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Customer Service in Banks: Search for a New Paradigm

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Abstract

The Indian banking industry has undergone radical changes due to liberalization and globalization measures undertaken since 1991. Today, Indian banking industry is one of the largest in the world. There has been a great surge in efficient customer services. A highly satisfied and delighted customer is a very vital non-financial asset for the banks in the emerging IT era. The service after working hours, transaction time, e-channels, accuracy & speed are like a crown factors for a bank. Based on the responses of 1200 customers of public sector bank, Indian private sector bank & Foreign bank (each one from these groups) operating in Amritsar district of Punjab have been taken into consideration. It may be inferred that there is significant difference among three bank groups with customer perceptions. The e-banks are more efficient in regard to time factor. This is the very important factor of shifting of potential customers in e-banks. The survey was conducted in Amritsar district of Punjab in the month of October 2019. Chi-Square test is used to check the level of significance difference in the perceptions of various bank groups.

Keywords: [Quality of Banking Services, Issues and Responsibilities of Bank]

Introduction

The term 'marketing' is not only specific to the corporate industrial sector only. It is much relevant to the service industries. Such as banking, transport, insurance etc. The concept of 'bank marketing' is extensively used in the developed countries. But in a country like India, 'bank marketing' is of recent origin. It has gained significance in India these days because of the growth of industry, money market, increased in the services provided by banks and acute competition amongst them. The following are the aspects of bank marketing:

- Product i.e. the services provided by the banks.
- Price i.e. the rate of interest and charges for different services provided by them to customers and also the rate of interest paid by them on different kinds of deposits.
- Promotion i.e. methods adopted by banks to promote their business.
- Place i.e. identifying the place or segments where banking services need to be provided.

Thus, the four P's of the marketing mix, which are applied to the corporate industrial world, are very much relevant to the banking industry. Of the different aspects of bank marketing mentioned above, the first two i.e. the products and price, are regulated by the Reserve Bank of India. Thus, in order to promote their business, the banks have to rely on the

other two aspects i.e. promotion and distribution of their services. While performing these functions of marketing, banks have to focus their attention on their customers, who are the focus of bank marketing. So, the customer satisfaction becomes the central theme in bank marketing, which is in accordance with the modern concept of marketing.

Customer service in banks means satisfying the needs of customers at the right time and in the right manner. Accuracy, reliability, high service speed, security and enquiry facility of the efficient customer service. The excellent and managing customer relationship is the future of any business or everybody's business. Customer focusing is not be viewed as just a business strategy but should become a corporate mission (Shankar, A.G, 2004, p.5). Once good service is extended to a customer, a loyal customer will work as an Ambassador to the bank and facilitate growth of business (Bhaskar, P.V., 2004, p.9). For delivering quality service, it is imperative to have customer orientation as a culture in the bank. The customer orientation builds long term relationships resulting in customer satisfaction and cash flows to the banks (Swaroop, K.S., 2004, p.17). Today, the rural customers do not have any idea as to how much time is required for any type of banking services. The rural customers are not aware for what purpose the loans are available and how they can be availed (Hasanbanu, S., 2004, p.21). The level of customer service and satisfaction is determined by branch location and design, variety of

services, rates and charges, systems and procedures, delegation and decentralization, mechanization and computerization, competitive efficiency, complaint redressal and very importantly staff skills, attitudes and responses (Singh, S., 2004, p.30). A good customer service in banks should have three basic tenets – courtesy, accuracy and speed (Ganesh, C & Varghese, M.E., 2003, p.14). The customer care has been enjoying the attention of the government, the RBI and the banks themselves. Various committees have gone into the problem in great detail and made recommendations, many of which have been implemented. Despite so many measures initiated at various levels to improve the standard of customer service, the level of satisfaction perceived by various segments of customers has been low. It is in this context that customer service has to be analyzed and appropriate strategies drawn up, not only to attract new customers, but also to retain existing ones.

Objectives, Research Methodology and Database

Objectives

- To study and analyze the quality of customer services in Indian banks
- To suggest measures to improve customer services in banks

Hypothesis

There is no difference in the perceptions of bank customers of public sector banks, Indian private sector banks & Foreign banks with regard to the quality of banking services.

Database

Survey conducted in Amritsar (Punjab), October, 2019.

Research Methodology

Public sector banks, Old private sector banks, New private sector banks & Foreign banks operating in Punjab form the universe of the study. The present study covers bank branches for those bank groups working in the Amritsar district only. Almost, all the major banks have branches in this district.

As it was felt that it would be useful to attempt a comparative study among Public sector banks, Indian private sector banks & Foreign banks (One Public, One Private & One Foreign bank) having the largest network of branches in the district were identified.

The 1200 customers of all bank groups have been contacted at random for collecting the data needed for the study. The required data were collected from the respondents by means of a structured questionnaire.

Socio-economic background of respondents, reason for holding account, extent of facilities, services after working hours, time taken in minutes and in days, awareness regarding e-channels, extent of satisfaction. t-test is used to know the significant difference among bank groups regarding the quality of banking services.

Results and Discussion

The respondents were asked to give their opinion regarding the reason for holding account in three bank groups, awareness regarding e-channels, services after working hours, time taken in minutes and in days, extent of satisfaction & facility provided by bank groups.

Socio-Economic Background of the Respondents

The socio-economic background of the respondents affects their perception to a large extent. The results in table 1 reveals that out of 1200 respondents, 39.67 pc belongs to age group of 25-35 years of the remaining are either less than 25 years or above 36 years, the maximum customers are either service class or business class. 37 pc customers' post-graduates & 34 pc customers are graduates.

Table 1: Socio-Economic Background of the Respondents (Per cent)
Reason for Holding Account

Group /Sub Group	Number	%age
Bank Groups		
G-1	400	33.33
G-2	400	33.33
G-3	400	33.33
Age Groups		
Below 25	296	24.67
25-35	476	39.67
36-45	220	18.33
46-55	168	14.00
Above 55	40	3.33
Occupation		
Service	380	31.67
Business	304	25.33
Professional	272	22.67
Industrialist	16	1.33
Agriculture	16	1.33
Others	212	17.67
Educational Level		
Matriculate	116	9.67
Graduate	408	34.00
Post Grad.	444	37.00
Professional	232	19.33
All Data	1200	100.00

There are many factors which a customer may consider before opening an account in a particular bank. The respondents were asked to mention the most important reason which motivated them to open an account in the respective bank. Table 2 shows the responses of the respondents from three bank groups. It is evident from the table that customers of all groups considered availability of more products services, better customer relation, convenient location of the banks, courteous behavior of employees and availability of appropriate e-channels most important factors to open an account in a particular bank. Group wise Indian private sector bank customers gave more preference to the availability of more products/ services, courteous behavior of the employees to open

an account in the bank.

Chi-square test shows that the difference in the responses of the respondents of three banks are statistically significant.

A comparison of the Weighted Average Scores of the different reasons in G-I, G-II and G-III reveals that WAS for all the reasons, except G-I (appropriate e-channels) is more than 1, which indicates that respondents are in favour of availability of more products/services, better customer relation, convenient location, courteous behavior, more and appropriate e-channels.

Extent of Facilities

Due to the increasing competition among the banks they are providing the maximum facilities to the customers

Table 2: Reasons for Holding Account

Reasons	Bank Group	M.U.Imp		UnImp		UnDecided		Imp		M.Imp	Chi^	WAS	
		N (%)	N %	N %	N %	N %	N %						
More uct/Services	G-I	-	-	-	-	12	3.00	148	37.00	240	60.00	22.23**	1.57
	G-II	-	-	4	1.00	-	-	128	32.00	268	67.00		1.65
	G-III	-	-	-	-	8	2.00	136	34.00	256	64.00		1.62
	Overall	-	-	4	0.33	20	1.67	412	34.33	764	63.67		1.61
Better Customer Relation	G-I	-	-	4	1.00	8	2.00	148	37.00	240	60.00	19.01**	1.56
	G-II	-	-	-	-	12	3.00	156	39.00	232	58.00		1.55
	G-III	-	-	-	-	12	3.00	116	29.00	272	68.00		1.65
	Overall	-	-	4	0.33	32	2.67	420	35.00	744	62.00		1.59
Convenient Location	G-I	-	-	20	5.00	36	9.00	168	42.00	176	44.00	28.78**	1.25
	G-II	8	2.00	12	3.00	16	4.00	216	54.00	148	37.00		1.21
	G-III	8	2.00	12	3.00	20	5.00	192	48.00	168	42.00		1.25
	Overall	16	1.33	44	3.67	72	6.00	576	48.00	492	41.00		1.24
Courteous behavior	G-I	4	1.00	20	5.00	12	3.00	160	40.00	204	51.00	21.54**	1.35
	G-II	-	-	8	2.00	4	1.00	176	44.00	212	53.00		1.48
	G-III	-	-	8	2.00	12	3.00	172	43.00	208	52.00		1.45
	Overall	4	0.33	36	3.00	28	2.33	508	42.33	624	52.00		1.43
More & appropriate e-channels	G-I	12	3.00	76	19.00	44	11.00	132	33.00	136	34.00	37.82**	0.76
	G-II	4	1.00	56	4.00	24	6.00	148	37.00	168	42.00		1.05
	G-III	12	3.00	52	13.00	12	3.00	140	35.00	184	46.00		1.08
	Overall	28	2.33	184	6.67	80	6.67	420	35.00	488	40.67		0.96

Source: Survey Results

like locker facility, e-bill payments, online shopping, payment of insurance premium, consultancy services. The extent of these facilities differs in the different bank groups. Locker facility is provided the maximum in all the bank groups, but on the other hand, e-bill payments, online shopping, payments of insurance premium and consultancy services are provided to some extent.

Chi-square test shows that the differences in the responses of the respondents of three banks are statistically significant.

A comparison of the Weighted Average Scores of the different transaction reveals that WAS for all the transaction except locker facility is more than 1, but on the other hand WAS is less than 1, which indicates low level of facility in all the bank groups.

Services after working hours

Although, banks are under no obligation to provide services to their customers after the working hours. But generally the current account holder feels that they should be provided such facilities when such a need arises. If such a facility is provided to the customers, it will add to their satisfaction and will improve the image of the bank. The respondents were asked to state how often they get such facilities for various transactions. An analysis of table 4 reveals that G-II always provide the more services after working hours than other bank groups. All bank groups always provide the service of accept cash more than other services after working hours and they never provide the service of inter-account transfer 46 per cent.

Chi-square test shows that the differences in the responses of the respondents of three banks are statistically significant.

Table 3: Extent of Facilities from

Transaction	Bank Group	V.Little		Little		Undecided		Some		Large		Chi [^]	WAS
		N	%	N	%	N	%	N	%	N	%		
Locker Facility	G-I	20	5.00	12	3.00	28	7.00	108	27.00	232	58.00	19.68*	1.30
	G-II	16	4.00	32	8.00	16	4.00	84	21.00	252	63.00		1.31
	G-III	12	3.00	20	5.00	20	5.00	108	27.00	240	60.00		1.36
	Overall	48	4.00	64	5.33	64	5.33	300	25.00	724	60.33		1.32
E-bill Payments	G-I	36	9.00	8	2.00	96	24.00	152	38.00	108	27.00	89.25**	0.72
	G-II	64	16.00	40	10.00	44	11.00	188	47.00	64	16.00		0.37
	G-III	36	9.00	12	3.00	92	23.00	140	35.00	120	30.00		0.74
	Overall	136	11.33	60	5.00	232	19.33	480	40.00	292	24.33		0.61
Online Shopping	G-I	92	23.00	48	12.00	60	15.00	120	30.00	80	20.00	49.35**	0.12
	G-II	104	26.00	52	13.00	96	24.00	112	28.00	36	9.00		-0.19
	G-III	104	26.00	68	17.00	44	11.00	100	25.00	84	21.00		-0.02
	Overall	300	25.00	168	14.00	200	16.67	332	27.67	200	16.67		-0.03
Payments of Insurance Premium	G-I	48	12.00	40	10.00	52	13.00	156	39.00	104	26.00	34.76**	0.57
	G-II	56	14.00	60	15.00	64	16.00	104	26.00	116	29.00		0.41
	G-III	48	12.00	72	18.00	40	10.00	104	26.00	136	34.00		0.52
	Overall	152	12.67	172	14.33	156	13.00	364	30.33	356	29.67		0.50
Consultancy Services	G-I	64	16.00	64	16.00	80	20.00	132	33.00	60	15.00	79.47**	0.15
	G-II	84	21.00	68	17.00	48	12.00	84	21.00	116	29.00		0.20
	G-III	24	6.00	76	19.00	56	14.00	116	29.00	128	32.00		0.62
	Overall	172	14.33	208	17.33	184	15.33	332	27.67	304	25.33		0.32

Source: Same as Table 1

Table 4: Services after working hours

Transaction	Bank Group	Always		Often		Sometime		Never		Chi [^]
		N	%	N	%	N	%	N	%	
Accept Cash	G-I	146	37.00	56	14.00	80	20.00	116	29.00	50.50**
	G-II	176	44.00	32	8.00	100	25.00	92	23.00	
	G-III	160	40.00	20	5.00	60	15.00	160	40.00	
	Overall	484	40.33	108	9.00	240	20.00	368	30.63	
Accept Cheque for clearance	G-I	92	23.00	160	40.0	68	17.00	80	20.00	47.20**
	G-II	112	28.00	156	39.00	60	15.00	72	18.00	
	G-III	40	10.00	200	50.00	88	22.00	72	18.00	
	Overall	244	20.33	516	43.0	216	18.0	224	18.67	
Withdrawal of cash	G-I	88	22.00	80	20.00	56	14.00	176	44.00	81.39**
	G-II	136	34.00	60	15.00	104	26.00	100	25.00	
	G-III	80	20.00	108	27.00	48	12.00	164	41.00	
	Overall	304	25.33	248	20.67	208	17.33	440	36.67	
Inter Account Transfer	G-I	76	19.00	84	21.00	88	22.00	152	38.00	72.51**
	G-II	76	19.00	60	15.00	108	27.00	156	39.00	
	G-III	48	12.00	68	17.00	40	10.00	244	61.00	
	Overall	200	16.67	212	17.67	236	19.67	552	46.00	

Source: Same as Table 1

Time Taken (in Minutes) by Banks

Although times norms have been laid down for completing various transactions, but generally the banks take comparatively more time. The respondents were asked to specify the time generally taken by the respective banks in completing various transactions. Table 5 indicates that encash bank draft and deposit cash transactions are near about 30 per cent completed within 10-20 minutes in all bank groups. An analysis of this table reveals that purchase a bank draft

transaction is completed in 5-10 minutes in all bank groups. Overall 25.67 per cent access the locker transaction completed in above 30 minutes. This transaction takes more time than other transactions.

Time Taken (In Days) by Banks

Similarly table 5, the all bank groups specify the times for completing various transactions. Table 6 indicates that credit of the outstation cheques are mostly completed within two days in all bank groups. An analysis of this table

reveals that overall 64 per cent credit the local cheque transaction is completed in same day and processing of loan applications are mostly completing within

above three days.

Chi-square test shows that the differences in the responses of the respondents of three banks are statistically

Table 5: Time Taken (In Days) by Banks

Transaction	Bank Group	Below 5		5-10		10-20		20-30		Above 30		No Response	
		N	%	N	%	N	%	N	%	N	%		
Demand for Cash	G-I	156	39.00	96	24.00	120	30.00	16	4.00	12	3.00	-	-
	G-II	176	44.00	164	41.00	48	12.00	-	-	12	3.00	-	-
	G-III	176	42.33	100	25.00	48	12.00	32	8.00	44	11.00	-	-
	Overall	508	42.33	360	30.00	216	18.00	48	4.00	68	5.67	-	-
Encash Bank Draft	G-I	84	21.00	92	23.00	148	37.00	24	6.00	52	13.00	-	-
	G-II	76	19.00	156	39.00	104	26.00	32	8.00	32	8.00	-	-
	G-III	120	30.00	84	21.00	124	31.00	4	1.00	68	17.00	-	-
	Overall	280	23.33	332	27.67	376	31.33	60	5.00	152	12.67	-	-
Deposit Cash	G-I	72	18.00	116	29.00	180	45.00	20	5.00	12	3.00	-	-
	G-II	84	21.00	204	51.00	96	24.00	-	-	16	4.00	-	-
	G-III	168	42.00	100	25.00	64	16.00	44	11.00	24	6.00	-	-
	Overall	324	27.00	420	35.00	340	28.33	64	5.33	52	4.33	-	-
To purchase a bank draft	G-I	56	14.00	96	24.00	80	20.00	64	16.00	100	25.00	4	1.00
	G-II	88	22.00	72	18.00	96	24.00	80	20.00	64	16.00	-	-
	G-III	68	17.00	100	25.00	76	19.00	116	29.00	40	10.00	-	-
	Overall	212	17.67	268	22.33	252	21.00	260	21.67	204	17.00	4	0.33
Accessing lockers	G-I	44	11.00	88	22.00	104	26.00	60	15.00	100	25.00	4	1.00
	G-II	56	14.00	108	27.00	60	15.00	64	16.00	100	25.00	12	3.00
	G-III	84	21.00	72	18.00	52	13.00	84	21.00	108	27.00	-	-
	Overall	184	15.33	268	22.33	216	18.00	208	17.33	308	25.67	16	1.33

Source: Same as Table 1

Table 6: Time Taken (In Days) by Banks

Transaction	Bank Group	Same Day		Two days		Three days		>Three days		No Responses		Chi [^]
		N	%	N	%	N	%	N	%	N	%	
Credit the Local Cheques	G-I	208	52.00	128	32.00	36	9.00	20	5.00	8	2.00	76.27**
	G-II	264	66.00	100	25.00	28	7.00	4	1.00	4	1.00	
	G-III	296	74.00	92	23.00	4	1.00	-	-	8	2.00	
	Overall	768	64.00	320	26.67	68	5.67	24	2.00	20	1.67	
Credit the Outstation Cheques	G-I	72	18.00	116	29.00	80	20.00	116	29.00	16	4.00	15.05
	G-II	88	22.00	112	28.00	68	17.00	124	31.00	8	2.00	
	G-III	80	20.00	132	33.00	68	22.0	92	23.00	8	2.00	
	Overall	240	20.00	360	30.00	236	19.67	332	27.67	32	2.67	
Processing of Loans application	G-I	52	13.00	64	16.00	76	19.00	136	34.00	72	18.00	48.99**
	G-II	100	25.00	32	8.00	44	11.00	176	44.00	48	12.00	
	G-III	96	24.00	44	11.00	60	15.00	152	38.00	48	12.00	
	Overall	248	20.67	140	11.67	180	15.00	464	38.67	168	14.00	

Source: Same as Table 1

Awareness Regarding E-Channels

In the age of information technology, e-channels are most important in day to day transactions. The people are more aware of ATMs among the other e-channels. Overall 80.33 per cent responded to large awareness regarding ATMs, but among the three groups respondents of Indian private sector banks responded large awareness are regarding e-channels. Regarding E-payments, M-banking, Tele-banking the customers

are somewhat aware of these e-channels. Overall awareness regarding e-channels is less in all the bank groups.

Chi-square test shows that the differences in the responses of the respondents of three banks are statistically significant.

WAS reveals high awareness regarding ATMs but on the other hand WAS is less than 1, which indicates low level of awareness regarding these e-channels.

Table 7: Awareness regarding e-channels

Transaction	Bank Group	V.Little		Little		Undecided		Some		Large		Chi [^]	WAS
		N	%	N	%	N	%	N	%	N	%		
ATMs	G-I	4	1.00	28	7.00	28	7.00	56	14.00	284	71.00	105.50**	1.47
	G-II	-	-	-	-	-	-	40	10.00	360	90.00		1.90
	G-III	-	-	16	4.00	-	-	64	16.00	320	80.00		1.72
	Overall	4	0.33	44	3.67	28	2.33	160	13.33	964	80.33		1.70
E-payments	G-I	16	4.00	44	11.00	68	17.00	188	47.00	84	21.00	66.92**	0.70
	G-II	20	5.00	36	9.00	24	6.00	244	61.00	76	19.00		0.80
	G-III	44	11.00	12	3.00	44	11.00	204	51.00	96	24.00		0.74
	Overall	80	6.67	92	7.67	136	11.33	636	53.00	256	21.33		0.75
M-Banking	G-I	16	4.00	76	19.00	76	19.00	156	39.00	76	19.00	52.62**	0.50
	G-II	24	6.00	76	19.00	24	6.00	216	54.00	60	15.00		0.53
	G-III	28	7.00	80	20.00	36	9.00	168	42.00	88	22.00		0.52
	Overall	68	5.67	232	19.33	136	11.33	540	45.00	224	18.67		0.52
Tele-Banking	G-I	28	7.00	108	27.00	68	17.00	140	35.00	56	14.00	28.47**	0.22
	G-II	52	13.00	84	21.00	40	10.00	168	42.00	56	14.00		0.23
	G-III	64	16.00	88	22.00	48	12.00	148	37.00	52	13.00		0.09
	Overall	144	12.00	280	23.33	156	13.00	456	38.00	164	13.67		0.18
All e-channels	G-I	24	6.00	56	14.00	124	31.00	132	33.00	64	16.00	69.69**	0.39
	G-II	16	4.00	64	16.00	68	17.00	204	51.00	48	12.00		0.51
	G-III	24	6.00	76	19.00	44	11.00	204	51.00	52	13.00		0.46
	Overall	64	5.33	196	16.33	236	19.67	540	45.00	164	13.67		0.45

Source: Same as Table 1

Extent of Satisfaction

The banks should provide reliability, accuracy, high service speed, security and enquiry facility to the customers. Table 8 reveals the satisfaction level for these services. Regarding these services mostly all the bank groups customer has shown satisfactory level. In G-II 58.00 per cent customers are satisfied from the reliability factor. Similarly, in case of public sector banks 59.00 per cent customers are satisfied from the accuracy and 60 per cent customers are satisfied from the security aspects.

Chi-square test shows that the differences in the responses of the respondents of three banks are

statistically significant

A comparison of the WAS of the different factors is greater than 1 for reliability and accuracy, which indicates that respondents are satisfied with these factors. But WAS is less than in all bank groups in case of enquiry facility and it reveals dissatisfaction of the customers.

The analysis shows quality of the services is the prime factor for the development of the banks. Indian private sector bank and foreign banks are providing quality services to the customers and public sector banks are always following them.

Table 8 :Extent of Satisfaction

Transaction	Bank Group	H.Dissatisf.		Dissatisf.		Undecided		Satisfied		H.Satisf.		Chi [^]	WAS
		N	%	N	%	N	%	N	%	N	%		
Reliability	G-I	-	-	12	3.00	12	3.00	196	49.00	180	45.00	63.02 **	1.36
	G-II	-	-	-	-	-	-	232	58.00	168	42.00		1.42
	G-III	12	3.00	-	-	8	2.00	204	51.00	176	44.00		1.33
	Overall	12	1.00	12	1.00	20	1.67	632	52.67	524	43.67		1.37
Accuracy	G-I	-	-	8	2.00	32	8.00	236	59.00	124	31.00	28.99 **	1.19
	G-II	-	-	8	2.00	28	7.00	212	53.00	152	38.00		1.27
	G-III	4	1.00	8	2.00	20	5.00	184	46.00	184	46.00		1.34
	Overall	4	0.33	24	2.00	80	6.67	632	52.67	460	38.33		1.21
Service Speed	G-I	-	-	56	14.00	72	18.00	204	51.00	68	17.00	171.1 2**	0.71
	G-II	8	2.00	24	6.00	36	9.00	236	59.00	96	24.00		0.97
	G-III	36	9.00	36	9.00	60	15.00	104	26.00	164	41.00		0.81
	Overall	44	3.67	116	9.67	168	14.00	544	45.33	328	27.33		0.83
Security	G-I	12	3.00	44	11.00	48	12.00	240	60.00	56	14.00	103.0 5**	0.71
	G-II	-	-	24	6.00	48	12.00	224	56.00	104	26.00		1.02
	G-III	-	-	24	6.00	24	6.00	188	47.00	164	41.00		1.23
	Overall	12	1.00	92	7.67	120	10.00	652	54.33	324	27.00		0.99
Enquiry Facility	G-I	8	2.00	88	22.00	48	12.00	200	50.00	56	14.00	29.87 **	0.52
	G-II	12	3.00	88	22.00	36	9.00	196	49.00	68	17.00		0.55
	G-III	24	6.00	48	12.00	36	9.00	220	55.00	72	18.00		0.67
	Overall	44	3.67	224	18.67	120	10.00	616	51.33	196	16.33		0.58

Source: Same as Table 1

Emerging Issues in Banking Sector

The following issues are emerging in IT era

- Awareness regarding New Technology in Banks
- High cost in e-banks
- Customers Confidence in e-channels
- Hesitant aspect to use e-channels
- To acquaint the bank customers with global bank technology
- Capturing rural & semi urban population
- Marketing with e-channels
- Changing customer profile
- Proper location of ATMs, mobile ATMs
- Lack of IT experts.
- Creation of proper IT related infrastructure.

Responsibilities of Banks in Highly Emerging Competition and Its Era

- Bank should give demo regarding the use of e-channels
- e-banking facilities by all the banks
- Fee charges should be transparent
- Win customers confidence
- Capture rural & semi urban bank customers
- Software in regional language
- Spread facility of mobile banks
- Efficient and expert IT staff in banks

- Maximum marketing with e-channels
- Increase in expenditure on R & D
- Banking with smiling face
- Spread Customer Relations Management
- Spread social relationship marketing

Implications

The major implication of the present study is that quality services counts too in banks also. Every bank should try to improve the customer service to delight the customers. This qualitative wave of services will helpful to win the new potential customers and retain the old customers.

Limitations

The present study is only concerned with Punjab State and sample of 1200 bank customers of only three bank branches of Public sector, Indian private and Foreign banks. It is only due to the shortage of the time and funds.

Future Area of Intensive Research

- Quality of services in partially IT and fully IT oriented banks
- e-banks & utility services
- Occupation wise, age wise use of e-channels
- e-channels & per transaction cost
- Extent of acceptance of e-channels

Conclusion

In the emerging competitive environment and IT era, with little or no distinction in the product offerings, it is the speed of rendering service that sets apart one bank from another. Prompt service is equated with quality service. Time is a major factor which affects the quality & reputation of the bank. E-banks are providing quick service & that is why they are becoming more popular. Hence, it is very essential that all bank groups should put in place the right kind of systems to further cut down on service time and render instantaneous services to the customer. Only such banks will tend to survive in the rat race for market shares in the days to come. Those banks will out of the race whose services are poor and customers are dissatisfied.

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Impact of Compensation System of LIC India on the Employee Performance

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Abstract

Today's business world, human resources are the biggest of the organization. In order to take benefit of the competitive advantage of their human resource, it is important that their employees are happy and motivated in the organization. Salary and incentives are the biggest motivator for the employee to perform better. In this regard, present study focuses on insurance sector specially LIC India to examine the impact of compensation system of LIC India on the employee performance. It is found that there is association between level of employment and compensation practices. Further, regression analysis showed that there is a strong relationship between employee performance and compensation practices with respect to level of employment.

Keyword: [Compensation, Incentives Performance, Insurance, LIC, India]

Introduction

Compensation is the reward given to an employee by the organization in return of the work performed by him at a position given to him by the organization. A pay package is defined for the employee at a given position including monetary and non-monetary benefits. The pay package is defined as per the position, qualification, skills, aptitude, knowledge and talents delivered to an organization. It gives an employee a sense of motivation, pride, and satisfaction and they try to perform better for future benefits and incentives. Every government organization pre-decides the compensation system. Likewise, LIC India also has its own compensation system that is pre-decided by the higher authorities. The compensation varies on the basis of position of the employee and level of employment in the organization. In LIC, the position of employees is divided into different level of employment namely, Class I, Class II, Class III and Class IV. In each class, different positions or cadres have different pay scales defined as minimum salary paid in the beginning-increment made on equal intervals-the maximum value of salary after increments. Compensation comprises of basic salary, dearness allowances, house rent allowances and other allowances along with incentives and non-monetary benefits.

The pay scale defined for different classes or level of employment is explained below:

Class	Position	Pay scale Range
Class I	ZM/DM/BM/ AAO/AO/ADM and others	Rs. 30000 to Rs.100000 per month
Class II	Development officers	Rs. 20000 to Rs. 55000 per month
Class III	Stenographer/Typists/ Record Clerks	Rs. 13000 to Rs. 50000 per month
Class IV	Drivers/Securityperson/ Peons/Lift man/Sweeper	Rs. 11000 to Rs. 18000 per month

Source: A Quick Reference to Employee Benefits in LIC, 2018

Review of Literature

Tikare (2009) examined the satisfaction level of employees on the human resource practices in Hospitals and poor response was received for HR practices such as promotion, healthcare facilities and salary in most of the hospitals from the responses collected from 180 employees of 12 different hospitals. Kazan (2013) examined the State bank to measure employee performance and found that Salary along with promotion, performance, and employee relation could not influence the performance of employee significantly. **Ahsan et al (2014)** analysed responses

from 224 public sector university teachers of a Malakand district in Pakistan and found that HRM practices such as compensation system, promotion and performance appraisal system brought satisfaction among teachers. The study showed that the compensation mechanism of university and promotion system strongly predicted university citizenship behavior and also turnover intention was found to be strongly related to compensation practice. **Sinha and Sorum (2018)** also revealed that compensation along with other HR practices of LIC of India were effective in the influencing employee performance.

Gap of the Study

The extant literature has given much evidence that compensation is required for improving employee performance. However, it would be crucial to see if this relationship remains the same for employees in different classes. The study is thereby expected not only to fill the gap in existing literature but will also try to contribute valuable insights into the compensation system of LIC India.

Objectives of the study

- To study compensation system of LIC India
- To examine association of compensation of employees with level of employment.
- To examine impact of compensation system on employee performance.

Research Methodology

The present study aims to identify the interrelationship between compensation as HR practices of LIC India on performance of employees from Chandigarh Division of LIC of India i.e. the Northern Zone with its 20 branches. Stratified random sampling technique was used for sample selection. In the study, employees of different class were circulated questionnaires in the proportion of 25% of employees in each category of Class. A total responses collected were 266 responses were collected duly filled. Primary data is collected covered the responses collected using questionnaire technique. Further, secondary data included annual report as well as other LIC handbooks, besides, books and journals available offline or online.

Variable Definition

Compensation system

Compensation system includes the policies related to payment of salary, allowances, and perquisites to the

employees for the service to the organization. The compensation practices of LIC are measured using 4 statements stated below on a five point scale. Statements

HR Practices

1. The salary, perks and benefits you receive in your organization are similar to what most of the other organizations in the industry provide to their employees Similar to other organization
2. The pay increments offered by your organization are satisfactory Satisfactory Increments
3. Rewards in your organization are strictly linked to employee performance Linked with Performance
4. The existing reward and incentive plans motivate employees for better performance Motivate for better performance

Employee Performance

Employee Performance is measured using 6 statements stated below on a five point scale from '1' for strongly disagree to '5' for strongly agree. Each statement expresses some performance criteria. Statements

Performance Scale

1. Employees feel happy to work in the organization. Happy at work
2. Employees' in the organization are able to take decisions effectively Decision making
3. Overall target achievements of the employees have increased over the past years. Target achievement
4. Employees are more committed towards organizational goals. Commitment
5. Employees are able to find better growth opportunities in the organization and take initiative to grow. Initiative to Grow
6. Overall performance of the employees has improved over the years.

Improvement Results and Discussions

The study examines the compensation system of employees and its association with level of employment. The responses are taken in the form of five point scale measures in term of strongly agree, agree, neutral, disagree and strongly disagree.

Hypothesis

H_{01} : There is no significant association between the compensation system and level of employment.

H_{11} : There is a significant association between the compensation system and level of employment.

The results are discussed below:

As per the cross-tabulation between level of employment and

Table1: Association between level of employment and HR practices 'Similar to other organizations'.

ECadre * Similar to other organization Crosstabulation								
			Similar to other organization	Total				
			1	2	3	4	5	
ECadre	Class I	Count	0	9	12	29	27	77
		% within ECadre	.0%	11.7%	15.6%	37.7%	35.1%	100.0%
		% within Similar to other organization	.0%	47.4%	23.5%	20.6%	50.9%	28.9%
	Class II	Count	2	2	14	30	5	53
		% within ECadre	3.8%	3.8%	26.4%	56.6%	9.4%	100.0%
		% within Similar to other organization	100.0%	10.5%	27.5%	21.3%	9.4%	19.9%
	Class III	Count	0	7	24	74	18	123
		% within ECadre	.0%	5.7%	19.5%	60.2%	14.6%	100.0%
		% within Similar to other organization	.0%	36.8%	47.1%	52.5%	34.0%	46.2%
	Class IV	Count	0	1	1	8	3	13
		% within ECadre	.0%	7.7%	7.7%	61.5%	23.1%	100.0%
		% within Similar to other ganization	.0%	5.3%	2.0%	5.7%	5.7%	4.9%
Total	Count	2	19	51	141	53	266	
	% within ECadre	.8%	7.1%	19.2%	53.0%	19.9%	100.0%	
	% within Similar to other organization	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Source: Primary Survey

Table 1 a: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	32.839a	12	.001
Likelihood Ratio	30.807	12	.002
N of Valid Cases	266		

a. 8 cells (40.0%) have expected count less than 5. The minimum expected count is .10.

HR practice, it is revealed that in each class, a majority of employees agreed that LIC has compensation system quite similar to that of other organizations. Some disparity is also found in responses as some employees disagree to this

and some also have neutral response. A strong disagreement is only received from Class II where 3.8 percent employees disagreed. It is also found that there is strong association between level of employment and studied HR practice.

Table 2: Association between level of employment and HR practices of 'Satisfactory Increments'.

ECadre * Satisfactory Increments Crosstabulation								
		Satisfactory Increments						
			1	2	3	4	5	Total
ECadre	Class I	Count	1	7	13	30	26	77
		% within ECadre	1.3%	9.1%	16.9%	39.0%	33.8%	100.0%
		% within Satisfactory Increments	100.0%	63.6%	39.4%	18.9%	41.9%	28.9%
	Class II	Count	0	4	8	33	8	53
		% within ECadre	.0%	7.5%	15.1%	62.3%	15.1%	100.0%
		% within Satisfactory Increments	.0%	36.4%	24.2%	20.8%	12.9%	19.9%
	Class III	Count	0	0	9	90	24	123
		% within ECadre	.0%	.0%	7.3%	73.2%	19.5%	100.0%
		% within Satisfactory Increments	.0%	.0%	27.3%	56.6%	38.7%	46.2%
		% of Total	.0%	.0%	3.4%	33.8%	9.0%	46.2%
	Class IV	Count	0	0	3	6	4	13
		% within ECadre	.0%	.0%	23.1%	46.2%	30.8%	100.0%
% within Satisfactory Increments		.0%	.0%	9.1%	3.8%	6.5%	4.9%	
Total	Count	1	11	33	159	62	266	
	% within ECadre	.4%	4.1%	12.4%	59.8%	23.3%	100.0%	
	% within Satisfactory Increments	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Source: Primary Survey

Table 2a: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	35.407a	12	.000
Likelihood Ratio	40.009	12	.000
N of Valid Cases	266		

a. 9 cells (45.0%) have expected count less than 5. The minimum expected count is .05.

Employees gave favourable response when asked that LIC India Only 7 employees from Class I and 4 employees if they were getting satisfactory pay increment from from Class II showed resentment on this while strong

disagreement is also received from one employee in Class I. Further, there are employees who also gave neutral response. It is found that level of employment is associated with studied HR practice.

Table 3: Association between level of employment and HR practices of 'Linked with Performance'.

E Cadre * Linked with Performance Crosstabulation								
			Linked with Performance	Total				
			1	2	3	4	5	
ECadre	Class I	Count	1	18	11	34	13	77
		% within ECadre	1.3%	23.4%	14.3%	44.2%	16.9%	100.0%
		% within Linked with performance	9.1%	60.0%	39.3%	20.5%	41.9%	28.9%
	Class II	Count	4	2	9	31	7	53
		% within ECadre	7.5%	3.8%	17.0%	58.5%	13.2%	100.0%
		% within Linked with Performance	36.4%	6.7%	32.1%	18.7%	22.6%	19.9%
	Class III	Count	5	10	7	92	9	123
		% within ECadre	4.1%	8.1%	5.7%	74.8%	7.3%	100.0%
		% within Linked with Performance	45.5%	33.3%	25.0%	55.4%	29.0%	46.2%
	Class IV	Count	1	0	1	9	2	13
		% within ECadre	7.7%	.0%	7.7%	69.2%	15.4%	100.0%
		% within Linked with Performance	9.1%	.0%	3.6%	5.4%	6.5%	4.9%
Total	Count	11	30	28	166	31	266	
	% within ECadre	4.1%	11.3%	10.5%	62.4%	11.7%	100.0%	
	% within Linked with Performance	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Source: Primary Survey

Table 3a: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	35.959a	12	.000
Likelihood Ratio	36.743	12	.000
N of Valid Cases	266		

a. 6 cells (30.0%) have expected count less than 5. The minimum expected count is .54.

From the statement that examines the responses of employees on linking compensation to performance as HR practice, it is found that employees showed mix response on t Satisfactory Increments his. A favourable response is received from employees on this but some employees in each

cadre who disagree with the statement. Further, a few employees even showed strong resentment. Further, more than 5 percent employee in each cadre is found to be neutral. The chi-square test shows that linking salary with performance is closely associated with level of employment.

Table 4: Association between level of employment and HR practices of 'Motivate for better performance

ECadre * Motivate for better performance Cross tabulation								
			Motivate for better performance					
			1	2	3	4	5	Total
ECadre	Class I	Count	2	16	7	28	24	77
		% within ECadre	2.6%	20.8%	9.1%	36.4%	31.2%	100.0%
		% within Motivate for better performance	50.0%	51.6%	21.2%	19.0%	47.1%	28.9%
	Class II	Count	2	12	14	19	6	53
		% within ECadre	3.8%	22.6%	26.4%	35.8%	11.3%	100.0%
		% within Motivate for better performance	50.0%	38.7%	42.4%	12.9%	11.8%	19.9%
	Class III	Count	0	3	9	94	17	123
		% within ECadre	.0%	2.4%	7.3%	76.4%	13.8%	100.0%
		% within Motivate for better performance	.0%	9.7%	27.3%	63.9%	33.3%	46.2%
Class IV	Count	0	0	3	6	4	13	
	% within ECadre	.0%	.0%	23.1%	46.2%	30.8%	100.0%	
	% within Motivate for better performance	.0%	.0%	9.1%	4.1%	7.8%	4.9%	
Total	Count	4	31	33	147	51	266	
	% within ECadre	1.5%	11.7%	12.4%	55.3%	19.2%	100.0%	
	% within Motivate for better performance	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Table 4a: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	67.754a	12	.000
Likelihood Ratio	70.512	12	.000
N of Valid Cases	266		

a. 7 cells (35.0%) have expected count less than 5. The minimum expected count is .20.
Testing the association of level of employment with HR practices, 'motivation for better performance' by

giving good salary and incentive plans, it is found that a majority of employees have agreement on this. They either agree or strongly agree that the current salary and incentive plans in LIC India motivate them to perform better. Some

disagreement is also found on this among employees in Class I, Class II and Class III. Study even received neutral responses from employees of each class. Finally, it was found that there is a strong association between the studied HR practice and level of employment.

The Impact of Compensation system of LIC India on Employee's Performance

The next section of the study evaluates the impact of compensation system of LIC India on Employee performance. Employees' viewpoint is collected through questionnaire on each criteria of employee performance on five-point scale and scores received are then summed up and a mean is calculated. This provides a mean score of employee performance i.e. Perfscore. The employee performance's mean score is the dependent variable in the regression model.

In this regard, the new variable created by multiplying mean score of compensation practices with level of employment is 'Interaction'. The variable is used to examine the relationship between compensation and employee performance with respect to level of employment.

Hypothesis:

H₀: There is no significant relationship between the compensation system and employee performance.

H₁: There is a significant relationship between the compensation system and employee performance.

Regression equation: Perfscore_i = α_i + β_{1i}(Similar to other organization) + β_{2i}(Satisfactory Increments) + β_{3i}(Linked with Performance) + β_{4i}(Motivate for better performance) + β_{5i}(Interaction) + ε

(2) Where, β = solve coefficient for dependent variables, i = individual and ε = error.

The results include model summary that represents the explained value of the model with R and R-square values.

Table 5a: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.965a	.931	.929	.1827

a. Predictors: (Constant), Interaction, S3, S1, S4, S2

From the above Table5a, it is found that R=0.965 and Rsquare=0.931. This indicates that the compensation practices and its interaction with level of employment explain 97 percent of changes in employee

performance.

Table 5b: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	116.200	5	23.240	696.611	.000a
Residual	8.674	260	.033		
Total	124.874	265			

a. Predictors: (Constant), Interaction, Linked with Performance, Similar to other organization, Motivate for better performance, Satisfactory Increments

b. Dependent Variable: Perfscore

As per Table5b, F (5,260) = 696.611 which is significant at 5 percent. The model fittest is proved for regression analysis. In Table5c, the impact of independent variables, compensation practices and its interaction with level of employment (Interaction) is measured on the employee performance.

Table 5c: Coefficients^a

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	
	B	Std. Error		Beta	
(Constant)	1.526	.071		21.470	.000
Similar to other organization	.024	.018	.030	1.319	.188
Satisfactory Increments	-.054	.022	-.059	-2.497	.013
Linked with Performance	-.003	.013	-.004	-.246	.806
Motivate for better performance	.054	.017	.074	3.235	.001
Interaction	.137	.003	.930	41.780	.000
a. Dependent Variable: Perfscore					

As per Table 5c, the employee performance is found to be influenced by satisfactory increments and motivation to employees. There is a significant and negative relationship between employee performance and HR practice of satisfactory increments with beta value -0.054. There is a significant and positive relationship between employee performance and HR practice of motivation for better performance with beta value 0.054. The study also found that there is a strong relationship between employee performance and compensation practices with respect to level of employment.

Conclusion

Study has examined compensation practices of LIC India and its impact on employee performance. The results show

that compensation system plays a significant role in improving employee performance. Compensation system of LIC is highly appreciated by the employees. However, a difference is also noticed in responses of employees. This disparity suggests that organization need to work on improving compensation system and make it more focused on individual performance. The employee performance is found to be influenced by satisfactory increments and motivation to employees.

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Macroeconomic Variables and Stock Market Volatility: Evidence from India

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Abstract

India as a developing economy have positive sentiments of the global investors about their economic fundamentals. India is one of the largest participatory and democratic countries whereas China is Monopolistic Authoritarian regime. The difference in the constitution, political and economic structure put India apart from other developing economies. The aim of the present research is to investigate the impact of macroeconomic variables on stock market volatility of India as developing economy. The present research investigates the annual data of macroeconomic variables of India from 2000 to 2019. The study finds that GDP, Inflation and Business trade shows have significant association with stock market and further affect its volatility whereas. The result implies that Government should take strict measures to boost Investors' confidence that will further boosting the economic growth.

Key Words: [Macro Economic Variables, Stock Market Volatility, India]

Introduction

Stock market has been emerged as an influential financial institution that plays a pivotal role in an economy. Stock market acts as barometer for economic growth. The role of stock market in developing and effective allocation of capital can't be understated. The efficient stock market enhances the opportunities for the corporates and governments to invest in future projects in various economic sectors. Ashaolu & Ogunmuyiwa (2010) investigate empirically and observed the influential role of stock market in economic growth. Stock market assists the industries and investors in availing long-term funds for their rapid business growth that eventually inject the growth in the economy. Rajni and Mahindra (2007) found the importance of stock market in financial sector of the emerging countries. Rapidly changing business environment impacts the cash flow of firms and systematic risk factors that further changes the macro economic variables. A important slowly increasing effect can be observed on the performance of stock market with frequency change in macro-economic factors on world level. Various variables at international and domestic level has significant impact on the stock market performance. Under the uncertainties of largely volatile business market, fast changing political environment and fragile global economic environment global level increase the random nature of stock market performance. The instability in macroeconomic variables further enhances the volatility in stock market. Stock return

volatility has been emerged as a major concern in global financial market. After the global impact of 2008 global financial crisis, the uncertainty of stock market spikes to new level. With increase in volatility in stock market, investors indicate their reluctance from doing investment in their surplus funds in fragile market. This has further negative impact on the flow of investment within the economy and from outside the domestic economy. It has become important for the policy makers to restrict the stock market volatility and enhance the stability in economy. The uncertain macroeconomic variables like inflation rate, exchange rate, GDP etc. The dire need of examination of association among the economic variables at macro level and stock market return has been increased. The amalgamation of macroeconomic variables with behaviour of stock market and global financial market has been rejuvenated. Wongbangpo and Sharma (2002) observed the impact of macroeconomic factors on the return of stock market ASEAN-5 countries: (Indonesia, Malaysia, the Philippines, Singapore and Thailand) Establishment of stable and sustainable stock market has become a tough challenge for the emerging economies. The association between stock market returns and macroeconomic variables is very important for financial analysts and policy makers but the degree of the relationship is not crystal clear for emerging nations. The present paper is a sincere endeavour to investigate the effect of macroeconomic factors on the volatility of stock market in emerging economy i.e. India

Review of Literature

Various research scholars had investigated the association between macro-economic variables and stock prices but very few studies examined the

association between macro-economic variables and stock market volatility. Giri and Joshi (2017) evaluated the relationship between stock price and macroeconomic variables. Their work used annual historical data from 1979 to 2014 from Indian stock market. The findings confirmed the positive influence of economic growth, inflation and exchange rate on the stock prices. Kirui et al (2014) investigated the relationship between Gross Domestic Product, Treasury bill rate, exchange rate, inflation and stock market return in Nairobi Securities Exchange Limited. The statistical results of study revealed a significant relationship between exchange rate and stock returns. whereas Gross Domestic Product, Inflation and the Treasury bill rate indicated insignificant relationships with stock market returns. Hsing et al (2013) find that stock market index in Mexico is positively associated with real GDP, the peso/USD exchange rate, the M3/GDP ratio and the U.S. stock market index and negatively affected by the interest rate, the ratio of the government deficit to GDP and the expected inflation rate. Isaahaku et al (2013) tested the cause and effect association between macroeconomic variables and stock returns in Ghana. The results find the existence of significant long term association between stock returns and inflation, money supply and Foreign Direct Investment (FDI). Whereas in the short-run, a significant relationship exists between stock returns and macroeconomic variables such as interest rate, inflation and money supply. Naik and Padhi (2012) enquired the association between the Bombay Stock Exchange and five macroeconomic variables during the period 1994:04–2011:06. Their findings show that stock prices have positive correlation with money supply and industrial production but is negatively correlated with inflation. John and Owusu-Nantwi (2011) identified a positive impact of inflation and negative influence of T-bills and exchange rate on Ghana Stock Exchange. Pal and Mittal (2011) tested the empirical relationship between the stock markets and macroeconomic variables. The study devised quarterly historical data from January 1995 to December 2008. The results show that inflation and exchange rate depict significant influence on BSE Sensex whereas interest rate and gross domestic saving have non-significant impact on Stock market

Research Objective

The main purpose of the paper is

To determine the major macroeconomic variables that may have probable impact of Indian stock market volatility

Hypothesis

- H₀₁ – GDP growth has no significant impact on the stock market volatility.
- H₀₂ – Lending Interest Rate has no significant impact on the stock market volatility.
- H₀₃ – Inflation rate has no significant impact on the stock market volatility.
- H₀₄ – Trader Openness has no significant impact on the stock market volatility.
- H₀₅ – Broad Money Growth has no significant impact on stock market volatility.
- H₀₆ – Domestic Credit Growth has no significant impact on stock market volatility.

Research Methodology

To achieve the above objectives, the data has been extracted from 2000 to 2019. Stock Market volatility has been taken as the dependent variable. To measure the impact of macroeconomic variables on stock market volatility in India, the macro economic variables i.e. GDP Growth, Lending Interest Rate, Inflation Rate, Trader Openness, Broad Money Growth and Domestic Credit Growth are considered as independent variable. Multiple Regression technique has been applied to investigate the impact of independent variables on dependent variable. SPSS has been devised to execute the regression on the statistical data. The statistical techniques like VIF criteria was used to check the multicollinearity among the variables.

VIF Criteria

VIF (Variance Inflation Factor) has been used as a Multi –Collinearity diagnostic technique. VIF indicates whether independent variables have any correlation among themselves or not. If the value of VIF is more than 10 then it indicates the existence of Multi collinearity in the data and if the value of VIF is less than 10 then it indicates that data is free from multi collinearity.

R Square - R² represent the percentage of variance in the outcome that are explained by the independent variables or predictors.

F- Test F-test explains the level of influence of independent variable on dependent variable. If the value of significance is higher the Significance F then it indicates that Independent variable has influence on dependent variable and vice versa

Data Analysis

The secondary data has been analyzed by devising various statistical tools in SPSS. The following part of paper depicts the statistic results of the SPSS.

Multi Collinearity Analysis

Table 1 - Multi Collinearity Statistics

	India	
Variables	Tolerance	VIF
GDP_G	.848	1.180
LIR	.350	2.857
BMG	.387	2.586
DCG	.383	2.609
INFLATION	.783	1.277
TRADE	.379	2.640

Source: SPSS Regression Output

The above statistics examine the existence of multi – collinearity among independent variables. As the values under VIF, depict in the above table, are less than 10 for India that indicates the non existence of multi – collinearity in the variables. The same is further supported by the Tolerance values in the table as all the values are higher than 0.1.

Regression Model

The following table depicts the regression model statistics of the data

Table 2 - Regression Model

Regression Statistics	India	
Model Summary	R	0.723
	R-Square	0.646
	Durbin Watson	1.489
ANOVA	F	4.567
	Sig. F	0.00

Source: SPSS Regression Output

The statistics depicted in the above table examine the

model fit for both India. The statistics shows that R – square for India is 0.646 that indicates the good model fit.

Regression Equation

The following two regression equations have been formulated for the emerging economies i.e. India
 India

$$\text{Volatility} = -4.851 - 1.151 * \text{GDP_G} + 1.610 * \text{LIR} + 0.237 * \text{BMG} + 0.932 * \text{DCG} - 0.445 * \text{Inflation} + 0.027 * \text{Trade}$$

Regression Coefficient

Regression coefficients have been depicted in the following table:

Table 3 - Regression Statistics

	India	
	t	Sig.
GDP_G	-1.623	.125
LIR	1.446	.169
BMG	.407	.690
DCG	2.115	.048*
INFLATION	-.938	.363
TRADE	.172	.866
Constant	-.232	.819

*Significant variables at 5% significant level

The above regression statistics shows that for Indian Scenario, Null hypothesis is rejected at 5% level of significance for the domestic credit growth as its significance value falls below 5% level of significance. It signifies that domestic credit growth has significant effect on stock market volatility. In case of other variables under study, Null hypothesis is accepted at 5% level of significance. That confirms the non- significant effect of independent variables on volatility of stock markets as their sig. value is higher than 0.05.

Findings and Conclusions

Macroeconomic variables have been emerged as important investment parameters in emerging markets. Investors keep their vigilant eye on the global economic parameters before injecting their surplus funds in any investment avenue. Macroeconomic variables put an influential effect on the industrial growth that further effect the stock market performance. The present paper explores the impact of macroeconomic variables on stock market volatility in two global emerging markets

India. The results of empirical study confirms that domestic credit growth is the most influential macroeconomic variable that have significant impact on the stock market volatility in India. It shows that as the government takes more borrow the confidence of investors become unstable. The loose confidence in the policies of government and withdraw their money from the stock markets that cause to increase the volatility in the stock markets.

Implications

The finding of the study put forward some significant policy implications. The Government should take necessary actions to boost Investors' confidence that will further boosting the economic growth of country and limit the volatility in stock market. The central banks of the emerging economies should take strict steps to limit the volatility in GDP growth rate. The governments must control the domestic credit activities as high increase in domestic credit leads to the shackle the confidence of investors. By controlling the Domestic credit, the government can maintain the faith of investors in its activities that can help in maintaining the stability in stock markets.

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A Study on Consumer Awareness and Preference Towards Papier-Mache Products of Haryana

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Abstract

With the availability of industrially manufactured polymer-based products and its ubiquitous adoption into most households as kitchenware and other utility items, certain papier-mâché products lost popularity and got discarded. But now with the help of environmental activism and a healthy response of the mass-media inspired women folks to look back at the nature of these products with a scientific mind that resulted in re-introduction of the craft products of papier mâché. Modern communication technologies, particularly the social media platforms, has helped exchange of information between various groups and individuals and connected them to get exposure to a variety of items that could be manufactured with Papier-mâché. The study was designed to look into customer awareness and preferences towards Papier-mâché products in respect of both the old and traditional and forms as well as new products. A structured questionnaire was designed to collect data through a five-point Likert scale questionnaire from Haryana. 150 valid responses were taken into account for the analysis and presentation. It revealed that demographic factors did not have significant role in influencing the consumer preference because they could be highly inclined for aesthetic appeal, eco-friendliness and carbon signature, rustic form and amenable design or appealing form, creative expression, cultural value, artistic and aesthetic value. Moreover, these attributes not only entice but also play the role of catalyst in forming positive preference of consumers.

Keywords: [Papier-mâché, Awareness, Preference, Revival, Haryana]

Introduction

Papier-mâché is a type of pulp made by hand of waste paper (chiefly cellulose) from which various types of articles for common use was made in early phases of development in India from the 16th century onward. In a few geographical and cold weather regions in the Himalayas such as Kashmir, papier-mâché took immense leaps in creation of artistically appealing objects that often were replicas of animal forms and bulbous hangings tied vertically to a common thread and the shells of which were embellished with floral decorative patterns. The Mughal Emperors patronized this art form because the shells of bell or ball shaped objects made in papier-mâché were used as screens in the Zenana or the royal Harem. Three centuries later post the Mughal era, it came to be utilized for making certain household objects in modern Haryana: the geographical regions of which once comprised southeastern districts of the erstwhile Punjab. There is no evidence of manufacture of sheet paper by hand or an industrial process in modern Haryana. However, hand-made paper used to be imported by calligraphers from religious and sacred places and politically significant capital towns elsewhere in India for writing sacred books and adding pictorial folios to demonstrate the narrative in visual form. Therefore, wasting paper was avoided and termed 'unaffordable' and expensive. In view, therefore, there was little chance of availability of papier-mâché or pulp of

paper before the middle of the 20th century by which time industrially processed and manufactured paper for printing books and hand written accounts (Bahis of local merchants) could be procured at cheap rate from the marts which were 2 developed at Delhi, Lahore and Amritsar. There were no Raddiwalah around until half a century ago from whom one could get adequate supply of waste paper at negotiable price for making papier-mâché. In the absence of adequate and published information, it becomes allusive to trace the history of papiermâché within the current geographical boundary of Haryana except relying on field inquiries made with individuals that somehow helped reveal its first use sometime in the early 20th century in making baskets and toys, though sparingly as a playful activity of the rural lass. With the gradual spread and growth of educational institutions in the erstwhile Punjab, schools were opened in hundreds of towns and villages and in order to print books and stationery to cater to a large number of students the printing press run on power and accepting job printing were installed with machines imported from England through sea ports and transported by Railways. Newspapers were started by philanthropists and influential persons that were printed at Lahore, Delhi, Ambala, Jullundur, Amritsar, Hisar and Rohtak. News print and paper for printing other material was initially imported but later substituted by supply from indigenous paper mills the first of which was set up in 1879 at Lucknow. It later expanded in the provinces that were rich in bamboo forests and grasslands. In those days

women in village communities considered getting raddi paper as luxury. Many households that subscribed to newspapers as well as bought stationery for school going children used to accumulate waste paper at home. There were no takers as modern Raddiwalas, which collected waste paper but the household women had many ideas that could be put into practice in innovative forms. The story in the towns and cities was also not very delightfully assuring. Until the 1950s not many families were sending children to school lest the girls. Exercise books were scarce and few households subscribed to newspapers. In this milieu, as and when the syllabus got changed the existing text books became redundant and the discarded material was used to make pulp and recycled as an object of Papier-mâché. Therefore, the basket making in those days became a privilege craft. Papier-mâché crafts were little known until one-and-a-half century ago, which probably could have spread to the Haryana region through the Art and Crafts Schools that the British Indian Government in pre-partition Punjab had established at many district centers, particularly Lahore at Mayo School of Art whose illustrious Principal was Lockwood Kipling –father of famous Rudyard Kipling. Art and Crafts were part of the curricula and the School Inspectors used to see that instructions were followed. It slowly dawned on the rural women folk of erstwhile Punjab that waste paper collected in homes could be used to produce some useful utility articles such as baskets with a little embellishment that required no great skills and material to be bought at a cost. There were times in the 1950s and 1960s when the charm of papier-mâché objects had assumed forms of cultural expression sans commerce, though its economic value could not be dismissed. The baskets made of papier-mâché soon found listed on the paraphernalia of the gift items of a bride who visited her new home a second time i.e. at the time of 'Pug-pheyre' or 'Doosar'. Vessels and kitchen-ware made of metal sheet or cast (brass or bronze) used to be costly and could not have been afforded by every household in rural Haryana except affluent merchants and well to do farmers. Peasants often had two to four vessels per house hold. In view, therefore, the housewife was always on a look out for cheaper and affordable material with which a few household objects of utility could be shaped. It was a successful venture and the idea gained momentum in due course of time. In a few years, every household had a few objects, particularly baskets of various size and shapes such as pots, bowls and plates. For the papiermâché, waste paper and other admixtures such as acacia gum for glue, guar-gum, clay or Multani

Mitti, 3 fenugreek seeds, red clay and lime could be fetched with a little effort. Sometimes potter families also took up papier-mâché object making as past time when normal activity was affected in extremely hot and cold months. With commerce and marts in handicrafts re-emerging as new source of export earnings and domestically sought-after products by affluent in society beginning 1980s, the basket making practice from papier-mâché substantially put on the back foot with the introduction of plastic wares. However, as quality and safety issues became vital and environmental awareness aroused with active and meaningful interest in eco-friendly substances and products, the practice was recently revived by interested groups and institutions such as MSMEs, NIDs and Handicrafts Boards or Corporations, which put in place a resolute support mechanism for handicrafts including papier-mâché.

Papier-mâché in Haryana

Haryana as new state was carved out from Punjab in November 1966 through a notification of Govt. of India Act for the Reorganization of the States. The politico-geographical boundary of Haryana constitutes 44,212 km as 1.4 percent of the total area of the country which is home to about 254 million people living in 26 administrative districts. As per the enumeration data contained in the report of the Census of India, 2011 updated by taking into account the net rate of growth, Haryana's population is 2.54 crore. It has a distinct geographical signature in a few handicrafts items. Papier-mâché's products figured among these. In Haryana not a large range of items made of papier-mâché came to be noticed but a few of continued to be made at home in the rustic environment by women folk. One of the popular items made of papier-mâché crafts manufacturing techniques was round and shallow basket in various size (local name is Dālādæ or Bóhiyā). Women in large number of villages of Haryana have kept alive the practice of making the baskets (Dālādæ or Bóhiyā) in various size and shapes but recently adopted new utility wares and attractive forms for manufacture of commercially viable items from papier-mâché. Generally, in Haryana the papier-mâché product was never made for sale a few years ago but occasionally gifting to relatives and own married daughters. It was chiefly a household activity in which items were made for personal use. In today's changing work environment and shrinking of household incomes from agriculture, supplementing household incomes by manufacture and marketing of papier-mâché was a well thought out endeavor through which it also became possible to make use of the cultural ambiance that preexisted in society towards the basketry. It also attained another objective or remaining eco-friendly. Therefore, this skill comes handy for household ladies and

also self-help groups as regular and additional method of earning livelihood or supplementing income. Sometimes it also becomes an issue of cultural consciousness and contentment that find expression in some creative art forms. This not only satisfies the women folks for continuing with the creative art forms but also empowering them to earn some amount of money that has often been denied to them in a rural set up. But before sale it was necessary to know if buyers or consumers were aware as to what type of preferences in form and shape of a product and its utilitarian qualities were desired. The product thus made could be satisfying to the needs of both.

Consumer awareness towards Papier-mâché

Pre-launch strategy requires information of probable clients/customers were familiar about various types of products and items made in Papier-mâché or they need to be made aware. Awareness, if any, may vary from '0' to 100 on a gradation chart. Obviously, those who never heard about it or seen a Papier-mâché product would need to be given carefully given and impression about the product's qualities and choices against those that have heard about existence of products but not familiar with variety produced with great innovative skills. Preference plays a key role in selection of item if it stands apart in respect of being environment friendly, artistic, bio-degradable yet enduring and aesthetically rich. Keeping in view the variations individual taste for objects within a household structure and imagined requirements of customers, exposures to select buyers with different socio-economic background can ensure better marketing of Papier-mâché products for use in homes and work place.

Following are some of the factors that were preferred for the study of consumer preference

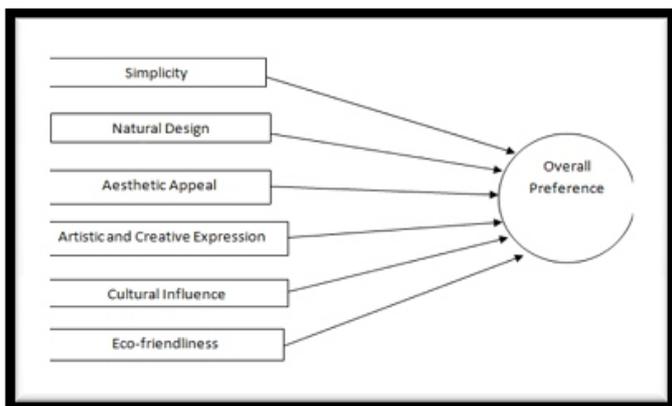


Fig No. 1: Graphic Representation of the Concept

Literature Review

Van der Reyden and Williams (1986) in this study

explored history and technology, issues of conservation and scientific treatment of Papier-mâché in which it came to be revealed that a problems related to the issue of conservation Papier-mâché was extant and suggested scientific treatment thereof.

Shariff, A. (2005) Channapatna, in Karnataka, is famous for its wooden toys for ages. It reeled under severe financial crunch for more than a decade when the craftsmen community involved in the manufacturing had reached near-starvation levels a few years ago. Despite deprivation, toy making survived as major source of livelihood for the majority of people in this town. For the setback in the past, it is not just the lack of promotional skills that were accountable, but the core issue was that the entire industry did not keep pace with the rapidly changing scenario that the world was demanding. Today, the craftsmen involved in the manufacture have braced themselves by opening new vistas by looking into the current trends with far-reaching changes in their thinking and attitude by producing products according to existing market demands Frank Ampadu Sarpong (2009) in a novel design of research on Papier mâché-cement mix on the one hand and 'naivety' sculpture (using the pseudo technique in imitating others works of art) with colour painting on the other hand to generate aesthetics and more excitement in sculpture could present some exciting picture of this business. The experiment covered creation of objects in various size and shapes in relief and in-the-round sculpture. This development helped affect a successful pattern of creation, while the interplay of light and shade of the direct modelling with the Papier mâché-cement mix helped to enhance aesthetic qualities resulting in attractive and appealing images in each case. The researcher therefore explores the concept of 'naivety' to conceive the ideas for novel materials in artworks. The merging of Papier mâché and cement as adjuvant gives an artist with inadequate experience an opportunity to express in direct modeling because of the slow drying rate of the materials. This gives the inexperienced artist the chance to revisit the work and add or subtract what is deemed appropriate to the artist. As such, the various styles and techniques executed by the artist are all employed in sculpture. Bal and Dash (2010) while researching about the intention to purchase handicraft products and to understand the key factors affecting the buying behavior of the customers found a positive relationship between the expenditure on handicraft items and the income of a person. The households in urban areas tend to possess more hand-crafted items as compared to rural areas. People tend to generally get attracted to hand crafted items due to 5 artistic value and aesthetics in rustic forms. In their study while determining the order of rank it could be seen that more than 75 per cent respondents mentioned to have been

motivated due to artistic nature of the products, 63.3 per cent for utility whereas 53.7 per cent respondents that acquired the items consciously attached it to social status and got Rank-II and Rank-III respectively. Majority of the respondents (55.7%) had stated that 'luxury' was the motive behind buying handmade objects and articles. The latter had opted for Rank-IV. As sacred depictions in handicraft items impressed the customers with religious sentiments and practice. Most respondents opined that there was greater need for improvement in not only designing a product to be made with hand but also but also to keep in mind the appearance and texture for value addition to quality. By texture was meant the surface look as well as the intrinsic qualities of the material used and by appearance, shape, form and tonal quality of color it reflected. It was also found out that their possession of a an outstanding piece of object made entirely by hand incurred elation and earned reputation for the owner or receiver, particularly for an item of gift.

Dash (2010) noted that consumers preferred handicrafts items in which 'religious touch' was found or were specifically made to fit into the events while observing rituals and religious ceremonies. The study illustrated that level of income had a significant relationship toward expenditure on handicrafts besides influence by the spouse, parents, children and other members of family.

Kaur (2011) analyzed the impact of revival schemes designed to promote and preserve Phulkari -Punjab's traditional handicraft. In the new millennium, as Indians discovered the decorative and aesthetic potential of our own traditional technology, art and crafts and as new urban markets appeared on the horizon, 'Haats' were supplanted in urban residential areas as new age shopping malls were being set up in the vicinity. These Haats were reminders of the village Haats of yore and their layout and huts were designed to match the convenience of the traditional bazaars in a remote rural setting. Prabhjot found that selling Phulkari caught with the new trends blended with the modernism through the rural marts set up in highly urban environment. **Silver and Kundu (2012)** found out that friends and family had the greatest influence among the Swedish customers on decision to purchase handicraft products. It was also noted that the Swedish people bought handmade products to flaunt their social status too.

Gill et al (2012) checked the market potential of Indhi while suggesting modifications and innovations in its size and design for end users/potential customers of modern times. Indhi is a ring-shaped object used for by rural women folks as soft pad on the skull for

carrying water pitchers on head for long distance. The responses of the potential customers and traditional users to modifications in Indhi were assessed on the basis of aesthetic appeal, utility, workmanship, uniqueness, color combination, fabric and threads and craft value. The overall acceptability was found to be excellent.

Khanna (2013) examined existing product design, re-design, new product development and product diversification in respect of Papier-mâché as well as checking avenues for research and development directions for future initiatives and typologies for visual identity or branding from communication design point of view. It was found out that artisans have deeper interest to get training for the novel form in this craft while having in mind ways and means for effective marketing for innovative products so that mass production could be taken up in a sustained manner. Researcher discovered lack of awareness of promotion schemes.

Agarwal and Luniya (2013) identified the buying behavior of female consumers regarding handmade Kota Doria saris. The study was conducted in respect of 65 women respondent in the age group 30 to 45 years, having family income not less than Rs. 15 thousand per month. Consumers were found to be aware about the value of originality of hand woven Doria pattern but didn't know if the product had a Geographical Indication tag patterns of these products could be patented. Floral designs as woven patterns, multicolor combination, and, embroidery in hand were preferred.

Rani and Banis, (2014) in a study conducted in the states of Punjab and Haryana found that consumers preferred handloom brands irrespective of current fashion trends. Perceptively, they conerred recognition to our indigenous industry and were convinced that handloom products were good as a wear than synthetic or mixed fiber cloth as skin was safer when it remained in contact. It was aesthetically pleasing to wear handloom garments. It also inculcated a feeling of swadeshi.

Avin and Anson (2014) analysed the role of stakeholders in the promotion of handcrafted Channapatna toys by a measure of expenditure incurred by tourists on these items and further examined the how far the Channapatna artisans could contribute towards the economic growth of their region. They found out that a large number of tourists were not well-informed about the Channapatna crafts, particularly the toys, its quality and diversity. They were hesitant buyers and on occasions didn't know at which place to buy handmade toys due to absence of information about retail outlets until they visited a few government shops/exhibitions located in the city or the manufacturing units at Channapatna itself. This could be seen as deterrent to many prospective buyers in making decision to get the toys. It indicated that opportunities for retail outlets for

setting up across the city existed.

Kapur and Mittar (2014) measured if design intervention helped in the revival of dying crafts and illustrated how intervention with new and interesting ideas can be developed into models for several purposes, whether for revitalizing a languishing craft or developing new forms of existing products for sustainable livelihoods and found that consumers wished to be more aware of the type of materials and the place from which they have been sourced, now and not in a hackneyed manner to look only for visual appeal and rustic forms. The findings suggested that appropriate modifications in the existing products required critical reviews followed by meaningful interventions or experimentation and hand-holding efforts to move into a transitional state for better and potential markets. Design intervention can help bring in the much needed empathetic understanding and holistic vision to connect and integrate the various efforts towards a positive outcome. One would come across amazing indigenous innovations in India that can be developed into marketable products and thereby helped in creating successful business propositions such as Start-Ups that only had a minuscule presence in the beginning but within a short span of a few years grew into giant corporations.

Nasra (2016) conducted a study to present an understanding of tourists' travel activity preferences and assesses its link with demographic factors. It was found that, of all demographic factors, only occupation was proved to have significant influence on activities such as visiting beaches and islands, and purchasing of traditional handicraft clothes.

Pani and Pradhan (2016) conducted a study to know how various identified attributes of handicrafts influence the overall preference of the consumer. The study revealed demographic factors like age and gender do not have significant role in influencing the consumer preference. The study further concluded that the variables undertaken in the study like simplicity, Natural design, Aesthetic appeal, Artistic and Creative, Expression, Cultural Influence and Eco-friendliness are the major attributes which have positive and significant relationship with the overall preference of the consumer.

Nair and Kinslin (2016) conducted a study to understand the consumer awareness level and the most powerful source of information and occasion which influence the consumer to buy handloom products. This study brings out that consumers were more aware of handloom product but not much aware of descriptions and quality checking methods. Hence enough measures have to be taken place in order to

increase the awareness about handloom products. All suggestions were to increase the awareness about the handloom Products and in turn to make it as a sustainable Industry in the mind of customer. The study can be further extended to understand consumer buying behavior and customer satisfaction about handloom products etc.

Decq and Saverwyns (2019) conducted a research on 19th-century furniture in black lacquer, on papier-mâché or on turned wood, has been subjected to an in-depth observational, historical and chemical study. The results show four different technological approaches: two for the papier-mâché objects and two for the wooden chairs. The cyclic labour-intensive lacquering procedure of repeated staving and polishing lacquer on papier-mâché with mother-of-pearl inclusions is reflected in the cross-sections. Pinacearesin and heated oil are frequently found, conform with surviving recipes. A variant of 'the old form of varnish', as historically described, was likely used. In the two pairs of wooden chairs, the lacquer layers are thinner than on the papier-mâché items. They contain copal and show different stratigraphy. These observations can be the starting point to relate technological and chemical variations to different origins. New art historical findings on lacquer production and trade in England, France and Belgium, and the study of contemporary recipes, frame the analytical results in a historical context.

Indian Institute of crafts and design present a report about the problem faced by artisan and also study about the raw material, tools and range of products for Papier-mâché. Outcomes of this study were a number of problems faced by craftsperson such as there are lack of skilled artisans in this sector and also faced problem in promotion sector.

Scope of the Study

The study was designed to look into customer awareness and preferences towards Papier-mâché products in respect of both the old and traditional and forms as well as new products with innovative designs with enhanced aesthetic appeal keeping it within the scope open to further research. The study model can be adopted for other handicrafts product in order to check the awareness and learn about preferences to ensure continued support to crafts persons and development of markets in India and abroad.

Objectives

- To study the consumer awareness as potent source of information and preference towards Papier-mâché products.
- To study the association amidst variables that could be undertaken with overall preference.
- To assess the relationship amidst overall preference in relation to the demographic factors.
- To study the prospect of revival of Papier-mâché items

chiefly baskets and containers, stationery items and potential for innovations in form and designing new products.

all belonged to urban/semi-urban areas.

Research Methodology

During the study wider investigation to meet the objectives of the study was considered. The nature of this research presentation is descriptive. A structured questionnaire was designed to collect data through a five-point Likert scale questionnaire. The study is undertaken with the objective of recording in a meaningful manner the perception and awareness with inclination towards Papier-mâché products. In order to fulfill the objectives, the design of the study was planned in a manner thus: Sampling Design: The area of study primarily focused on Haryana. Universe/population: Target population (general public) is infinite. Sampling Method: random sampling method is used for collection of data from consumers. Sampling size: A sample size of 200 is taken for the collection of data to achieve the objectives of this study. Out of 200 set of questionnaires distributed, 180 could be returned online by the respondents in which 30 were found to be invalid. Hence, 150 valid responses were taken into account for the analysis and presentation.

Data collection

The primary data was collected with a aid of an elaborate questionnaire, which template consisted of 27 queries to collect information related to demographics, type and level of awareness and for measuring impact cast by various factors on consumer preference that was analyzed with 5-point Likert-scale - Strongly agree-(5) , Agree-(4) , Neutral-(3) , Disagree-(2) , and, Strongly Disagree-(1). The secondary data was also compiled online from other sources such as Journals, semi-academic Magazines, books in print, and E-Books.

Statistical Tools

The analysis of the data was carried out with the help of SPSS Ver.19 statistical package and the tools chosen are as follows: Simple percentage analysis Descriptive statistics ANOVA

Data Analysis

Demographic variables such as gender, age, educational qualifications, occupation, and place of residence were revealed in the table-1. It could be inferred that 57.3% of the females and 47.7% of the male respondents participated in the study. Majority (30.7%) of the respondents belonged to the age group 28-37 years, of which 51% were post-graduate, 35.1% were employees private enterprises or doing small business and 63.3% in

Table 1: Demographic Profile of Respondents

Factors	Options	Frequency	Percentage
Gender	Female	86	57.3
	Male	64	47.7
	Total	150	100
Age	18-27	28	18.7
	28-37	46	30.7
	38-47	30	20
	47-58	26	17.3
	58+	20	13.3
	Total	150	100
Educational	Illiterate	10	6.7
Qualification	Primary Standard	3	2
	Middle Standard	12	8
	Higher Secondary	31	20.7
	Graduate	30	20
	Post graduate	51	34
	Any other Professional degree or qualification	13	8.7
Total	150	100	
Occupation	Farming	18	12
	Govt. service	28	18.7
	Private Employment/se If Employed	53	35.3
	House wife	42	28
	Pensioner	9	6
	Total	150	100
	Location	Rural	55
Semi-urban/urban		95	63.3
Total		150	100

Objective 1:

To study the consumer awareness as powerful source of information. In order to attain the objective following analysis was attempted:

Table 2: Awareness level of respondents

S. No.	Aware	Frequency	Percentage
1	Yes	140	93.3%
2	No	10	6.7%
3	Total	150	100.0

Table 3: Overall rate to quality of Papier-mâché

S. No	Overall Rate	Frequency	Percentage
1	Fair	9	6%
2	Good	60	40%
3	Very Good	54	36%
4	Excellent	27	18%
5	Total	150	100%

Table 4: Source of information

S.No	Source	Frequency	Percentage
1	In a fair	8	5.3
2	Family and Relative	97	64.7
3	internet	34	22.7
4	Newspaper	2	1.3
5	Destker	1	0.7
6	Other	8	5.3
7	Total	150	100.0

Table-2 represents that 93.7% respondents have information about papier-mâché whereas 6.7% never heard about it. 64.7% (table-3) respondents were aware about papier-mâché products from elders in own family or relatives. Table-4 indicates that respondents differently rated Papier-mâché products in which 40% strongly desired 'quality' of Papier-mâché products, 36% rated as 'very good' and the remaining 27% rated 'excellent'

Table5: Reliability Statistics

Cronbach's Alpha	No. of Items
.816	6

Objective 2:

To study the association amidst variables that was considered with overall preference following analysis Reliability Statistics:

To validate the questionnaire a pilot study was conducted in which 50 valid samples were taken to test. The reliability of scale indicated that it was free from random error. Internal consistency was measured using Cronbach's co-efficient alpha, (α). The statistics provided an indication of the average correlation among all of the items that made up the scale. Values ranged

from '0' to '1' with higher values indication to greater reliability. Table-5 indicates that a score of 0.816 could be obtained for the questionnaire, wherein its value was more than 0.8, indicating greater reliability in any kind of social research. It indicated that the survey instrument (questionnaire) was reliable tool to measure the construct in consistently.

Table 6: Descriptive Statistics

Variables	N	Mean	Std. Deviation	Varia nce
Creative Expression	150	4.15	.939	.882
Artistic and Aesthetic value	150	4.02	.945	.892
Cultural value	150	4.41	.906	.821
Eco-friendliness and carbon signature.	150	4.64	.797	.635
Rustic form and Amenable design.	150	4.32	.907	.823
Aesthetic Appeal	150	4.12	.948	.898
Average mean	150	4.3122	.61223	.375
Valid N	150			

The level of overall positive preference perceived by the customers in relation to identified attributes of Papier-mâché are shown in table-6, which indicates the mean values, standard deviation and variance for the variables. The mean score on overall positive preference was found to be 4.3 on a five-point Likert-scale. This is above the neutral score of 2.5, which implies that respondents' overall preference is favourable and

positive. Based on a five-point Likert type scale ranging from strongly disagree (1) to strongly agree (5), the survey conducted for knowing the responses of customers on various attributes relating to overall preference towards Papier-mâché of Haryana. The mean scores of all independent variables are above the neutral score 2.5, which implies favourable or positive outcome. According to these results, eco-friendliness and carbon signature has impacted a lot in forming overall positive preference.

Objective 3:

To assess the relationship amid overall preference with demographic factors.

[Hypothesis: Relationship between Overall Preference of customers with demographics factors (age, gender, educational qualification, profession and location).]

H₀: The Overall Preference does not vary in accordance with age

H₁: The Overall Preference varies in accordance with age.

Table 7: Overall preference

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.890	4	.222	.525	.718
Within Groups	52.166	123	.424		
Total	53.056	127			

To analyze hypothesis that is their difference in Overall Preference according to age, we use one way ANOVA. The results are $F(4,123) = .525$, $p = 0.718$, where $p > 0.05$ indicating that the result is not significant at 5%. We have to accept the null hypothesis that overall preference

does not vary in accordance with age.

H₀: The Overall Preference does not vary in accordance with gender.

H₁: The Overall Preference varies in accordance with gender.

Table 8: Overall preference

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.903	1	.903	2.182	.142
Within Groups	52.153	126	.414		
Total	53.056	127			

To analyze hypothesis that there is difference in Overall Preference according to gender, we use One Way ANOVA. The results are $F(1,126) = .903$, $p = 0.142$, where $p > 0.05$ so result is not significant at 5%. We have to accept the null hypothesis that Overall Preference

does not vary in accordance with gender.

H₀: The Overall Preference does not vary in accordance with occupation.

H₁: The Overall Preference varies in accordance with occupation.

Table 9: Overall preference

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.126	6	.354	.842	.540
Within Groups	50.930	121	.421		
Total	53.056	127			

To analyze hypothesis that there is difference in Overall Preference according to occupation, we use One Way ANOVA. The results is $F(4,126) = .842$, $p = 0.087$, where $p > 0.05$ so result is not significant at 5%. We have to accept the null hypothesis that Overall Preference

does not vary in accordance with occupation.

H_0 : The Overall Preference does not vary in accordance with location.

H_1 : The Overall Preference varies in accordance with location.

Table 10: Overall preference

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.367	4	.842	2.084	.087
Within Groups	49.688	123	.404		
Total	53.056	127			

To analyze hypothesis that is there difference in Overall Preference according to location, we use One Way ANOVA. The results is $F(1,126) = .572$, $p = 0.451$, where $p > 0.05$ so result is not significant at 5%. We have to accept the null hypothesis that Overall Preference

does not vary in accordance with location.

To test whether the identified factors are good predictor of Overall Preference

To analyze the impact of identified factors on preference, we use linear regression model.

Table 11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.973a	.946	.944	.930

a. Predictors: (Constant), Aesthetic Appeal, Eco-friendliness.,

Rustic form and amenable design, Creative Expression. Cultural value Artistic and Aesthetic value.

The above table-11 provides the R, R², adjusted R², and the standard error of the estimate, which can be used to determine how well a regression model fits the data. Where R represents multiple correlation coefficients, whose value is 0.973 which indicates a good level of

prediction, R² represents coefficient of determination, whose value is 0.946 which means our independent variables explains 94.6% of the variability of our dependent variable, adjusted R² value is .944, which shows the model 94.4% accurately report our data.

Table 12: ANOVAb

Model	Sum of Squares	df	Mean Square	F	Sig
1	Regression	2160.237	6	360.039	416.001
Residual	123.763	143	.865		
Total	2284.000	149			

Hypothesis: Relationship between identified factors and overall preference

H_0 : There is no significant relationship between

identified factors and overall preference.

H_1 : There is significant relationship between identified factors and overall preference.

Table – 13 Coefficients^a

	Model	Unstandardized Coefficients	Standardized Coefficients			
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.887	.547		1.622	.107
	Creative Expression	1.171	.114	.281	10.263	.000
	Artistic and aesthetic value only.	1.048	.119	.253	8.788	.000
	Cultural value	1.097	.114	.254	9.637	.000
	Eco-friendliness and carbon signature.	.755	.123	.154	6.113	.000
	Rustic form and amenable design or appealing form.	.899	.096	.208	9.395	.000
	Aesthetic Appeal	.876	.102	.212	8.567	.000

Objective 4:

To study the possibility of revival of Haryana's Papier-mâché.

Table-14 (Do you want to purchase Papier-mâché product of Haryana)

S. No.	Response	Frequency	Percentage
1	Yes	141	94.0
2	No	9	6.0
3	Total	150	100.0

Table-15 (Why are you not purchasing Papier-mâché product)

S. No.	Factor	Frequency	Percentage
1	Not Available	53	35.3
2	By Product width (increase in items)	65	43.3
3	Competitive Basket Availability	15	10.0
4	Poor quality	17	11.3
5	Total	150	100.0

Table 16 (Do you think Papier-mâché products need to be improved and variety introduced?)

S. No.	Response	Frequency	Percentage
1	Yes	141	94.0
2	No	9	6.0
3	Total	150	100.0

Table 17 (If yes, then which type of improvement may be recommended?)

S. No.	Factor	Frequency	Percentage
1	By Quality	49	32.7
2	By Product width (increase in items)	45	30.0
3	By Availability	56	37.3
4	Total	150	100.0

Table-16 shows that 94 % respondents are interested to purchase Papier-mâché product but they faced some problem such as quality, shortage of variety and non availability in market. If a craftsman solve these problem it will be possible a eco-friendly and Haryana's cultural comprehensive product can be reintroduced in society.

VI-Discussion

After the completion of the study, it was understood that above 90% of the total number of respondents were well-informed about the Papier-mâché, understood what quality meant to the articles and objects as well as diversity that could be offered. They were, however, not very sure where they could get Papier-mâché handicrafts of good quality and buy after selecting from diverse products if at display. It was also found that most of the respondents could identify Papier-mâché as an important aspect of a culturally suitable practice and could willingly buy products if it can improve the conditions of crafts persons as well as their economic status.

This study has also revealed deep-rooted cultural ethos in consumer's preference in the context of Papier-mâché products of Haryana. It was a sincere attempt to record the impact vis a vis demographic variables on consumer preference towards Papier-mâché product of Haryana. It revealed that demographic factors did not have significant role in influencing the consumer preference because they could be highly inclined for aesthetic appeal, eco-friendliness and carbon signature, rustic form and amenable design or appealing form, creative expression, cultural value, artistic and aesthetic value. Moreover these attributes not only entice but also play the role of catalyst in forming positive preference of consumers.

Papier-mâché need be specifically given exposed at both national and international level exhibitions and Melas. Adequate monetary incentives should be given by the government to handicraft persons to assure sustainability of the trade. These items should be displayed at kiosks made in the reception lounge of the state government offices and tourist complexes so that tourists and visitors could have a look, appreciate and buy products. But we're living in a new era brightened up by good designers with the aid of graphics and modeling in design schools that have e.g. recently come up at Kurukshetra through which consumers could be assured of quality innovative use of materials – not just in respect of their visual and sensual appeal, but also the source and place from which raw material have been obtained. Modern consumer is enlightened one and approve of the eco-friendly character of articles and good as it mattered

most because of the issues pertaining to environmental protection. With these innovations and appropriate modifications in the existing products a positive outcome could be expected in near future. This craft based on Papier-mâché has potential to become an additional source of livelihood for crafts persons –both professional and amateur, especially in the rural settlements of the state.

However, emergence of digital platforms for conduct of online business, educational endeavors and appreciation for products of ethnic origin could aid in expansion of Papier-mâché products in cosmopolitan set up in which value addition is the mantra for influencing potential customers.

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Performance Evaluation of Public Sector Banks of India

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Abstract

The financial business in India overall is making critical commitments for the improvement of the economy and assisting with accomplishing manageable development. In India banks are perhaps the most advantageous entertainer on the planet banking industry seeing colossal seriousness, development, effectiveness, benefit and sufficiency, particularly in the ongoing years. Consequently, it is imperative to quantify adequacy across different banks in the nation and recognize the more vulnerable areas of the financial division, devise fitting methodologies and approaches to lift these segments and in the end make a domain that leads banks to be sound and results in soundness. On behalf of these the main purpose of the banking sector is to generate profit. Profitability is the primary goal of all business ventures. So these study an attempt to analyze profitability of selected public and private sector banks in India. This study used into three key factors which affect the profitability analysis of Indian banking sector using mean, standard deviation and co-efficient of variation.

Keywords: [Public Sector Banks, Operating Profit, Net Profit, Total income]

Introduction

Banks today possess a significant position and job in the general working and working of the economy of a country. Truth be told, banking arrangement of any nation is the backbone of the economy. Banks assumes a urgent job in the monetary advancement of a nation and structures the center of the currency market of the nation. The financial area performs three essential capacities in an economy; right off the bat, it deals with the installment framework, also, the preparation of reserve funds lastly, the allotment of investment funds to venture ventures with the end goal of improvement. The financial framework which comprises the center of the money related area assumes a basic job in transmitting fiscal strategy motivations to the whole monetary framework. A proficient financial framework can advance in more noteworthy measure of speculation which will additionally assist with accomplishing a quicker monetary development of the economy. The encounters overall affirm that nations with all around created markets and a productive financial framework develop at a quicker pace and are progressively reliable in their presentation.

The financial business has become a reality in the present economy, as it is seeing a development both regarding the quantity of foundations and as far as the measure of cash oversight by exercises.

Regardless of this advancement and triumphs accomplished by the financial organizations around the world, it despite everything have difficulties which will require further serious endeavors with respect to these foundations, for example, to upgrade the nature of its items and administrations, to enhance their individual exhibitions and to keep pace with the quick improvements occurring on the planet. The business banks who were ruling the business sectors have been assaulted by the globalization, rivalry and unpredictable market dynamic weights.

The section of outside banks, state plan helpful banks and multistate agreeable banks has included more weight the day today functions of these banks. Accordingly an endeavor ought to be made by the brokers to discover new techniques to improve their administrations. To comprehend the predominant exhibition the administrators and approach producers need to address a significant issues like execution estimation and productivity estimation Significance of the Study.

Review of Literature

Bikker (2010) focused on performance in a broader sense that is the contribution financial institution make to the common wealth .on behalf of consumers and businesses. This article also demonstrates that measuring the performance of banks is hard and that indicators differ strongly in quality. It investigates which methods are to be preferred and how by combining certain indicators stronger measures may

be developed. These measures are subjected to a predictive validity test. At the time of analysis 20 methods were used to measure banking competition and efficiency for the most important 46 countries. Ayyappan and Sakthivadivel (2012) carried out analysis for the growth and trend of certain financial parameters of public and private sector banks. All the public and private sector Indian scheduled commercial banks functioning in Indian for the financial period from 2000-01 to 2009-10 that were listed in Bombay stock Exchange as per March, 2010 and had data for the entire period of study. This study covered 22 public sector banks group and 15 private sector banks group. The data for this study are collected mainly from the secondary sources. The main objective of this study is to measure the contribution of financial variable into profitability and analyse the trend and progress of selected financial variable. At the end of this study analysis that compound growth rate of private sector banks group higher as comparison with public sector banks groups. The trend analysis also showed that private sector banks are aggressive attempts to compete with public sector Banks. This study also identified that at the current rate of growth of the private sector banks can pose a challenge in market place and may even overtake the public sector banks in the fore coming years. Nandy and Debaprosanna (2011) discussed profitability indicators of commercial banks in India. The objective of the study is to identify key factor and examine whether they have any significant influence on profitability of commercial banks in India. The study covers secondary data for a period of 3 year ranging from 2004-05 to 2006-07. For the analysis of this study have been used multiple correlation and multiple regression Technique. Their study calculate all the statistical results, with the help of SPSS package [version-16.0] have been used. From the above study and analysis .IT is clear that ;Interest expenses is the only gaol predictor for Net profit 'of all different banks groups taking together during the year 2004-05 to 2006-07 with the given data. This study may be extended to taken other important various in to consideration as used as to include other years after 1991 or to calculate the focus affecting 'Net profit' of each bank group individually over a certain period

of time.

Veni (2004) highlighted that the rating agencies give prominence to Capital Adequacy Ratios of banks while rating the banks certificate of deposits, fixed deposits and bonds. They normally adopt CAMEL Model for rating banks. Thus, Capital Adequate is considered as the key element of bank rating. Satish et al. (2005) concluded that the Indian banking system looks sound and Information Technology will help the banking system grow in strength while going into future. Bodla and Verma (2006), in their paper, made an attempt to examine and compare the performance of two largest banks of India - SBI, a public sector bank; and ICICI a private sector bank - through CAMEL Model.

Objectives of the Study

The objectives of the study are as follows:

1. To understand the various theoretical aspects relating to the measurement of financial soundness through liquidity ratio of Public sector banks.
2. To analyses the financial soundness of Public sector banks in India.

Database

This study is based on secondary data that has been collected from annual reports of the respective banks. The source of secondary data are published documents of Reserve Bank of India (RBI) and Indian Banking Association (IBA) such as Reports on Trends and Progress of Banking in India, Report on Currency and Finance, Statistical Abstracts Relating to Banks in India, Performance Highlights published by IBA, Annual reports of various Public Sector Banks etc. Various Journals, bulletins, periodicals and newspaper devoted to the subject of banking in India has also been referred to. The study covers the period of 10 years i.e. from year 2008-09 to year 2017-18.

For analysis of the data, two important statistical tool viz. as averages, percentages and ratio analysis etc.

Results & Discussions

To analysis the financial performance of the public sector banks by using ratio analysis of liquidity ratios. The Selected banks were listed as follows:

Table 1: Liquidity Ratios

Current Asset as a Percentage of Current Liabilities (Percent)

Year/Bank	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Mean	SD	CV
Allahabad Bank	32.18	34.74	37.25	45.65	48.04	38.24	33.07	40.54	39.42	40.59	38.97	5.11	13.10
Andhra bank	33.75	36.87	40.62	35.93	48.41	45.46	37.48	39.12	12.25	45.84	37.57	10.10	26.88
Bank of Baroda	12.75	28.93	34.31	36.34	66.75	68.27	1.39	1.30	1.37	1.33	25.27	26.32	104.13
Bank of India	47.57	43.42	24.50	37.30	37.80	30.40	38.89	40.46	41.73	59.89	40.20	9.50	23.65
Bank of Maharashtra	28.39	32.60	28.80	28.80	33.84	34.61	29.36	38.74	31.71	43.52	33.04	4.93	14.91
Bhartiya Mahila Bank	NA	NA	NA	NA	NA	8.60	9.41	7.30	7.01	merged with sbi	8.08	1.12	13.92
CanaraBank	15.41	15.22	10.51	10.48	35.71	33.54	31.31	35.65	36.61	32.52	25.70	11.23	43.72
Central Bank Corporation	3.07	3.82	4.03	7.90	10.16	8.68	6.40	4.10	6.30	8.20	6.27	2.43	38.84
Dena Bank	14.11	26.59	38.47	32.62	38.13	39.21	38.49	41.96	28.15	36.26	33.40	8.40	25.16
IDBI Bank	14.81	27.08	53.87	45.79	24.69	47.61	40.25	47.42	60.76	55.83	41.81	14.99	35.86
Indian Bank	26.74	28.13	36.40	37.96	11.08	33.75	31.57	29.19	21.96	18.18	27.50	8.40	30.55
Indian Overseas Bank	23.08	25.06	27.63	28.14	26.15	28.89	30.15	34.33	34.65	38.29	29.64	4.78	16.12
Oriental Bank of commerce	46.20	41.05	42.11	45.14	56.04	57.52	48.29	37.08	39.34	26.37	43.91	9.10	20.72
PNB	21.68	25.11	28.29	34.82	45.14	38.92	35.29	40.91	46.77	48.69	36.56	9.28	25.38
Punjab and Sind Bank	26.24	27.97	31.69	31.82	22.16	34.32	141.78	39.56	44.06	33.65	43.33	35.16	81.15
Syndicate Bank	21.83	46.34	30.97	32.80	28.99	37.31	38.47	38.25	45.38	49.23	36.96	8.56	23.15
UCO bank	17.63	32.33	35.24	36.42	32.72	38.11	34.85	39.10	42.38	47.04	35.58	7.74	21.74
Union Bank	20.11	317.09	30.42	35.12	31.91	30.35	26.63	28.55	27.28	28.41	57.59	91.26	158.48
United bank of India	17.63	32.33	35.24	36.42	32.72	29.45	37.66	47.48	32.98	46.91	34.88	8.53	24.46
Viajy Bank	15.16	18.64	31.53	41.51	25.90	31.53	26.86	31.89	34.62	38.70	29.63	8.25	27.84
SBI	29.95	24.13	41.42	45.63	53.47	54.98	47.97	67.31	54.56	66.46	48.59	14.05	28.91
State Bank of Bikaner and Jaipur	8.33	12.62	11.16	15.78	15.87	16.21	14.06	13.19	11.21	11.51	12.99	2.54	19.57
State Bank of Hyderabad	16.20	16.00	18.77	18.34	25.51	18.01	22.26	22.88	21.30	NA	19.92	3.24	16.27
State Bank of Indore	1.08	1.14	1.47	1.56	1.77	1.63	1.84	2.03	2.45	NA	1.66	0.43	25.68
State Bank of Mysore	2.08	1.77	NA	1.93	0.22	11.39							
SBP	1.61	2.00	2.36	3.26	4.56	4.87	5.23	5.13	5.78	NA	3.87	1.57	40.71
SBS	1.49	1.37	1.58	1.78	1.96	2.14	2.56	2.78	3.15	NA	2.09	0.62	29.66
state Bank of Travancore	NA	NA	NA	NA									
	0.97	1.68	2.15	2.78	2.90	3.14	3.56	3.78	3.89	NA	2.76	0.99	35.91

Source: Data Compelled by the researcher

Interpretation

Above table depicts the Liquidity as a Percentage of current ratio value expressed in terms of percentage. Current asset is the own fund of the bank that is utilized to operate the banking transactions. Current funds are those funds where the bank is borrowing the money from other financial institution or from central bank in certain interest rate and then bank use the same for operation purpose. This value indicated the self sustainability of the bank. Ideally higher the owned fund used by the bank is better the bank as for borrowed fund bank need to pay the interest.

From the above table it can be concluded that On an average Only UCO bank , Allahabad bank has maintained a significance level of Current Asset as a Percentage of Current Liabilities with the value 57.85% and 43.63% respectively in the study period. Apart from these two banks Allahabad Bank, Bank of Baroda, Bank of Maharashtra and Dena Bank has maintained acceptable value which is above 1.0%.

Out of sample framework Corporation Bank and Andra bank highly depend the business based on borrowed fund with lowest Owned Fund as a Percentage of Borrowed Fund value

Findings of the study

- Allahabad Bank has consistently stood better from its counter parties in terms of interest earned as a percentage of working fund as co-efficient variation out of 100, with 13.10 %
- Canara bank , Central bank has maintained a significance level of Owned Fund as a Percentage of Borrowed Fund with the value 48.85% and 37.63% respectively in the study period
- On an average in the study period Only Andhra bank and Bank of Baroda has maintained acceptable Liquid Asset as a Percentage of Total Deposits with the value of 0.71 and 0.61 respectively
- Dena bank has maintained highest Liquid Asset as a Percentage of Current Liabilities as compared to all the other banks for the study period with Liquid Asset as a Percentage of Current Liabilities of 17.67%.
- Dena Bank has maintained higher average Current Asset as a Percentage of Current Liabilities compared to all the other selected banks with 41.81%

Conclusion

Current study on financial performance evaluation of selected public sector banks in India uncovers the performance of selected banks for a period of 120 months. In order to evaluate the performance of the selected funds, different ratios were used. Finding of the study section gives an overview on the results from different ratios. The study suggests that the banks should ideally create a friendly and customer centric environment to satisfy the need of the customer in

banking sector. By doing this the customer retention rate increases enormously by year to year which will yield a good profitability to the bank in long term. The study can be concluded that the current study may help in making decision to evaluate the Indian banking public sector banks in particular.

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Role of Social Media in Transforming Guest Experience

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Abstract

The fundamental objective of this paper is to see how businesses utilize social media as a marketing tool to transform guest experience in hotel industry. Because now a day's social media has transfused way into marketing of every business by enhancing positive guest experience. Although it helps to connect with loved ones and it also helps for business by feedback of the customers. The paper also tries to generalize as to which platform of social media, enhance customer experience to create brand in existing or potential customers in hotel industry. The methodology of this investigation has followed qualitative research technique to explore this topic. It has also noted that before the existence of social media platform such as Twitter, Face book, Instagram, YouTube, Pinterest, WhatsApp, Skype, Viber, Snapchat, Tiktok, Google+ and LinkedIn, customer used to share their experience only with nearest and dearest. But as social media comes in existence customer broadcast their experience to large audience.

There are also reasons behind complain of customers which could not be eliminate while keeping in mind customer service in hotel industry. These platforms of social media give power to customers which influence them to take action on any minor mistake of any business. Therefore this kind of opportunity has not existed before the invention of these social media's platforms. However, each business needs to treat social media for feedback channel along with promotional platform. In order to enhance guest experience it play vital role by providing secondary research to every business. It also helps to create brand image by giving direct connection with prospect customers and larger audience. The connection between social media advertising and brand fabricating particularly in guest experience has a noteworthy effect but number of factors, such as type of business, type of audience you are trying to reach, your specific goals etc. need to kept in mind.

Keyword: [Social Media, Service Industry, Customer Service, Guest Experience]

Introduction

The hotel businesses are competing with their rivals to generate more revenue like other business. Therefore this sector is constantly finding new ways by implementing new marketing strategies to attract more customers. Now a day's social media is playing important role in each and every business such as hotel industry. It has leveled the chances of hotel marketing because this sector is selling service along with product i.e restaurant foods etc. Thus they try to find the ways to transform guest experience. The sites like TripAdvisor and Agoda have made it hugely simple for clients to associate with hotels, so most travelers never again default to chain establishments with promptly recognizable names. Before the existence of social media organizations were used to send print material through different ways along taking the help of television and word of mouth. But with the rise of social media businesses have switch their marketing strategies.

In 2019, Merriam-Webster defined "social media" as "forms of electronic communication through which users create online communities to share information, ideas, personal messages, and other content (such as videos)". It is a form of internet marketing that utilizes social network as a marketing tool. This platform helps business to connect with their existing and

prospect customers to increase sale and awareness.

More and more people are connecting and using social media, business produce content that users of social media share between their social networks. The people using social media to keep in touch with their friend circle or creating professional network (LinkedIn) to grab or enhance career opportunities. By the use of these social media platforms people connect with each other to share similar thought, emotions and interest. This activity of user helps business to increase its market presence in all manners.

It is a marketing tool which affects hotel business communication with its guest. Traditionally guest used to communicate in writing but now preference given by guest to use their social media profile when giving positive or negative feedback. This kind of action taken by guest to share information willingly or unwillingly with general public may leave organization in dilemma. Because the negative feedback posted by guest on this media affects the opinion of other guest as well. Therefore establishments need to do best while dealing with guest to solve their problem online or offline. In order to transform guest experience, hotel staff need to be aware of every enquiry or post which posted by guest and response should be quick.

I. Research aim & Literature Review

The aim of research is to find the Role of social media in transforming guest experience by applying qualitative

methodology approach. Due to importance of the topic researcher pursue two objectives; first examine the existing literature on social media; second, how it help to transform customer experience in hotel industry. For example hotels like Marriott, Ritz-Carlton, four seasons, Sol Wave House Hotel, Hyatt Hotels are getting advantage of social media. According the website www.tripadvisor.com, in each second almost 280 reviews and assessments are composed by guests.

2.1 Social Media’s Effects on Business

The social media offers a variety of chances to all type of business. (Tomas et al. 2012) stated that the online social media rose in an increasingly intuitive and dynamic way, where post is made and shared by clients, showing interests, inclinations and motivating forces about data trading. According (Veríssimo & Loureiro, 2013) hospitality sector need to create connection with customer, differentiate offering, competitive advantage and value creation.

Every business now a day’s using social media as a marketing tool and actively posting updates and answering queries so as hotel industry. Like all other business, hotel industry is facing both kinds of effects positive and negative. Organizations have opportunities to share their product and service to wider audience in limited or less cost. Social media give opportunity to service

sector by helping to make new guest and also allows them to maintain their existing guest by enhancing their experience through social media. Organizations needs to keep eye on every likes and comments on a daily basis. Some time there is psychological effects on guest mood they may write or share something in depression against any business; only few people share their honest opinions. Many people give fake information about themselves on social media which is also serious point to look into.

The Most popular and active platform along with its users as of July 2019 are as follows:-

Platform	Users (in millions)
Facebook	2,375
YouTube	2,000
WhatsApp	1,600
Instagram	1,000
TikTok	500
Twitter	330
LinkedIn	310
Snapchat	294
Pinterest	265
Viber	260

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2.2 Social Media’s Effects on Guest

Due to the rapid boom in technology people incline more to it. People are spending more time on social media especially young generation and this has made these platforms quite popular. Due to the million users, business are using this tool for marketing purpose so as hotel industry. Guest shares their experience but some time negative as well. Before the existence of technology people were not inclined to respond immediately. Now days even shy guest post in public without any kind of fear. This was all because of opportunities given by technology in the form of social media by which guest interact immediately and have chance for two way communication. Who so ever has online account they share their ideas and opinion with other users. Through these connections, guest can share thoughts, procure data and furthermore be presented

to numerous opportunities out there. When this content is shared, it turns into a discussion, since all users who have accounts on social media can associate with all posts (Moran, Seaman & Tinti-Kane, 2011). To get this set of information they must use the social media to stimulate the dialog and the interaction, for this development between the brand and the consumer may be essential to the development of loyalty, the content production and the increasing of knowledge about the brand (Tuten, 2008).

I. A Critique

As stated above there are million users of social media, the unpleasant Truth is that, a person who is genuinely visited by friends and loved ones feels far better than a person who gets a million messages through web based life with no genuine visits. According (Palwinder K. et.al 2018) Social media platform specifically Facebook offers the occasion to interface with a particular group of people and helps with developing a brand. Organizations can utilize online media for a fruitful brand building considering the way that utilizing social influencer's over the different stages is also crucial. In case of hotel industry, organizations required some new changes to their site to transform guest

experience. It required to enabling their guest to follow each other and share in more ways than just posting reviews of places they had visited.

By these social media platforms market research can be done easily which will help to transform guest experience. It is also important to understand that hotel business is complex than other business because guest cannot give feedback prior to actual experience of service (Farias et al. 2011). In order to transform guest experience hotel industry need to step further to connect with customer to create social community where they may discover, share their original experience instead of someone else. From the same platform organization might showcase their differentiation offering of product and service. The hotels can start social sharing platform for all those guests who connect to their social media page either on Facebook, Instagram etc. to receive loyalty points. This will help to transform guest experience and more people will connect and influence others.

Conclusion

Today's generations are not keen to read newspapers to acquire any kind of information; they are more satisfied by viewing things online. Almost every guest has its social network account furthermore, it is very simple to follow anybody using their social media data, for example, area, school joined in and work environment or experience during hotel stay etc. The guest are driving the entire marketing process and demanding more customization from the companies. There are extraordinary capability of social media with regards to reaching existence and potential customers. With the help of apps the hotels can offer intimate stay of their guest by filling its profile and photos along with proposed future activities. Further they can offer language translation tool to interact with guest who might has language barrier.

Transactional data exists when most organizations keep track of what their guest purchase, when, how and through what channels. In our increasingly social world such transactional data about their own guest are easily accessible to the business concerned. A blend of content works obviously superior to simply sales messages. Improves the guest experience hugely by ensuring important information is seen. Attempt to upgrade guest experience by improving your service. Organization should share its news and culture, ask inquiries, be intriguing, and have a good image to transform guest experience. In order to enhance guest experience in hotel industry need to inspire them

through vivid imagery and video. They should maximize list of satisfied guest to share their experience with rest of the community. The app can be generated in order to increase engagement with guest to improve business. Because with these apps guest might share their experience with others by sharing photos or video clips etc. more simply, the social media helps hotels to connect with guests at social level and persuade them to select their brand for next visit. Finally it is quite clear that social media has power to transform guest experience and helps to grow business because it extend brand reach among audience. It also fosters loyalty and creates strong brand identity.

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Role of Business Plan, its Development and Execution in an Organization

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Abstract

A business plan is a road map that provides directions so a business can plan its future and helps it avoid bumps in the road. Basically, a business plan is a written document that describing the nature of the business, the sales and marketing strategy, and the financial background, and containing a projected profit and loss statement, how a business—usually a new one—is going to achieve its goals. A great business plan pulls together all of the major issues facing your business in a balanced and analytical way. These are important to allow a company to lay out its goals and attract investment. They are also a way for companies to keep themselves on track going forward. Businesses operating without plans tend to give less thought to how they package, price, and deliver their goods and services. This article analysis the role, management and effective execution of business plan. Although they're especially useful for new companies, every company should have a business plan. Ideally, a company would revisit the plan periodically to see if goals have been met or have changed and evolved. Sometimes, a new business plan is prepared for an established business that is moving in a new direction.

Key words: [Business plan, customer, financial plan, long – term orientation, Management]

Introduction

Business plans can help perform a number of tasks for those who write and read them. They're used by investment-seeking entrepreneurs to convey their vision to potential investors. A business plan is a written description of business's future. That's all there is to it—a document that describes what you plan to do and how you plan to do it. It contains operational and financial objectives of a business and detailed plans and budgets showing how the objectives are to be realized. It is also considered as the road map to the success of your business. For anyone starting a business, it's a vital first step. A business plan is a fundamental tool any startup business needs to have in place prior to beginning its operations. Usually, banks and venture capital firms make a viable business plan a prerequisite to the investment of funds in a business.

A good business plan should outline all the costs and the downfalls of each decision a company makes. Business plans, even among competitors in the same industry, are rarely identical. But they all tend to have the same elements, including an executive summary of the business and a detailed description of the business, its services and/or products. It also states how the business intends to achieve its goals.

Business planning is the process of determining a commercial enterprise's objectives, strategies and projected actions in order to promote its survival and development within a given time frame. Business planning mostly focuses on two key aspects: dealing with risks and making profits. (Peterson, Jaret & Schenck 2010.)

There are three primary parts to a business plan:

- The first -Business concept-where you discuss the industry, your business structure, your particular product or service, and how you plan to make your business a success.
- The second-Marketplace section-in which you describe and analyze potential customers: who and where they are, what makes them buy and so on. Here, you also describe the competition and how you'll position yourself to beat it.
- Finally-Financial section contains your income and cash flow statement, balance sheet and other financial ratios, such as break-even analyses. This part may require help from your accountant and a good spreadsheet software program.

Objective of study

1. To study the Guidelines for successfully implementation of business plan.
2. To study the developmental process of business plan.
3. To analysis the role of business plan in organization.

Methodology of the study

This research paper is based on secondary data. The data and information for this study is collected from secondary sources like, reputed journals, magazines, newspapers, reports and internet.

How to Develop an Effective Business Plan?

An important task in starting a new venture is to develop a business plan. As the phrase suggests, a business plan is a "road map" to guide the future of the business or venture.

Many businesses do not survive because business owners fail to develop an effective plan. The elements of the business plan will have an impact on daily decisions and provide direction for expansion, diversification, and future evaluation of the business. This publication will assist in drafting your own business plan. Business plans are traditionally developed and written by the owner with input from family members and the members of the business team. Business plans are "living" documents that should be reviewed and updated every year or if an opportunity for change presents itself. Reviews reinforce the thoughts and plans of the owner and the business, and aid in the evaluation process. For an established venture, evaluation determines if the business is in need of change or if it is meeting the expectations of the owners.

The Small Business Administration organization in the US identifies the business plan as a tool with three basic purposes: to communicate, manage and plan. An effective business plan inspires action, whether from you or a potential investor. Some business owners don't realize the true value of a logical, reasonable and actionable plan. Don't create the plan simply because it's another item to check off your list—craft it so that you can use it as a tool and guideline for a successful company. The followings points should be considered by the business organizations for successful implementation of business plan.

To outline the importance of business plans, here are reasons why any organization whether it is small, medium and large required business plan.

It helps business owners to make better decisions - While business plans have many purposes, the primary importance of a business plan is that they help business owners make better decisions. Entrepreneurship is often an endless exercise in decision making and crisis management. Building a business plan allows you to determine the answer to some of the most critical business decisions ahead of time.

To avoid the big mistakes-According to data from CB Insights, some of the most common reasons businesses fail include:

- **No market need:** No one wants what you're selling.
- **Lack of capital:** Cash flow issues or businesses simply run out of money.
- **Inadequate team:** This underscores the importance of hiring the right people to help you run your business.
- **Stiff competition:** It's tough to generate a steady profit when you have a lot of competitors in your space.

- **Pricing:** Some entrepreneurs price their products or services too high or too low—both scenarios can be a recipe for disaster.

To set better objectives and benchmarks-Without a business plan, objectives often become arbitrary, without much rhyme or reason behind them. Having a business plan can help make those benchmarks more intentional and consequential. They can also help keep you accountable to your long-term vision and strategy, and gain insights into how your strategy is (or isn't) coming together over time.

To reduce risk-Entrepreneurship is a risky business, but that risk becomes significantly more manageable once tested against a well-crafted business plan. Drawing up revenue and expense projections, devising logistics and operational plans, and understanding the market and competitive landscape can all help reduce the risk factor from an inherently precarious way to make a living. Having a business plan allows you to leave less up to chance, make better decisions, and enjoy the clearest possible view of the future of your company.

Essential if you're seeking a loan or investment-If you're asking a bank, angel investor, or venture capitalist for funding, they're going to want to know that you have a good handle on your small business's trajectory. Your business plan should make it simple for potential partners and supporters of all kinds to understand your business model and financials. It's even better if you're able to present data visually through charts and graphs.

Your business plan is an asset if you ever want to sell-Down the road, you might decide that you want to sell your business or position yourself for acquisition. Having a solid business plan is going to help you make the case for a higher valuation. Your business is likely to be worth more to a buyer if it's easy for them to understand your business model, your target market, and your overall potential to grow and scale.

Development Process of Business Plan

Every business needs to have a written business plan. Whether it's to provide direction or attract investors, a business plan is vital for the success for your organization. But, how do you write a business plan? The following steps are followed by every business in order to develop and implementation of effective business plan:

Step 1: Brainstorm and Write Everything Down

First up, stop and think. Make a list of everything you can think of about your business. What inspired it? What products or services will it provide? Who will its customers be, and how will you reach them? Where will your business be in one year? Five? This is a brainstorming phase, so be creative, not critical. You'll also have plenty of time to hone your ideas in subsequent steps.

Step 2: Determine the purpose of your plan

A business plan, as defined by Entrepreneur, is a “written document describing the nature of the business, the sales and marketing strategy, and the financial background, and containing a projected profit and loss statement.” However, your business plan can serve several different purposes.

Step 3: Initial Research and Information Gathering

The research required for your business plan comes in two forms: primary and secondary. Primary research means developing your own statistics and information firsthand, while secondary research refers to data that others have already compiled. Many trade publications do annual surveys about every type of market, and you may find this secondary research helpful in developing your business plan. In developing your business plan, you'll find it immensely helpful to get an understanding of your competition.

Step 4: Summary of Business Plan Contents

In this step you know what type of Business you want to create, your business plan should have the following components:

- **Executive summary**-This section contains the definition of your products and customers. It also says what you think the future holds for the business. Although you want to keep it short, this section is where you're really selling the plan as a whole.
- **Marketing and Operational plan**-This critical component requires an explanation of the competition, your competitive advantage, your strategy for attacking the market, tools that you'll use to reach customers, and detail your production plan, including how many employees you'll hire, decorating processes, suppliers you expect to use, credit policies, etc.
- **Market analysis**- This section contains, what the competition does, the market size and potential, etc.
- **Description of company with a mission statement**- This section of summary contain the company goals, and its strengths.
- **Description of Products and services**- This section describe the variety of offerings of various products and services
- **Organization chart**-It contain the list the owners, along with their resumes
- **Financials**- This section contain detail about profit and loss projections, projected cash flow and operating budget, etc.

Step 5: Outline your organizational structure

Outline your organizational structure and then tell about your primaries and the detail of members of your management team, what they will do in the business, and what experience they bring to the table. Include your support staff and the outside third parties that will help your business succeed, like accountants, lawyers, consultants, vendors, and partners. How your business will be managed and who will be involved is an important consideration in your choice of business entity. For example, in a partnership, it is assumed that partners have equal control in managing the business. In an LLC you make the choice of whether it will be managed by members of the LLC or by hired managers. In a corporation, the owners/shareholders may or may not be a part of the management team.

This section will be incredibly important to outsider investors (angels or venture capitalists) who are assessing your business. Within the Business Management section you should include answers to the following questions:

- **Name:** Who are the key individuals involved in the management of your business?
- **Title:** What will be that person's title?
- **Responsibilities:** What primary responsibilities does that position entail?
- **Qualifications:** What is their background and qualifications for carrying out their intended responsibilities? (This will include work experience, educational degrees, and prior experience in startup ventures)

Step 6: Develop a Marketing Plan

Every marketing plan provides a more detailed look at products and services, the market into which you are launching, and your plan to promote your business among prospective customers. Every marketing plan should contain the detail about following subsections:

- **Products and Services:** In this subsection, describe each product or service your business will sell, and list the features or benefits provided by each. For example, you can do this through a narrative or using charts or spreadsheets; whichever you think communicates the information best.
- **Potential Customers:** Who are your products or services for? Gather as much information as you can about your target audience and use it to answer questions such as: How big is it? How will your product or service improve your customers' lives? What are their buying behaviors? What (or who) influences their purchasing decisions?
- **Competition:** This subsection lets you demonstrate your mastery of the competitive landscape in your market. In addition, you can list what other businesses offer similar products or services to your potential

customers. What do those businesses do well? Where could they improve? How will you differentiate your own business to attract customers?

- **Promotion:** Finally, it's time to explain how you will reach your customers. Will they find you via online search, through referral programs, paid advertising, social media, or trade shows? Also focus on connecting your customers with what they're looking for, not producing the flashiest ad campaigns or "going viral."

Step 7: Develop a Financial Plan

A financial plan is a comprehensive statement of an individual's long-term objectives for security and well-being and a detailed savings and investing strategy for achieving those objectives. Every financial plan should contain the detail about following subsections:

- **Income Tax Planning:** Tax returns should be examined to determine if you are maximizing tax saving possibilities consistent with the planning objectives.
- **Balance Sheet:** A balance sheet or "Statement of Financial Position" should be created, showing your net worth by listing all assets and liabilities. This should be periodically updated to track progress towards overall goals and to identify changes in your financial situation that need attention.
- **Issues & Problems:** Issues/problems consist of observations regarding the strengths and weaknesses of your current situation as well as risks you face.
- **Risk Management and Insurance:** A sudden unexpected event can derail even the most detailed plan unless you have anticipated and planned for catastrophic events. Insurance products are useful in managing these risks. You should evaluate your life, disability, liability/umbrella, and long-term care insurance.
- **Cash Flow Statement:** Preparation of a cash flow statement will show income from all sources, as well as expenses that occur on a regular or recurring basis. This should be periodically updated to track progress towards overall goals and to identify changes in your financial situation that need attention.
- **Investment Planning:** An analysis of your investments should be completed to determine if the portfolio's earnings, growth, and diversification are consistent you're your objectives and risk tolerance.
- **Estate Planning:** Your financial plan should

include a review of your lifetime gifts and final transfer of assets to reduce or eliminate your gifts and estate tax exposure.

- **Assumptions:** Assumptions include inflation rates, rate of return on investments, tax bracket, years of work remaining, and life expectancy. These should be reviewed periodically against your actual financial plan and adjustments should be made accordingly.

Step 8: Resources and References

Every business plan should be an appendix with any documents, studies, surveys, licenses, and research referred to elsewhere in the plan. What you include will vary depending on what you've relied on in drafting your business plan. Also, you should only include what is necessary to support what you've said elsewhere.

Step 9: Evaluation, Review and control

The last step in the development process of business plan i.e is review of your business plan as per the purpose of business. Ask someone else to do review part. It could be a family member, a friend, or a professional acquaintance. Even better would be if you could get a number of people to do it. After getting comments on your plan, you should incorporate only those suggestions that you find convincing. After all, this is your business plan.

Conclusion

The Business plan creation process requires some skills and a systematic approach to complete successfully all the steps of the document. A good business plan should include market analysis, company description, organization and management, strategic analysis, marketing and sales management, service or product line, funding models, and financials. A business plan is a very important strategic tool for entrepreneurs as plan not only helps entrepreneurs to focus on the specific steps necessary for their to make business ideas succeed, but it also helps them to achieve both their short-term and long-term objectives. Formulating a business plan should be the first thing done when starting a new business. Business plans are also important for attracting investors so they can determine if your business is on the right path and worth putting money into.

Case studies of Different companies who successful implement Business Plan

Sample business plans illustrate how a manufacturing business, a service provider, and a retail establishment will tailor their business plans to the unique characteristics and markets of their differing business types.

In order to illustrate how business plans can vary, consider reviewing the three sample plans included in the following case studies

- **Manufacturer's business plan:** This sample business plan looks at a high-end bicycle maker and explores the financing he'll require to meet an expected increase in demand for his custom-made bicycles.
- **Service provider's business plan:** This sample business plan is for an individual who intends to go into business for himself as a computer software trainer. It illustrates his decision to leave the corporate environment to work in a similar capacity as a self-employed entrepreneur.
- **Retailer's business plan:** This sample business plan is for a hot dog vendor whose carts serve customers in a variety of downtown office buildings. The plan describes the financing that will be required to allow this entrepreneur to expand his network of movable carts into additional locations.

Manufacturer's Business Plan

Breakaway Bicycle Company is a small manufacturer of high-end bicycle frames. It builds both mountain bike and racing bike frames for sale primarily to professional bicycle racers. However, increasing interest in mountain biking as a competitive sport and the exposure that bike racing received as a result of the Olympics have provided BBC with an opportunity to expand its business. Right now, a small number of BBC's frames are sold to non-professional riders who want the very best equipment available, regardless of price.

In order to better serve this emerging market, BBC proposes to add additional workstations and designer/builders to increase its capacity for custom frames. The BBC business plan envisions making better use of existing leased space and leasing additional space to meet its needs. In addition, the frame-building equipment necessary to create three additional workstations must be acquired.

Tools to Use

Look in our Business Tools for two files, one containing sample financial information and the other containing sample language that illustrates many of the components of Breakaway Bicycle Company's business plan.

Service Provider's Business Plan

Computing Development Strategies is a startup business that hopes to become a major supplier of certain types of computer training to the owners and employees of small businesses in the greater Chicago area. Its founder is a highly-qualified computer trainer

with extensive experience providing training, developing training tools, and managing training and maintenance operations for a large computer corporation. He plans to build on his expertise by developing a group of courses designed specifically to help small businesses effectively use the most popular business software packages.

Tools to Use

Look in Business Tools for two files, one containing sample financial information and the other containing sample language that illustrates many of the components of CDS's business plan.

Retailer's Business Plan

Joe's Enterprises for Fast Food, Inc. operates a chain of indoor/outdoor food service carts, primarily in the downtown Chicago area. Its customers are the people who work in the city's many high-rise office buildings. The carts are operated under the name Joe's Redhots. Joe's has been in business since late 1992, when it began as a single cart operation. All of the stock of Joe's is held by its founder, Joe Hirasawa, and members of his family.

Tools to Use

Look in our Business Tools for a file containing sample components from Joe's Redhots business plan.

The purpose of Joe's business plan is to recommend borrowing \$1 million in order to expand operations through the purchase of additional vending carts. The plan is very informal because of its intended audience. The audience consists exclusively of Mr. Hirasawa's family members and the three banks with which the company has long-established relationships. Thus, much of the financial information incorporated in the other sample plans presented here has been omitted because the intended audience is already in possession.

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Recent Merger of Public Sector Banks and Future Prospects

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Abstract

From a legal point of view, a merger is a legal consolidation of two or more entities into one, whereas an acquisition occurs when one entity takes ownership of another entity's stock, equity interests or assets. In a major move that is set to redefine India's banking space, Finance Minister Nirmala Sitharaman announced the merger of 10 public sector banks into four on 30-August-2019, which will be applicable from 1st April, 2020. SBI has achieved the grand success by combining its five associate banks and Bhartiya Mahila Bank to form a single entity in 2017. There are many benefits of mergers and acquisitions such as reduction in operation costs of banks, better management of NPAs, improvement in professional standards and many more. At the same time many problems are also being faced which are more emotional and social in nature than technical or managerial.

Keywords: [Mergers, Acquisitions, Indian Banking Industry]

Meaning of Mergers & Acquisitions

Mergers and acquisitions are transactions in which the ownership of companies, other business organizations, or their operating units are transferred or consolidated with other entities. As an aspect of strategic management, M&A can allow enterprises to grow or downsize, and change the nature of their business or competitive position. From a legal point of view, a merger is a legal consolidation of two or more entities into one, whereas an acquisition occurs when one entity takes ownership of another entity's stock, equity interests or assets. An acquisition/takeover is the purchase of one business or company by another company or other business entity.

The term mergers and acquisitions (M&A) refer to the process of one company combining with another. In an acquisition, one company purchases the other outright. The acquired firm does not change its legal name or structure but is now owned by the parent company. A merger is the combination of two or more firms, which subsequently form a new legal entity under the banner of one corporate name.

Types of Merger

Horizontal merger: Two companies that are in direct competition and share the same product lines and markets.

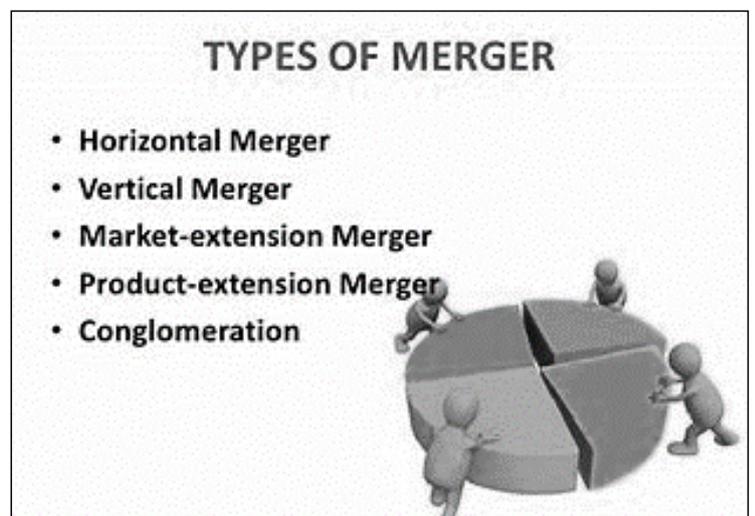
Vertical merger: A customer and company or a supplier and company. Think of a cone supplier merging with an ice cream maker.

Congeneric mergers: Two businesses that serve the same consumer base in different ways, such as a TV manufacturer and a cable company.

Market-extension merger: Two companies that sell the same products in different markets.

Product-extension merger: Two companies selling different but related products in the same market.

Conglomeration: Two companies that have no common business areas.



Recent Merger of Public Sector Banks in India

In a major move that is set to redefine India's banking space, Finance Minister Nirmala Sitharaman announced the merger of 10 public sector banks into four on 30-August-2019, which will be applicable from 1st April, 2020.

The amalgamation scheme includes the merger of Indian Bank with Allahabad Bank;

Oriental Bank of Commerce (OBC) and United Bank of India with Punjab National Bank

(PNB); Canara Bank with Syndicate Bank; Union Bank of India, Corporation Bank and

Andhra Bank. The government has announced capital infusion worth more than 55,000 crore into public sector banks (PSBs).

BoB, Dena Bank and Vijaya Bank Merged Together on April 1, 2019: State-run Bank of Baroda has now become India's second largest public sector bank after its merger with Dena and Vijaya Bank respectively.

This is the first three-way merger of the banks in India, making the combined geographical reach of 9,490 branches, 13,400 ATMs with 85,678 employees serving 120 million customers.

SBI has achieved the grand success by combining its five associate banks and Bhartiya Mahila Bank to form a single entity in 2017. The five associate banks included State Bank of Bikaner & Jaipur (SBBJ), State Bank of Hyderabad (SBH), State Bank of Travancore (SBT), State Bank of Patiala (SBP) and

State Bank of Mysore (SBM). By virtue of the merger, SBI got into the hall of fame by making an entry into the list of 50 banks in the world. The merger has helped the bank take its customer count to 37 crores and add a vast network branches and ATMs that went up to 24,000 and 59,000, respectively. It is Humongous. The post scenario of merger of associate banks with SBI is appreciable and financial results are satisfactory.

List of PSU Banks After Merger 2019

ANCHOR BANK	BANKS TO BE MERGED WITH ANCHOR BANK	COMBINED DOMESTIC BRANCHES
Punjab National Bank	Oriental Bank of Commerce + United Bank	11,437
Canara Bank	Syndicate Bank	10,342
Union Bank	Andhra Bank + Corporation Bank	9,609
Indian Bank	Allahabad Bank	6104
Bank Of Baroda	Dena Bank +Vijaya Bank	9,490
State Bank of India (SBI)	State Bank of Bikaner and Jaipur (SBBJ) + State Bank of Hyderabad (SBH) + State Bank of Mysore (SBM) + State Bank of Patiala (SBP) + State Bank of Travancore (SBT) + Bharatiya Mahila Bank	24,000 branches (approx)

The government has announced capital infusion worth more than 55,000 crore into public sector banks (PSBs).

The table below shows the amount distributed among the PSBs.

PSBs	Capital Infusion (In ₹)
PNB	16,000 Crore
Union Bank of India	11,700 Crore
Bank of Baroda	7,000 Crore
Indian Bank	2,500 Crore
Indian Overseas Bank	3,800 Crore
Central Bank of India	3,300 Crore
UCO Bank	2,100 Crore
United Bank of India	1,600 Crore
Punjab and Sind Bank	750 Crore

Recent Highlights of PSU Banks Merger

- United Bank of India, Oriental Bank of Commerce, and Punjab National Bank to be merged; Allahabad Bank and Indian Bank to be merged.
- Syndicate Bank and Canara Bank to be merged; Andhra Bank, Union Bank, and Corporate Bank to be merged.
- Number of public sector banks reduced from 27 to 12.
- The after the Oriental Bank of Commerce and United Bank are merged into the Punjab National Bank; it will become India's second-largest bank. (SBI remains India's largest bank). Once these three banks are combined, it will create a bank with a business of ₹17.95 lakh crore and have 11,437 branches.
- Once the Syndicate bank is merged into the Canara Bank, the resultant bank will become India's fourth-largest public sector bank with ₹15.20 lakh crore business.
- Union Bank, Andhra Bank, Corporation Bank to merge to become India's fifth largest public sector bank with ₹14.59 lakh crore business.

- The merger of Allahabad Bank with Indian Bank will create the seventh largest public sector bank with ₹8.08 lakh crore business with strong branch networks in the south, north and east of the country.
- Last year, the government had merged Dena Bank and Vijaya Bank with Bank of Baroda, creating the third-largest bank by loans in the country.

Ranking of Public Sector Banks after Merger and Acquisition

1. State Bank of India
2. Punjab National Bank
3. Bank of Baroda
4. Canara Bank
5. Union Bank of India
6. Bank of India
7. Indian Bank
8. Central Bank of India
9. Indian Overseas Bank
10. UCO Bank
11. Bank of Maharashtra
12. Punjab and Sind Bank

Before and After Situations of Banks

Punjab National Bank

Table 1: Before and After Situation of Merger of Punjab National Bank with Oriental Bank of Commerce and United Bank

PNB + ORIENTAL BANK OF COMMERCE + UNITED BANK				
	PNB	OBC	UNITED BANK OF INDIA	AMALGAMATED BANK
Total business (in crore)	11,82,224	4,04,194	2,08,106	17,94,526
Gross advances (in crore)	5,06,194	1,71,549	73,123	7,50,867
Deposits (in crores)	6,76,030	2,32,645	1,34,983	10,43,659
CASA ratio	42.16%	29.40%	51.45%	40.52%
Domestic branches	6,992	2,390	2,055	11,437
PCR	61.72%	56.53%	51.17%	59.59%
CET-I ratio	6.21%	9.86%	10.14%	7.46%
CRAR ratio	9.73%	12.73%	13.00%	10.77%
Net NPA ratio	6.55%	5.93%	8.67%	6.61%
Employees	65,116	21,729	13,804	1,00,649

Canara Bank

Table 2: Before and After Situation of Merger of Canara Bank with Syndicate Bank

CANARA BANK + SYNDICATE BANK			
	CANARA BANK	SYNDICATE BANK	AMALGAMATED BANK
Total business (in crore)	10,43,249	4,77,046	15,20,295
Gross advances (in crore)	4,44,216	2,17,149	6,61,365
Deposits (in crores)	5,99,033	2,59,897	8,58,930
CASA ratio	29.18%	32.58%	30.21%
Domestic branches	6,310	4,032	10,342
PCR	41.48%	48.83%	44.32%
CET-I ratio	8.31%	9.31%	8.62%
CRAR ratio	11.90%	14.23%	12.63%
Net NPA ratio	5.37%	6.16%	5.62%
Employees	58,350	31,535	89,885

Union Bank of India

Table 3: Before and After Situation of Merger of Union Bank with Andhra Bank and Corporation Bank

UNION BANK + ANDHRA BANK + CORPORATION BANK				
	UNION BANK	ANDHRA BANK	CORPORATION BANK	AMALGAMATED BANK
Total business (in crore)	7,41,307	3,98,511	3,19,616	14,59,434
Gross advances (in crore)	3,25,392	1,78,690	1,35,048	6,39,130
Deposits (in crores)	4,15,915	2,19,821	1,84,568	8,20,304
CASA ratio	36.10%	31.39%	31.59%	33.82%
Domestic branches	4,292	2,885	2,432	6,906
PCR	58.27%	68.62%	66.60%	63.07%
CET-I ratio	8.02%	8.43%	10.39%	8.63%
CRAR ratio	11.78%	13.69%	12.30%	12.39%
Net NPA ratio	6.85%	5.73%	5.71%	6.30%
Employees	37,262	20,346	17,776	75,384

Source: March 2019 financials

Indian Bank

Table 4: Before and After Situation of Merger of Indian Bank with Allahabad Bank

INDIAN BANK + ALLAHABAD BANK			
	INDIAN BANK	ALLAHABAD BANK	AMALGAMATED BANK
Total business (in crore)	4,29,972	3,77,887	8,07,859
Gross advances (in crore)	1,87,896	1,63,552	3,51,448
Deposits (in crores)	2,42,076	2,14,335	4,56,411
CASA ratio	34.71%	49.49%	41.65%
Domestic branches	2,875	3,229	6,104
PCR	49.13%	74.15%	66.21%
CET-I ratio	10.96%	9.65%	10.36%
CRAR ratio	13.21%	12.51%	12.89%
Net NPA ratio	3.75%	5.22%	4.39%
Employees	19,604	23,210	42,814

Advantages of Bank Mergers

- Larger Bank may become capable of facing global competition.
- The merger may reduce the cost of banking operation.
- Merger may result in better NPA and Risk management.
- Merger may help in improving the professional standards.
- Merger may help in improving work culture and bank ethos.
- Banks can start their operation in remote areas across the country.
- Banks can start their branch in foreign countries also.
- Problem of Procrastination will decline. Jump to search. Procrastination is the avoidance of doing a task that needs to be accomplished by a certain deadline. It could be further stated as a habitual or intentional delay of starting or finishing a task despite knowing it might have negative consequences.
- Banks can install CCTV cameras to supervise.
- Decisions on High Lending requirements can be taken promptly.
- For the bank, retaining and enhancing its identity as a larger bank becomes easier.
- After the merger, benefits of merger are enormous and the biggest is generation of a brand-new customer base, empowering of business, increased hold in the market share, opportunity of technology upgrade. Thus overall, it proves to be beneficial to the overall Economy.
- Minimization of overall risk is there due to mergers and acquisitions which is always good from the business point of view.
- Leads to increase in profitability and helps in raising the standard of living which is absolutely crucial for a growing and young economy like India.
- Chances of survival of underperforming banks increases hence customer trust remains intact which is vital for the young Economy. The weaker bank gets merged into stronger one and gets the benefit of large-scale operations.
- The objectives of financial inclusion and broadening the geographical reach of banking can be achieved better with the merger of large public sector banks and leveraging on their expertise.
- With the large-scale expertise available in every sphere of banking operation, the scale of

inefficiency which is more in case of small banks, will be minimized.

- Larger size of the Bank will help the merged banks to offer more products and services as per the needs of customers and help in integrated growth of the Banking sector.
- A larger bank can manage its short- and long-term liquidity better. There will not be any need for overnight borrowings in call money market and from RBI under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF).
- In the global market, the Indian banks will gain greater recognition and higher rating.
- Multiple posts of CMD, ED, GM and Zonal Managers will be abolished, resulting in substantial financial savings.
- Bank staff will be under single umbrella in regard to their service conditions and wages instead of facing disparities.
- Mergers allow the acquirer to eliminate future competition and gain a larger market share.
- Problems Arising due to Mergers & Acquisitions in Indian Banking
- Most of the problems arising due to mergers and acquisitions are more emotional and social in nature than technical or managerial. The major problems which arise are:
- Mergers will result in immediate job losses on account of large number of people taking VRS on one side and slow down or stoppage of further recruitment on the other. This will worsen the unemployment situation further.
- Risk of failure increases if the executives are not committed enough in bringing the merger platforms together for the merging and taking over bank. Such failure may prove brutal for the Economy.
- It would be tough to manage issues pertaining to human resource.
- People working in the larger bank (acquiring bank) will try to dominate the personnel working in the smaller bank (acquired bank). Thus, the latter will be treated as second class citizens in the new, merged entity.
- Staff identified as surplus in many pockets (urban and metros) will be transferred to far off places. This will create turmoil and widespread protests. Promotional avenues for staff after merger will come down.
- Management issues: Number of bank branches will certainly increase after a merger, which will make it all the more difficult for the head offices to regulate and monitor all activities.
- There will be surplus staff at many branches, which will lead to transfers in previously understaffed branches, usually in remote locations. This will trigger widespread discontent.
- Impact of customers on banking merger or acquisition is often quite emotional. If customer perception is not managed with frequent and careful communication it may lead to loss of business which is never good for the Economy.
- Managing Director of Federal Bank, V.A. Joseph is of the view that Co-existence of the big, medium and regional banks would be preferable in the present scenario. According to him most acquisitions in India were borne out of compulsions and over 90 per cent of past acquisitions had failed to achieve the objectives.
- Many banks focus on regional banking requirements. With the merger the very purpose of establishing the bank to cater to regional needs is lost.
- Large bank size may create more problems also. Large global banks had collapsed during the global financial crisis while smaller ones had survived the crisis due to their strengths and focus on micro aspects.
- With the merger, the weaknesses of the small banks are also transferred to the bigger bank.
- So far small-scale losses and recapitalization could revive the capital base of small banks. Now if the giant shaped bank books huge loss or incurs high NPAs as it had been incurring, it will be difficult for the entire banking system to sustain.
- Mergers will result in shifting/closure of many ATMs, Branches and controlling offices, as it is not prudent and economical to keep so many banks concentrated in several pockets, notably in urban and metropolitan centres.
- After merger, the share price of the merged entity will fall immediately.
- The rate of dividend also will diminish during the first two- or three-years following mergers.
- From the date of merger, several problems will crop up in the area of reconciliation of accounts, updation of records etc.
- The bank accounts linked to ECS (electronic clearing service) and demat records are to be changed. This is a laborious, time taking and expensive exercise.

Future Prospects

Mergers are important for the consolidation and expansion purposes that is why in today's scenario

many public sector banks are resulting in mergers and acquisition. They are crucial for Economy as they are most of the times successful in saving weak banks which fail in meeting expectations.

Merger creates variety of problems which can cause great damage if the process of merging is not executed properly. If merging is needed it must be executed in a manner which leads to an environment of trust and agreement among the people of both the organizations. If people, work culture and vision are blended together nicely, merging will definitely have synergic effects and create a win-win situation.

Operating expenses could go up in the near to medium term. Banks will also face higher expenses related to VRS. The merged banks would take 18-24 months to synchronise all processes.

For the benefits of the merger to materialise, greater emphasis on corporate governance is critical. Without removing administrative barriers, creating a larger bank may not necessarily lead to a stronger one. The benefits of this mega merger therefore are still variable, and as of now, a bit undefined. It is a change, but whether it is a “reform” (beneficial change) is

something that only the future will tell.

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