)

The year 2017 has overall been “a good year” for India. But the biggest wild card is Demonetization. It is unclear how it will play out. But any impact on economic activity and GDP will be temporary, and the long term benefits such as an increase in cashless activity will be more permanent. (Hosanagar, K., 2017)

Article # 5

‘Not a single macro economist thinks note ban was a good idea’ Gita Gopinath 2017 (Chief economic adviser ,IMF)

Demonetization was not a good idea and the time should have been utilized to fine tune the GST before it was introduced. The implementation has been disruptive, which make me wish they had’t done demonetization is then you could have used that time to have brought in GST smoothly.

Article # 6

‘India’s economic growth held back due to demonetization’ Raghuram Rajan, 2018 (ex RBI governor), iNdia cant work from the centre India works when you have many people taking of the burden. And today the central government is exclusively centralized. Asserting that the current 7% growth rate is not enough to meet the country need.

Addressing an audience at the University of California in Berkley, he said for four years 2012 to 2016 – india was growing at a faster phase before it was hit by this major headwinds.

3. Definition of Problem:

As per my research these contents are concerned:

❖ Most of the research made till now by the different authors, paper presenters is focused on the economic aspects and financial aspects. The discussion made with respect to the concern of society, problems faced by the society during demonetization are published to some extent.

❖ Looking on these researches, the questions raised to my mind are as follows:

- 1) What about the people who suffered and died due to demonetization in India?
- 2) What is the cost recovery for the death of each person died?
- 3) What is loss to the economy of our country due to the death of approximately 90 people (among 90 people 8 to 11 boys and girls aged below 20years)?
- 4) What monetary benefits will be appropriate to fill the gap of family member of a diseased people?

❖ The same kind of many other questions can be raised to the government of our country and the rationale people of India.

❖ The people who died during the time of demonetization could have been wealth of our nation; they could have brought lot of changes in backward area of our country as well as they could have been the businessman, political leaders, and economist.

❖ People died because of standing in the long queues without any basic facilities to change the notes, few of them died because of the delay in the medical attention in the hospital because they could not change the currency on time and they had no other option.

4. Research methodology

The exploratory research was conducted to know the in depth knowledge about the impact of demonetization in India and its effects. This research was very helpful to analyse the required information with the help of few samples drawn.

4.1 Sources of information

Primary data and secondary data was collected.

Primary source was sample survey

Secondary data was collected with the help of online articles and different opinions of rationale people working in the area of study in their respective working environment commented in the social Medias.

4.2 Sample size:

30 People

4.3 Sampling unit: State of Bihar

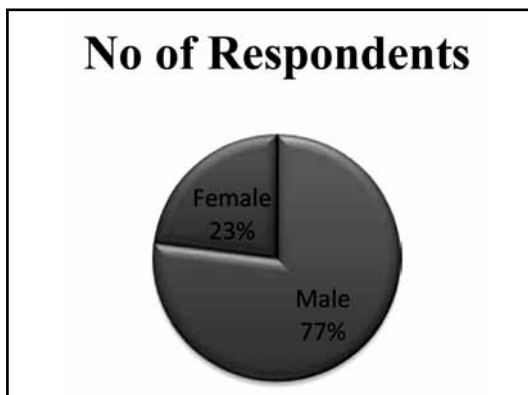
4.4 Sampling technique: Convenience sampling

5. Analysis of Research

This survey was conducted with the help of 30 people. The further information is based on the same proportion i.e 30 people (100%).

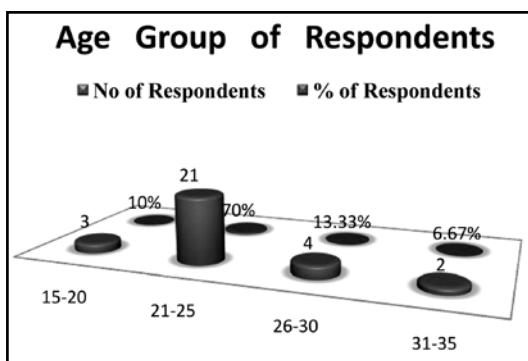
5.1 Arithmetical / Demographical analysis

1. Gender:



- Important demographic element is gender.
- As per this survey the total no. of respondents are 30, therefore 23 are male and 7 female.
- In terms of percentage it is 77% of male and 23% of female.

2. Age Group

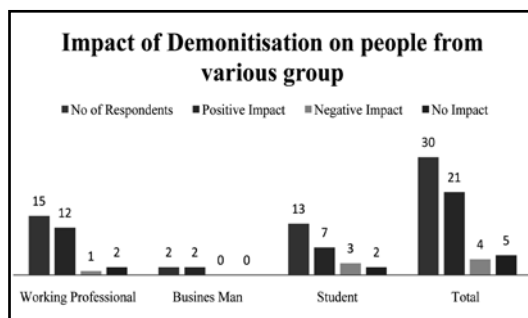


Age group is second demographical element for this survey.

- The age group is divided into 4 different classes such as 15-20 years, 26-30years and 31-35 years.

- The lowest no of respondents are between the age group of 31-35years that is 6.67% and the highest group of respondents are in the age between 21-25years which is 70% this shows that the age group between 21-25 years are the respondents who is given more interest to give their opinion in this survey.

5.3 The Impact of Demonetization on

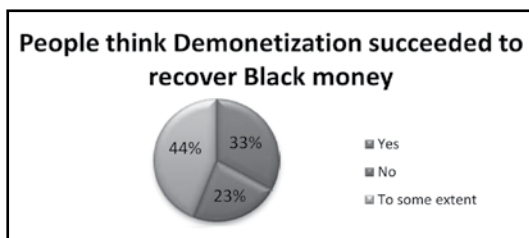


People From various Occupations:

- ❖ As per this survey I have asked 2 questions to the respondents firstly what is your occupation? Secondly what is the impact of demonetization on their daily financial needs? In order to know the problems faced by the respondents towards their daily financial transactions from various occupation.
- ❖ From the above bar chart drawn we can conclude that out of 15 respondents' i.e working professionals 12 thinks that the effect is positive to the country and only 2 thinks as there is no impact for the people in their financial transaction.

- ❖ If we focus on the total analysis of this research out of 30 respondents of different professions only 21 respondents think that there is a positive response on the demonetization and 4 think as there is a negative impact and depending on these scenario 5 of the respondent replies as there is no effect on their financial transactions.

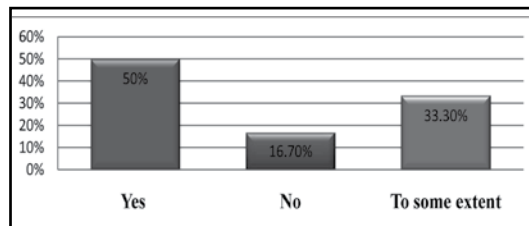
5.4 People think Demonetization has succeeded to recover Black money:



As per the above chart it shows that the 33% of respondents think as demonetization is succeeded in order to recover the black money.

- The 44% of respondents says that the black money is recovered to some extent and only few i.e 23% people agrees as it has not succeeded to recover the black money with the help of demonetization..
- As per this study we can conclude that to some extent black money is recovered by demonetization..
- The initiative of government is to recover the black money is supported by the people without their struggle it would have not been possible.

5.5 People think Indian Economy Improved due to various decisions of the current government:



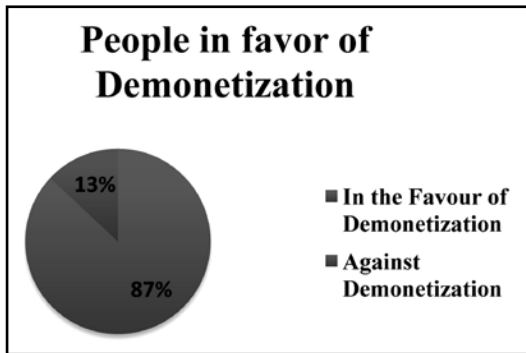
As per the above bar chart shows the responses to the question asked to the respondents “Do you think Indian Economy has improved due the various decisions of the contemporary government?”

- The 50% of people replied as the Indian economy has improved because of the decision taken by the government.
- The 30% of people thinks that the economy of India is improved due to some extent and 16.70% people replied as the Indian economy has not improved.
- The positive response is far more when it is compared with the negative response.

5.6 No of people in favor of Demonetization:

The important and precise question of my survey to the people is “Are you in the favor of Demonetization?”

- The above chart is an answer to the question that 87% of the people are



in the favor of decision taken by the government of India and 13% of the people are against the decision taken by the government.

- From these responses it can be concluded as the numbers of optimistic people are far more than the pessimistic people about the decision taken on the demonetization.

6. Findings of my Research

- From this research it is found as the people are more interested to bring the growth and progress in India as a whole apart from their growth.
- Respondent think as it is an effect step taken by the government of India to stop this circulation of black money from Indian economy.
- All kinds of rationale people of India are more focused on the financial growth and development of Indian economy and forgetting the socio economic effect of the same.
- The socio economic effect hereby means most of the people died due the change of currency includes young

boys and girls who could have been the wealth for our nation by paying tax of India and the could have contributed to the Gross Domestic Product of the country if they were alive.

- Nowadays people need easy way of transaction support that is rather then physical they more fond of electronic transactions and they find the electronic transaction is time saving.
- After facing lot of trouble by standing in front of bank in long queues, non availability of new of currency in bank, non co operation of bank staff was the toughest task etc. during the time of demonetization most of the people are in favor of demonetization
- When the demonetization put into application from 9th November 2016 and was announce on 8th November 2016 to exchange the old currency note by people with the new one till 30th December 2016 many people suffered a lot from this announcement and it became routine to the people to think on ideas to exchange the currency.

7. Conclusion

- ❖ From this research it is concluded as the Indians are the people who has more tolerant in case of the application of new changes directed by the government of India. During the demonetization people have protested in the beginning but after 10 to 15 days all have accepted

the fact that they should have to follow the decision of the government in order to contribute to the corruption had black money free country.

❖ If we look on to the opinion of some of the well known economist of India, according to them the demonetization is the biggest blunder of government of India, even though it does not seem like one of the main focus of India is to work things on cashless transactions which is achieved to some greater extent as well as black money is also recovered to some extent that is somewhere nearby fifteen lakh crore in old currency notes which are deposited even after not knowing how much of the money from this is black money, it was a very largest money deposited in the history of India.

❖ The success of change in old currency is only because of patient of Indian people, Bank staff and all concerned, this would have been not possible without the support of all. So it is not in the credit of government only.

8. Recommendation

- In the history of our country demonetization is not for the first time it had also taken into effect during 1946 and 1978 also, therefore there is no new implementation by the government to develop our country as it has been practiced before also.
- Our country always takes an effort to initiate the changes for the welfare

of Indians and Indian economy. It is very easy to put an effort from the government but it is not possible without the support of the people of India, hence co operation of our citizens played an important role to bring changes in the country. Therefore it is mandatory for the government to obey the promise that they have made to the public.

- The critics of changes should stop criticizing and blaming the Indian government for their decision. It will be better if they give suggestions to fix the problems they think that has risen due to demonetization.
- Our government should formulate some of the policies to help a number of diseased people who lost their lives due to demonetization directly or indirectly.
- Government should make proper planning in order to handle the impact of these kinds of decisions which are implemented for which they should formulate a special committee which consist of experts to look on to the various sectors.
- Government should also publish the changes occurred after the demonetization so that the people can understand where is our country standing after the demonetization as well what improvement have been taken after their struggle.

9. Limitations

- The graphical area for the study is only one state that is Gujarat.
- The sample size of this research is also limited to 30 people only to make it convenient to fill the sample for this research.
- This data was not collected through face to face interaction, it was through an electronic way.
- The kind of sampling technique used for this survey is convenient sampling which is one of the types of non probability sampling.

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REVERSE MORTGAGE ROUTE FOR SELF-SUSTENANCE OF SENIOR CITIZENS— AN INDIAN PERSPECTIVE

D.R. Muralidharan *
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Abstract

Reverse Mortgage Loans (RML) as a way to provide financial stability and support during their sunset years, has become imminent in India. In India, a developing economy - economic prosperity and improving standard of living is leading to higher proportion of senior citizens in the total population. These people may face a financial crisis in their later years accompanied by many health problems which may further put a drain in their resources. Under such circumstances, to ensure financial independence, the need for Reverse Mortgage Loans (RML). This

Introduction

In a developing country like India, the growing economic prosperity and improving standard of living is leading to higher proportion of senior citizens population. These people may face a financial crisis in their later years accompanied by many health problems which may further put a drain in their resources. India, has set out on the path of Globalisation and Liberalisation in the early 1990s, opening up multiple opportunities—both elsewhere in India and abroad. The society is also undergoing important changes with eroding family

values and increasing nuclear families. Being well educated, children tend to get settled abroad or in another part of the country, thus staying away from parents. Parents, on the other hand having grown and worked in a place, tend to get settled in their native place or a location closer—basically in a familiar society. Thus, they tend to stay alone, and sometimes having spent their substantial earnings to the care and education of their children, they are left with fewer sources to fend for themselves. Under such circumstances, to ensure financial independence, the need for Reverse Mortgage Loans (RML)

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as a way to provide financial stability and support during their sunset years, has become imminent in India.

India Population—Ageing Perspective:

The demographic profile of elders in India between 2011 & 2016 have shifted as follows :

Age group	Population 2011 million	Population 2016 million
60-69 years	56.8	68.9
70-79 years	32.0	35.8
80+ years	9.6	13.2
Total population of Senior citizens	98.4 (8.25% of total population)	117.9 (9.29% of total population)
All Ages total population	1192.5	1268.9

As per India Population and Ageing studies, (like, UNFPA, Status of the Elderly by Helpage India-2014 & Future Population of India-2007), the population of Elders in India in 2014 was 100 million. By 2050, it is projected to become 324 million (about 20% of the total population).

The increase in the population of Elders in absolute numbers and as a ratio of the total population is due to the increase in life expectancy over the same period from 67.9 to 68.35 years. Life expectancy was 62.5 in 2000 which is projected to be 72.7 years by 2031-36.

While the population of senior citizens is steadily increasing as explained above, it will be increasingly difficult for the Government to keep providing for this section of the population by way of budgetary allocations. The Government of India, for its employees has successfully phased out the Government Pension—to a Contributory Pension system, which does not entail fixed annual budgetary allocations to provide for Pensioners.

To ensure that the Elders are duly cared for by the members of the family, the Government came out with the Act—Maintenance and Welfare of Parents and Senior Citizens Act, 2007. This Act will act as a deterrent to the affordable wards of elders who would otherwise refuse to support their parents/senior citizens. However, it is possible that a sizeable population could not afford this, or even if they could afford regular maintenance, the sudden expenditure that might arise due to any serious ailment or medical condition at old-age could not be met. Hence, there was a requirement for making suitable provisions for such an eventuality.

Government of India, Ministry of Finance has in the recent past foreseen the financial requirements of Senior Citizens during their sunset years and announced various

measures to launch and promote Reverse Mortgage in India. The National Housing Bank of India (NHB) was assigned the task of designing of Reverse Mortgage based financial products (Srinivasan, 2012).

Reverse Mortgage loans are devised as sources of liquid assets for senior citizens. They facilitate the transformation of the homes of older people into a steady source of cash flows to continue their lives with dignity and comfort until death (Krishnarao and Ukey, 2014). Most countries of the world provide schemes to senior citizens with reverse mortgage loans, also known as Home Equity Conversion Mortgage (HECM) in some countries. However, in India the concept has still not gained popularity, as per Krishnarao and Ukey (2014). The Reverse Mortgage Loans sanctioned in India amount to Rs.1800 crores only despite the market for RML roughly being of around Rs. 20,000 crores, impressing upon the fact that reverse mortgage loans are either not popular in India or there is little awareness about such financial products amongst the potential buyers (Krishnarao and Ukey, 2014).

Concept of Reverse Mortgage Lending (RML)

Reverse Mortgage is a unique Home Loan based financial product that allows Senior Citizens to convert a portion of their home equity into income or cash without having to sell the home, give up the title, or take on any additional monthly mortgage payments. Reverse Mortgage Loans (RML) also known as Home Equity Conversion Mortgage (HECM), allows Home owners to defer the mortgage or loan instalments (both Interest and Principal) until they sell, die or move out of the home property. Under this RML scheme, the unpaid Interest or loan mortgage instalment is added to the loan balance at the end of every month.

In RMLs the trigger of a “maturity event” that would cause the Loan (with capitalized Interest/Instalments) to become due and payable would be :

- When the last remaining borrower on the loan or the non-borrowing spouse living in the Home dies or leaves the home.
- When the home is sold.
- When the borrower doesn't meet the obligations to pay property taxes, homeowner's insurance or other statutory fees applicable, or fails to maintain the home or meet other conditions of the loan terms.

A Home-owner can tap into the equity using any of the following options :

- Single Lump-Sum advance;
- Line of Credit allows members to draw on available funds whenever necessary;
- Annuity –Term or Tenure; Fixed regular monthly income payments to the member;
- OR a combination of ALL the options above.

Reverse Mortgage is a home loan based financial product designed to suit the requirements of older homeowners or senior citizens with special features that envisages, inter alia, no monthly mortgage payments. Reverse Mortgage Loans (RML), allow the older home owners to defer the mortgage or loan instalments to avoid making payment until they sell, die or move out of the home property. Under this scheme, the unpaid interest or loan mortgage instalment is added to the loan balance at the end of every month while also allowing the home owner to access the home equity they have accumulated till date for the property mortgaged (CFPB, 2012).

Reverse Mortgage has developed as a financial product for the elderly population in the Western welfare oriented developed economies, but is still to gain popularity in the Indian context. The primary concern of the Indian Government in this scenario is the growing elderly population in India along with the added scope for defining and designing innovative financial products which are retirement oriented and annuity based (Srinivasan, 2012).

If the value of the home appreciates after a reverse mortgage has been availed on it, further reverse mortgage loan (RML) on the increased equity may also be possible. Generally, a reverse mortgage must be the only mortgage on the property. If there is an existing mortgage, it will be paid off with part proceeds from the reverse mortgage loan. Further, if the home increases in value as the mortgagee ages and qualifies for more money, the reverse mortgage may be refinanced to borrow more against the increased equity.

RMLs are popular in developed countries such as USA, Canada, UK, Australia, etc. In India, it was introduced in 2007-08, but the product has remained largely unpopular.

Conventional Mortgage vs Reverse Mortgage :

The following table shows the salient differences between the Conventional (Forward) Mortgage and Reverse Mortgage :

	Attributes	Conventional (Forward) Mortgage	Reverse Mortgage
1	Purpose of Loan	To Purchase/Upgrade a House.	To get Cash from a Residential asset to be used to meet expenses.
2	Eligible Borrowers	Creditworthy Borrowers with Regular Income and Repayment capacity.	House Owning Senior Citizens. Borrowers need not have income or Repayment capacity.
3	Asset Ownership at the time of Origination.	Borrower may not own a house. Hence has no equity in the house.	Borrower owns the house and has substantial equity in the house.
4	Loan Disbursements	As per the schedule of purchase Agreed / progress of construction.	Received payments from the Lender on periodic basis, or as a Line of Credit or as Lump sum or a combination of these.
5	Status of Loan during the Loan Tenure	<ul style="list-style-type: none"> Borrower makes repayments during the loan tenure; Outstanding Loan balance reduces; Borrower's Equity grows; 	<ul style="list-style-type: none"> Borrower does not make any repayments to Lender during his/her lifetime or till he/she is alive or occupies the property; Outstanding Loan balance increases; Borrower's Equity decreases;
6	Repayment of Loan	Through monthly repayments of Interest and Principal made by Borrower to the Lender;	<ul style="list-style-type: none"> Sale proceeds of House property used to settle the loan dues, on Borrower's demise or giving up the house (sale); Bullet repayment of Principal and accumulated Interest; Borrower/Heirs have option to prepay or settle the loan dues without sale of property; Senior citizen (Owner-Borrower) is not required to repay the loan.
7	Age Restriction	No restriction.	Age at entry 60 years or above.
8	Recourse to Lender	Lender can fore-close in case of default	Loan cannot be foreclosed by the lender as no monthly payments are required or due, until the 'maturity event' which is the death of borrower or sale of the house.
9	Occupation status	Self-occupation of house by borrower is not mandatory.	Borrower's self-occupation of property is mandatory. In fact, borrower's exit from the house for more than 12 months is generally considered a 'maturity event' or trigger for the amounts being due to be paid.
10	Term of Loan	Generally upto 30 years if the borrower has income-earning ability for this term or upto attainment of 70 years.	Term for disbursement is 15-20 years, but the principal and interest will become due on the happening of the 'trigger event'.

(Source: NHB Report on Trend and Progress of Housing in India- 2006 & Mahesh Kumar 2013)

REVERSE MORTGAGE—GLOBAL PERFORMANCE

United States Of America :

One of the most developed markets in Reverse Mortgages is the U.S. Under their HECM program, loans are provided to senior citizens aged 62 and above to the extent of 20-60% (depending on the age at entry). Federation of Housing Administration (FHA) insures the property collecting premium from the borrowers. The secondary market is also well regulated. They have a National Reverse Mortgage Lenders Association (NRMLA) which has a code of conduct. The uptake of loans which started as a humble 157 cases in 1990 has increased to 54822 in 2012 (peaking in the years 2007-2009). In the year 2009 the number was 114692. The numbers were 48152 in 2016 amounting to \$9 billion, with the average principal borrowing being \$148,000. (US FHA data). With all these, the total beneficiaries are close to 10 lakh aggregating to \$6.13 Trillion by 2016, and it is estimated that only about 3% of the market is covered by HECM schemes in US.

Other Countries :

Canada :

When compared to UK or US markets, the Canadian reverse mortgage market is still in its infancy. But the situation is changing fast. Contrary to the US, reverse mortgage programmes available in Canada are NOT insured by the

government, nor are reverse mortgages regulated by specific federal legislation. The growing popularity of the product has meanwhile led some provinces to begin preparing for eventual legislative regulation of reverse mortgages aimed at better controlling this industry, not only with regard to the product itself, but with regard to how it is marketed. Some provinces have established specific laws aimed at reverse mortgages. A consumer who wishes to lodge a complaint must address it to their local Consumer's Bureau.

European Union :

In the European Union (EU), the scheme is popularly known as Equity Release Schemes (ERS) which have 2 types :ERS-Loan Model & Ownership Model. All member states can be grouped into four categories with respect to ERS offerings:

- Countries with significant ERS market: It includes the United Kingdom, Ireland and Spain.
- Countries with less developed loan model market: It includes Austria, Finland, France, Hungary, Italy and Sweden.
- Countries with less developed sale model market: This includes Bulgaria, Germany and Romania.
- Countries with no ERS: This includes Belgium, Cyprus, Czech Republic, Denmark, Estonia, Greece, Latvia, Lithuania, Luxembourg, Malta,

the Netherlands, Poland, Portugal, Slovakia and Slovenia.

(European Commission Study on Equity Release Schemes in the EU, 2009)

Australia

Reverse mortgage is rapidly growing in Australia. It is estimated that by 2031 approximately 21% of Australia's population will be aged 65 years or older. (ASIC Report, 2005). The product is highly regulated. The Reverse Mortgage mortgage had grown to AUS \$3.32 billion in 2011. (SEQUAL/Deloitte Reverse Mortgage Study, December 2012).

New Zealand

Reverse mortgages are steadily growing as a retirement financial planning tool as increasing numbers of New Zealand retirees consider equity release products when planning for their retirement. There is a considerable pool of housing wealth in New Zealand that can be utilized to support post retirement lifestyle planning. The reverse mortgage option is becoming increasingly popular in New Zealand, and is based on similar concepts that have been available in the UK, USA, Canada and Australia. Reverse mortgage lending is mostly facilitated by a mortgage broker or financial planner. This shows that New Zealanders are using intermediaries to assist in the borrowing and advice process when it comes to reverse mortgages. The market in New Zealand in 2009 grew to 6613 amounting to \$447 million. (SHERPA website: <http://www.sherpa.org.nz/>).

Singapore is the latest country to enter in the Reverse Mortgage space.

Thus, it can be seen that Reverse Mortgage as a viable financial solution to the Senior Citizens is gaining popularity across the globe and it may be a matter of time before India catches up in a big way.

Reverse Mortgage - Indian Perspective

RMLs are popular in developed countries such as USA, Canada, UK, Australia, etc. It was introduced in India by National Housing Bank in 2007 by issuance of Operational Guidelines for RML to Banks/HFCs. However, the product has remained largely unpopular.

Typical Reverse Mortgage Scheme :

The Finance Minister, while presenting the Union Budget, 2007-08, had announced that the National Housing Bank (NHB) will introduce a reverse mortgage scheme for senior citizens. NHB is the principal financial institution for housing, established under an Act of the Parliament, as a wholly owned subsidiary of Reserve Bank of India. NHB is also the regulator of housing finance companies. NHB issued the "Reverse Mortgage Loan (RML): Operational Guidelines" in 2008. The scheme is presently implemented by 42 Banks and 2 HFCs.

Some of the salient features of the Operational guidelines on reverse mortgage as announced by NHB and certain generic features of Reverse Mortgage Loans (RML) are enumerated herein:

Eligibility	1.	In India, the borrower must be at least 60 years of age in India while the spouse should be minimum 55 years old.
	2.	RML is extended against self-occupied home property, which is the principal residence of the borrower.
	3.	There are no minimum income or credit history requirements.
Home ownership	1.	Borrower remains owner.
	2.	Borrower responsible for paying the property taxes, property insurance and for repairs and maintenance of the home.
Loan Amounts	1.	The amount of RML a person can get depends on the specific reverse mortgage plan or program selected. It can be a lump sum, or equities or a combination of these.
Loan Payoff	1.	Reverse mortgages generally must be “first” mortgages, that is, they must be the primary Loan against the home.
	2.	Property must be debt-free before RML is given
Loan Limit	1.	<p>Up to 45% of the market value of the property (house, apartment, estate) - If the borrower’s age group is between 60- 70 years.</p> <p>Up to 50% of the market value of the property (house, apartment, estate) - If the borrower’s age group is between 71- 75 years.</p> <p>Up to 55% of the market value of the property (house, apartment, estate) - If the borrower’s age group is between 76- 80 years.</p> <p>Up to 60% of the market value of the property (house, apartment, estate) - If the borrower’s age group is above 80 years.</p> <p>The borrower’s dues under a reverse mortgage loan equals all the loan advances he/she receives, including any amount used to finance the loan or to pay off prior Loan plus all the interest that is added to the respective loan balance. If this amount is less than the assured value of the home, when the borrower wants to repay the loan, then the surplus is given to the borrower or legal heirs of the borrower in case of his/her demise.</p>

Repayment on the trigger of the ‘Maturity Event’	<p>The borrower will not make any monthly mortgage repayments to the lender during the life of the loan. The loan would be repaid when the borrower ceases to occupy the home as a principal residence. The loan may be repaid by the borrower or the heirs/estate, with or without a sale of the home. The repayment obligation cannot exceed the home’s value or sales price.</p> <p>All reverse mortgages are due and payable when the last surviving borrower dies, sells the home, or permanently moves out of the home. Reverse mortgage lenders can also require repayment at any time if the borrowers:</p> <ul style="list-style-type: none"> • fails to pay their property taxes; • fails to maintain and repair their home; or; • Fails to keep their home insured. <p>On a reverse mortgage, however, lenders generally have the option to pay for these expenses by reducing the loan advances and using the difference to pay these obligations. Other default conditions on most home loans, including reverse mortgages, include:</p> <ul style="list-style-type: none"> • Declaration of bankruptcy; • Donation or abandonment of the home; • Perpetration of fraud or misrepresentation; • If a government agency needs borrowers property for public use <p>Changes that could affect the security of the loan for the lender can also make reverse mortgages payable. For example:</p> <ul style="list-style-type: none"> • Renting out part or all of the home; • Adding a new owner to home’s title; • Taking out new Loan against the home. • Changing home’s zoning classification;
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Payment Options	1.	<p>A reverse mortgage would allow a borrower to receive cash in a number of ways.</p> <ul style="list-style-type: none"> • The cash being provided in one single payment. • The loan being offered as regular monthly cash advances. • The reverse mortgage could also be paid as a credit-line account which gives the borrower an opportunity to withdraw a required amount of cash whenever required. • The mortgage loan may also be made available as a combination of monthly cash advances as well as “credit-line account”.
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According data from National Housing Bank as on 30th June 2011 on Reverse Mortgage loans, the Banks in India had provided 8903 loans Sanctioning Rs.1740.03 crores and Disbursing Rs.672.01 crores. The prominent lenders in this area were State Bank of India, State Bank of Hyderabad, State Bank of Mysore, State Bank of Travancore & Central Bank of India. (Mahesh Kumar, 2013).

The regulatory, legal and taxation related issues require to assess the entry restrictions under the banking and insurance laws. Also, legal protection must be ensured for the lenders of reverse mortgages from other creditors of secured loans under the insolvency laws. Provision of counselling for potential borrowers is also required to protect them from adverse publicity from legal suits. The absence of secondary markets and mortgage backed securitization and insurance of the reverse mortgage

loans also present a challenge in the successful adaptation of these kinds of financial services in the country (Pahuja and Sanjeev, 2016). Further, reverse mortgages have risk mitigating as well as risk expanding properties depending upon the specification of the mortgage conditions such as the Cash rich/poor households and Home-rich/poor households. Cash-rich and Home-rich households have better expected utility while Home-rich and Cash-poor households have lower expected utility in expanding their risks in case of early exit (Michelangeli, 2010).

Reverse Mortgage - Studies in the Indian context :

Reverse Mortgage is in the early stages of development in India and there are not many studies in this area. However, it is observed that there are 3 Research studies (Source : Shodhganga) related to Reverse Mortgages in India which

have been done, and we shall discuss the findings of the 3 studies, briefly :

1. Dinesh Dadasaheb Borse, 2014, Reverse Mortgage as a potential financial planning tool and its inclusion in financial plans of urban population of Maharashtra.

Research was based on primary data collected through Structured questionnaire from 400 individuals in the age group 30-60 years who have taken home loans from 2007 to 2013 in the cities of Mumbai, Pune and Nashik.

Key Findings:

- Individual's self-awareness about current status of his financial planning is related to adequate retirement planning.
- Individuals considering reverse mortgage loans as useful financial tool for retirement planning will be interested in buying second house.
- Individual's feeling that they have inadequate retirement planning, will be related to their view that RML is good financial shelter, during old age.
- It was observed that reverse mortgage has similar risks to that of bonds, small savings and fixed deposits; but it gives better returns than those products. Reverse mortgage can be a very good option considering risk and return analysis.

It also does not need to invest any amount in the initial stages.

2. Sanjiv Kumar Saraswati, 2014, Reverse Mortgage Opportunities And Challenges- A Study of Indian Banking Sector.

This Research based on primary data collected through Structured questionnaires from 200 employees of 5 Banks & 500 Account holders from Delhi, Haryana & Noida (who did not have prior experience in Reverse Mortgage loans).

Key Findings:

- Proper publicity of RML products should be made.
- The dealing employees should be properly trained.
- The product should be included in the list of priority sector advances keeping in view its social importance.
- Rate of interest should be reduced so that the borrower gets more loan value.
- Legal bottlenecks should be removed by making required changes in rules
- Process should be so designed that the initial cost is not as high as it is today.
- To encourage the banks in popularizing the loan, RBI/ NHB should make refinance against these loans to support the banks.

- Regulators like RBI and NHB should closely monitor the progress made in disbursement of this product.

3. Mahesh Kumar, 2013, Reverse Mortgage As A Retirement Planning Tool: An Evaluation.

This Research and analysis based on primary data collected from eligible senior citizens (196 respondents) of age sixty years and above, having residential house property in their name and living in four important metro cities of Delhi, National Capital Region (Gurgaon, NOIDA and Faridabad), Jaipur and Tri sector of Chandigarh, Mohali and Panchkula. The questionnaire was framed keeping research objectives in mind and convenience of future data analysis.

Key Findings:

- The demographic factors that had significant bearing on Reverse mortgage were : Household status, Income from investments, Children contribution towards parents maintenance, Annual income.
- The countries of USA, Canada, Australia, New Zealand, UK, Ireland, Spain & Singapore had good and developed markets for Reverse Mortgage products and are well regulated.
- Many Respondents (individuals) wanted the following features : Lower rate of interest, More

information on the product, Preferred variable annuity.

- Many Respondents'(individuals) perception/apprehensions about Reverse Mortgage were : It will reduce the value of asset they would leave their children, felt undignified to do this, may use it for medical emergency if it arises, scared of losing the home to this arrangement, the debt may become too high, upfront costs were high.
- Main Apprehensions of the Lenders were : Dealing with psychological aspects of Senior Citizens who are beneficiaries—their dislike for debt at old age and difficulty in understanding the product, Low demand, Risks involving—longevity, title, interest rate, property price fluctuations/valuations, Non-availability of returns on annual basis, Cash flows.

Why is Reverse Mortgage not popular in India :

The reason for Reverse Mortgage not being popular are :

Users/Senior Citizens' perspective :

- Being unaware of the scheme. Lack of wide publicity.
- Senior citizens feel that it is undignified to go for loan mortgaging the property, at an advanced age. This would be viewed by the society that either their children do not take

care of their old parents or they are unable to live within their means.

- Their bequest motive was very strong even in cases where children do not take care of their parents. They feel that taking RML may create tension within the family.
- RM will reduce the value of the property or they will lose the property, which they intend to bequeath to their children.
- Elders feel that their children and society will look down upon them for having created a liability on the Asset meant for the heirs.
- The initial costs like loan processing charges, documentation costs, and inspection and appraisal fees are quite high. Paying such high costs make sense if they are to use the product for its full tenure. Many seniors still prefer to avail and keep RML loan for short term and close it quickly. Initial costs appear too high when the loan facility is to be used for short term.
- The interest rate is high (Generally, the rates of interest for RML, globally, are 1-2% higher than the normal loans).
- The RML process is complicated.
- Due to higher interest rate which is accumulated to the loan until it is to be repaid, many seniors consider selling the property and investing

the proceeds in a bank as a better option than reverse mortgage.

- Some seniors have a very high value property. But guidelines cap the total amount to Rs.50 Lacs. Hence, those having high value property are not preferring RML due to lower returns.
- Many senior citizens have not shown interest in the loan, as they are concerned that with maximum tenure of loan being fixed at 15 or 20 years, they could be deprived of the annuity at a time when they need it most. With increased life expectancy, this concern appears genuine. To address this concern, a new version of the product, known as “Reverse Mortgage Loan enabled Annuity” (RMLeA) has been created and being offered. This will provide a life time annuity to borrower. Where annuities are worked out, the annuities are too low compared to the property value (typically, the annuity is 0.2% of the property value).

Lenders’ Perspective :

Most of the Banks/Financial Institutions have started the scheme based on the Regulator’s directives (RBI/NHB), but they have their own apprehensions :

- Lack of promotion/publicity by Lenders about the RML schemes prominently in their premises or through media is one of the major

factors in RML scheme not taking off to desired levels.

- The employees of Banks/FIs administering the scheme are not aware and are not properly trained to handle the enquiries.
- The Bankers feel that explaining the product to the elderly and making them understand is difficult.
- The idea that loan is given but it does not earn interest until the maturity event which is generally the death of the borrower or his exit or sale of property, is not appealing to Lenders. Thus though the interest accrues, when it gets paid, is uncertain.

Advantages of Reverse Mortgage Loans :

Albeit all difficulties, availing Reverse Mortgage Loans have the following advantages :

- As individuals grow older, the probability of ill-health or suffering from major illnesses is high, resulting in huge medical expenses. The penetration of medical insurance is still very low in India. Also, Medical insurance cover after a certain age is either unavailable or prohibitively costly. In such a scenario most of the elderly are not medically insured post retirement. Reverse mortgage loan comes in handy in such circumstances for the elderly.

- RML can supplement retirement income for senior citizens with little or no pension. Elders can be financially independent.
- As the loan need not be paid back, there are no eligibility requirements like income/ repayment capacity or credit history requirements to avail this loan.
- Borrower gets Cash funds against his home equity, without having to move out
- Payments fall due when the borrower dies or permanently moves out. He thus gets the lifetime right to stay in his own home without any payment obligations.
- No upper age limit for getting this loan. In fact higher the age, more loan eligibility.
- The money received by borrower under RML is tax free.
- There is flexibility to the Borrower to receive the loan money in the form of a lump sum, annuity, credit line or combination of them as per his/her requirements.
- Reverse mortgage loan is a non-recourse loan. The borrower never owes more than the value of the home at the time of loan settlement. If the loan amount with accumulated interest grows to more than the value of house, loss is borne by the Lender.

- No restrictions on the use of funds except that they cannot be used for business or speculative purposes.
- At the macro level, implementation of reverse mortgage schemes could reduce the burden on the Government and employers who are paying pensions.
- As the real estate generally appreciates, and definitely so in a long term of 10-20 years, it is most likely that even after repayment of RML, the legal heirs would be left with funds, which takes care of the desire of elders to leave some inheritance to the children.

Suggested Measures to make Reverse Mortgage Popular in India :

- ✓ The Banks & Financial Institutions (FIs) :
 - Banks/FIs should be encouraged by the regulators RBI & NHB to promote the RML Schemes.
 - Information about RML should be prominently displayed in their websites and in their premises notice boards. Advertisements to be given through media suitably.
 - Train their employees specifically for this purpose in prominent locations—they can also have specialized Departments / Divisions/

Branches looking into RML in every city.

- ✓ The initial cost of processing, legal & technical vetting should be reduced and to be kept to the minimum. Some ideas are :
 - Charging Nominal Stamp Duty (say Rs.1000/-) and Registration Charges (say Rs.500/-) for Registration of Reverse Mortgages.
 - The Union Government can persuade State Governments to incorporate special status/ clauses under their Stamp Acts for Reverse Mortgages.
- ✓ To assuage the feeling of bankers towards uncertainty in the receipt of interest on RML, the following measures are suggested :
 - Funds Advanced (Net) under Reverse Mortgage can qualify, partially or fully to be categorised as part of mandatory expenses under Corporate Social Responsibility—say at least to the extent of 50% of the CSR expenses.
 - Government can provide Refinance to the Banks and FIs at concessional rates to the extent of loans advanced under RML.
 - Banks/FIs' Profit from earnings of loans under RML

schemes should be exempt from Income Tax.

- ✓ RML should be available for patients under prolonged Palliative care at Hospital/Nursing/Care Homes—who cannot get care at their own homes for prolonged periods beyond 1 year. (Presently under RML the borrowers should stay in their homes and if they are away for 12 months or more, then the maturity event is triggered making the entire dues becoming payable)
- ✓ RML to be applicable to properties which are partially rented, with owners staying in a part of the property.
- ✓ Making Mortgage Insurance compulsorily available as in the US HECM model. Though this would increase the cost to some extent, it will give the comfort to the Lenders.
- ✓ There can be a Regulatory authority to monitor RMLs of various Banks/FIs.
- ✓ The Banking Training Institutes can conduct Certification programmes and the Agents can advocate RML schemes after getting certified.
- ✓ Reverse Mortgage can be a part of curriculum in Financial studies courses like B.Com, M.Com, CA, and in Social Service sectors—Bachelors/Masters Degree in Social

Work, etc., so that awareness about RML gets into the society gradually.

- ✓ The people who work for the benefit of Senior citizens exclusively are those from NGOs and Health Care professionals, Hospitals, Clinics, etc. The message and advantages of RML should be carried through by these Agencies.

Conclusion :

It is seen that in the past decade or so, successive Governments have focused on a theme popularly referred as “Inclusive Growth”, in which development measures are taken up to ensure that all sections of the society are equally cared for with special focus on addressing the problems specific to that section/community or group.

Reverse Mortgage is the most appropriate method to mitigate the financial difficulties of the Ageing population. However, much work remains to be done in popularizing the scheme. The main players who can contribute in bringing this product to full utilization and ensure financial sustenance to the Elders during their sunset years are :

- (1) Government by suitable interventions,
- (2) Banks/Financial Institutions—by publicizing the scheme and training their staff &
- (3) Senior Citizens who should see and understand the obvious benefits of the scheme.

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EXPLORING THE INTERACTION EFFECT OF EMPLOYEE'S DEMOGRAPHIC FACTORS AND EMPLOYEE'S WORKPLACE VALUES : A SPECIAL REFERENCE TO PUBLIC AND PRIVATE BANKS IN INDIA

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Dr. Aisha M. Sheriff **

Abstract:

The objective of this study is to appreciate the interface between the demographic factors and employee's workplace values related to customer service, societal responsibility, safety and rewards. The sample size 400 includes respondents from public and private sector banks in India. The data from the respondents is collected employing convenience sampling technique with a tested questionnaire. Statistical tools as Principal Component Analysis is used for factor extraction. Validity and reliability test are executed with the KMO tests and Bartlett test. The rotation method using Varimax with Kaiser Normalization and Exploratory factor analysis have presented significant results. It is clear from the results that there exists an interaction effect between gender and bank type on customer service. Similarly, there is interaction effect between experience and bank type on safety and autonomy. The implication drawn from the outcome of this study to the banking executives is to imbibe these workplace values for sustaining the present dynamic competition.

Key words: Workplace values, Customer Service, Societal Responsibility, Safety and Autonomy, Rewards and Development

1. INTRODUCTION:

The intention of the present study is to observe the interaction effect of employee's demographic factors and employee's workplace values.

Employee's workplace values connected to customer service, societal responsibility, safety and autonomy. The employees' workplace values existing have its own contribution to the overall performance of any organization.

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Hence a thoughtful understanding of the employees' workplace values and their interface with the demographic factors is vital. Employees' workplace values considered in the present study are customer service values, reward values, safety values and the societal values.

The banking sector is exposed to various challenges and responsibilities. Equally important is, respecting the time and requirement of customers, treating customers with respect and appreciating their concern, integrity and truth in the service, transparent communication of information at right time to the customers serve the motto of customer service. As well, elevating the society to make a better place to live is the core intention of the banks. Initiatives such as child and women education, farmers' needs, encouraging budding entrepreneurs with technical and financial assistance by promoting SMEs, subsidies on irrigation and agriculture to promote agricultural activities as self dependency on basic commodities, free schools and hospitals in rural areas enhance the quality of life in rural India. This culture shows the concern towards upliftment of the society, economic development and infrastructure progress of the nation.

Hence, the study looks into the interaction effect between the demographic factor such as age, experience and gender on the employees' workplace values related to customer service, societal responsibility, rewards and safety. The outcome of the present study will provide immense

insight to policy makers in banking industry. An overview of workplaces related to customer service and societal relationship are empirically analysed.

2 FRAMEWORK

Muslim Amin, Zaidi Isa, Rodrigue Fontaine (2013) have examined the relationship existing between customer satisfactions, image of the bank, trust held by the customers and customer loyalty towards the Islamic banks. Dr. Nadeem Ahmed, Anwar Rasheed, Khawaja Jehanzeb (2012) have explored the dynamic challenges banking sector is exposed to, in spite banks streamlined their strengths to reach out the customers' expectations. One such culture is the Organizational Citizenship Behaviour. The authors have developed a model to understand the relation between OCB, employee engagement, HRD climate, job satisfaction and commitment. Haripurnomo (2015) states that banking industry is one among those which are experiencing dynamic change to gear up with the expectations of the customers to provide a range of services from the traditional banking to the internet banking in order to sustain the deadly competition. This would be possible only with competent workforce and well planned work systems in the banks to deliver customer satisfaction

Raja M. Akbar, Aisha Akbar (2012) have proposed a model with eight essential HRM competencies required in the banking sector. The variables included

in the study were bank's perceived performance taken as dependent variable. The independent variable were as follows ; change steward and culture , HR expert , credible activist , talent manager , business partner , management and leadership competencies and lastly organization designer .Niaz Ahmed Bhutto ,Minhoon Khan Laghari , Falah-ud-Din Butt (2012) examined the relationship connecting organizational climate and job satisfaction with special reference to banks in Pakistan. Job satisfaction and organisation climate is ranked most suitable in the foreign banks followed by private banks and least with the public sector bank.Muhammad Zeeshan Shaukat, Dr.Aslan Amat Senin ,Ishfaq Ahmed (2012) examined the factors contributing to job satisfaction in Pakistani banks. The findings of the study indicated that supporting factors of employees in the organization as good working conditions, incentives and perks positively influences the job satisfaction. Along with these intangible benefits the relationship between the stakeholders, the rapport maintained significantly contributes to job satisfaction. Shaheen Ahmed, Md. Nokir Uddin (2012) have studied the factors contributing to job satisfaction in the banking sector of Bangladesh. In general the job satisfaction of any employee depends on facilities as rewards, salary, supervision, operating procedure, co-worker, promotion, nature of work, benefits, supportive working environment and communication etc. In this study apart from these factors

attitudes of supervisors, nature of work and communication system supporting the operations are also considered. The findings indicate employees have shown dissatisfaction with the benefits, promotion and salary, but satisfied with operating procedure, reward, communication system, supervision, co-workers and nature of work.

Shilpi Singh (2013) has focused on the importance of Human Resource Development in Indian Banks. The initiatives taken by Indian banking Associations highlighted in the study is, Staff Training Colleges; National Institute of Bank Management, Pune; Banking Service Recruitment Boards, Indian Institute of Banker, Bombay; Indian Bank Association, Bombay are discussed. Eliza Sharma, Dr.Mukta Mani (2013) examined the CSR initiatives undertaken in the commercial banks in India. CSR activities focused in the study included women welfare, community welfare, rural branch expansion, environment protection, priority sector lending, financial literacy, education and farmer welfare. The public sector banks proved the highest contribution towards CSR in meeting the concerns of the society, while the private and foreign banks are far behind with not remarkable contribution.

Md. Tofael Hossain Majumder (2012) identified the dissatisfaction of private bank employees in Bangladesh with the HRM practices followed. The employees were not happy with respect to the top

management policy, job design that focused on the roles and responsibilities, training and development initiatives, compensation system and opportunities for growth and development. Ismail khan et.al. (2013) with the support of Herzberg's two factor theory has made an attempt to understand the importance of extrinsic and intrinsic rewards in Pakistani commercial Banks. Job performance and job satisfaction are analysed. Authority, security, social service, ability, moral values utilization, variety and activity were the intrinsic rewards considered. The factors of extrinsic rewards are advancement, recognition, supervision, co-workers cooperation and human relations. It is clear from the study that the rewards provided in the organisation motivate the employees for enhanced job satisfaction that in turn improves the overall performance of the banks, hence there is a positive correlation between the rewards, job satisfaction and organisational performance. Khawaja Jehanzeb et al (2012) this study aims to examine the impact of rewards on job satisfaction in both public and private banks of Saudi Arabia. Results indicate that rewards have positive significance on motivation, motivation is positively related to the job satisfaction and rewards have a positive significant effect on job satisfaction.

3. METHODOLOGY

Questionnaire with 5 point likert scale is used for collecting the data from the

public and private bank respondents. The questionnaire is pilot tested. The sampling design employed in the data collecting process is Convenience sampling. Canara bank, State bank of India, Corporation Bank, Union Bank of India, Syndicate Bank, State Bank of Mysore, NABARD, Bank of Baroda, IDBI and Bank of India were the sample banks in public sectors. Similarly ICICI, Karur Vysya Bank, Axis, Karnataka Bank, HDFC and Kotak Mahindra bank were the sample banks in private sector. The sample size is 400 respondents, 208 respondents form the public and 192 respondents from the private banks. KMO tests and Bartlett test are conducted. Exploratory factor analysis is used to measure the validity and reliability of the questionnaire. Method of extraction used is Principal Component Analysis. Varimax with Kaiser Normalization is the rotation method employed to extract the factors. The sig value is 0.05 and the KMO result higher than 0.5 attest the scale is excellent. The Cronbach Alpha value for customer service, societal responsibility, safety and rewards related employees workplace values are 0.677, 0.842, 0.727 and 0.743 respectively.

4. HYPOTHESIS FORMULATION

- H1: There is interaction effect between gender and bank type on customer service.
- H2: There is interaction effect between age and bank type on safety and autonomy.

H3: There is interaction effect between age and bank type on societal responsibility

H4: There is interaction effect between experience and bank type on rewards and development.

H5: There is interaction effect between experience and bank type on Safety and Autonomy

5. ANALYSIS, RESULTS AND DISCUSSIONS

5.1 ANOVA Interaction Effect between gender and bank type on customer service

ANOVA interaction effect is employed to understand the dynamics between gender and customer service in public and private bank employees. The independent variables are categorical variable and dependent variable is continuous variable. The interaction effect is established if the results are statistically significant.

Table 1: Table showing the mean value for Customer Service with respect to bank type and gender

Bank type	Gender	Average	Count
Public	Male	4.55	133
Public	Female	4.68	75
Private	Male	4.66	115
Private	Female	4.59	77

The mean values for customer service are 4.55 and 4.68 for male and female

employees in public banks respectively. Similarly, the mean values for male and female employees in private banks are 4.66 and 4.59 respectively. It is statistically clear that female employees in public banks customer service perceived high level of customer service than other combinations

ANOVA result

H1o: There is no interaction effect between gender and bank type on customer service.

H1a: There is interaction effect between gender and bank type on customer service.

Table 2: ANOVA result for customer service with gender and bank type.

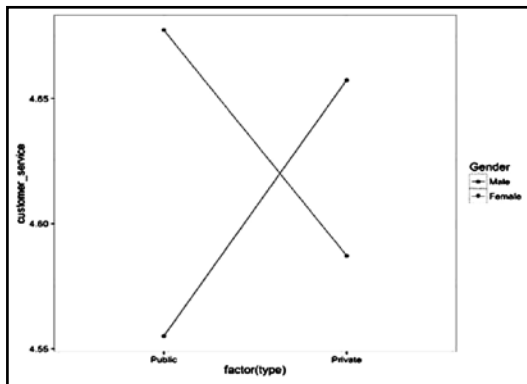
	Df	Sum of Sqr.	Mean Sqr.	F value	Pr (>F)
Bank type	1	0.09	0.09	0.5	0.48
Gender	1	0.07	0.07	0.405	0.53
Bank type *Gender	1	0.87	0.87	4.826	0.03*
Residuals	396	71.73	0.18		

*P<.05

The importance of customer service as one of the most significant workplace value held by employees is confirmed both in the public and private banks as stated in the previous study Dr.Nadeem Ahmed,Anwar Rasheed,Khawaja Jehanzeb (2012) .The female employees in the public sector banks have enhanced

importance while the male employees in the private banks have exhibited a greater importance. Statistically it is evident that, $F=4.8$ and $P<.05$, hence interaction effect is established on customer service by bank type and gender. The alternative hypothesis H_a is accepted.

Graph 1: Interaction Graph showing the Interaction Effect of Customer Service with respect to bank type and gender



5.2 ANOVA Interaction Effect between age and bank type on safety and Autonomy

Table 3: Table showing the mean value for Safety and Autonomy with respect to bank type and age of employees

Bank type	Age	Average	Count
Public	25-30	4.38	52
Public	30-40	4.26	42
Public	40-50	4.31	49
Public	50-60	4.31	65
Private	25-30	4.47	82
Private	30-40	4.29	71
Private	40-50	4.51	39

The mean values for Safety and Autonomy are 4.38, 4.26, 4.31 and 4.31 with different age grouped employees in public banks. Similarly, the mean values of employees in private banks are 4.47, 4.29 and 4.51 for different age groups. Private bank employees with 40-50 years seems to be perceive high compared to other group and lowest perceived by public bank employees with 30-40 years.

ANOVA result

H2o: There is no interaction effect between age and bank type on Safety and Autonomy.

H2a: There is interaction effect between age and bank type on Safety and Autonomy.

Table 4: ANOVA result for Safety and Autonomy with age and bank type

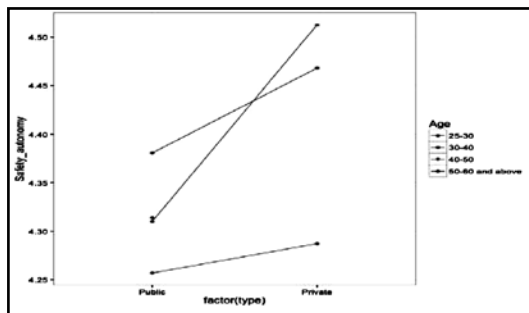
	Df	Sum of Sqr.	Mean Sqr.	F value	Pr (>F)
Bank type	1	0.85	0.85	3.568	0.06
Age	3	1.76	0.59	2.471	0.06
Bank type: Age	2	0.36	0.18	0.762	0.47
Residuals	393	93.39	0.24		

* $P<.05$

Job security is an important aspect for both the employees of public as well as private bank. The public sector employees have a secured job with a predetermined

structured reward system as it is under the control and administered by the RBI. Hence, the public sector employees have a secured ecosystem. But, unfortunately in the private sector banks the biggest challenge is the insecurity in the job. Therefore, the employees have confirmed a noticeable differentiation for safety related workplace values. Statistical results are also in line with the fact existing in the banking sector. Since $F=.76, P>.05$, there is no interaction effect established on Safety and Autonomy by bank type and age. The same observation is noted by the previous researchers Muhammad Zeeshan Shaukat, Dr.Aslan Amat Senin ,Ishfaq Ahmed (2012). The null hypothesis H_0 is accepted.

Graph 2: Interaction Graph showing the Interaction Effect of Safety and Autonomy with respect to bank type and age .



5.3 ANOVA Interaction Effect between age and bank type on societal responsibility

Table 5: Table showing the mean value for societal responsibility with respect to bank type and age of employees

Bank type	Age	Average	Count
Public	25-30	4.32	52
Public	30-40	4.05	42
Public	40-50	4.18	49
Public	50-60	3.98	65
Private	25-30	4.10	82
Private	30-40	4.08	71
Private	40-50	3.98	39

The mean values for societal responsibility are 4.32, 4.05, 4.18 and 3.98 with different age group employees in the public sector banks. And, the mean value for societal responsibility are 4.10 ,4.08 and 3.98 for different age group employees in the private sector banks. The public sector bank employees with 25-30 years have highly perceived the workplace values related to Societal responsibility (4.32). On the other front the private sector employees with 40-50 years have a diminished importance (3.98) .

ANOVA result

H3o: There is no interaction effect between age and bank type on societal responsibility.

H3a: There is interaction effect between age and bank type on societal responsibility

Table 6: ANOVA result for Safety and Autonomy with age and bank type

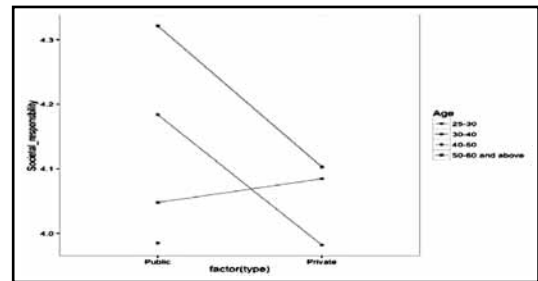
	Df	Sum of Sqr.	Mean Sqr.	F value	Pr (>F)
Bank type	1	0.32	0.32	0.727	0.39
Gender	3	3.01	1.00	2.253	0.08
Bank type: Gender	2	1.1	0.55	1.23	0.29
Residuals	393	175.29	0.45		

*P<.05

Workplace values related to societal responsibility such as women empowerment, rural development, CSR activities for enhancement of the society, establishing SHGs, financial assistance to rural entrepreneurs are the primary concern of the public sector banks along with other service. This instruction is given by the RBI and the Government of India. But the private banks have a different vision of increasing their market share concentrating on the urban customers to have fast growth in the industry. Hence, the employees' workplace values with respect to societal responsibility are not similar and the same is reflected statistically as stated by the previous authors Shilpi Singh ,Eliza Sharma, Dr.Mukta Mani (2013) .Since, $F=1.23$, $P>.05$, there is no interaction effect. The null hypothesis H_0 is accepted.

Graph 3: Interaction Graph showing the Interaction Effect of societal

responsibility with respect to bank type and age.



5.4 ANOVA Interaction Effect between Experience and bank type on Rewards and Development

Table 7: Table showing the mean value for Rewards and Development with respect to bank type and Experience of employees

Bank type	Experience in years	Average	Count
Public	02 to 05	4.54	45
Public	05 to 10	4.42	36
Public	10 to 20	4.30	34
Public	20 to 30	4.24	50
Public	30+years	4.31	43
Private	02 to 05	4.49	80
Private	05 to 10	4.57	69
Private	10 to 20	4.46	37
Private	20 to 30	3.97	6

The mean values for rewards and development are 4.54, 4.42, 4.30, 4.24 and 4.31 for different age groups in the public sector employees. And, The mean values for rewards and development are 4.49, 4.57, 4.46, 4.24 and 3.97 for different age groups in the private sector

employees. It is clear that the public sector employees with lesser than 5 years of experience have perceived extra importance for workplace values related to rewards and development. In case of private bank employees with 5 to 10 years of experience have show a similar importance for reward related values.

ANOVA output

H4o: There is no interaction effect between experience and bank type on rewards and development.

H4a: There is interaction effect between experience and bank type on rewards and development.

Table 8: ANOVA result for rewards and development with experience and bank type

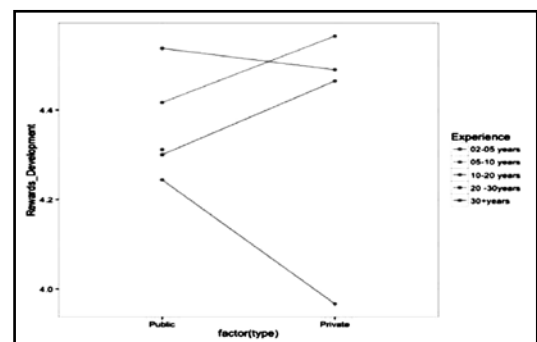
	Df	Sum of Sqr.	Mean Sqr,	F value	Pr (>F)
Bank type	1	1.83	1.8265	7.576	0.00619**
Expe-rience	4	3.17	0.7929	3.289	0.01141*
Bank type: Expe-rience	3	1.31	0.4374	1.814	0.14397
Resi-duals	391	94.27	0.2411		

**P<.01 *P<.05

The employees serving in the public sector banks enjoy a full fledged pay

revision regularly as directed by the central wage boards which is not the case in the private banks of India. The benefits provided to the public sector employees are exponentially good compared to the private bank employees. Along with the salary the other non monetary benefits are residential accommodation, travel expense reimbursement, provision for 2 wheeler or 4 wheeler fuel allowance, medical aid for dependents of staff, compensation on death/disability/serious injury while on duty, Leave travel allowances Housing loan, vehicle loans ,personal loans. As both the public and private sector bank employees have shown importance to workplace values related to rewards the main effect is established for both bank type and experience, but model would not establish interaction effect. A similar statement is also made by the previous researcher Md. Tofael Hossain Majumder (2012) Since, $F = 1.814$ and $P > .05$, the null hypothesis H_0 is accepted.

Graph 4: Interaction Graph showing the Interaction Effect of rewards and development with respect to bank type and experience.



5.5 ANOVA Interaction Effect between Experience and bank type on Safety and Autonomy

Table 9: Table showing the mean value for Safety and Autonomy with respect to bank type and Experience of employees

Bank type	Expe- rience	Average	count
Public	02 to 05	4.40	45
Public	05 to 10	4.25	36
Public	10 to 20	4.26	34
Public	20 to 30	4.29	50
Public	30+years	4.36	43
Private	02 to 05	4.45	80
Private	05 to 10	4.40	69
Private	10 to 20	4.45	37
Private	20 to 30	3.83	6

The mean values for Safety and Autonomy are 4.40, 4.25, 4.26, 4.29 and 4.36 for different age groups in the public sector employees. And, The mean values for Safety and Autonomy are 4.45, 4.40, 4.45 and 3.83 for different age groups in the private sector employees.

ANOVA output

H5o: There is no interaction effect between experience and bank type on Safety and Autonomy

H5a: There is interaction effect between experience and bank type on Safety

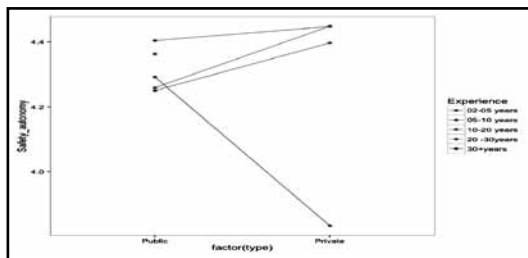
Table 10: ANOVA result for Safety and Autonomy with experience and bank type

	Df	Sum of Sqr.	Mean Sqr,	F value	Pr (>F)
Bank type	1	0.85	0.8478	3.58	0.0592
Expe- rience	4	1	0.2512	1.061	0.3757
type: Expe- rience	3	1.91	0.6372	2.691	0.046*
Resi- duals	391	92.59	0.2368		

**P<.01 *P<.05

Respondents from private with average experience of 5 years seems to perceive high values than other group with respect to workplace values related to Safety and autonomy . Interaction effect is establish between bank type and experience statistically with $F=2.691$, $P<.05$. This indicates the importance of job security and safe working environment for the private bank employees as also stated by the previous researcher Md. Tofael Hossain Majumder (2012). The alternative hypothesis H_a is accepted

Graph 5: Interaction Graph showing the Interaction Effect of Safety and autonomy with respect to bank type and experience.



6 IMPLICATION TO MANAGERS

The present banking system is associated with new set of challenges and opportunities. A noteworthy challenge allied in the transformation process of Digital India is fundamentally with information and delivery. In turn this has an impact on the performance of the banking executives and has given rise to considerable facts that need attention. The serious fact that has to be taken care is make sure that adequate manpower with requisite skill set are present to trouble shoot the technological concern .

7 CONCLUSION

The Indian banking business has continued to maintain its reputation with its well structured regulatory policy under the administration of RBI and Government of India. With challenges as demonetization, global dynamics, economic, fluctuating capital markets, political dynamics and regulatory landscape, the transformation towards digital economy has brought certain concern that has to be taken care . Insatiable consumer hunger for Omni-channel transactions has placed most banks on the digital banking back foot. E-banking needs lot of progress in terms of speed and service. Even though small and medium banks are

rendering on line services, the large banks with big number of customers have to shift more expeditiously. The employees in the public sector have to inevitably strengthen their technical skills to leverage the confront in the e-banking ecosystem. The private banks have to shift and enhance their priority towards holding up to the agriculture zone, supporting rural developments, encouraging rural women empowerment by taking appropriate initiatives .To exhibit such conduct in the workplace the employees in the private need to be supported with the basic requirement as job security and the monetary benefits need to be substantially enhanced on par with the public sector banks. Workplace values that spotlight on priority sector for rural development, infrastructure development of the nation, providing the best customer service, are the essentials of transforming banking sector.

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"IGNITION OF BRAND CONSCIOUSNESS IN INDIANS THROUGH GEOGRAPHICAL INDICATION"

Preeti Kalyan *
Saumya Singh **

Abstract:

One of the goals of the "Made in India" program is to improve and protect the intellectual property (IP) system in India. The steps envisaged to achieve this goal include increasing the positions of IP offices, electronically applying facilities, reducing the cost of micro, small and medium-sized enterprises, and organizing awareness-raising programmes.

In this case, the less discussed intellectual property is the "Geographical Indication" (GI), a right that is properly described as "sleeping beauty" by FLORENT GEVERS, a renowned lawyer of European Union.

Geographical indications indicate that the goods originated in a particular geographic area and their characteristics, quality or reputation were primarily attributable to the area. This paper describes about various regulations in India related to GI tag, also discusses various issues and challenges related to this aspect of IPR. This article outlines the current situation of Geographical indications in India.

Keyword: *Geographical Indication, GI in India, IPR*

INTRODUCTION

Intellectual property (IP) pertains to any original creation of the human intellect such as artistic, literary, technical, or scientific creation. Intellectual property rights (IPR) refers to the legal rights

given to the inventor or creator to protect his invention or creation for a certain period of time.

Geographical indications indicate that the goods originated in a particular geographic area and their characteristics,

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quality or reputation were primarily attributable to the area. This paper describes about various regulations in India related to GI tag, also discusses various issues and challenges related to this aspect of IPR. This article outlines the current situation of Geographical indications in India.

OBJECTIVES

- To study the recently registered GI tags in India.
- To analyse various issues and challenges attached to GI tags in India.
- To suggestions for filling the loopholes of GI tags in India.

RESEARCH METHODOLOGY:

The paper is mainly focused on the secondary data available in different books, journals, websites, articles and economic survey report.

LIMITATIONS:

The paper is based on all secondary data already available and hence the scope of the paper is limited.

Advantages and Loopholes of GI tags in India

Advantages of GI tag	Loopholes of GI tags in India
Geographical Indications support local production	TRIPS only provides a minimum standard of protection as compared to GI
GI is collective rights	Documentary evidences as proof of origin may be foolproof mechanism to ensure the link between the product and territory
Will boost MSME sector , giving it place for itself	difficulty in registering under Geographical Indicator
Export and exchange of rural and agricultural products will increase	GI in India has never gone beyond the Article 23

REGISTRATION OF GEOGRAPHICAL INDICATION (GI) IN INDIA: This is the geographical indication map of India. It shows the country's diversity of its various regions.

Table showing famous GI tags of India given below:

States of India	Famous Geographical Indication Tags
Jammu & kashmir	Pashmina, Hand-knotted carpet, Walnut wood carving
Himanchal Pradesh	Kangara paintings, Kullu shawls, Chumba rumals
Sikkim	Large Cardemom
Arunachal pradesh	Arunachal Orange
Nagaland	Naga Mircha, Chakshesang shawl, Naga tree tomato
Assam	Muga Silk, Joha rice, Tezpur litchi
Manipur	Shamphree lanphee, Kachai Lemon
Mizoram	Mizoram Chilli
Tripura	Tripura queen pineapple
West Bengal	Shantiniketan, Leather Goods, Khirsapati Mango
Meghalaya	Khasi Mandarin, Memong Narang
Bihar	Madhubani Paintings, Bhagalpur Silk, Sikki Grass Work
Utter Pradesh	Varanasi Glass Beads, Lucknow Chikan Craft, Mango Dussehari, Banaras Brocades And Saaris
Rajasthan	Blue pottery of Jaipur, hand block printing
Gujrat	Kutch embroidery, Agates Of Cambay, Patan Patola
Madhya pradesh	Chanderi fabrics, leather toys Of Indore, Ratlami Sev
Chhattisgarh	Bastar Dhokra, Bastar Wooden Craft, Bastar Iron Craft
Odisha	Konark stone carving, Pattachitra, Ganjam Kewda flower
Maharastra	Puneri Pagdi, Nahsik Valley Wine, Mahabaleshwar Strawberry, Warli Paintings
Telangana	Silver filigree, Hyderabad Haleem, Narayanpet, Handloom Saris
Goa	Feni
Karnataka	Channapatna toys and dolls, Mysore sandal soap, Mysore jasmine
Andhra Pradesh	Ikat , Tirupati Laddu, Kondapalli Bomallu
Puducherry	Villianur terracotta works
Tamilnadu	Kanchipuram Silk, Coimbatore Wet Grinder, Thanjavur Paintings, Temple Jewellery
Kerala	Aranmula Kannadi, Palakkadan Matta Rice, Balarampuram Sarees, Fine Cotton Fabrics

CONCLUSION

Intellectual property has never been so important in economics or politics and also controversial than now. Patents, copyrights, trademarks, industrial designs and Geographical indications are often mentioned in discussions and debates on the diverse topics such as Public health, food security, education, trade, industrial policy, traditional knowledge, Biodiversity, biotechnology, internet, entertainment and media industries. In knowledge - Based economy, there is no doubt that an understanding of intellectual property is indispensable for developing policies in all areas of human development. Geographical indication is an emerging field of intellectual property. Each region has its own claim and aspiration to be famous; it must be protected by its government and people.

It would be interesting to see what would be the future of geographical indications where such a written history is rare about

the origin of various products. Since the GI Registry considers the etymology when determining the source of evidence. The GI authorities should revise the existing regulations.

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DOES CONSUMERS' PERCEPTION ABOUT GREEN MARKETING PERSUADE BUYING DECISION IN REALITY? – AN EMPIRICAL STUDY

Varalakshmi T. *

Abstract:

Environmental issue is a sizzling topic nowadays. Global warming, escalating pollution coupled with waste disposal have created many problems threatening the welfare of people and ecological balance as well, making it a norm rather an exception to the marketers to “Think Green, Think Eco-friendly”.

Alongside, the escalating ‘Green Consumerism’ & diversification in consumer’s buying approach towards a green lifestyle has led to the emergence of ‘Green Marketing’.

But the marketers attempt to reposition their conventional products with full fledged green products using such innovative strategy is not an easy task, as the public is still sceptical and lack the required amount of knowledge about going green.

In reality, green marketing is a strategy for sustainability in the backdrop of CSR for sure which is almost ubiquitous; but still in the stage of infancy. The popularity of such marketing approach and its effectiveness is hotly debated in order to witness whether eco-friendly products actually contribute to the value proposition or not.

Hence the current study attempts to examine the concept of green marketing & its impact on consumers in the today’s marketing arena. It also focuses on how does it promote and reinforce the idea of environmental protection and sustainable development in the minds of the consumers.

Key Words: *Green Marketing, Sustainability, Green Products, Consumer Buying Behaviour, Green Consumerism.*

INTRODUCTION TO GREEN MARKETING

At present Environmentalism is rapidly embedded as a corporate citizenship resulting in an increased consumer demand for eco-friendly products thereby signalling an innovation in product design

and its communication.

The growing momentum of ‘Green marketing’ has made it a viable solution to address the environmental issues with a new perspective which do not just refocus but also redefined the marketing arena with a holistic approach.

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However a significant change that the business world is experiencing today has made the corporate ethical code to be 'Green'. Nonetheless the main motto of any company is making profits but without any due consideration for the environment and the society, sustainability would be highly challenging.

HISTORY OF GREEN MARKETING

The term Green marketing was first discussed in the year 1975 in a seminar on — 'Ecological Marketing' organized by American Marketing Association (AMA). However, the term green marketing came into prominence in the late 1980s and early 1990s.

The books by Ken Pattie (1992) & by Jacquelyn Ottman (1993) (author of "The New Rules of Green Marketing: Strategies, Tools, and Inspiration for Sustainable Branding" on green marketing were proved to be the tangible milestone known well all over the world.

In 1987 a document prepared by the World Commission on Environment and Development defined sustainable development as meeting "the needs of the present without compromising the ability of future generations to meet their own need", this became known as the Brundtland Report and was another step towards widespread thinking on sustainability in everyday activity.¹

1. 'Green Marketing' – Wikipedia- The Free Encyclopaedia

REVIEW OF LITERATURE

Polonsky (1994) —all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment.

Linda F. Alwitt (1996) – "The green issue has fostered a positive change in the behavior of consumers since 1970s This change has induced a significant upset in the perceptual experience of consumers with a rising concern for the preservation and prevention of any further damage to the environment. Admittedly green marketing is an effort to reduce these disturbing impacts on our environment through installing a new course of green concept."

Ottman (1998) shows that some consumers do not buy "green" products because of their perceived inferiority, citing a study of observable and product-specific information (e.g. use of biodegradable and recycling behaviour)

Belz F., Peattie K.(2009) – "Green, environmental and eco-marketing are part of the new marketing approaches which adjust or enhance existing marketing thinking and practice, but seek to challenge those approaches and provide a substantially with a different perspective.

In more detail green, environmental and eco-marketing belong to the group of

approaches which seek to address the lack of fit between marketing as it is currently practiced and the ecological and social realities of the wider marketing environment.”

Elham Rahbar (2011) – “Companies often applies different strategical approaches toward different parts of the industry to gain competitive advantages via repositioning consumer perception through innovative green products.”

Yazdanifard (2011) – “Consumers want to recognize themselves with companies that are green compliant and are willing to pay more for a greener life style. For this reason, green marketing is not only an environmental protection tool but also a marketing strategy.”

K.Manian, Ashwin Nitish.J (2014), have focused the green marketing concept in the context of Indian corporate sector and concluded that green marketing is at the infancy stage and can impact positively on the firm in the long run. Marketers need to make their consumers understand about the need and benefits of green marketing. Even consumers are willing to pay more to maintain their environment green and clean. Thus, it is the responsibility of consumers, industrial buyers and suppliers to promote positive effect of green marketing to the environment.

Delafrooz, Taleghani, & Nouri (2014) – “Advertisements are part of the green marketing tools which can make perception easier and increase awareness of eco-friendly products features and aspects. Consequently, this will lead the consumers to purchase the environmentally friendly products. Practicing these policy tools plays an important role in changing consumer purchasing behaviour to purchase environmental friendly products, thus, decreasing the adverse effect of artificial products on the environment

MEANING OF GREEN MARKETING

“Green Marketing” refers to those products / services manufactured in a sustainable fashion offering environmental benefits on a whole. It mainly emphasis on the long term welfare of the consumers and society thereby imbibing the value of going green with integrated efforts to maintain environmental stability and ecological balance as well.

Terms like recyclable, reusable, chemical free, eco-friendly is often associated with green marketing. In fact they are just green marketing claims. The latter is much more than that taking a progressive step towards environmental protection.

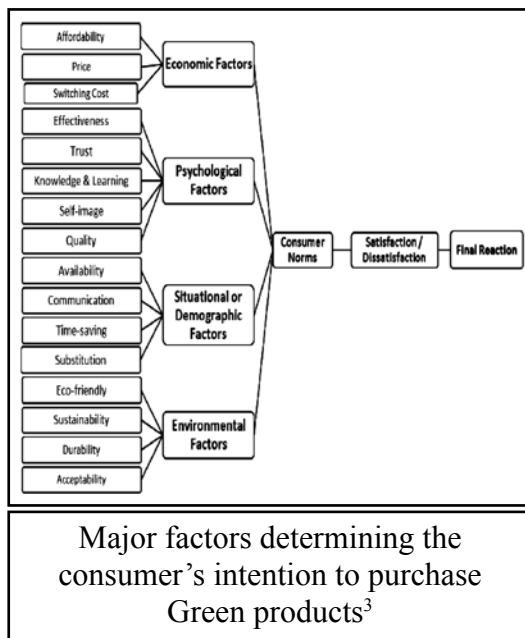
The obvious assumption of green marketing is that potential consumers will view a product or service’s “greenness” as a benefit and base their buying decision accordingly.²

2. *Redefining management practices & marketing in the modern age* – Prof A.R. Yedake & Dr. J.R. Bhor

OBJECTIVES OF THE STUDY

The current study has been undertaken with a view to fulfil the following objectives:

1. To spotlight the consumers level of awareness & their perception towards green marketing
2. To know the degree of inclination that consumers have towards the purchase of green products.
3. To know the impact of green marketing on consumers buying behaviour.



3. Linda F. Alwitt, R. E. (1996). Predicting Purchase Intentions for an Environmentally Sensitive Product. *Journal of Consumer Psychology*, 5(1), 49-64. doi:10.1207/s15327663jcp0501_03.

RESEARCH GAP

Over the years, Green marketing has been witnessed by many more studies but only in well developed countries. As an exception to this the study in India is still ongoing as a hotly debated topic resulting in a lack of number of studies to acknowledge.

It is apparently noticeable that there is a huge research gap in terms of conceptuality thereby creating confusion in the minds of the consumers that whether Green marketing is a corporate citizenship or just a strategy for sustainability.

RESEARCH METHODOLOGY

The study being empirical in nature is quantitative in its approach & uses an analytical model of investigation to guide the study productively. As a Descriptive Research, the study aims at finding out how & what are the factors actually determine the consumers buying behaviour from the standpoint of green marketing.

Sampling size & Type of Sampling employed: 146 respondents from among the consumer community (between the age group of 20 – 35 years)⁴ are taken as a stratum through Simple Random Sampling in order to collect the needy information.

4. Only Age and Gender of the Respondents are the two demographic profile considered for study.

Methods of Data Collection: Primary data was collected, compiled and analyzed to prove the hypothesis. While secondary data from books, journal articles, search engines and other relevant articles were reviewed in order to get an extensive view of the research topic. In this backdrop, primary data was gathered via well structured questionnaire inclusive of both open ended & closed ended questions constructed using a Likert scale.

Statistical tools used:

Mean - used to know the average level & degree of consumer perception towards green marketing

Standard Deviation - used to know how & to what extent the variable have deviated from the expected mean

Correlation - used to know does green marketing has any impact on consumer buying behaviour in reality.

Since variances are known & $n > 30$, **Z – test** is used. However it is used to determine is there any significant difference existing between sample & population means.

Formulas used:

$$Z_{cal} = \left(\frac{\bar{X} - \bar{Y}}{\sigma \bar{X}_1 - \bar{X}_2} \right)$$

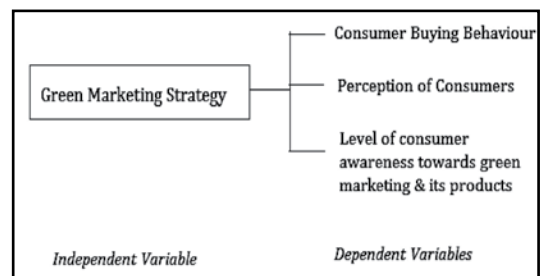
Correlation
$$r = \frac{\sum xy}{\sqrt{\sum x^2 \sum y^2}}$$

Standard Deviation
$$\sigma X = \sqrt{\left(\frac{\sum (X - \bar{X})^2}{n-1} \right)}$$

$$\sigma Y = \sqrt{\left(\frac{\sum (Y - \bar{Y})^2}{n-1} \right)}$$

Proposed Research Framework:

The current study involves both Dependent & Independent variables which can influence the consumer buying behaviour & their perception towards green promotion either positively or negatively.



HYPOTHESIS

On the basis of review of literature & objectives of the study the following hypothesis have been formulated to be verified by the usage of statistical analysis.

H_0 – Consumers tend to have high level of positive perception towards Green marketing.

H_0 – Consumer purchase intentions are positively influenced by the green marketing concept

H_0 – Consumers have a good amount of positive inclination towards purchase of green products.

H_0 – Green Marketing do persuade the buying behaviour of all the consumers.

H_0 – Consumers have a high level of awareness about Green Products.

ANALYSIS & INTERPRETATION

Table 1- Consumers perception towards Green marketing

Parameters	No. of Respondents
Green products are creditworthy they fulfil their advertising claims	20
Green products comes with higher cost making it too costlier to afford	14
Green marketers just exaggerate their products to be green	04
Green Advertorials are just publicity stunt used to build up brand image	10
Green Products are actually eco-friendly are targeted to benefit social concerns & issues	112
Total	146

H_0 – Consumers tend to have high level of positive perception towards Green marketing.

\bar{X}	\bar{Y}	$\sum X^2$	$\sum Y^2$	$\sum XY$	$r = \frac{\sum XY}{\sqrt{\sum X^2 \sum Y^2}}$
4.67	22	12.67	1784	134	$r = 0.8913$

There exists a **high degree of positive Correlation** between consumer perception towards Green marketing. Hence Accept H_0

Table 2- Consumers purchase intentions are towards green marketing concept

Parameters	No. of Respondents
Product Content	30
Due to eco – labels & Quality assured	30
Usage of recyclable materials thereby making the green products to be safe	40
Organic practices of the green producer (Eco – friendly process)	26
Green focused media ads making the product availability at ease	08
Health benefits assured by the green products	80
Total	146

H_0 – Consumers purchase intentions are positively influenced by the green marketing concept

\bar{X}	\bar{Y}	$\sum X^2$	$\sum Y^2$	$\sum XY$	$r = \frac{\sum XY}{\sqrt{\sum X^2 \sum Y^2}}$
4.25	22.5	112.75	425	217.5	$r = 0.9935$ (or) $r = +1$

There exists a **perfect positive correlation** between consumer purchase intentions & Green Marketing concept. Hence Accept H_0

Table 3 - Consumers inclination towards purchase of green products.

Parameters	No. of Respondents
As Green products enhances the quality of life	42
They are environmentally safe	102
Good in terms of health aspects concerned	82
Purchase of green products acts as a status symbol	02
Feels secured in terms of its usage	24
Post-purchase usage of green products offer high level of satisfaction	18
Green products offer both societal and eco benefits	28
Total	146

H_0 – Consumers have a good amount of positive inclination towards purchase of green products.

\bar{X}	\bar{Y}	$\sum X^2$	$\sum Y^2$	$\sum XY$	$r = \frac{\sum XY}{\sqrt{\sum X^2 \sum Y^2}}$
9	28.25	98	1530.74	378	$r = 0.9760$ (or) $r = +1$

There exists a perfect positive correlation between consumers having a positive inclination towards the purchase of green products. Hence Accept H_0

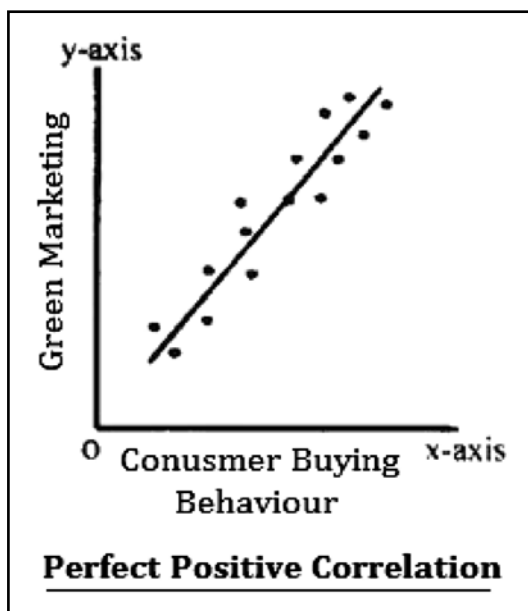
Table 4 – Impact of Green Marketing on buying behaviour of consumers.

Parameters	No. of Respondents
Strongly Agree	12
Agree	106
Neither Agree nor Disagree	26
Disagree	02
Strongly Disagree	00
Total	146

H_0 – Green Marketing do persuade the buying behaviour of all the consumers.

\bar{X}	\bar{Y}	$\sum X^2$	$\sum Y^2$	$\sum XY$	$r = \frac{\sum XY}{\sqrt{\sum X^2 \sum Y^2}}$
4.25	16.5	64.75	1889	327.5	$r = 0.9364$ (or) $r = +1$

There exists a **perfect positive correlation** between green marketing and consumer buying behaviour therefore green marketing do positively and significantly influences the consumer buying behaviour. Hence Accept H_0



Inference: we can say that both Dependent and Independent variables move in a same direction and is said to be positively correlated to each other.

Table 5 – Consumer awareness towards Green Marketing & its Products

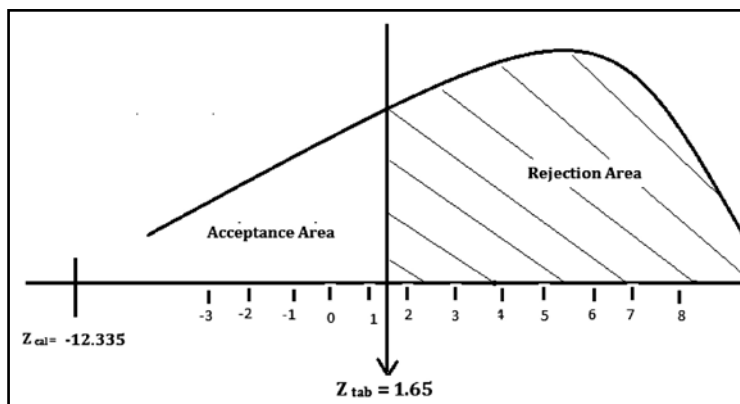
Parameters	No. of Respondents
Low	04
Very Low	04
Average	78
High	50
Very High	10
Total	146

H_0 – Consumers have a good amount of awareness about Green Marketing & its Products.
 H_1 – Not all the consumers exhibit a high level of awareness towards Green Marketing and its Products.

\bar{X}	\bar{Y}	σX	σY	$\bar{X}_1 - \bar{X}_2$	Z_{cal}	Z_{tab} (One tail, Two sample test, Z at 95%)
3	32	1.732	9.899	2.351	-12.335	1.65

Conclusion

As $Z_{cal} < Z_{tab}$ i.e., $-12.335 < 1.65$ **Accept H_0** [Z_{cal} falls in Acceptance Region]



FINDINGS

1. Consumers are becoming highly green conscious giving rise to the concept of Green Consumerism now-a-days.
2. The consumer expectations from green marketers are high with the rise of green consumerism.
3. In spite of good amount of media exposure some consumers still lack the required amount of knowledge towards green marketing and its products.
4. As Concept of Green Marketing still being in the stage of infancy consumers are often sceptical about green products claims.
5. Some consumers are of the opinion that green products comes with higher cost, making it bit expensive to afford.
6. Advertorial in relation to green products are less in number compared to non – green product advertisements.
7. Green Marketing orientation towards being environmentally safe

and qualitative in terms of health aspects concerned are the only two aspects known for its increasing popularity.

SUGGESTIONS

1. Green Marketing being a new phenomenon in our country, there is a huge requirement for knowledge dissemination regarding the latter.
2. Green Marketers need to build green culture among the consumers through product innovation & modifications thereby reposition them with added value propositions.
3. Green Marketers rather than going for advertorial its better they opt for Infomercials.
4. Green oriented products should speak enough about eco-ingredients used & be clear with its eco-labels.
5. Increase the availability of green products at the convenience of consumers.
6. Finally there is a need for an extensive research to take place to fully explore the potential of Green Marketing in India.

CONCLUSION

Green Marketing paradigm do exists. Despite numerous challenges, green marketing has continued over the years to gain prominence, particularly in the light of growing global concern in relation to environmental protection.

The maturing green phenomenon has taken a firm shift into mainstream, changing the rules of green marketing. Characterized by a keen sensitivity to engage in a meaningful marketing resulting in a minimal environmental and social impact.

More or less in today's scenario 'Green Marketing' is both a concern for environment and nevertheless an excellent & innovative strategy for sustainability.

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Students' perception towards modern curriculum and teaching pedagogy - are our universities and colleges offering security for students' work-life?

Mr. Sachin Soonthodu *

Ms. Susheela S. **

Abstract

Higher education is an emerging trend in India. India has 750 universities and 41,435 colleges (both government and private) committed to deliver quality education through that promising a platform for quality work-life and life skills among the aspirants. Nevertheless, even after the successful completion of higher education our students are not prepared to face the global competency in job market. As a result, today's youth show higher degree of job dissatisfaction resulting in frequent change the job. Our teachers and students have high degree of dissatisfaction towards curriculum design and implementation in teaching pedagogy. As a result majority of students and the parents have negative opinion towards the modern education system and its influence on career life. Such opinion formation is a major threat for their work-life balance. From this perspective this quantitative research focuses on the students' perception towards the higher education in India. The main objective of this paper is to formulate student opinion on their current curriculum and its expected influence on job security. The study is based on both quantitative and empirical approach. Around 200 students from different colleges and university are randomly considered for the study. The results of the study can be considered for policy frame work in higher education.

Key Words: Higher education, teaching pedagogy, curriculum design, quality education, job security .

INTRODUCTION

Teachers and students have equal liability in the modern education system. Today's students are more concerned about employability while choosing a course

(Aamodt and Havnes, 2008). Indian education system had to redesign the challenging phase such as lack of subject knowledge, theory-practical dichotomy, and absence in developing the critical

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thinking among the students (Rajashree Srinivasan, 2016). Today job oriented professional courses play prominent role in the education sector. Placement record of the college decides the degree of admission to that particular college or university. Institution-industry interface plays crucial role in the curriculum design. (Shiri M. Breznitz, Henry Etzkowitz, 2017) However there is a huge gap in students' expectations and diffusion of knowledge. (Allen Thomas Alexander, 2012) Today most of the universities are inadequate in transferring the industry based desired knowledge to the aspirants. In the modern era, students are well tuned with their expected curriculum and teaching methodology. The study deals with the expectations of the students towards the modern curriculum and the desired output that seeks serious attention in designing a student's work life.

REVIEW OF LITERATURE

The national innovative system understands the linkage between various stakeholders of education system to bring technological innovativeness in the industry. (Kandiko, C. B. & Mawer, M, 2013) The studies found that the relationship between teacher and the students has key role in deciding the behaviour of a student. There is a correlation between the students performance and students perception of student-teacher relationship. (Christopher M. Knoell, 2012). Teachers

behaviour influences the students to choose learning centric actions inside and outside the classroom. This also decides students' likability in a subject that is taught by the teacher. (Bettina Greimel-Fuhrmann, 2014). Apparently, course content, teachers ability to deliver the content, communication ability, classroom management and personal character has crucial role in moulding the personal behaviour of a student. (Etuk N. Etuk et al, 2013)

OBJECTIVES OF STUDY

The study is focused on students' perception towards the quality of course content and the course delivery. The main objectives of the study are,

- To formulate student opinion on their current curriculum and its expected influence on job security.
- To suggest various measures to improve the existing course content and teaching pedagogy

METHODOLOGY

This quantitative study is based on both primary and secondary data collection. Secondary data is collected from various sources such as books, journals, online repository etc. Primary data is collected through questionnaire and interview method. 150 respondents from 17 states of India were randomly selected for the study.

FINDINGS

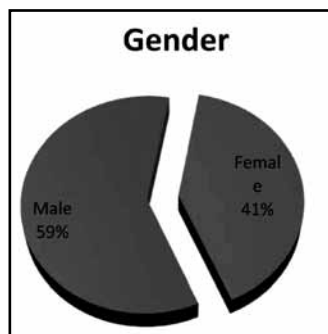
Table: Showing State-wise Responses collected

State	No of Respondents	State	No of Respondents
Karnataka	67	Chhattisgarh	2
Kerala	15	Bihar	2
Assam	5	Arunachal Pradesh	3
Maharashtra	10	Odisha	1
West Bengal	9	Uttar Pradesh	4
Tripura	6	Punjab	2
Tamil Nadu	8	Sikkim	3
Jharkhand	5	Gujarat	4
Madhya Pradesh	4		

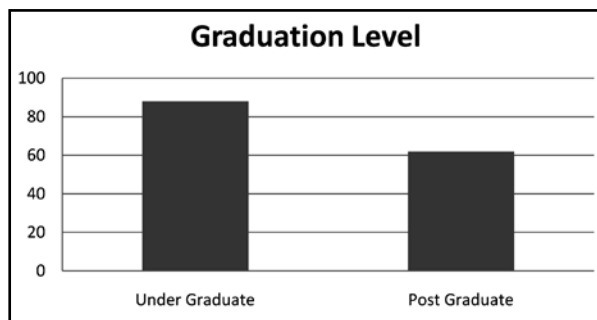
Table: Showing Age –wise respondents

Age Group	No of Respondents
15-20	40
21-25	90
26-30	08
31 and above	12

Graph showing sample gender breakup



Level of Education



Findings of the study

39.5 percent of respondents are not happy with the course/curriculum in the college or university where they study. 60.5 percent of respondents have positive approach towards the curriculum that they have opted. 68.7 percent of respondents have the opinion that the course they selected makes them productive wherein 31.3 percent of respondents don't have the hope that the course improves their productivity. 77.6 percent of respondents are satisfied with the course that they have chosen for the study but the remaining 22.4 percent are not happy with the course selected.

Interestingly 69.4 percent of respondents are confident enough to get a job after completing the course that they selected. However 30.4 percent of respondents are not confident of getting their expected job.

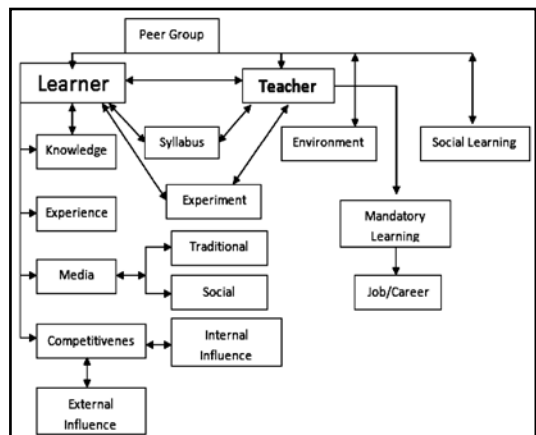
Teaching pedagogy and university syllabus has greater influence on student's expectations. Students have different opinion about the expected job after the completion of the course. Higher end jobs such as manager, assistant manager, CEO, Managing director, Chief Editor are highly preferred by the students. Interestingly a good percentage of respondents are uncertain and negligent of their career life.

Salary is another interesting fact of expectation among the students. The study found that more than 65 percent of respondents expect a minimum of INR 30000 salary per month. The study found

that the students' expectation is very high in terms of their initial salary withdrawal. INR 20000 to 30000 is the standard expected salary for many students which is ideally expected.

The study also found that 66 percent of respondents feel that they spend the quality hours in their college/school where in remaining 34 percent of respondents feel that they college is not a place to spend quality hours. 81 percent of respondents feel that the course/school they selected will help them in finding suitable job and the remaining 19 percent of respondents find that the course/school they selected will not help them in finding desired job.

Learners' centric approach – Model



Learning is the process of interaction for internalisation. Here the learner has both direct and indirect communication with the teacher. Learning process becomes successful when learning involves two way process. In the process of learning syllabus plays a vital role. Major components of learning process includes,

a) Realistic objectives

Realistic objectives are the mandatory requirements of learning. These objectives shape the personality in which an individual shapes his personality through the process of learning and understanding for future. Realistic goals have long term objectives. An individual's socio- cultural, economic and political identification stands on how effective he is in managing the realistic objectives. The major components of realistic objectives are,

Syllabus

Formal education system primarily focused on the syllabus. Syllabus is the bridge between students' expectations and the future perspective. A fair syllabus shall include the academic-industry orientation, skill and quality enhancement capacities.

Environment

Environment symbolises the area and surroundings which energises the academic activities. Classroom, peer group, peer activities and the teacher-student relationship are the components of environment. A positive environment in the classroom, indulgence in co-curricular and extra-curricular activities makes the learning process effective.

Experiment

Experiment is a participatory learning process where the learner involves in the hands-on training process. Experimental learning includes practical session,

flipped classroom, workshops and seminars, activity based learning etc. The amount of experimental learning in the syllabus decides the quality of learner and the preparedness towards the job market. Because modern job industry look for high skilled candidates who are well trained to be smart workers. Industry collaborations, memorandum of understanding, Industrial trips Internship projects and reports, seminars and workshops and on site teaching etc need to be implemented in the syllabus to make the students experimental learners.

Mandatory learning

It is not compulsory to the learners and a teacher to teach everything that a syllabus prescribes. However the syllabus needs to teach the life skills to learners. The mandatory learning involves that syllabus content which teaches the life skills to a student. The role of teacher is very crucial and sophisticated in teaching mandatory skills. If the learner is not ready to be involved in the mandatory learning process the teacher shall enforce them to make them to be involved because mandatory learning is basically a job / career life learning.

b) Outcome objectives

Outcome objectives are the anticipated results of learning. Generally the outcome objectives have theoretical perspective of learning. Outcome may not necessarily be a job requirement rather it would be a lesson for life. Some of the outcome objectives of learning are,

Knowledge

Knowledge is the basic objective of learning process. The syllabus must have the basic objective of developing the knowledge of a student. Generally the formal knowledge is passed through the classroom teaching and the secondary knowledge is attained from the social learning, self learning and experiences. The primary objective of the higher education shall also be imparting the life skills among the students.

Experience

A student learns from the experiences that he/she accumulates in the school/college life. Experiential learning can be personal, interpersonal or received for an intention. When a teacher/facilitator shares his/her experience for an intentional learning of the target audience, it could be understood as the intended receipt of the experience. This may help the student in moulding the personality.

Competitiveness

Competitiveness is termed as the capability of a student to standardise both physical and psychological ability to reach a desired goal. A number of factors influence on the competitiveness of a student. They are broadly categorised into two,

1) Internal factors

The factors which are associated with the psychology of an individual are termed

as the internal influence. The Goals and objectives, desires, interests and the emotional quotient of an individual are termed as the internal influence. Internal factors have a greater role in the competitiveness of an individual because they act as the driving force.

2) External factors

External factors are the various situations which have physical influence. Syllabus content, personality of a teacher, the way teacher delivers the subject information, classroom atmosphere, peer group, family and friends and other stakeholders are the major influencing external factors. Proper combination of both internal and external factors make the student to be much excited towards the teaching pedagogy.

c) Influential objectives

Influential objectives are external factors which make a student to be attracted towards the teaching pedagogy. Major component of influential factors are the peer group, media and social learning process.

Peer Group

Peer group is the group of people who are closely associated with the learner. Generally the peer group belongs to the similar age category of the person who gets influenced. Peer group can be formed inside the classroom or outside. Interest of an individual determines the peer group. Peer has greater influence on the activity of an individual.

Media

Medias are the modes of communication. Media can be vocal, verbal and non verbal. Medias influence on the learning ability, interest and capacity of an individual. Besides these Medias offer freedom of choice to an individual. Traditional and social Medias influence on the learning process.

1) Traditional

Traditional media includes the textbooks, news papers, journals, Television, Computers etc. These Medias support the learning process of an Individual. Traditional Medias associates the knowledge building function of a learner. Timely references, reading for knowledge improves the skills of both teacher and the learner. Traditional Media makes the learner intellectual and develops the analytical skills among the students.

2) Social

Social Medias are the open forum for discussion. Today social Medias act as the centre for knowledge building. Many colleges have accepted social media as the major media of communication and knowledge sharing. Today teachers and the students have collective effort to draw the examples from the social Media. Many teachers quote the examples referring the social Medias. Social Medias also influence on the selection of right job by an individual. Apparently social Medias have greater influence on the classroom activities. The social Medias create

indirect relationship between the teachers and the students.

Social learning

Social learning is influenced by the various stakeholders of the society. Social learning includes the family, parents, friends, neighbours and the other socially connected people. Methods of learning, learning with the intention of desired job is influenced by the society. Through the social learning a student makes the comparison of the syllabus and learning content to decide what he/she actually needs. This is influenced by the social learning. Similarly the course designer and the teacher shall also understand the requirements of the students, society while designing the syllabus and delivering the content respectively.

SUGGESTIONS:

Modern education system is the set of scope and opportunities. Respondents have mixed opinion about the modern education system. The colleges and universities have technological advancement in terms of curriculum design and development. However quality teaching is the major concern among the students. Emphasizing on the practical learning, quality enhancement of teachers, moral development are the major requirement of modern education system. Students' skill enhancement, understanding the students' expectations, timely presentations, interaction sessions and value education shall be the primary concern of the modern education system. Study shall be

based on the realistic, outcome oriented and influential objectives. This can be achieved through effective curriculum design which makes the study interesting. The syllabus shall cater students' job expectations, knowledge thrust and social identity. Modern syllabus shall also focus on both theoretical and practical knowledge building process. Pedagogy shall be simple to make both the teachers and the student to understand and deliver.

CONCLUSION:

Higher education in India is going through positive change. Today colleges and universities in India are becoming highly competitive in offering both theoretical and practical knowledge through academic – industry collaboration. Teaching pedagogy and methodology is becoming learner centric to make the students actively indulged in the learning process. Students' creativity is getting enhanced because of the quality education system in India. The learner centric approach proposed here can be a model to introduce and implement quality enhancement programme for the students.

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