ISSN No. 0976-9366
Vol. 4, No. 2
July-December, 2015

GJAM

Global Journal of Accounting & Management

General Shivdev Singh Diwan Gurbachan Singh

KHALSA COLLEGE PATIALA

PUNJAB, INDIA

Global Journal of Accounting & Management

ISSN No. 0976-9366 Vol. 4 No. 2 July-December, 2015

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Bi-Annual Publication of GSSDGS Khalsa College, Patiala
(Under the Management of SGPC, Sri Amritsar)

Congratulations to principal
& staff.

Tejinder Kaur
Chairperson, PSEB
Mohali

Strive for Perfection

and

Settle for Excellence

Editorial

It is a matter of gratification and reverence for me to present before the readers the current issue of Global Journal of Accounting & Management (Volume 4, Number 2, July-December, 2015). The intent of journal is to rapidly disseminate quality research papers so as to provide solution to the challenges faced by the growing economies in current changing business scenario. This issue strives to promote and propagate knowledge in the complex multi-disciplinary management field, to stimulate new research ideas and foster practical application from the research findings. The journal is an attempt to bring out an array of topics in Accounting & Management so as provide authentic and a well balanced view to the readers on the current issues in the business.

It aims to provide a forum for sharing the articles, case studies, researches and review papers using management research to encourage new ideas and perspectives in all the streams of Accounting and Business Management. Broadly, the journal publishes in the areas such as finance, accounting, marketing, operations management, investments, human resources management, statistics, international business, taxation, insurance, strategic management, supply chain management, e-business, knowledge management and related areas.

I express my appreciation to the eminent scholars and experts for their precious contribution to the journal. I would like to take this opportunity to thank all the experts who made their time and expertise available for assessing the articles and made critical comments and suggestions for improving the quality of the journal.

I wish all the readers, a meaningful and quality time while reading the journal.

Dr. Dharminder S. Ubha

Editor-in-chief

Global Journal of Accounting & Management
Vol. 4, No. 2, July-December, 2015
ISSN 0976-9366

Spirituality, Ethical Behaviour and Ethical Business

Dr. Bharat Bhushan Singla* Sourish Singla**

Abstract : *Unethical business practices are gaining wide attention in the business circle, academic and government functioning. Majorly, codes of ethics, codes of practice, codes of conduct and punitive measures have been variously applied to control the menace. However, despite the fact that spiritual values influences one's perception, choices, actions and relationship with others positively, and the fact that spiritually virtuous people act in Godly ways, spirituality as a control measure for unethical behaviour and business have not been sufficiently explored. Consequently, this study investigated the relationship among behavioural characteristics of a spiritual person, spiritual values, spiritual virtues, ethical behaviour and ethical business. This paper contends that these values, particular to spiritual persons, contribute to the flourishing of individuals and therefore lead to the acquisition of virtue. Spiritual persons are likely to be ethical persons. Such individuals are likely to be of significant benefit to their organisations too.*

Key Words : Spirituality in the Workplace, Values/Virtues, Ethical Behaviour.

Introduction

The link between religion and working culture is not new. For centuries, people have strived to interpret their work culture through religious lenses. However, a significant paradigm shift has occurred. The current view is that spirituality[1], as opposed to religion, is a better construct for understanding the relationship between the individual and modern pluralistic workplaces. This current perspective sourced in various socio-cultural factors, views spirituality as positively influencing numerous organisational outcomes. Also implicit within this discourse is the notion that allowing and encouraging spirituality in the workplace leads to improved ethical behaviour at a personal level and an enhanced ethical climate/ culture at an organisational level. What is unclear, however, is how an individual's spirituality translates into ethical behaviour within an organisational context and the impact of this conversion. This paper develops a model explaining this process. A review of the relevant literature recognised several characteristics that permeate discussions on spirituality. This paper's premise is that these characteristics inform an individual's choice of values. The model developed explains the link between these values and virtue and therefore ethical behaviour in the workplace. The values frameworks developed recently in the spirituality literature specify those things a spiritual person perceives as worth having, getting or doing.

What is Spirituality?

While a distinguishing feature of modern society is the extraordinary popularity of spirituality. Unfortunately, spirituality is a notion that resists exact characterisation. Spirituality is clearly a broader construct than religion. Spirituality allows the individual to have a sense of the sacred without the institutional practices and limitations that are

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associated with traditional religion. However, you cannot isolate spirituality from religion. Most, if not all, religious individuals are spiritual. Beliefs and experiences that are part of traditional religiousness are also spiritual if they are part of an individual's search for the sacred. At the same time, many spiritual individuals are unknowingly part of a non-traditional religion while others, who hold no affiliation to any organised group, practice a kind of private religion. At certain level, religion and spirituality are characterised by similar components. If spirituality is not dependent on formalised religion, it is most certainly interdependent with it. In fact, we enhance this existing complexity the more we objectify and categorise spirituality. The term and yet struggle to come up with a definitive meaning.

Why Spirituality Now?

People have always had a spiritual centre, but the trend towards establishing and maintaining a spiritual culture in organizations is relatively new. By uniting employees with a common purpose, workplace spirituality provides organizational members with a way to counterbalance the demanding and stressful workplace environment that is commonplace today. A spiritual workplace[2] is also beneficial for the companies that provide them. Research shows that companies with spiritual workplaces experience improved productivity and reduced turnover from their employees.

What Is Workplace Spirituality?

The aspects of workplace[3] spirituality that are sought by organizational members can be categorized into three areas: the pursuit of meaning and purpose in their work, the desire to connect to other people and the desire to be part of a community.

The Desire to Be Part of a Community : Organizations that provide a culture that embraces workplace spirituality realize that their employees want to feel like a valued member of their community. Spiritual organizations provide ways for their members to make positive contributions to the places they work and live.

The Desire to Connect to Other People: Spiritual organizations realize the importance of providing their members with an environment that fosters positive relationships with co-workers. In the course of performing their jobs, they have opportunities to work with other organizational members and feel like they are part of a team that is working towards the same goal.

Spirituality has become the brand label for the search for meaning, values, transcendence, hope and connectedness in modern societies. The concept of spirituality consisting of four behavioural characteristics that evidence to a specific mind-set. The behavioural characteristics of spiritual individuals include: Seeking to transcend their ego, Awareness and acceptance of their interconnectedness with others, creation and their Ultimate Concern, Understanding the higher significance of their actions while seeking to integrate their lives holistically and Believing in something beyond the material universe which ultimately gives value to all else.

Spirituality is shown in a workplace when the following activities are included:-

- Bereavement programs:
- Wellness information displayed and distributed.
- Employee Assistance Programs.
- Programs that integrate work/family.
- Management systems that encourage personal and spiritual transformation.
- Servant leadership - the desire to serve others first in preference to self.
- Stewardship - leadership practices that support growth and well-being of others.

- Diversity programs that create inclusive cultures.
- Integration of core values and core business decisions and practices.
- Leadership practices that support the growth and development of all employee

Self-Transcendence

Self-Transcendence is basically to overcoming the limits of the individual self and its desires in spiritual contemplation and realization.It is something that calls us beyond the self to concern for, and relationships with, others and with the other. Torrance interprets it as the individual in continuous interaction with a larger reality in which heor she transcends their personal existence. Such persons transcend their egoistic not by floating off to some mystical union but by coming to terms with its enlarging and transformative potentiality. Spiritual persons seek to live an authentic life sourced in meaningful relationships. The process of self-transcendence, of affirming the spirit and transcending the ego, results in a growing awareness and acceptance of interconnectedness.

Spiritual individuals recognise and imbue the truth of interconnectedness demonstrate the following qualities. First, they connect to the self. Second, they connect to others. For such individuals, spirituality is a state of being, a process towards wholeness that reflects being-in-the-world and understands authentic being-in-communion with others.

Spirituality represents a higher level of understanding that enables the contextualisation of lower levels. Finally, spirituality is the personal expression of an Ultimate Concern. The ultimate concerns are those 'God values' in our lives which have centring power; they are the things with which we are ultimately concerned. A spiritual person has an experience-based belief in a transcendent dimension to life. Spirituality is the actualisation of an inherently human capacity. Spirituality is about becoming a person in the fullest sense as one authentically quests for their ultimate value. Spirituality may be equally available to every human being seeking to live an authentically human life.

Finally, spirituality exists as a reality for each individual or group that experience and live it on a daily basis. They encounter the underlying real mechanism of spirituality and the actuality of those mechanisms as they exercise causal power in their lives via material effects.

Since the spiritual quest is directed towards the ultimate concern in one's life.

Spirituality is a Regulative Ideal. For an individual who has internalised a certain conception of what it is to be spiritual, it means they can be guided by this conception in their practice, through regulating their motivations perceptions and actions towards others so they are consistent with their notion of spirituality.

Ethical Behaviour

Ethics is the study of what is good and bad, right and wrong, just and unjust. Ethics is the study of morality and immorality. Ethics4deal with which is good or badand with moral duty and obligation in organisational as well personally seen. Thus, ethics can be categorizedinto personal ethics and business ethics. Despite the fact that ethical behaviour in one country sometimes is viewas unethical behaviour in other countries, ethical principleshave the very profoundfunction of making behaviour predicable.Owing to the fact that human beings are the key resource in any business, the dynamic nature of human behaviour.

The unethicalpractices within and involving business organizations, business organizationsestablish code of ethics, code of practice and code of conductto guidethe behaviour of employees and organizationalactivities. Code of ethics5 is statements of values and principles whichdefine the purpose of the company. These codes seek to clarify the ethics of the corporation and to define its responsibilities to different groups of stakeholders as well as defining the response of its employees. These codes are expressed in terms of codesor guiding principles. Codes of practiceare interpretations and illustrations of corporate values and principles, and they are addressed to all the employees as individual decision makers. In effect, such a code seeks to shape the expression of the corporation's stated values through the practices of its principles. Codes of conduct are statement of rules, which states: this is how ourorganizationexpects employeesto behave. Furthermore, codes of conduct and codes of ethics are comprehensive documents proscribing behaviour and prescribing punishments. In other words, they are regarded as statementssetting down corporate principles, ethics, rules of conduct, as well as codes of practice of the company's philosophy concerning the corporate responsibilitytowards its stakeholders.

Code of ethics and code of conductare formal documents broadly addressing business ethic and business conduct issues.These codes not only cover numerous ethicalresponsibilities of a company and its employees towards various stakeholdersbut also provide numerous rules for appropriateethicalbehaviourand hence expected employee conduct.At the same time, these codes refer to mechanisms applied to enforce the rules and punishments associated with uncoveredmisconduct. Corporate codes of ethics define the responsibility of a company towards various stakeholders.Ethical codes are documents which state the major philosophicalprinciplesandarticulate the valuesembraced by an organization. Ethical codes are also known as codes of conduct, business principles, codes of ethics and corporate ethics statements. They contain open guidelinesdescribing desirablebehaviour and restrictive language prohibiting other behaviours such as bribery and conflict of interest.

Business ethics is essentially the study of morality and standards of business conduct. It is simply the application of general ethical rules to business behaviours. Business ethicsset standards for conductperceived to be rightand moral by individuals within an enterprise, taking into account the welfareof those affectedbybusiness decisions and behaviour. Ethics in businessdeals with the ethnical path business firms ought to adopt.

Business ethics is a system of moral principles applied inthe commercial world. It applies to all aspects of business conduct and is relevant to the conduct of individualsand businessorganizationsas a whole. Business ethicsconsists of moral principles and values that governthe behaviour of the organization with respect to what is wrong. It spells out the basic philosophyand priorities of an organization in concreteterms. It also contains the prohibitory actions at the workplace. The importance of ethics in the business world is superlativeand global. New trendsand issues arise on a daily basiswhich may create an important burden to organizations and end customers.

Nowadays, the need for proper Spiritual and ethical behaviour within organizations has become crucial toavoid possiblelawsuits. Business by virtueof its existence is bound to be ethical, for at least two reasons: one, because whatever the business does affects its stakeholders; andtwo because everyjuncture of action has trajectories of ethicalas well as unethicalpaths where in the existence of the business is justified by ethical alternativesit responsiblychooses. Thus a relation between spirituality of a spiritual person, spiritual values, spiritual virtues, ethical behaviour and ethical business affects the behaviour of individual in organisation or business point of view. Figure 1 depicts the relationship among spirituality (behaviouralcharacteristics of a spiritual person, spiritual values, and spiritual virtues), ethical behaviour and ethical business.

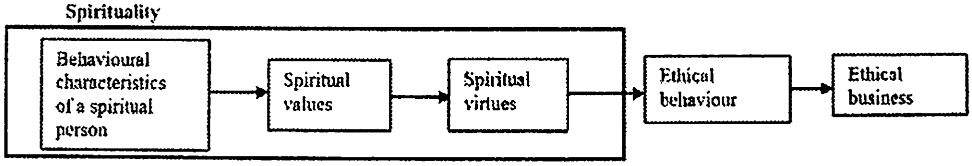

Figure 1: A model of spirituality, ethical behaviour and ethical business relatedness

Steps taken by HRD ministry to unveils plans for ethical and spiritual development among students

Our Indian government has also taken few steps for Ethical & spiritual development. HRD ministry of India[3], has unveiled multi-pronged approach to improve the quality of education and the mental, ethical and spiritual balance of students. These are issued in wake of concerns that western culture is weakening the Indian culture and damaging the moral compass of students especially from these institutes. The ministry has recommended that a compulsory weekly DharamShiksha lecture be added to curriculum for spiritual guidance. This would teach students about our history and would deepen their understanding of our spiritual roots. Ministry has recommended that courses should be taught in our national language Hindi. This would promote nationalism and respect for our country as well as unity among different communities. This also includes sessionson singing of patriotic songs, playing cultural sport and praising Indian cultural.Finally to build moral character and preserve our culture, ministry recommended numerous measures like that campus security should stop all kind of immoral activity like public display of affection, sex education should be completely banned, TV channel/internet should be screened for immoral content and strict cultural dress could should be implemented.

Conclusions

This study has shown that there is a relationship among the behavioural characteristics of a spiritual person, spiritual values, spiritual virtues, ethical behaviour and ethical business. Thus, in this days of high religiosity, decline in the expression of spiritual values and virtues, unprecedented unethical practices in our personal life, family life and business activities, and above all the abysmal performance of government laws, law enforcement agencies, and regulatory commissions in arresting the situation, the findings of this study therefore is a clarion call to all concerned to also employ spiritual reawakening as a panacea. Rather than employing punitive measures alone, measures that emphasize sensitization, reorientation and internalization/practice of spiritual values through the instrumentality of spiritual books and spiritual organizations when applied will engender spiritually virtuous and ethical businessmen/women, and by extension ethical businesses.

Spirituality can be the basis for ethical conduct in business. Where spirituality is absent, there is a lack of understanding that we are deeply connected. Being in touch with spiritual principles and values helps to stimulate the moral imaginations of individuals and can provide depth of understanding of the many ethical problems that arise. This paper has sought explain the link between individual spirituality and ethical behaviour in the workplace. Spirituality forms an internalised general regulative ideal, based on four common aspects of spirituality: self-transcendence, interconnectedness, meaning and one's ultimate concern, that governs what individuals perceive and value and how they act. These moral values practiced over time become virtues. Spiritually virtuous individuals contribute significant benefits to organisations

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Global Journal of Accounting & Management
Vol. 4, No. 2, July-December, 2015
ISSN 0976-9366

Concerns of Higher Education in Terms of Growth and Privatization

Dr. Kanwaljit Kaur*

Abstract : *Challenges of Globalisation require skilled, trained and intellectual professionals. For this, UGC Act came into force in 1956 with the objective of promotion and coordination of university education and for determination and maintenance of standards of teaching, examination and research in universities. Efforts are being made to create a robust and vast system of higher and technical education. This is evident from the fact that the no of colleges (578) and universities (27) in 1950-51 have increased to 39671 and 666 in 2013-14 respectively.*

Till about 1980, the government supported higher education, but later allowed the entry of private enterprise in the area of higher education due to demand for quality higher education as required by business and industry and increase in the population in the middle and higher income groups. Private institutions took the deemed to be university route to get the degree granting powers. In 2000, the provision for conferring the deemed to be university status to a de novo institution was introduced and the growth of deemed to be universities in the private sector started.

In this paper focus is on declining public expenditure by education department on higher education. It is not rising with rise in GDP. No of educational institutions catering to higher education are increasing, GER is rising but trend is towards privatisation of higher education. Gross Enrolment Ratio and Gender Parity Index for general categories and SCs&STs is rising but in general there is no relation between the two Plan as well as Non plan expenditure on higher education by education department is declining. To reap the demographic dividend, we need to promote skill development in the education sector with the help of schemes like National Skill Qualification Framework and Kaushal Kendras.

Key words: *Challenges of Globalisation, Human development, Privatisation, GER and GPI*

Introduction

India will be amongst the youngest nations in the world by the year 2030 and also one of the be pioneers of a higher education model .It is going to be best in delivering social, economic and intellectual value par excellence. In order to realize the goals for 2030, an innovative approach is required across all the levers of higher education. Making rapid progress over the next 15 years would require a committed and concerted effort from all stakeholders involved i.e. academia, industry, and Government. The Twelfth Five Year Plan for higher education provides a good policy foundation for India's higher

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education future. Today, India is the largest contributor to the global workforce. Its working age population is surpassing 950 million. India has emerged as the world's third largest economy due to demographic advantage.

To live to the challenge of globalization, we need highly intellectual and skilled population. The development of human capital is important as it drives the nation to the Envision, vision and mission. Institution of higher learning plays a very important role to produce a human capital that is highly knowledgeable and skillful. Higher education in India covers all post-secondary education beyond class twelve in different subject areas including all professional streams such as engineering and technology, medical, agriculture etc. The University Grants Commission came into existence in 1953 and the UGC Act came into force in 1956 with the objective of promotion and coordination of university education and for determination and maintenance of standards of teaching, examination and research in universities. As per its mandate UGC has been taking steps, to promote quality education in regard to the concerns of Access, Equity, Quality, Excellence, Relevance and Value based education. In line with the goal of nation building, India has been committed to providing free and compulsory education to all children. Efforts are being made to create a robust and vast system of higher and technical education.

Review of Literature

Jandhyala B. G. Tilak (1995) discussed two reports, one by University Grants Commission (UGC) and second by All India Council of Technical Education (AICTE) which explain subsidization and cost recovery in higher education. There is need for mobilization of additional non-government resources. The state should subsidize higher education, and make a firm commitment to fund higher education. For resources, fee hikes and voluntary donations are suggested.

T. Ravi Kumar and Vijender Sharma (2003) argued that less importance to higher education in underdeveloped countries is one of the main causes of disparities between periphery and metropolitan countries. Teachers observed strike for one week in 2000 because of a series of measures initiated by the Ministry of Human Resource Development and the University Grants Commission. In 1997, the US and Australia had enrolment levels ten times higher than India, while Sweden, Norway, UK, France and Germany all had ratios more than six times of India's. In Asia, all the developed and fast-developing countries had ratios higher than India's for the same year, with South Korea, Japan, Philippines and Singapore having enrolment levels higher by five times.

Bhupendra Yadav (2004) argued that scenario of higher education is changing these days. Government is not giving much attention towards this sector. Both World Bank and UNESCO set the task force in 2000, which revealed that higher education does not improve only individual lives but also beneficial for whole society by increasing their wages, productivity and living standard, providing cultural and political benefits, incrementing knowledge.

Saumen Chattopadhyay (2007) said that fee increment and education loans are not suitable solutions for funding higher education in India. In the era of globalization, technical knowledge is must to enhance growth. Raising expenditure on higher education to 1 percent of GDP would prove to be insufficient. 75% of the expenditure on higher education is biased towards wages and salaries. Only 10% is contributed towards development of education system. Equity and quality in education system can be enhanced through more budgetary allocation by the government of India.

K. R. Shah (2008) stated that privatization is suited well to developed nations like USA where students get full attention by corporate sector, but it is not the best solution of funding higher education in India. State is not fulfilling its promise to achieve the target of spending 6 per cent of the GDP on education within the time frame (1966-86) recommended by Kothari Commission. The share of higher education is just 0.34 percent of GDP. So along with households, state should also contribute financially towards higher education.

Objectives of the Study

1. To see the growth of Higher Educational institutions in India.
2. To see the trend towards Privatisation.
3. To analyse Gross Enrolment Ratio and Gender Parity Index.
4. To analyse the public expenditure on higher education.

Methodology

Secondary data is taken from various UGC and Ministry of Higher Education Reports, Books and Journals. Time series data reflect public expenditure on higher education and GDP. To see the GER and GPI, two UTs and two States are taken for comparison.

Financing of higher education by the government is justified on the ground that education, being a public good or at least a quasi-public good produces many positive developments. The policy for the development of higher education has been governed by the "National policy on Education" of 1986 and its Program of Action 1992. The National Policy on Higher Education (1986) translated the vision of Radha Krishnan Commission(1948-49) and Kothari Commission(1964-65) in five main goals for higher education, which include Greater Access, Equal Access (or Equity), Quality and Excellence, Relevance and Value Based Education.

The Action Plan of 1992 included schemes and programs for expansion of intake capacity in general, and disadvantaged groups such as the poor, SC, ST, minorities, girls, the physically challenged persons, and those in the educationally backward regions, in particular. Distance education in India started as correspondence education -- a supplementary method of education to meet the growing demand for higher education in the early 1960s. Each year, nearly 1.3 million students register for various courses in these universities.

The Ministry of Human Resource Development which was created on September 26, 1985 takes care of Higher Education systems and is engaged in bringing world class opportunities of higher education and research to the country so that Indian students do no lack anything at the international platform.

Table No 1

Total Expenditure on Education, Gross Domestic Product and Pupil Teacher Ratio

Year	GDP at Current price (at Factor cost) (Rs. crore)	Total Expenditure on Education by Education & other Departments (Rs. crore)	Expenditure on Education by Education & other Departments as % of GDP	Pupil Teacher Ratio
2005-06	3390503	113228.71	3.34	26
2006-07	3953276	137383.99	3.48	NA
2007-08	4582086	155797.27	3.40	20
2008-09	5303567	189068.84	3.56	21
2009-10	6108903	241256.01	3.95	24
2010-11	7248860	293478.23	4.05	26
2011-12	8391691	351145.78	4.18	24
Average	5568412	211622.7	3.71	-

Table no 1 depicts that GDP at current prices has increased by (148%) from 2005-06 to 2011-12. Expenditure on Education as %age of GDP for the same period has increased on an average by 3.71. It means expenditure on education is not rising with rise in GDP. Kothari Commission has recommended the target of 6% of the GDP on higher education. For the same period Pupil Teacher Ratio has declined from 26 to 24.

Table No 2

Growth of Higher Educational Institutions

Type	Name	On 31.03.2006	On 31.03.2014
Universities	Central Universities	20	45
	State Universities	216	313
	Institutions Deemed to be Universities	101	129
	State Private Universities	14	175
	Institutions established through state legislation	05	04
	Total	336	666
Colleges	Number	18064	39671
	Grand total	18400	40,337

The system of higher education in India has seen an impressive growth since independence. The number of universities has increased from 25 in 1947 to 336 in 2006 to 666 in 2014. The number of colleges has increased from 700 in 1947 to 18064 in

2006 to 39671 in 2014. The total number of institutions catering to higher education is 40,337. (Table No 2) The colleges that are affiliated to 666 universities constitute the bulk of the higher education system in India. Table No 2 clearly depicts that within a span of eight years, increase in state private universities is from 14 to 175 (increase of 161).

Growth of Higher education till 1980 and trend towards Privatisation

Till 1980, the government supported higher education by setting up universities and colleges and took over the responsibility of running the institutions. Demand for quality higher education as required by business and industry and due to increase in the population in the middle and higher income groups, the Government allowed the entry of private enterprise in the area of higher education in the eighties. From this period onwards, government started withdrawing from the additional responsibility for higher education in the country. Private institutions took the deemed to be university route to get the degree granting powers. Manipal Academy for Higher Education (MAHE) - a pioneer in private higher education became the first totally self-financed institution to be declared as a deemed to be university in 1976. In 2000, the provision for conferring the deemed to be university status to a de novo institution was introduced, which resulted in the growth of deemed to be universities in the private sector.

Table No 3

Number of Private and Government Colleges

UT/State	Private			Government	Total
	Unaided	Aided	Total		
UT					
• Puducherry	48	2	50	24	74
• Daman & Diu	1	1	2	1	3
State					
• Andhra Pradesh	3119	283	3402	419	3821
• Sikkim	5	-	5	6	11
All India	14042	3584	17626	6494	24120

Table No 3 depicts number of Private and Government Colleges. In case of UTs, Puducherry has highest no of colleges (74), which include 50 private and 24 Government. In case of States, Andhra Pradesh has a total of 3821 colleges which include 3402 in the Private sector and 419 in the Government sector. The State of Sikkim has only 11 colleges. Out of the total (24120) colleges, the share of Government Colleges is only 27%. Among private, the share of unaided is 78%. It clearly reveals the trend towards privatisation.

Financing Higher Education in India

Financing higher education is the key theme in the debate on higher education. The cost for higher education should be borne by either the government or parents and donors. The following factors would affect the new funding trends for higher education:

a. The massive expansion of enrolment;

b. The incapacity of the state to fund such an expansion;

c. The vigorous emergence of the private higher education;

d. The tendency to cost sharing by students and their parents;

e. The importance of accountability;

f. The emergence of new providers; and

g. The need for funding by the states to reduce growing inequalities in access.

Figure 1

Public Expenditure on Higher Education in India (Rs. in billion)

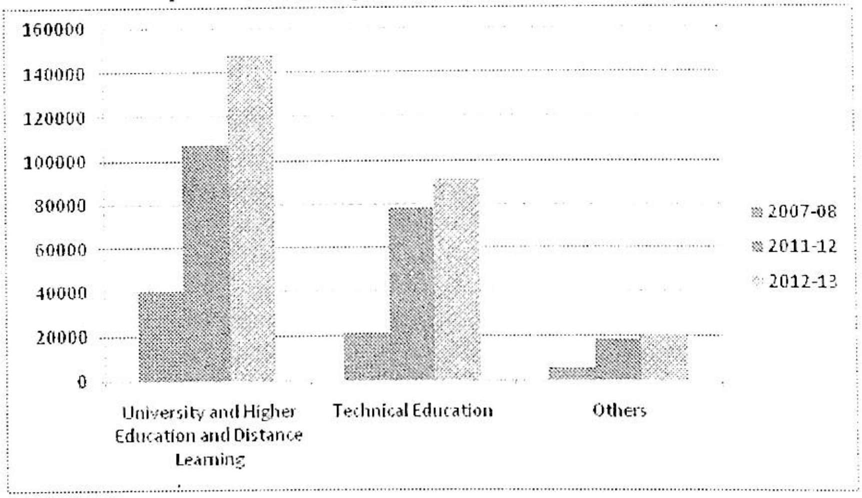


Figure no 1 show the public expenditure on Higher education which has increased from 40,081 in 2007-08 to 147,781 billion in 2012-13. During this period, out of the total expenditure, % age share of higher education is 60%, share of technical education is 32%. In the period (2007-08 to 2012-13), public expenditure share has increased from 32% to 35% for technical education whereas for higher education it has fallen from 60% to 57%.

Figure 2

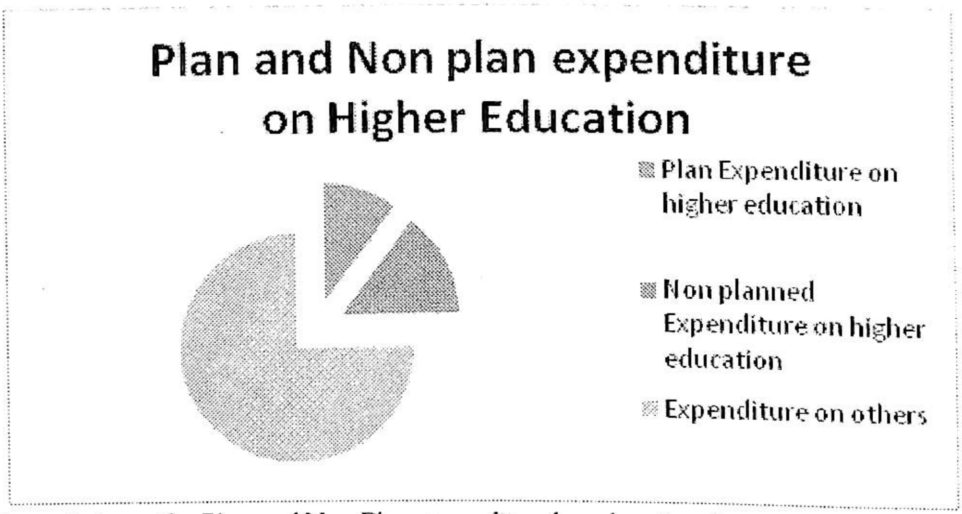


Figure 2 shows the Plan and Non-Plan expenditure by education department. The figures (2012-13) depict that only (13.12%) share of the total expenditure is being spent on higher education and out of that planned share is only 10.15% and Non-plan share is 14.65%. It clearly depicts that expenditure on higher education on both fronts plan as well as Non Plan is quite less.

Table No 4

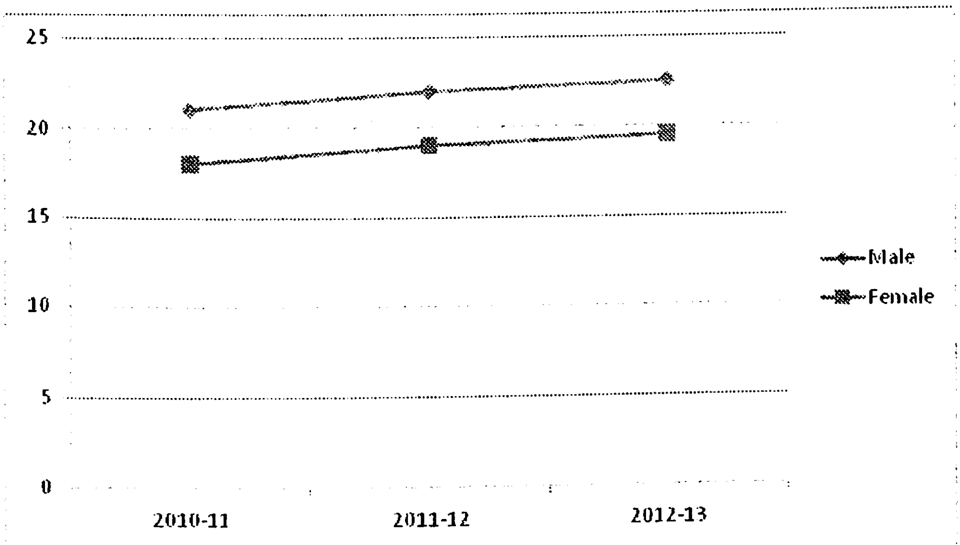
Gross Enrolment Ratio in Higher Education (2012-13)

State/UT	All Categories			SC			ST		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
All India	22.3	19.8	21.1	16.0	14.2	15.1	12.4	9.7	11.0
Chandigarh	48.5	55.2	51.3	22.3	22.8	22.5	-	-	-
Daman &Diu	3.3	6.9	4.3	13.1	20.5	16.5	19.5	8.3	14.0
Tamil Nadu	45.4	38.7	42.0	31`.8	28.1	29.9	37.9	30.6	34.2
Jharkhand	10.3	9.8	10.1	6.6	5.1	5.9	5.3	6.2	5.7

Gross enrolment ratio is the total students in a given level of education, regardless of age expressed as percentage corresponding eligible official age group population in a given school year. In India GER is 21.1 per cent. Among the UTs, Chandigarh has the highest GER and Daman &Diu has lowest. But under the category of All categories and SCs, Both Chandigarh and Daman and Diu have more GER for female. As far as States are concerned, Tamil Nadu has the highest (42.0) and Jharkhand has the lowest (10.1). The State of Jharkhand has more GER for female in the category of STs. Higher education enrolment in a country also depend on the occupational structure of its economy. It means that countries with higher skilled labour force tend to have higher enrolment in higher education. GERs are roughly twice the share of skilled labour in the total labour force. China, India and Indonesia that have large share of their labour in agriculture have relatively lesser enrolment in higher education. Women enrolment is highest in Lakshadweep (72.10%) in 2012-13. The state of Kerala has 58.94% of women enrolment. It is lowest in Madhya Pradesh (36.39).

Figure 3

Gross Enrolment Ratio



The figure shows that GER is rising for male as well as female but very low as compared to developed countries. It is more for male as compared to female in all the periods. In India GER is 21.1 per cent whereas in UK it is 61.9 per cent and in USA 94.3 per cent. For SCs and STs, it is 15.1 and 11 respectively.

Table No 5

Gender Parity Index in Higher Education (18-23 years)

U.T./ State	All categories	SC	ST
Chandigarh	1.14	1.02	-
Daman &Diu	2.06	1.57	0.43
Tamil Nadu	0.85	0.88	0.81
Jharkhand	0.95	0.77	1.16
Lakshadweep(highest)	2.80	-	3.09
Andhra Pradesh(lowest)	0.78	-	0.64
All India	0.89	0.89	0.79

Gender Parity Index is the ratio of girls GER to boys GER in a given level of education. GPI is highest (2.80) in Lakshadweep and lowest in Andhra Pradesh (0.78). The other UTs with more than one GPI are Chandigarh (1.14) and Daman& Diu (2.06). The figures for All India are 0.89. The Lakshadweep has highest GPI (3.09) for ST class also which is remarkable. The State of Jharkhand also takes care of its ST class. The Chandigarh has highest GER as well as Good GPI. The state of TamilNadu Which has a highest GER has GPI index less than one. But its GPI is highest for SC. But Daman& Diu which has very low GER, but GPI is very good. It means there is no relation between GER and GPI.

Table No 6

No of Colleges per lakh Population (18-23) years (Average Enrolment per College) As on (2012-13)

States/UT	No of Colleges	College per lakh Population	Average Enrolment per College
UT • Chandigarh • Daman & Diu	27 03	18 06	1651. 367
State • Jharkhand • Karnataka	265 3199	07 44	2243 429
All India	35829	25	699

Table No 6 depicts Average Enrolment per college. It reveals that among UTs Chandigarh has 18 college per lakh population and Daman & Diu has 6 college per lakh population. Among States Jharkhand has 7 colleges per lakh population and Karnataka has maximum (44). For All India, there are 25 colleges per lakh population.

Trends in Higher Education

a) Diminishing role of Government in Governance

b) Moving from Monitoring inputs to Regulating outcomes

c) Compulsory Accreditation:

d) Enabling Environment for Private and Foreign participation

e) Thrust towards Internationalization:.

f) Plan and Non Plan expenditure on higher education is falling

g) Expenditure on education by education and other department as %age of GDP is constant

Conclusion

The existing challenges for Indian higher education - access, equity and quality - will become more significant unless we transform our higher education model. India has undertaken large-scale reforms to better faculty-student ratios by making teaching an attractive career path, expanding capacity for doctoral students at research universities and delinking educational qualifications from teaching eligibility. Despite these measures of progress, India's higher education institutions are not the best in the world - India has fewer than 25 universities in the top 200.

There is growth of no of institutions catering to higher education. The study shows that the average public expenditure on education by education and other department as %age of GDP from 2005 to2012 is 3.71%. In the same period, Pupil teacher ratio has fallen from 26 to 24. GER is highest in Chandigarh and lowest in Daman & Diu. Among states, it is highest in Tamil Nadu and lowest in Jharkhand. It is inequitably distributed across gender, socio-economic and the rural-urban divide.

GPI is highest in Lakshadweep for general category as well as ST. It means there is no relation between GER and GPI. Average enrolment per college in higher education is highest in Jharkhand. Plan as well as Non plan expenditure on higher education by education department is declining. It is only 13.12% in 2012-13.

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Global Journal of Accounting & Management
Vol. 4, No. 2, July-December, 2015
ISSN 0976-9366

ORGANISATIONAL MOTIVATION : THE SIKH PERSPECTIVE

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Abstract : *The Sikh religion, known to be the most modem, scientific and all embracing religion, is unique not only in its form and faith but in content and philosophy as well. Sri Guru Granth Sahib is the holy scripture of the Sikhs, which manifests the wisdom of great sages and saints. It contains the hymns of thirty- six holy spirits of whom only six were Sikh Gurus and of the remaining thirty, fifteen were Hindu and Muslim saints, four were followers of the Gurus and eleven were Bards who were called 'Bhatta' or Brahmin scholars - thus giving it a pluralistic outlook and universal appeal. The scripture has been open to the whole mankind and it is not confined to the any one sect, community or geographical region. The decision of the tenth Sikh Master to pronounce Sri Guru Granth Sahib as the Guru is totally new in the history of religions and it has given the Sikh religion a new meaning, a new direction and a new dimension.*

Literature dealing with the interplay between religion and motivation has been growing over the last many years. The existing literature on the subject shows that the scholars have been doing a commendable work on the role of religion and spirituality in the value based leadership and governance of a business. In this paper, the researchers have made an effort to study Sri Guru Granth Sahib, the scripture of the Sikhs to explore values and ethic based principles and practices needed for the motivation. The effort is to highlight the great philosophy from Sri Guru Granth Sahib so as to guide the destiny of the business world in its material pursuits. The research is mainly exploratory in nature and is based on qualitative research methodology called hermeneutics, which is the interpretation of ancient, classical or religious literature and philosophy.

Key Words : Motivation, Spirituality, Sikh Religion, Values, Sikhism

Introduction

There is more to management than just earning profits and more to the role of a manager than achieving the organisational objectives. It is not to be been reduced to a handmaid of profiteering. The maximization of profits has become the ultimate goal, to the exclusion of all other considerations (Gupta, 2000). The capitalistic bottom-line of maximizing profits has become the benchmark for purported success, pervading international, regional, national and organizational levels (Noor, 2004). Need of the hour is to think beyond the boundaries of profit maximization. Management's task is to make people capable of joint performances and make their strength effective and make their weaknesses irrelevant (Drucker, 1998). Management is to be a medium that creates harmony in working together, equilibrium in thought and action, goals and achievements,

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plan and performance, produce and market (Bhattathiri, 2001). For the sustainable development of the enterprise the need is to look for long term benefits of all stakeholders, not base decisions for short term benefits to the individuals. The best way out in the situation, is to take shelter under the teaching of the scriptures. Management needs to be sprinkled with ideals of religion and manager has to stay connected to the roots of his religion and culture while performing his job. In the present epoch, internationally operated organisations are stirring towards holistic approach to management. Holistic approach takes under its ambit the whole organisation, systems, people and culture. Holistic approach can bring better results for modern organisations to deal with complex issues in global environment, because according to Aristotle, whole is more than the sum of its parts (Abbasi, Rehman and Bibi, 2010).

1.1. CONCEPT OF MOTIVATION:

Motive is an inner state of the mind that energises, activates or moves (hence motivation) and directs or channels our behaviour towards goals (Sherlekar and Sherlekar, 1996). Setting a goal and being motivated to accomplish it is a great thing, but to enjoy a lifetime of success and happiness, one needs to develop lasting motivation that stems from an unchangeable internal outlook. When there is an inner passion for growth, development, and expansion, the life will be filled with success, wealth, happiness, and anything else that you desire. Since most of the fears are based on dark imaginings, it is vital to dwell on the magnificent obsessions and desired results-to look at where one wants to go, as opposed to that troubled place where one may have been or may still be hiding. When people are motivated and inspired, they run their organisations efficiently and profitably, produce quality goods and services and keep customers and clients satisfied (Bodhananda, 2007). It is the capability and capacity of the manager that can transform the situations to the best for all the stakeholders. If he is bestowed with the quality to judge the people and their talents then he can take them to the zenith of their performance. Management is helping ordinary people to produce extraordinary results (Someswarananda, 2005).

1.2. RELIGION AND MOTIVATION:

Concept of management has evolved over the years and is an ongoing process; it changes and improves as the environment changes. The discipline of 'management' is just 100 years old. By and large, it is a product of industrial revolution. Hence, its intellectual traditions are rooted in engineering and economics. Later it was influenced by psychology, sociology and other related disciplines. During recent years, yoga, meditation and spirituality have also started influencing the field of management (Sharma, 2006). During the 1990's, the evolution of spirituality and management theories converged and triggered a bold interest in formulating spirituality based theories and research within the academic management domain, resulting in the formulation of a new discipline (Rojas, 2005). Thus holistic approach can bring better results for modern organisations to deal with complex issues in global environment, because according to Aristotle, whole is more than the sum of its parts (Abbasi, Rehman and Bibi, 2010)

Motivation is the interplay of the religious convictions, ethnicity and behaviour. Motivation ought to be holistic and comprehensive in perspective to meet the materialistic, intellectual, emotional, moral and spiritual needs of the followers. Organizations should provide working as well as social space to the employees so that they can contribute effectively for the welfare of society, organisation and self. For sustainability it is important for the manager to provide motivating and stimulating environment so that employees are inspired to give the best performance.

1.3. REVIEW OF LITERATURE:

Islamic perspective on organisational motivation offers the view that the cornerstone of employee motivation is not the individual intrinsic needs but those work related commitments that are spiritual in nature and are for serving others (Addel Rahman, 1995). Also a Muslim worker will find their motivation: in religion, cultural heritage and as a Muslim, Allah is the motivator in their life (Nurul Syafiqah, 2013).

The manager should be able to clarify the subordinate's ideas, encourage and motivate him, increase his knowledge, guide him the way Krishna transformed Arjuna, who was dispirited, directionless, confused and in agony. The organization will thrive only when manager keeps a larger vision comprising good of mankind and the welfare of society and in the end like Arjuna, one should be above all doubts towards the duties and rise in enlightenment (E. Ajanta Chakravarty, 2005) and the employees can be encouraged to perform better by using the Indian wisdom from Bhagavad-Gita which offers theory P (P for Parent) where manager goes through the three steps of empowering the subordinates: Bhakti- where manager should establish relationship with employees, Yukti- where manager should focus on the development of the intellect of the subordinates and Mukti- where manager should give more and more freedom to employees in the work (Swami Someswaranada, 2005). Sri Krishna's theories of self-assessment control of mind, concentration on duty assigned and accomplishing it with detachment and management of anger can be used as a guide to develop managerial effectiveness since basic ingredient for success of any organization is efficient and effective management (Balakrishna Muniapan, 2006-07).

Buddhist Sangha Communities were organisations that excelled in managerial skills because they followed the system of equality and shared responsibility, decentralised leadership, democratic governance and effective communication, respect to all members of the community and the principles of self-commitment, self-monitoring and self-discipline (Hsing Yun, 2006). Similarly eternal truths of Vedanta conclude that employees should not view business only as a means of earning profits but as a means for the evolution of individuals, organizations and the whole mankind towards its excellence (Nalini V.Dave, 2003). Religion influences culture and culture, in turn, influences behaviour. Since the Christianity advocates that the purpose of humans is to serve thus employees work for satisfaction they derive from work and money becomes relatively unimportant

The foregoing review of the existing literature on the subject reveals that though the researchers have made commendable efforts on the role of religion and spirituality in the field of motivation yet no comprehensive study has been devoted to the Sikh perspective of motivation. Accordingly, the present study is an attempt to examine motivation from a Sikh perspective in the light of the philosophy of Sri Guru Granth Sahib.

1.4. NEED AND SIGNIFICANCE:

The capitalistic bottom-line of maximizing profits has become the benchmark for purported success, pervading international, regional, national and organizational levels (Noor, 2004). Management has been reduced to a handmaid of profiteering. The maximizing of profits becomes the ultimate goal, to the exclusion of all other considerations (Gupta, 2000). We are aware that with its axis on privatization and liberalization, national and world economic order is gradually becoming market oriented and globalised. Capital is today's integrating factor. Those who have or can access to resource stand to benefit from this economy while others are being marginalized (Xavier, 1999).Need of the hour is to develop managers with focus on human excellence comprising competence, conscience and compassionate concern along with academic and technical competencies. Various studies have been carried out to study the effect of relationship between management and religion and results depict positive outcome. Management being a worldly enterprise and part of creation has to position itself in alignment with this divine purpose, our policies and mega plans are to be attuned to this divine plan over percent and active in creation (Xavier, 1999). The trustworthiness increases with religiosity and people with higher level of religiosity are more likely to trust and be trusted in their relationships (Tan and Vogel 2005). In a doctoral study conducted by Werner (2006) found that religious beliefs (Christianity) play an important role in SME business behaviour in both the UK and Germany (Uygur, 2009). Since management is primarily concerned with managing people, managers needs to take guidance of specific magnitude of man-management such as believing and being open to people and their ideas, acknowledging them in various roles of life, serving, loving and motivating them. Thus, the present study is an attempt to find out the intuitive wisdom of the Sikh Scripture, Sri Guru Granth Sahib, in the light of management paradigms of today regarding motivation and motivational aspects.

1.5. METHODOLOGY:

The research is mainly exploratory in nature and is based on qualitative research methodology called hermeneutics, which is the interpretation of ancient, classical or religious literature. Hermeneutics means the art or science of the interpretation of literature. It is concerned with the study of the theory and practice of interpretation in religion and social philosophy. Hermeneutics is widely applied in many fields of social science such as philosophy, religion and theology, law, sociology and also international relations. The researcher had a detailed study of the holy Sri Guru Granth Sahib in the light of managerial motivation to identify the lessons of wisdom.

1.6. BRIEF INTRODUCTION TO SRI GURU GRANTH SAHIB:

Sri Guru Granth Sahib is the holy scripture of the Sikhs, which manifests the wisdom of great sages and saints. It contains the Hymns of thirty- six holy spirits of whom only six were Sikh Gurus and of the remaining thirty, fifteen were Hindu and Muslim saints, four were followers of the Gurus and eleven were Bards who were called `Bhatta' or Brahmin scholars - thus giving it a pluralist outlook and universal appeal. The decision of the tenth Sikh Master to pronounce Sri Guru Granth Sahib as the Guru is totally new in the history of religions and it has given the Sikh religion a new meaning, a new direction and a new dimension. The wisdom enshrined in Sri Guru Granth Sahib can transform the mankind from ordinary to extra-ordinary, propounding a complete life-style and demolishing away the walls of falsehood, ignorance and ego. Sikhism, the fifth largest and one of the youngest religions of the world is considered as the most down to earth and practical religion of the world. It is a religion of the new age. The message of Sri Guru Granth Sahib is universal, seeking the welfare of all human beings of the globe. It promotes integration, co-existence and feeling of fraternity and amity and also emphasises the importance of human values (Alag, 2008).

1.7 SRI GURU GRANTH SAHIB AND MOTIVATION:

Sri Guru Granth Sahib enlightens the human beings as to how to conduct themselves and live in this world; it gives the way of life. Guru is highly motivating and inspiring to his followers and exceedingly tolerant to the people who try and even to those who commit mistakes. Guru says, "Your humble servants remain satisfied and fulfilled and the true Guru blesses them with encouragement and comfort" (SGGS, p-105). Guru confers stability and sense of security to his disciples and says, "The Lord is wealthy and prosperous, so His humble servant should feel totally secure" (SGGS, p-131). It is the greatness of the Lord that He is so generous and bountiful. Sri Guru Granth Sahib avers, "God is Wise, Giving, Tender-hearted, Pure, Beautiful and infinite. He is our

Companion and Helper, Supremely Great, Lofty and Utterly Infinite" (SGGS, p-46). The various human needs are interpreted as under as per the directions of Sri Guru Granth Sahib:

1.7.1 MATERIAL NEEDS:

It is necessary to fulfill the basic needs of food, clothing and shelter but these are to be controlled within the limits. It is also true that just filling this need to the hilt may not give happiness to the people and they may not contribute effectively to the organisation just because their basic needs are being realized. Sri Guru Granth Sahib advocates the life of moderation. Guru says, "Eat little and sleep little: O Nanak, this is the essence of wisdom" (SGGS, p-939) and "Eating too much, one's filth only increases; wearing fancy clothes, one's home is disgraced. Talking too much, one only starts arguments" (SGGS, p-1331).

The corporate houses think that taking care of their people means just looking after their materialistic needs and that they will end up with a satisfied and satisfactory workforce, but it not so. There are other needs that are to be taken care of along with basic needs. The Guru opines, "Mansions of gold and beds of silk sheets- O sister, I have no love of these. Pearls, jewels and countless pleasures, O Nanak, are useless and destructive without the name of the Lord" (SGGS, p-1306). Sri Guru Granth Sahib motivates people to be one with the name of the God and corporate houses motivate people to be one with the objectives of the company. Humans live for higher needs and are motivated and satisfied when these are fulfilled. Sri Guru Granth Sahib elaborates, "O Nanak, the Guru is the tree of contentment, with flowers of faith and fruits of spiritual wisdom. Watered with Lord's love, it remains forever green; through the Karma of good deeds and meditation it ripens. Honour is obtained by eating this tasty dish; of all gifts this is the greatest gift" (SGGS, p-147).

1.7.2 EMOTINAL NEEDS:

Emotional needs comprise the desire for alignment of organisational objectives with personal objectives, desire for love and affection and appreciation of efforts. Organisations should set the objectives in such a way and provide such amenities that take care of the personal needs and aspirations of the people along with achieving organisational goals. Guru says, "I bow in reverence to the Perfect Guru. God has resolved all my affairs" (SGGS, p-625). The employees should get euphoria and feel cared for while working for the organisational goals. Guru opines about this blissful state as follows, "The Lord has showered me with His Mercy. God has perfectly preserved my honour. He has become the help and support of His slave. The Creator has achieved all my goals, and now, nothing is lacking" (SGGS, p-625).

Major part of the day, employees are spend in the organisations and if the employers expect complete dedication and loyalty from them then they need to nurture employees with love and affection by creating family kind of culture. Sri Guru Granth Sahib gives the message of love for all human beings. Guru says, "The Lord blesses his devotees with His love; He sides with them and saves them" (SGGS, p-91) and it is with the love and affection that employers help employees to sail through the problems and troubles, "In suffering and in comfort, I meditate on you, O God. I have obtained sublime understanding from the Guru. You are Nanak's support, O my Lord and Master, through your love, I swim across to the other side" (SGGS, p-99).

Sri Guru Granth Sahib bestows all the accolades and bliss on the person who walks on the right path. Guru avers, "O God, you are the hope of all. All beings are yours; you are the wealth of all. O God, none return from you empty-handed; at your door the Gurmukhs are praised and acclaimed" (SGGS, p-40) and "I am a sacrifice to those who have seen the Lord God; in the true court of the Lord, they are approved. They are approved by their Lord, they are acclaimed as supreme; they are imbued with the Lord's love" (SGGS, p-577). Similarly organisations need to acknowledge and appreciate the efforts of employees and embellish them with rewards. Guru is generous to his disciples and decorates them with His divine grace and blessings. Guru says, "Those who meditate in remembrance of the True Guru, are blessed with wealth and prosperity, supernatural spiritual powers and the nine treasures" (SGGS, p-1405).

1.7.3 INTELLECTUAL NEEDS:

There are other needs that are to be taken care of along with basic needs and these are the need of knowledge, need of freedom of thought and need for achievement. The Guru says, "The Lord and Master embrace those who seek His sanctuary. He blesses them with power, wisdom, knowledge and meditation: He Himself inspires them to chant His name" (SGGS, p- 460). Employers need to educate employees and to impart the complete knowledge of the organisation they work in and about the work they have to undertake. If the worker is clear about the mission, vision and objectives of the company, he will be able to connect with it and the knowledge of work will equip him with expertise to fulfill his job and he will be a productive worker of the organisation. Sri Guru Granth Sahib sermonizes, "The mind is the elephant, the Guru is the elephant driver and knowledge is the whip, wherever the Guru drives the mind, it goes. O Nanak, without the whip, the elephant wanders into the wilderness, again and again" (SGGS, p-516). The value of mentor is very high according to the Scripture because mentor is the one who provides appropriate environment for the performance of the work assigned and gives right direction to the employees. If people lose the focus, they will not achieve the targets and will be discontented whereas if they acquire right knowledge, it can be utilized for further dissemination and accomplishment of goals. Guru ordains, "Contemplate and reflect upon knowledge and you will become a benefactor to others" (SGGS, p-356). Guru avers, "At the confluence of the three rivers of knowledge, right action and devotion, there why not wash away your sinful mistakes" (SGGS, p-344).

Once the knowledge is gained, people desire freedom from restriction and subordination of the system so that they should be given autonomy and power to accomplish the tasks assigned to them. Guru pronounces, "You are blessed with the nectar of Lord's name, O Nanak; you have mastered Raj Yog and now enjoy sovereignty over both worlds" (SGGS, p-1390). Inner self of the performer is motivated and inspired by the sense of achievement and accomplishment of the predetermined goals. The manager should convey the results of the performance and give due credit to the achievers. Sri Guru Granth Sahib illustrates the right way of achieving outcomes, Guru says, "One who practices truth, righteous living, charity and good deeds, has the supplies for God's path. Worldly success shall not fail him" (SGGS, p-736). With the right direction and help of the higher ups employees achieve great sense of contentment and triumph. Guru says, "That person, unto whom my Lord and Master is merciful- all his tasks are perfectly successful" (SGGS, p-1226).

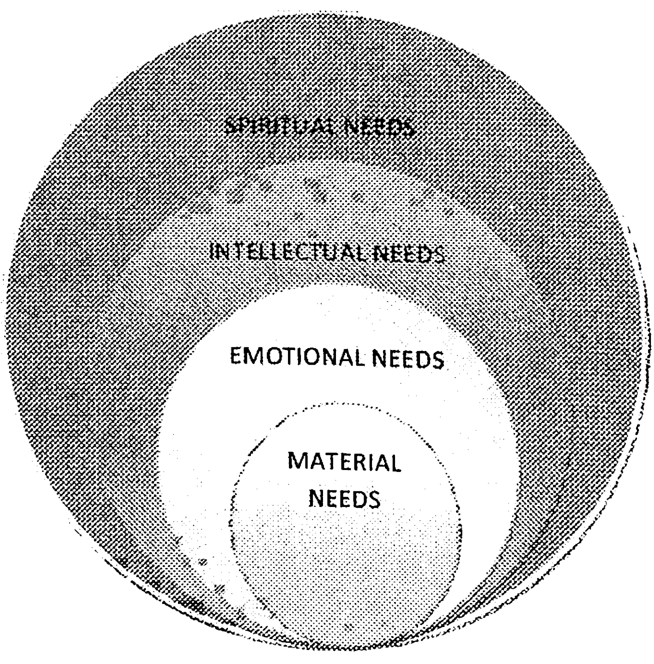
1.7.4 SPIRITUAL NEEDS:

Organisations should recognize the fact that it is the whole person who comes to work and brings not only his expertise for job but his culture, his values and religious convictions also. While he does his work, he remembers God and stays connected with him. Sri Guru Granth Sahib advocates, "Sitting down, standing up, sleeping and waking, forever and ever, meditate on the Lord" (SGGS, p-379) and "While you work at your job, on the road and at the beach, meditate and chant. By Guru's Grace, drink in the Ambrosial Essence of the Lord" (SGGS, p-386). Organisations should motivate people to stay connected to their spiritual aspirations since such persons are an asset for the organisation because they are truthful and honest. The Guru opines, "Through the Guru's Teachings, some eliminate selfishness and conceit, and meditate on the Naam, the Name of the Lord" (SGGS, p-144) and It further elaborates, "They cast off the filth of their mental duality, and they keep the Lord enshrined in their hearts. True is their speech, and true are their minds. They are in love with the True One" (SGGS, p-35).

The above analysis shows that all needs are to be satisfied simultaneously for motivating people at all the levels with varying emphasis on various needs according to the situation. Sri Guru Granth Sahib gives the message of always to be on cloud nine irrespective of the situation and condition. It also teaches contentment because without it even a multimillionaire is a pauper. Sri Guru Granth Sahib guides, "One who is blessed with the gift of the jewel of the Name obtains all treasures. His mind becomes content, finding the Perfect Lord" (SGGS, p-891).

1.8. CONCLUSION

The wisdom enshrined in Sri Guru Granth Sahib can transform the mankind from ordinary to extra-ordinary, propounding a complete life-style and demolishing away the walls of falsehood, ignorance and ego. According to Sri Guru Granth Sahib man's salvation lies not only in his faith, but also in his character and his eagerness to do active good. "Life without virtue runs to waste," says Guru Nanak. The Guru gives practical tips to achieve the goal. Every Sikh is expected to replace lust, anger, greed, undue worldly attachment and pride with their virtuous counterparts, self-control, forgiveness, contentment; love of God and humility, before deciding to go to the next step of doing active good. It is like sweeping the floor. As a rule, where the broom does not reach, the dust will not vanish off itself. "The new thing will fill the vessel only if the existing one is wiped out," says the Guru. The people are expected to follow the teachings of Sri Guru Granth Sahib in order to ensure the high morality and upright conduct in their dealings of life which will help them to become effective motivators to their employees. This is the only beauty of the existence of human life. On the basis of the whole analysis of the Sikh philosophy a model of motivation can be developed as below:



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Global Journal of Accounting & Management
Vol. 4, No. 2, July-December, 2015
ISSN 0976-9366

Impact of School Organisational Climate on Self-esteem: A Study of School Teachers in Punjab

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Abstract : *The purpose of the present study was to explore the school organisational climate of secondary schools of Punjab along with exploring the interaction effect of school organisational climate with type of school and gender on the self-esteem of teachers. The study is based on a sample of 500 teachers from government and private secondary schools of four districts of Punjab using descriptive method of research. Simple random technique was used to get data from the population. For this study means, standard deviation, analysis of variance and t test were followed to meet the objectives. School Organisational Climate Description Questionnaire by M.L.Sharma and Self-esteem inventory by Coopersmith were used for this research study. Findings of the study indicate that the main effect of school organizational climate on self-esteem came out to be significant and the self-esteem among school teachers varies significantly across type of school and gender. The mean difference of self-esteem in relation to school organizational climate and type of school is significant at 0.05 level between open and autonomous, open and closed, autonomous and familiar, familiar and closed. The mean difference of self-esteem in relation to school organizational climate and gender in open and autonomous, open and familiar, open and paternal, open and closed, autonomous and controlled, autonomous and paternal, familiar and controlled, familiar and paternal, controlled and paternal, controlled and closed is significant at 0.05 level.*

Key Words : *School organisational climate, self-esteem, government and private schools.*

1. Introduction :

Education humanizes humanity and makes life progressive, cultured and civilized. It is through education that man develops his thinking and reasoning, problem solving and creativity, intelligence and aptitude, positive sentiments and skills, good values and attitudes. A person normally gets education at three levels namely- school level, college level and university level. Of these the school level education is of primary importance because at this level that the foundation of all education is laid. The prerequisite for schools to efficiently carry out the crucial task they are responsible for, is to have desirable climate. Teachers are the pivot around which the whole education system revolves. As the teacher is the key person to make the education system a success, it is necessary that he should be provided all the required facilities and a very congenial and best possible working conditions and environment so that he may discharge his duties properly, and dedicate himself completely to the education of his students.

1.1 School Organisational Climate:

Schools are social institutions (Getzels & Guba, 1970). Within school organizationsthere

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are students, teachers, administrators, and many kinds of service personnel. Members of each of these groups occupy distinctive positions and are expected to behave in certain ways. The atmosphere in which the school conducts itself is technically known as its organisational climate.Halpin and Croft (1963) defined personality is to the individual as climate is to the organization. Thus they have defined climate as the personality of an organization. In the dictionary of education (Good, 1959) defines organizational climate as the pattern of social interaction that characterizes an organization. "A set of characteristics that describe an organization and that distinguish the organization from other organizations and influence the behaviour of the people in the organization is known as its organizational climate."Cooper (2003) describes organizational climate as "people's perception of their working environment with regard to caring and friendliness." Halpin (1969) pointed out when one moves from school to school, it can be observed that each school appears to have its own personality. As one can study the personality of an individual through the study of his behaviour, we can study the organizational climate of a school through a study of the behaviour of the leader and members of the school.

1.2 Self-esteem: It is a particular way of valuing one's own being with all its intrinsic and extrinsic qualities. It is the way one feels about one-self including the degree to which one possesses self-respect and self-acceptance.Stotland (1961) described self-esteem as an individual's evaluation of his own worth, attributes and an individual's self-esteem affects the evaluation he places on his performance in a particular situation and proposed that individual with high self-esteem may react with expectations of success while those with low self-esteem may have expectations of failure. Coopersmith (1959) suggested four types of self-esteem namely: what a person purports to have, what he really has, what he displays, and what others believe he has. Thus, self-esteem is the first and last ingenious and resourceful stimulus that is responsible for the sustenance of an active and productive social life.

On the basis of review of literature, it was observed thatteachers' perceptions of school climate influence their ability to implement school-based character and development programsBeetset al., (2008).It was also indicated that the teachers who were working in closed or controlled type of organizational climate remained tense and developed some physiological as well as psychological deformities in their bodies, while the teachers working in autonomous or open type of organizational climate were mentally happy and healthy. Gyanain (1998). Gupta, M., and Goel, R. (2014) indicated that organisational climate is significantly different in residential and non-residential schools. Moreover, residential school teachers perceived the organizational climate of their schools as better one.Brown (1998)opined that individuals with higher self-esteem are more satisfied with their lives, have fewer interpersonal problems, achieve at a higher and more consistent level, and are less susceptible to psychological problems (e.g. anxiety and depression) and physical illness than those with lower self-esteem.Greenberg et al. (1992) asserted that self-esteem has been found to function as a buffer which protects against the negative impact of stress and reduces anxiety.

1.3 Purpose of the Study

There is a common complaint that teacher's lethargy, apathy and indifference is the main cause for the deteriorating standards in education. All this is due to lack of interest and enthusiasm on the part of the teacher to perform his duties properly. It is essential to know which type of organizational climate is desirable to improve school conditions and self-esteem of teachers. Hence, it is significant for the investigator to undertake the present study to establish by research findings which type of organizational climate has positive impact on self-esteem of teachers.

1.4 Objectives : The present study was designed to carry on the following objectives:

1. To study the interaction effect of type of school and school organisational climate on the self-esteem of teachers of secondary schools of Punjab.
2. To study the interaction effect of gender and school organisational climate on the self-esteem of teachers of secondary schools of Punjab.

2. Method

2.1 Participants

The teachers of both government and private schools of Punjab constituted the population of the subject in the present study. Out of 22 districts of Punjab, schools from four districts i.e. Patiala, Mansa. Fatehgarh Sahib and Faridkot were selected randomly. Further, 70 government and private schools were selected from these four districts again by applying random selection. The study was conducted on a sample of 500 government and private school teachers of school selected randomly. The teachers of government and private schools were selected on the basis of certain independent variables as gender, marital status and teaching experience. Survey method was used for data collection. From the total sample of 500 teachers, 263 teachers were selected from the private schools and 237 teachers were selected from government schools. From the selected private and government school 206 are males and 294 are females.

2.2 Measures

The School Organisational Climate Questionnaire developed by MotilalSharma (1973) was used for the classification of schools in terms six climates, namely open, autonomous, familiar, controlled, paternal, and closed climate. The SOCDQ has 64 items divided into eight sub-tests. It is a Likert type questionnaire of simple statements, administered individually or in a group. The total score obtained on each of the eight dimensions namely, disengagement, alienation, espirit, intimacy, psychophysical hindrance, controls, production emphasis and humanized thrust provide data base to classify a school into either of the six climate conditions.Self-esteem inventory (Adult Form) by Stanley Coopersmith(1989) was used to measure the self-esteem of the teachers. This form consists of twenty five items. It consists of items to be scored in terms of being "Like me" or "Unlike me". The positive items were scored correct and given one point if answered like me. Negative items were given one point if answered unlike me. To get a total self-esteem score, sum the number of self-esteem items answered correctly and multiply the total raw scores by 4. This results a maximum possible total self-esteem of 100. A high degree of self-esteem is reflected in a combination of high scores and vice-versa.

3. Results

To study the effect of school organisational climate in relation to type of school and gender on the self-esteem of teachers of secondary schools 2x6 factorial design was thought worthwhile. Tofind the main and interaction effects and significance of mean difference across type of school and gender and six types of school climates two way analysis of variance and t test were applied.

The organisational climate of all the 70 secondary schools was determined on the basis of scores obtained by teachers on eight dimensions of school organizational climate, namely disengagement, alienation, espirit, intimacy, psycho-physical hindrance, control, production emphasis and humanized thrust. The secondary schools were classified into six types of organizational climate and each school was designated into six different types of school organisational climate. The distribution of schools and number of teachers in each type of school organizational climate is given in Table 1.

Table 1. Identification of School Organisational Climate and Classification of Teachers in Different Types of School Organizational Climate

No.of schools/ Teachers	School Organizational Climate						Total
	Open	Autonomous	Familiar	Controlled	Paternal	Closed	
Schools	10	7	13	13	17	10	70
Percentage	14.29	10	18.57	18.57	24.28	14.29	100
Teachers	77	48	93	99	123	60	500
Percentage	15.4	9.6	18.6	19.8	24.6	12	100

The above table1 revealed that all the six type of climates existed in the different schools with paternal type of school organizational climate occurring in 24.28% of schools and only 10% of schools had autonomous climate. Controlled and familiar climate existed in 18.57% and 18.57% schools respectively. 14.29% of schools had an open climate with an equal number of schools having closed type of school organizational climate. Out of the total sample 24.6% teachers perceive the climate of their school as paternal, 19.8% controlled,18.6% familiar,15.4% open,12% closed and 9.6 as autonomous.

3.1 Self Esteem in Relation to School Organizational Climate and Type of School

The means and standard deviations of self-esteem scores in each cell of school organizational climate x type of school factorial design are given in table 2.

Table 2. Means and Standard Deviations of self-esteem Scores of Secondary School Teachers in School Organizational Climate x Type of School Factorial Design (N=156)

Type of School		School Organizational Climate						Total
		Open	Autonomous	Familiar	Controlled	Paternal	Closed	
Government	Mean	65.23	64.92	65.85	72.61	73.85	60	67.08
	Vari.	99.69	189.74	156.30	140.92	121.64	266.67	174.92
Private	Mean	73.85	60.31	70.46	56.62	51.69	56.31	61.54
	Vari.	102.97	126.56	140.10	284.92	97.23	398.56	243.63
Total	Mean	69.54	62.62	68.15	64.62	62.77	58.15	
	Vari.	116.58	157.37	147.82	270.97	232.66	322.86	

The table 2 highlighted that the mean score of self-esteem in relation to different types of school climates vary in government and private schools. The mean score of government teachers in autonomous (64.92),controlled (72.61),paternal (73.85)and closed(60.00) type of climate is higher than the private schools whereas the mean score of private schools in open(73.85), and familiar(70.46) type of climates is higher than their counterparts. The total mean score of open climate is highest with 69.54 whereas the total mean score of closed climate is lowest with 58.15. Thus the self-esteem of secondary school teachers is high in open climate.

Table 3. Summary of Analysis of Variance (S.O.C x Type of School)

Source of Variance	Sum of Squares	df	Mean Square	F value
Type of School	1196.308	1	1196.308	6.75456*
School Organizational Climate	2219.077	5	443.8154	2.505859*
S.O.C x Type of School	4505.846	5	901.1692	5.088158*
Error	25504	144	177.1111	

*p<0.05

The table 3 revealed that the F value for the main effect of school organizational climate came out to be 2.50 which is significant at 0.05 level. It means that self-esteem among school teachers varies significantly across types of school organizational climate. It mèans that the school organizational climate has impact on self-esteem of school teachers. The F value for the impact of type of school is 6.75 which is significant at 0.05 level. This indicates that self-esteem of teachers in government and private schools differ significantly.

Interaction effect: The table 3 revealed that the F value 5.088 for the interaction effect type of school and school organizational climate on self-esteem is significant at 0.05 level. It is indicative of the fact that the significant main effect of school organizational climate on self-esteem is dependent on type of school.

To test the significance of mean difference in self-esteem between the various groups of school organizational climate the test of difference by use of t was applied and the matrix of mean difference and their level of significance is given in table 4.

Table 4. Matrix of mean difference in self-esteem in terms of school organizational climate

		Open	Autonomous	Familiar	Controlled	Paternal	Closed
		69.54	62.62	68.15	64.62	62.77	58.15
Open	69.54		6.92*	1.39	4.92	6.77	11.39*
Autonomous	62.62			5.53*	2.0	0.15	4.47
Familiar	68.15				3.53	5.38	10.0*
Controlled	64.62					1.85	6.47
Paternal	62.77						4.62
Closed	58.15						

*p<0.05

The table 4revealed that the mean difference is significant at 0.05 level between open and autonomous, open and closed, autonomous and familiar, familiar and closed. The mean difference in self-esteem in other climate groups is not significant. It may be noted that teachers have highest self-esteem in open school climate.

3.2 Self Esteem in Relation to School Organizational Climate and gender

The means and standard deviations of self-esteem scores in each cell of school organizational climate x gender factorial design are given in table 5.

Table 5. Means and standard deviations of self-esteem Scores of Secondary School Teachers in School Organizational Climate x gender Factorial Design (N=156)

Gender		School Organizational Climate						Total
		Open	Autonomous	Familiar	Controlled	Paternal	Closed	
Male	Mean	72.00	62.15	65.54	69.23	59.69	60.92	64.92
	Vari.	416.00	185.64	132.10	43.69	89.23	245.74	193.63
Female	Mean	75.69	67.08	67.38	76.92	59.38	64.31	68.46
	Vari.	86.56	80.41	143.59	195.08	215.59	153.23	174.54
Total	Mean	73.85	64.62	66.46	73.08	59.54	62.62	
	Vari.	244.78	134.01	133.22	129.99	146.34	194.49	

The table 5 highlighted that the mean score of self-esteem in relation to different types of school climates vary in male and female school teachers. The mean score of female teachers in open (75.69), autonomous (67.08), familiar (67.38) controlled (76.92), and closed (64.31) type of climate is higher than the male school teachers whereas the mean score in paternal type of climate is similar in male and female school teachers. The total mean score of open climate is highest with 73.85 whereas the total mean score of paternal climate is lowest with 59.54. Thus the self-esteem of female teachers in different types of climates is higher than their male counterparts.

Table 6. Summary of Analysis of Variance (S.O.C x Gender)

Source of Variance	Sum of Squares	Df	Mean Square	F value
Gender	488.3077	1	488.3077	2.949205
School Organizational Climate	4266.769	5	853.3538	5.153954*
S.O.C x gender	239.6923	5	47.93846	0.289531
Error	23842.46	144	165.5726	

*p<0.05

The table 6 showed that the F value for the main effect of school organizational climate came out to be 5.15 which is significant at 0.05 level. It means that self-esteem among school teachers varies significantly across types of school organizational climate. The F value for the impact of gender is 2.94 which is not significant at 0.05 level. This indicates that gender has no impact on self-esteem of teachers.

Interaction effect

The table 6revealed that the F value 0.29 for the interaction effect of gender and school organizational climate on self-esteem is not significant at 0.05 level. It is indicative of the fact that the significant main effect of school organizational climate on self-esteem is independent from gender.

To test the significance of mean difference in self-esteem between the various groups of school organizational climate the test of difference by use of t was applied and the matrix of mean difference and their level of significance is given in table 7.

Table 7. Matrix of mean difference in self-esteem in terms of school organizational climate

		Open	Autonomous	Familiar	Controlled	Paternal	Closed
		73.85	64.62	66.46	73.08	59.54	62.62
Open	73.85		9.23*	7.39*	0.77	14.31*	11.23*
Autonomous	64.62			1.84	8.46*	5.08*	2.0
Familiar	66.46				6.62*	6.92*	3.84
Controlled	73.08					13.54*	10.46*
Paternal	59.54						3.08
Closed	62.62						

*$p<0.05$

The perusal of the table 7 shows that the mean difference in open and autonomous, open and familiar, open and paternal, open and closed, autonomous and controlled, autonomous and paternal, familiar and controlled, familiar and paternal, controlled and paternal, controlled and closed is significant at 0.05 level. It means self-esteem is higher in open climate.

3.3 Discussion

In the present study the main effect of school organizational climate on self-esteem came out to be significant and the self-esteem among school teachers varies significantly across type of school and gender in different school climates. It means school organizational climate has impact on the self-esteem of school teachers. Shelat (1975) revealed that closed climate schools had low teacher morale and the open climate teachers had high teacher morale while Gyanani (1998) revealed that teachers who were working in closed or controlled type of organizational climate remained tense while the teachers working in autonomous or open type of organizational climate were mentally happy and healthy.The study indicated that the significant interaction effect of school organisational climate is dependent on type of school whereas the same is independent from gender.The mean difference of self-esteem in relation to school organizational climate and type of school is significant at 0.05 level between open and autonomous, open and closed, autonomous and familiar, familiar and closed. It may be noted that teachers have highest self-esteem in open school climate. These outcomes supported the research that workers reflected higher self-esteem under open climate (Biblin, 2006).The mean difference of self-esteem in relation to school organizational climate and gender in open and autonomous, open and familiar, open and paternal, open and closed, autonomous and controlled, autonomous and paternal, familiar and controlled, familiar and paternal, controlled and paternal, controlled and closed is significant at 0.05 level. It means self-esteem is higher in open climate.

3.4 Conclusion

It was inferred from the study that school climate has everything to do with the atmosphere, tone or feeling that prevail in a particular school.The teachers have direct link with the students. They may help the students to change their self-esteem. So the teachers must be a source of positive self-esteem and hence authorities should take necessary steps to build positive self-esteem in them.They should be provided suitable rewards and congenial environment in the schools. They should be given more independence, respect and say in the decision making. It is necessary to boost their confidence by way of providing better organizational conditions. Although the present investigation has few limitations like this study was undertaken only on secondary school teachers of four districts of Punjab, the findings of this study may serve as useful diagnostic measures for improving the school environment thereby promoting teacher's self-esteem and raising standard of education. This study would help in maintaining healthy relationships with the principal and teachers also among teachers themselves, by promoting harmonious interpersonal interaction and mutual understanding.

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Global Journal of Accounting & Management
Vol. 4, No. 2, July-December, 2015
ISSN 0976-9366

IT enabled Banking Services in the Globalised Era

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Abstract : *In India the banking scenario has undergone tremendous changes and they are facing tough competition in the post liberalization environment. So banks need to optionally leverage technology to increase penetration, improve their productivity and efficiency, deliver cost-effective products and services, provide faster, efficient and convenient customer service and thereby, contribute to the overall growth and development of the country. Information is at the heart of today' s business, and the all-pervasive impact of Information Technology in harnessing, collating and processing huge volumes of information is definitive. The Magnetic Ink Character Recognition (MICR) cheque clearing System, cheque truncation system (CTS) is another innovative solution that has been developed to enhance the efficiency of paper-based clearing system. It is important to note that presently almost 98 per cent of the branches of public sector banks are fully computerized, and within which almost 90 per cent of the branches are on core banking platform. In this context, the growth of IT enabled services of Indian banking industry by taking computerization of banks, reach of ATMs area wise, bank wise and the usage of Debit and Credit Cards are taken. The statistical tools like Trend analysis, percentage analysis, and exponential growth rates beside the use of charts and tables are used. The conclusion derived from the paper is that there is a tremendous growth of technological applications in the banking sector except in the usage of credit cards.*

Key Words : *Information Technology, ICT, MICR, CTS, EFT, RTGS, NEFT.*

Introduction :

Historically, bank automation in India dates back to the early 1970s. Bulky IBM machines involving the laborious process of feeding data on punched cards were confined to complex inter-bank reconciliation and payroll accounting. The banking industry's long and arduous journey from the stage of punch card based batch processing to the existing system of online transaction processing and centralized banking solutions is epoch-making. The Rangarajan Committee report in early 1980s was the first step towards computerization of banks. Banks started exploring the idea 'Total Bank Automation (TBA). TBA was in most cases confined to branch automation. It was only in the early 1990s that banks started thinking about tying-up disparate branches together to facilitate information sharing. The rigorous use of IT in the Indian banking sector after the recommendations of the Committee on Financial System (Narasimham Committee) were implemented in 1991 .The recommendations of the Narasintham Committee include: free entry of private sector/foreign banks and provide E-banking services. After this, private and foreign banks entered the banking arena with radically different strategies. Given the huge IT budgets at their disposal and with almost no legacy IT equipment to worry about private banks hastened the adoption of technology. By offering world class quality services, these

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banks started snatching customers from PSU banks. Public sector banks have traditionally lagged behind private and foreign banks in this regard. So the PSU banks also decided to follow them. Thus the use of technology in banking enables banks in meeting such high expectations of the customers who are more demanding and are also more techno-savvy compared to their counterparts of the yester years. They demand instant, anytime and anywhere banding facilities. This has facilitates the introduction of new delivery channels - in the form of Automated Teller Machines, phone banking tele banking, PC banking, TV banking, internet banking, mobile banking, card mechanisms and the like. Such innovations enhance the banks in achieving higher customer satisfaction by extending value added services. In order to have better and quick customer service the banks now upgraded their technology platform at par with the World-Class Banking and expanding its ability to reach the unbanked.

Technological Developments in Banks

Information is at the heart of today's business, and the all-pervasive impact of Information Technology in harnessing, collating and processing huge volumes of information is definitive. This is particularly valid for the banking sector where day-to-day operations are centered on information and information processing, which in turn is highly dependent on Technology. Technology has augmented the scope, reach and coverage of banking through significant networking and the availability of a wide variety of new delivery channels. Developments in the field of information technology (IT) strongly supports the growth and inclusiveness of the banking sector by facilitating inclusive economic growth IT improves the front end operations with back end and helps in bringing down the transaction costs for the customers. In addition, banking is poised to be omnipresent through facilities such as anywhere and anytime banking', proliferation of services offered through ATM networks, IT enabled instant remittances across banks, customer payments, mobile payments and many more. The giant project of ICT supported Financial Inclusion is all set to change the face of Indian banking by making banking services fully inclusive. Keeping pace with time and marshalling international practices, RBI has issued broad guidelines on mobile banking and prepaid (stored) value cards. These, along with the setting up of systemically important payment and settlement systems such as Real Time Gross Settlement System (RTGS) and other retail payment systems like the Electronic Clearing Systems (Credit and Debit Clearing), the National Electronic Funds Transfer (NEFT) System, National Electronic Clearing System (NECS), Regional Electronic Clearing System (RECS), have transformed the way of banking and today's customers have a wide array of options to choose from. The major area where IT security assumes significance pertains to the transmission of information using IT as a channel for communication. Traditionally, paper based systems have been subject to certain controls to ensure that the basic requirements pertaining to genuineness, authenticity, etc. are met with. These included verification of signatures, ensuring that there are no corrections, or if there are corrections, these are authenticated properly and so on. In the IT-based scenario, these aspects gain greater importance not only because of the speed with which IT based electronic information flows but also on account of the potential havoc that could arise on account of incorrect instructions. During the recent years, the pace and quality of banking was changed by the technological advancements made in this area. Computerization as well as the adoption of core banking solutions (CBS) was one of the major steps in improving the efficiency of banking services. however, it is important to note that presently almost 98 per cent of the branches of public sector banks are fully computerized, and within which almost 90 per cent of the branches are on core banking platform.

Objectives of the study

- To identify various e-banking services/products adopted by Indian banks.
- To study and analyze the progress made by Indian banking industry in adoption of technology
- To study the challenges faced by Indian banks in adoption of B-banking and make recommendations to tackle these challenges.

Research Methodology & Database

The study is secondary based in analytical in nature. Statistical and mathematical tools such as simple growth rate, percentages and averages, trend analysis are used. The sources of data are Report on Trends and Progress of Banking in India published by Reserve Bank of India, Mumbai. The parameters of the study are Computerization of branches, Automated Teller Machines and Transactions through Retail Electronic Payment Methods such as Electronic Clearing services (ECS) - debit and credit, National Electronic Fund Transfer and Electronic Clearing Cards that is debit card and credit card. To analyze progress made by Indian banking industry in adoption of technology, averages, percentages, trend analysis and simple growth rate is calculated. (In this study, simple growth rate is indicated by GR. GR= Yt -Y0 [YO x 100] where Yt indicates value of given parameter in current year and Y0 indicates value of given parameter in base year).

Analysis and Interpretation

1. Computerization in Public Sector Banks

Computerization as well as the adoption of core banking solutions improved the efficiency of banking services. With the expansion of and easy access to the digital communication across the country at an affordable cost, the customers' expectation, for efficient services in banking, has gained momentum. There is no limit to use of computers. They can take care of servicing deposits, loan processing, NPA monitoring, statutory and MIS returns, analysis, dissemination of knowledge, accounting, and administration and so on. After decades of meaningful but slow approach, Indian banking system is on verge of achieving the milestone of 100% computerization very soon.

Table 1: Computerization in Public Sector Banks (Percent of total bank branches) (As at March 2015)

Year	Fully Computerized Branches	GR	Branches Under Core banking Services	GR	Branches already Fully Computerised	GR	Partially Computerized Branches	GR
2012	85.6	-	44.4	-	41.2	-	13.4	-
2013	93.7	9.46	67.0	50.9	26.6	-35.4	6.3	-52.9
2014	95.0	10.98	79.4	78.8	15.6	-62.1	5.0	-62.6
2015	97.8	14.25	90.0	102.7	7.8	-81.1	2.2	-83.5
Average	93.02		70.2		91.2		6.73	

Source: Report on Trends and Progress of Banking in India, RBI Bulletin, Various Issues

According to Economic Survey 2014-15, in total 98% of public sector bank branches have been fully computerized and within which almost 90 percent of branches are on core banking platform. Table 1 indicates computerization in public sector banks over four years period from 2012-2015. On an average, 93.02 percent of branches are fully computerized, 70.2 percent of branches are under core banking solutions and 6.73 percent of branches are partially computerized. Growth rate in case of fully computerized branches and branches under core banking solutions has increased where as in the case of partially computerized branches it has become declined.

2. Automated Teller Machines (ATMs)

ATM is a modern device introduced by the banks to enable the customers to have access to money day- in- day out without visiting the bank branches in person. Even though ATM originally developed for cash dispenses, now it includes many other bank related functions such as-cash withdrawal, paying routing bills, fees and taxes., printing bank statement., hands transfer., purchasing online products, train tickets reservations, products from shopping mall, donating to charities, adding pre-paid cell phone/mobile phone credit, advertising channels for own or third party products and services, pay premium etc.

Table 2: Automated Teller Machines (ATMs) of Scheduled Commercial Banks (As at end of March 2015)

Year	On site	GR	Offsite	GR	Total	GR	Offsite as % of total ATMs	Onsite as % of total ATMs	ATMs as % of total branches
2011	14796	-	12292	-	27088	-	54.6	54.6	47.5
2012	18486	24.9	16303	32.6	37789	28.4	46.9	53.1	56.9
2013	24645	66.6	16006	54.6	43651	61.1	43.5	56.5	67.0
2014	32679	120.9	27474	123.5	60153	122.1	45.7	54.3	87.0
2015	40729	175.2	33776	174.8	74505	175.0	45.3	54.6	100.5
Average	26267		21770.2		48037.2				

Source: Report on Trends and Progress of Banking in India, RBI Bulletin, Various Issues

Table 2 indicates the progress made by ATMs of Scheduled Commercial Banks for the period 2011-2015. In average terms Onsite ATMs are more as compared to Offsite ATMs though the number of both has increased in the period of 5 years. In percentage terms also Onsite ATMs are more than Offsite ATMs. The percentage of Onsite ATMs has increased but percentage of Offsite ATMs has marginally declined from 45.7 percent in 2014 to 45.3 percent in 2015. In 2015 number of total ATMs is 74,505 which is 100.5 percent of total branches. Growth rate has remarkably increased in 2015 in case of both Onsite and Offsite ATMs taking the year 2007 as base year. The Economic Survey 2015-16 showed that the number of ATMs grew 24% over the previous year.

Table 3: Bank Group-wise Automated Teller Machines of Scheduled Commercial Banks (As at end March 2015)

Bank Group/ Category	On site ATMs	%of Total	Off site ATMs	% of Total	Total No. of ATMs	% of Total	Onsite ATMs as % of Total ATMs	Offsite ATMs as % of total ATMs
Public Sector Bank	29795	73.15	19692	58.30	49487	66.42	60.2	39.8
Nationalized Banks	15691	38.53	9145	27.08	24836	33.33	63.18	36.8
SBI Group	14104	34.53	10547	31.23	24651	33.09	57.21	42.8
Private Sector Banks	10648	26.14	13003	34.49	23651	31.84	45.02	55.0
Old Private Sector Banks	2641	6.48	1485	4.39	4123	5.54	64.01	36.0
New Private Sector Banks	8007	19.66	11518	34.10	19525	26.21	41.01	59.0
Foreign Banks	286	0.70	1081	3.20	1367	1.83	20.92	79.1
All Banks	40729	100.	33776	100.	74505	100	54.67	45.3

Source: Report on Trends and Progress of Banking in India, RBI Bulletin, Various Issues

Table. 3 indicates Bank Group-wise ATMs of Scheduled Commercial Banks. The highest number of ATMs both Onsite and Offsite is in case of Public sector banks and which is 66.42 percent of total ATMs in the country. In percent terms ATMs in case of Nationalized Banks is 33.33 percent, in case of SBI group is 33.09 percent which is more than that of Private sector banks 31.84. New private sector banks has major share of ATMs 26.21 as compared to Old private sector banks 5.54. Foreign banks have 1,367 ATMs in 2015 which is just 1.83 percent of total ATMs.

3. Transactions through Retail Electronic Payment Systems

The electronic payment systems such as Electronic Clearing Service (ECS) credit and debit and National Electronic Fund Transfer (NEFT) have improved the speed of financial transactions across the country. Electronic Clearing Service (ECS) is one of the new electronic banking services. ECS is a non-paper based movement of funds which is encouraged by the RBI on a wide scale. ECS consists of- Electronic Credit Clearing Service & Electronic Debit Clearing Service. ECS brings down administration cost and ensures profitability and productivity to the banks. National Electronic Fund Transaction (NEFT) is a deferred net settlement system and is an improvement over other modes in terms of security and processing efficiency

Table 4 : Volume of Electronic Transactions of Scheduled Commercial Banks (Volume in Millions)

Year/ Transaction	ECS Credit		ECS Debit		NEFT	
	Volume	GR	Volume	GR	Volume	GR
2010-11	78.3	-	127.1	-	13.3	-
2011-12	88.3	12.77	160.0	25.88	32.1	141.35
2012-13	98.1	25.28	149.3	17.47	66.3	398.5
2013-14	117.3	49.81	156.7	23.28	132.3	894.74
2014-15	121.5	55.17	164.7	29.58	226.1	1600
Average	100.7		151.56		94.02	

Source : Report on Trends and Progress of Banking in India, RBI Bulletin, Various Issues

Table 4 shows the volume of electronic transactions of scheduled commercial banks. In average terms, volume of ECS Debit 151.56 is greater than ECS Credit 100.7. Growth rate in case of ECS Credit has increased where in case of ECS Debit has increased in 2011-12 but again increased in 2014-15. Volume of NEFT has increased and on average it has increased at the rate of 94.02 over the period of 5 years. Growth rate in case of NEFT has increased remarkably.

Table 5: Value of Electronic Transactions of Scheduled Commercial Banks (Value in Rs. Cr)

Year/ Transaction	ECS Credit		ECS Debit		NEFT	
	Volume	GR	Volume	GR	Volume	GR
2010-11	782222	-	48937	-	140326	-
2011-12	97487	-87.54	66976	36.86	251959	79.55
2012-13	120000	-84.65	70000	43.04	410000	192.18
2013-14	180000	-76.99	70000	43.04	940000	569.87
2014-15	180000	-76.99	80000	63.48	1790000	1175.6
Average	271941.8		67182.6		706457	

Source : Report on Trends and Progress of Banking in India, RBI Bulletin, Various Issues

Table 5 shows Value of Electronic Transactions of Scheduled Commercial Banks. The value of ECS Credit is greater than ECS Debit. The Growth rate in case of ECS Credit is higher in 2013-14. NEFT has increased in value terms, in 2014-15 it was 17,90,000 crores. Growth rate in case of NEFT has also increased remarkably as compared to base year 2011.

4. Electronic Clearing Cards

Now-days Electronic Cash is being used in place of hard cash. Electronic Clearing Cards such as debit and credit cards. Debit card allows, anywhere any time accesses to the customers with their savings or current account. The Credit Card holder is empowered to spend wherever, whenever and on whatever he wants, within the limits fixed by his bank. A Credit Card is a post paid card. Debit Card, on the other hand, is a prepaid card with some stored value. Every time a person uses this card, the Internet Banking house gets money transferred to its account from the bank of the buyer. The buyers account is debited with the exact amount of purchases. An individual has to open an account with the issuing bank which gives him a debit card with a Personal Identification Number (PIN). When he makes a purchase, he enters his PIN on the shop's PIN pad. When the card is swiped through the electronic terminal, it dials the acquiring bank system - either Master Card or VISA that validates the PIN and finds out from the issuing bank whether to accept or decline the transactions. The customer can never overspend, because the system rejects any transaction which exceeds the balance in his account.

Table 6 : Bank Group-wise Outstanding Number of Debit Cards Issued by Scheduled Commercial Banks (As at end of March, 2015)

Banks Groups /Year	Number of Debit Cards in Millions						
	2010-11	2011-12	2012-13	2013-14	2014-15	Average	%
Nationalized Bank	19.4	28.29	40.71	58.82	80.27	45.47	31.37
State Bank Group	24.85	36.04	50.99	70.87	90.07	54.56	37.65
Old Private Sector Banks	3.94	5.34	7.09	9.81	12.44	7.72	5.33
New Private Sector Banks	23.25	28.76	34.25	38.04	41.14	33.09	22.83
Foreign Banks	3.70	4.02	4.39	4.43	3.92	4.09	2.82
Total	74.98	102.44	137.43	181.97	227.84	144.93	100
Trend %	100	137	182	243	304	193	

Source: Report on Trends and Progress of Banking in India, RBJ Bulletin, Various Issues

Table 6 shows Bank Group-wise Outstanding Number of Debit Cards Issued by Scheduled Commercial Banks. During 2014-15, the number of debit cards grew at the rate of 25 per cent over the previous year. With the trend observed in case of ATMs, nearly three fourths of the total debit cards were issued by PSBs as at end March 2014. The share of PSBs in outstanding debit cards witnessed an increase during the recent years, while that of new private sector banks and foreign banks witnessed a decline over the same period. Over the five years under study, 204 percent growth rate is witnessed through trend analysis. However, in absolute terms, the number of outstanding debit cards witnessed an increase for new private sector banks during the recent years.

Table 7: Bank Group-wise Outstanding Number of Credit Cards Issued by Scheduled Commercial Banks (As at end March, 2015)

Bank Groups / Year	Number of Credit Cards in Millions						
	2010-11	2011-12	2012-13	2013-14	2014-15	Average	%
Nationalized Bank	0.75	0.72	0.72	0.73	0.78	0.74	3.31
State Bank Group	3.39	3.21	2.72	2.53	2.30	2.83	12.66
Old Private Sector Banks	0.03	0.04	0.06	0.06	0.04	0.05	0.21
New Private Sector Banks	10.65	13.25	12.12	9.44	9.28	10.95	48.98
Foreign Banks	8.31	10.33	9.08	5.57	5.64	7.79	34.84
Total	23.12	27.55	24.70	18.33	18.04	22.35	100.00
Trend %	100	119	107	79	78	97	

Source: Report on Trends and Progress of Banking in India, RBJ Bulletin, Various Issues

The Table 7 shows Bank Group-wise Outstanding Number of Credit Cards Issued by Scheduled Commercial Banks. Despite the decline in the number of outstanding number of credit cards, the volume and value of transactions with credit card recorded a growth of 13 per cent and 22 per cent, respectively in 2014-15. New private sector banks and foreign banks accounted for more than 80 per cent of the total outstanding credit cards as at end March 2015. The trend over the years shows a declining trend to the extent of 22 percent during the years from 2010-11 to 2014-15. At the end of last fiscal, 2014-15, there were a total of 1.76 crore outstanding credit card in the country, which rose further to 1.8 crore by ssMarch 2015.

Challenges in adoption of E-banking

E-banking is facing following challenges in Indian banking industry:

1. The online bankers are always concerned about the hackers and anti-social elements. There have been plenty of cases in which web surfers were accidentally exposed to the financial details of online bankers. So it is not safe and secure all the time.
2. 'Net Banking' breaks the geographical boundaries. Imposing regularity conditions on such transactions will be a difficult task.
3. For availing the benefits of online banking one should have access to the Internet. This reason limits the usage of online banking, as sometimes it's almost impossible to have an Internet connection, to serve the purpose.
4. Sometimes online banking Websites go down. When this happens, there's no backup branch that you can go to - and the phone lines will be clogged.
5. Considering the legal position prevalent, there is an obligation on the part of banks not only to establish the identity but also to make enquiries about integrity and reputation of the prospective customer.
6. Only such banks which are licensed and supervised in India and have a physical presence in India will be permitted to offer Internet banking products to residents of India.

7. The risk of technological changes has to be carefully watched. This is essential to update technologies and remain cost effective and customer friendly. The technologies are generally obtained from outside parties. The banks have to be careful about risks involved in such agreements.
8. In today's world of narrowing margins, a serious look at costs definitely is an imperative. One obviously has to ensure product superiority and operational excellence.
9. Low literacy rate is a serious impediment for the adoption of E-Banking in India as it hinders the accessibility of banking services.
10. Resistance to changes in technology among customers and staff due to: lack of awareness on the benefits of new technologies, fear of risk, lack of trained personnel in key organizations.

Recommendations

1. Consumer education is a process in which regulators and supervisors can assist. The banks must issue tips on Internet banking, offer consumer help lines, and issue warnings about specific entities that may be conducting unauthorized banking operations in the country.
2. Security threats can come from inside or outside the system, so banking regulators and supervisors must ensure that banks have appropriate practices in place to guarantee the confidentiality of data, as well as the integrity of the system and the data. Banks' security practices should be regularly tested and reviewed by outside experts to analyze network vulnerabilities and recovery preparedness.
3. Verifying an individual's identity and address before a customer account is opened and for monitoring online transactions, which requires great vigilance.
4. Capacity planning to address increasing transaction volumes and new technology developments should take account of the budgetary impact of new investments, the ability to attract staff with the necessary expertise, and potential dependence on external service providers.
5. International harmonization of electronic banking regulation must be a top priority. This means intensifying cross-border cooperation between supervisors and coordinating law and regulatory practices internationally and domestically across different regulatory agencies
6. The Govt. of India should launch a campaign to educate public about IT/ Computerization and its implications. This will eradicate any negative attitude or suspicion in public regarding the effect of IT/Computerization and any resistance that may hinder this process.
7. More ATM facilities should be placed at vantage locations within the city to reduce distance and time use in access the facility
8. The Government should make huge investments for building the IT Infrastructure
9. The mobile banking has introduced new channels to reach customers-one that is personal easy to use, secure, location and time independent. The new banking application is load & onto the SN card of the mobile and alters the handset menu.
10. WAP is very important for the viable introduction e-banking. So, steps must be undertaken to introduce, develop and extend the WAP.

Conclusion

The study concludes that more developments in technology are taking place now days. In India, the IT enabled banking services is in a nascent stage. No doubt Indian banks are making sincere efforts for the adoption of advanced technology and installation of e-delivery channels but still customers are wary of the concept. In this competition world, those banks will survive in the future which will manage technology infrastructure. By designing and offering simple, safe an± secure technology, banks reach at doorstep of customer with delight customer satisfaction. The need of the hour is to implement Biometric technology for ATM Card Payments, for more security "Virtual Branches" with minimum infrastructure and use Touch Screen Technology. On the whole these inventions of Innovative Banking Services and Products increases Operational efficiencies and reduce costs, besides giving a platform for offering Value Added Services to the customer thereby fulfilling all the essential prerequisites for Universal Banking.

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Global Journal of Accounting & Management
Vol. 4, No. 2, July-December, 2015
ISSN 0976-9366

Perception of Home Loan Customers : A Comparative Study of Public and Private Sector Companies

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Abstract : *Housing is one of the basic necessities of every human being but it has become chronic problem in developing countries like India. The reasons being owning a house is a necessity and is still a distant dream for millions of people because it involves huge amount of investment. Considering this necessity, various efforts have been made to cater the growing demand of housing finance by various agencies established in public and private sector registered under National Housing Bank. The purpose of this paper is to analyse the perception of 250 customers of selected housing finance companies in public and private sector under study by using a structured questionnaire. The paper aims at studying the perception of customers regarding various parameters with regard to housing loan taken, influencing the decision of customers to select a particular housing finance company and the problems faced by customers in availing housing finance. Primary data so collected was analysed using statistical tools like percentage, mean, standard deviation, chi-square, t-test and z-test.*

Keywords : *Housing, National Housing Bank, Housing Finance Companies, Interest Rate, Tenure of Loan, EMI.*

Introduction

Housing is one of the three necessities of every human being. A good housing is pre-requisite for the social welfare as it provides shelter, security and privacy to the human beings for decent living. House also provides physical framework in which the human, social, cultural resources of the individuals are enriched and integrated. Thus housing sector deserves attention in the context of developing policies and strategies. There exists a wide gap between demand and supply of adequate houses in urban areas as well as in rural areas. The reasons being increase in population, industrialization, nuclearisation, price escalation of the construction material, non-availability of land, refugee influx, etc. In the developing countries like India, owning a house is a necessity and is still a distant dream for millions of people. Considering this necessity, various efforts have been made at national level and international level for providing housing facilities to the people. In 1976, United Nations held its first conference in Vancouver to take action at international level to accommodate the growing population in urban and rural areas. United Nations Organisation declared the year 1987 as "The International Year of Shelter for Homeless" by considering shelter as a basic human right. At national level also various efforts have been made to cater the growing demand of housing finance as it is not possible for every individual to build a house with his own efforts. Various agencies have been established in public and private sector to provide housing finance. National Housing Bank (NHB)

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an apex level institution wholly owned by the Reserve Bank of India, was set up in 1988 to promote, issue directions, provide finance and other support to housing finance institutions. The main players in the housing finance sector i.e. Housing Finance Companies, Scheduled Commercial Banks, Scheduled Cooperative Banks, Regional Rural Banks and State Level Apex Cooperative Housing Finance Societies are established to address various forms of housing deprivation with the growing population pressure and to meet the housing needs of all houseless families.

Literature Review

Shah (1988) outlined the role of HDFC, HUDCO, LIC and Co-operative Societies. He suggested various changes to be made in housing policies such as reduced down payment, long term loans, lowered interest rate etc. He concluded that housing could be made more affordable by taking steps to increase its supply such as removing legislative hindrances that restrict land availability for housing, modifying rent control laws and encouraging innovation in construction techniques.

Miglani (1989) discussed the role of housing in Punjab economy and examined the investment implications to overcome the problem of housing shortage in Punjab. He suggested priority to housing sector in allocation of resources on a large scale, evolving research and development efforts to lower the cost housing construction technology, encouraging HDFC to provide adequate loan facilities for repairing and face-lifting of all such dwelling units.

Bartell (1996) discussed the dominating role of HDFC in Indian housing finance market, three major Government impediments to the growth of housing finance market like Urban Land Ceiling Act, foreclosure laws, property transfer and mortgage recordation fees charged by State Government. He also pinpointed out various issues such as price control, prudential regulations, taxation, management focus and refinance that restricted the growth of private housing finance companies in India.

Kumar (2001) studied the structure of housing finance market and analysed the role of housing finance institutions. He analysed the terms and conditions prevailing in the formal and informal housing finance markets like rate of interest, procedural formalities and collateral security. He concluded that the role of informal housing finance market declined over the period of time and formal housing finance market played a dominant role in supplying the funds to meet the housing finance needs of the dwelling units.

Kohli (2002) traced relaxation of eligibility condition for loan, computerisation of branches, minimising processing fee, loan term and maximising loan limit to improve the operational efficiency. He proposed organisational aspects like training and development, motivation, effective communication to enhance overall improvement in organisational health of housing finance companies.

Babu (2013) identified the housing problem of borrowers of LICHFL and HDFC with regard to rigidity of rules and regulations followed by inadequate sanction of loan, security and surety, delay in processing of loan application. He suggested reduction of period of time required for loan processing and simplification of processing of verification as well as documentation.

Kumar (2015) revealed strong positive correlation between construction, employment and Gross Domestic Product of India. He discussed the role of NHB, growth in the role of financial institutions over the years in housing sector and schemes undertaken by Central and State Government for improving level of housing in India. He suggested Government for increasing fund allocation to housing finance sector, opening more branches of housing finance institutions for quick disbursement of funds and more concentration on low income groups, etc.

Objectives of the Study

1. To study the perception of customers regarding various parameters with regard to housing loan taken from the selected institution.
2. To study the parameters influencing the decision of customers to select a particular housing finance company.
3. To assess the problems faced by customers in availing housing finance and suggest the measures thereof.

Research Methodology

The present study is based on the primary data collected through structured questionnaire. The data was collected from customers of six housing finance companies operating in the state of Punjab and Chandigarh. The selected housing finance companies included LIC Housing Finance Limited, GIC Housing Finance Limited, PNB Housing Finance Limited, HDFC Limited., ICICI Home Finance Company Limited and Dewan Housing Finance Corporation Limited. For the purpose of study 250 customers were studied. Primary data so collected was analysed and statistical tools like percentage, mean, standard deviation, chi-square, t-value and z-value were used.

The study attempts to examine and compare the perceptions of customers of public and private housing finance companies regarding amount of housing loan, tenure of housing loan, sufficiency of loan amount, purpose of availing housing loan, parameters influencing the decision to select a particular housing finance company and the problems faced by them in availing housing finance.

Purpose of Availing Housing Loan

The respondents of public sector and private sector housing finance companies were asked the purpose of availing loan and the information provided by them has been given in Table 1.

Table 1

Purpose of Availing Housing Loan by the Respondents

Purpose	Public Sector		Private Sector		Z-value
	N	%	N	%	
To purchase residential plot for construction	22	17.60	16	12.80	1.06
To construct house	32	25.60	47	37.60	2.04*
To improve the constructed house	9	7.20	21	16.80	2.34*
To extend the constructed house	10	8.00	5	4.00	1.33
To purchase the constructed house	0	0.00	8	6.40	2.88**
To purchase plot and construct house	29	23.20	23	18.40	0.94
To meet personal requirements such as furnishing house, other expenses etc.	0	0.00	1	0.80	1.00
To transfer the outstanding balance of the loan availed from other bank/financial institution	12	9.60	1	0.80	3.13**
To get finance through interim period between the sale of old house and purchase of new house	11	8.80	3	2.40	2.20*

** Significant at 1% level * Significant at 5% level

The table highlights that the purpose of availing loan for construction of house, improvement of the constructed house and purchase of constructed house was significantly higher among private sector respondents as compared to public sector respondents. On the other hand, the purpose of availing loan for transfer of outstanding balance of the loan availed from other bank/financial institution and to get finance through interim period between the sale of old house and purchase of new house was significantly higher among public sector respondents as indicated the Z-value.

Amount of Housing Loan Taken

Table 2 shows distribution of respondents of public sector and private sector housing finance companies according to the amount of housing loan taken. The amount of housing loan varied from individual to individual and depends on purpose of availing finance, requirement, income and repayment capacity of respondents.

Table 2

Distribution of Respondents according to the amount of housing loan taken

Amount of Loan (Rs.)	Public Sector		Private Sector	
	N	%	N	%
5 lakhs but less than 10 lakhs	52	41.60	47	37.60
10 lakhs but less than 15 lakhs	58	46.40	52	41.60
More than 15 lakhs	15	12.00	26	20.80

Chi-square value = 3.53, d.f.=1

88.00 per cent of respondents from public sector and 79.20 per cent of respondents from private sector had taken loan of amount Rs. 5 lakhs but less than Rs. 15 lakhs. 20.80 per cent of respondents from private sector and 12.00 per cent of respondents from public sector had taken loan of amount more than Rs. 15 lakhs. The pattern of taking loan was found similar in both public sector and private sector housing finance companies as indicated by the value of chi-square of 3.53.

Sufficiency of Loan Amount

Table 3 reveals opinion of respondents regarding sufficiency of loan amount availed by them from public sector and private sector housing finance companies.

Table 3

Opinion of Respondents regarding Sufficiency of Loan Amount

Response	Public Sector		Private Sector	
	N	%	N	%
Yes	106	84.80	97	77.60
No	19	15.20	28	22.40

Chi-square value = 2.12, d.f.=1

The highest proportion i.e. 84.80 per cent of respondents from public sector and 77.60 per cent of respondents from private sector reported that the loan amount availed by them was sufficient to fulfill their financial needs whereas 22.40 per cent of respondents from private sector and 15.20 per cent of respondents from public sector respectively reported that their loan amount was insufficient to fulfill their financial needs with regard to housing. Therefore, there was no significant difference between public sector and private sector housing finance companies regarding sufficiency of loan amount and was also confirmed by the value of chi-square of 2.12.

Tenure of Loan

Table 4 indicates the distribution of respondents according to the tenure of housing loan taken by them from public sector and private sector housing finance companies.

Table 4
Distribution of Respondents according to the Tenure of Housing Loan Taken

Tenure of Loan (years)	Public Sector		Private Sector	
	N	%	N	%
Less than 5 years	10	8.00	4	3.20
5 years but less than 10 years	75	60.00	41	32.80
10 years but less than 15 years	32	25.60	43	34.40
15years but less than 20 years	8	6.40	29	23.20
More than 20 years	0	0.00	8	6.40
Average	9.06		12.36	

Chi-square value = 32.61**, d.f.=2, ** Significant at 1 % level

The majority of respondents i.e. 93.60 per cent from public sector and 70.40 per cent from private sector took loan for less than 15 years. Out of which, low proportion of 8.00 per cent of respondents in public sector and 3.20 per cent of respondents in private sector took loan for less than 5 years. 6.40 per cent of respondents in private sector and none of the respondents in public sector took loan for more than 20 years. The pattern of tenure of loan differed significantly between both the sectors as indicated by the chi-square value of 32.61. It can be seen that the average tenure of loan was longer in private sector as compared to that in public sector.

Importance of Various Parameters influencing Decision to Select a Particular Housing Finance Company

The respondents were asked to register their extent of importance of various parameters influencing their decision to select a particular housing finance company in terms of 'most important', 'important', 'neither important nor unimportant', 'less important' and 'unimportant'. These responses were given respective weights in the order of 5, 4, 3, 2 and 1. Then weighted mean scores and per cent score out of 5 were worked out and compared between public sector and private sector with the help of t-test.

Influencing Parameters	Public Sector			Private Sector			t-value
	Mean %	SD	Mean %	Mean	SD	Mean %	
Low interest Rate	4.15	0.49	83.04	4.05	0.61	80.96	1.43
Low processing fees	4.04	0.61	80.80	3.60	0.78	72.00	4.97**
Easy availability of finance	3.98	0.63	79.68	3.96	0.74	79.20	0.23
No requirement of guarantors	3.70	0.80	73.92	3.11	0.73	62.24	6.09**
Lower self finance margin	3.59	0.85	71.84	3.21	0.82	64.16	3.60**
Recommendation by friends/ relatives	3.48	0.79	69.60	3.30	0.83	66.08	1.76
Familiarity with staff members	3.37	0.81	67.36	3.17	0.90	63.36	1.85
Flexible repayment period	3.30	0.83	66.08	3.12	0.88	62.40	1.66
Proximity to place of residence/ employment/business	3.31	0.79	66.24	2.61	0.73	52.16	7.28**
Credibility of housing finance institution	3.42	0.76	68.32	3.42	0.77	68.32	NA
Better after sales service	3.23	0.81	64.64	3.59	0.70	71.84	3.76**
More add-on services	2.58	0.71	51.68	2.90	0.85	57.92	3.23**
Consultancy services along with finance	2.44	0.60	48.80	2.76	0.87	55.20	3.39**

** Significant at 1% level

Table 5 highlights that the low interest rate emerged as the dominant parameter in selecting a housing finance company in both the sectors. The extent of importance was significantly higher on parameters like low processing fees, no requirement of guarantors, lower self finance margin and proximity to the place of residence/employment/business in public sector while extent of importance was significantly higher on parameters like better after sales services, more add-on services and consultancy services along with finance in private sector which influenced the decision of respondents for selecting a particular housing finance company.

Opinion of Respondents Regarding Problems in Availing Housing Finance

The respondents were asked to register their level of problem faced while availing the housing loan from housing finance companies in terms of 'very strongly faced', 'strongly faced', 'less strongly faced', 'moderately faced' and 'never faced'. Their responses were assigned the weights in the respective order of 5, 4, 3, 2 and 1. Then weighted mean scores of problems were calculated and compared with the help of t-test. The results so obtained have been presented in Table 6.

Table 6

Opinion of Respondents Regarding Problems in Availing Housing Finance

Factors	Public Sector			Private Sector			t-value
	Mean	SD	Mean %	Mean	SD	Mean %	
Lack of information about institution	2.72	0.76	54.40	3.16	0.89	63.20	4.20**
Complicated terms and conditions	3.03	0.82	60.64	3.22	0.88	64.48	1.77
Difficulty in communicating with officials	3.04	0.83	60.80	3.60	0.75	72.00	5.60**
Non-availability of concerned officials	3.13	0.80	62.56	3.61	0.75	72.16	4.89**
Longer distance of institution from residence	3.15	0.78	63.04	3.20	0.81	64.03	0.50
Corruption among officials	2.86	0.74	57.12	3.38	0.78	67.68	5.41**
Lack of knowledge to calculate EMI	2.68	0.73	53.60	3.20	0.90	64.00	5.02**

** Significant at 1%

The extent of problems like lack of information about institution, difficulty in communicating with officials, non-availability of concerned officials, corruption among officials and lack of knowledge to calculate EMI were significantly higher in private sector as compared to that among public sector. The extent of other problems was similar in both the sectors as indicated by the Z-values. The analysis revealed that the problems in private sector housing finance companies were at higher level as compared to that in public sector housing finance companies.

Findings and Conclusion

1. The study that the respondents preferred private sector for availing loan for construction of house, improvement of the constructed house and purchase of constructed house. The respondents preferred public sector for availing loan for transfer of outstanding balance of the loan availed from other bank/financial institution and to get finance through interim period between the sale of old house and purchase of new house as indicated the Z-value.
2. The pattern of taking housing loan amount by respondents of selected public sector and private sector housing finance companies was similar as indicated by value of chi-square.
3. The highest proportion of respondents from public sector and private sector reported that the loan amount availed by them was sufficient to fulfil their financial needs.
4. The average tenure of loan was found longer in private sector as compared to that in public sector housing finance companies.
5. The low interest rate emerged as the dominant parameter which influenced the decision of respondents to select a particular housing finance company in both the sectors.
6. The respondents of public sector extended importance on parameters like low processing fee, no requirement of guarantors, lower self margin and proximity to place of residence/employment/business to select a particular housing finance

company. The extent of importance on parameters like better after sales services, more add-on services and consultancy services along with finance was higher in private sector respondents to select a particular housing finance company.

7. The extent of problems like lack of information about institution, difficulty in communicating with officials, non-availability of concerned officials, corruption among officials and lack of knowledge to calculate EMI were significantly higher in private sector as compared to that among public sector as indicated by the Z-values.

Suggestions

1. The housing finance institutions should device new schemes with more options for housing for poor, low salary earners and self-employed to lend them at affordable rates and to reduce the dependency on money lenders.
2. All information regarding housing finance schemes should be available on the websites of the housing finance institutions in an interactive mode.
3. The difficulty in communication with officials should be simplified and institution should check the problem of non-availability of concerned officials as the success of the housing finance institution depends on cooperation of the staff, availability and sincerity of concerned officials.
4. HFCs should educate customers regarding clear and correct calculation of equated monthly installment. Any confusion in the mind of customers regarding it should be avoided by educating them properly.
5. Processing and other fees charged by the institutions should be minimized and number of formalities to be fulfilled for availing the loan should also be minimized.
6. Better after sales service and high credibility of housing finance institutions play a vital role in influencing the decision of customer to select the housing finance institution for availing housing finance. The public sector companies should take more initiatives as they lagged behind in this respect.

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Global Journal of Accounting & Management
Vol. 4, No. 2, July-December, 2015
ISSN 0976-9366

Importance of Human Values in Education

Dr. G. Renuka *

Abstract : *The hour of need is reform in present education system. education without human values is not worthy and is always dangerous to the society as well. Its duty of every individual to bring education in right tract. Role of parents, teachers, government, Society etc. the objectives of the paper is to highlight the importance of human values in education, role of educational institutions, qualities a students should follow, purpose of education and to understand the consequences of decline in values in present system of education. Value education builds character which is beneficial for growth of both the individual youth and the society in general. It influences our decision making in life and helps us grow by building healthy relationships in society. Spiritual education is way to impart values in the educational system.*

Key Words : Education, values, spirituality, society

Introduction

Value Education provides motivation and guidance to our youngsters. It builds
character which is beneficial for growth of both the individual and the society in general.
The prosperity of a country depends on its men of enlightenment and character. At
present, education is merely job oriented. It may secure you a job but it can not guide
you to lead your life. Education must teach a person what life is and what is its goal. It
must purify the heart and clarify the vision. It must promote virtues to raise the moral,
spiritual and social standards of the educated. When a man travels abroad, education
stands by him like a kinsman. Education is adored by rulers, not wealth. One without
education is an animal. Degrees alone do not signify education. Education that is confined
to the physical sciences is a travesty of true education. Together with knowledge of the
natural sciences, one has to acquire humility, discipline and a good character. Everyone
should recognise this sacred character of education. The student of today is concerned
with acquiring wealth, strength and position, but not good qualities. Education is meant
to enable one to acquire what are good qualities. Every student should take note of this.
Education is not intended merely to stuff the brain with information. It has to transform
the heart and make it pure. This sacred truth has been forgotten.

Educational Institutions Should Be Sacred

Formidable problems have cropped up in educational institutions today. Educational
institutions, which should serve to promote wholesome and progressive tendencies among
the citizens, are going in the wrong way. The discipline that should prevail in them has
deteriorated.

The sacred feelings that should inspire educational establishments have disappeared.
Reverence and respect are not to be seen. Money has been elevated to the primary
place. This means that in institutions in which Saraswathi, the Goddess of Knowledge,
should reign supreme, Lakshmi, the Goddess of Wealth, has been installed. Knowledge

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that should be acquired by the heart is being garnered by money. This is a great threat to society. It is only when a student is filled with sacred thoughts that he will be able to serve society properly and make himself a better human being. The country will prosper only when those occupying the seats of power understand these problems properly. The implications of the five values of Sathya, Dharma, Shanti, Prema and Ahimsa. These five terms are like the five life-breaths for a man. Not only that, they are also the Panchabhutas (five basic elements). Without these values, humanness will be destroyed. All other accomplishments are worthless without these values. For the mansion of Sanathana Dharma, these values are the walls supporting the edifice.

Nine Gem-Like Qualities to Be Cultivated

The student today has to cultivate in this Kali Age nine gem-like qualities - the spirit of sacrifice, humility, the spirit of selfless service to society, friendliness, discipline, adherence to truth, non-violence and faith in God. The boys and girls who have these qualities alone will be the nation's treasure of virtue and ensure its future. Dear Students! Without these sacred qualities, all education is valueless. Does literacy or degree constitute education? Without wisdom and virtue can one be termed an educated person? True education is that which fosters the sense of oneness, draws out one's divine qualities and promotes the blossoming of human personality. The eternal verities are being given the go-by. Man is getting alienated from Nature. Good practices are giving place to bad habits. Man should be prepared to make any amount of effort in the pursuit of knowledge. Education today is concerned with worldly comforts, but it should seek to promote, in addition to worldly knowledge, concern for spiritual development. Education has two important characteristics. One is exposition of facts relating to any subject. The other is the enfoldment of the individual's personality. The first is concerned with matter. The second is with matter. The second is with energy. Education is a combination of the two. It is a combination of worldly and spiritual knowledge. Education cannot be confined to stuffing the head. It has to melt the heart, refine it and turn it Godwards. It is not enough to make a man of the student. He has to be transformed into an ideal human being. He must be made compassionate. Every effort should be made to utilise education for the purpose of divinising man. energy. Education is a combination of the two. It is a combination of worldly and spiritual knowledge. Education cannot be confined to stuffing the head. It has to melt the heart, refine it and turn it Godwards. It is not enough to make a man of the student. He has to be transformed into an ideal human being. He must be made compassionate. Every effort should be made to utilise education for the purpose of divinising man.

Students today lack the capacity to discriminate between right and wrong. The authorities feel that education is progressing in the country. There are more educational institutions and more students seem to be receiving education. But no one seems to bother whether they are really getting educated at all. Mere increase in the number of educational institutions is not enough. We must look at the quality of education. Standards have to be raised. There are many reasons for deterioration in educational standards. Only when education is treated as an autonomous and independent undertaking can the problem of standards be properly dealt with. Educational policies are changed with every change in the Education Ministry at the Centre or in the States. Frequent changes in educational policy are responsible for the fall in educational standards. Changes in the Ministry or the personnel at the top should not affect the core of education. It is essential to separate education and place it under the control of experienced and dedicated educationists. Without this basic change, whatever may be done to increase educational institutions is a waste of money.

There is something wrong with our system of examinations and promotions. An examinee is "passed" if he gets 30 percent marks in a subject. This is improper. If a man is entrusted with a hundred tasks and if he fails in 70 of them, is he to be recognized as having performed well? A few mistakes may be excused, but if one commits 70 mistakes does he deserve to be passed? This is wrong. Even with regard to the 30 percent pass marks there appear to be a lot of manipulation. All kinds of "grace marks" are given. Why, then, should the student study at all? It is because of such practices that educational institutions have lost all credibility. What can you make of students who "pass" in this manner? What kind of national leaders will they be? Hence it is essential to reform the examination system and raise educational standards and performance.

Education Is for Life, Not Merely for Living

In the sphere of education many revolutionary changes are needed. Since the attainment of freedom 50 years ago, many committees have been set up by the government to go into the problem of educational reform. These committees have recommended many reforms. There has been no implementation of these reforms. Even now, no one is trying to restore the ancient ideals of education. As a result, the country is riddled with violence and disorder. Educational institutions have become centres of disorder. Vidya means acquisition of knowledge. In the English language this is called "Education." The term education is derived from the Latin term 'educare,' which means "drawing out." The idea is to draw out what is latent. Acquisition of knowledge is a worldly aspect. But what has to be discerned is the divine feeling present in the human heart. One refers to living and the other to life itself. In addition to earning a living one has to understand the purpose of life. Both these aspects are as essential as the two eyes for a person. Today there is too much concentration how to earn a living? Even here, there is a steady decline in moral standards. No one makes a serious attempt to realise the divinity in man. No attempt is made to understand one's true nature. That is the real purpose of life.

True education means trying to manifest the inner divinity in man. How is this manifestation to be brought about? Education is that which illumines the physical, the mental and the social environment of man. It is not confined to one specific sphere. Education should illumine every aspect of life - the economic, the political, the moral, the spiritual and other spheres of life. Students consider book knowledge as education. This gives them only superficial knowledge. They need practical knowledge. This knowledge should enable them to lead righteous lives. on one aspect - how to earn a living? Even here, there is a steady decline in moral standards. No one makes a serious attempt to realise the divinity in man. No attempt is made to understand one's true nature. That is the real purpose of life. True education means trying to manifest the inner divinity in man. How is this manifestation to be brought about?

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Absence of Human Values Leads to Decline in Spirituality

Science and technology has improved by leaps and bounds over the past 200 years, yet no sanctity has been attached to it. This has stimulated development in human civilisation, but not within man. The absence of human values will lead to a decline in spirituality. Develop the strong faith that the body has been gifted to uphold human values. Since ancient times, Bharatiyas (Indians) stood for peace, forbearance, and forgiveness. A study of the history of Bharat will reveal the fact that many invaded Bharat and plundered its wealth, but never has Bharat invaded any foreign land on its own. Bharatiyas have considered divinity and purity as their two eyes. In such a sacred land, justice and righteousness have been consigned to flames, resulting in trials and tribulations, turmoil and unrest on a large scale. Education does not mean mere bookish knowledge. Acquired knowledge should be put into practice and shared with the rest of the community. Does the ability to read and write make one educated? Does securing college degrees make one educated? If education is for a living, are not birds and beasts living? There are millions of educated men and women all over the world, but what is the benefit accruing to their respective nations? None. They are utilising their education for selfishness and self-interest alone.

Conclusion

Now the Government has realized the importance of value based education and taken few steps of introducing human values ethics and culture as a part in curriculum but practicality should be imparted so that parents, teachers will guide the students in acquiring values and imbibe in their lifes. If efforts are made the transformation in the society is assured.

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Global Journal of Accounting & Management
Vol. 4, No. 2, July December, 2015
ISSN 0976-9366

Gender Pay Gap: A Myth or a Reality?

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Abstract : *Gone are the days when employers used to worry about acquiring the best talent for their organization. Now a days, their major concern is the retention of the efficient, talented and effective workforce. As per the ongoing scenario, both the employers and the employees are showing a positive attitude towards providing the flexible work arrangements to their employees which have been instrumental in balancing their work and personal life. Access to such arrangements gives employees more control over their working and personal life and thereby also improves the balance between the paid work and the unpaid work. Flexible work arrangements appeal not only to female employees with family responsibilities but generally to all the employees. Usually, women avail flexible work arrangements for fulfilling their domestic commitments along with their work and men usually take up such arrangements in order to make advancements in their careers. But there is always an attached cost with the benefit. On one side, it tries to restore the work life balance but on the other side it widens the pay gap. Therefore, because of this difference, there is a clear impact on the earnings of women availing such benefits which are not equivalent to men who do so. So, this paper is an attempt to further see the extent of flexible work arrangements on gender pay gap A survey is conducted on IT professionals of an IT company in Gurgaon to determine the various patterns of flexible work arrangements availed by both the genders and its linkage with the gender pay gap.*

Key Words : Spirituality in the Workplace, Values/Virtues, Ethical Behaviour.

1. Introduction

The Information Technology (IT) sector is fast developing these days. During the past years, it has witnessed major evolutions characterized by a series of consecutive developments like cloud computing, virtualization, telework, business intelligence applications and many more. This sector has been one of the key driving forces of consecutive developments in other sectors as well and is also fuelling India's economic growth.

With liberalization, privatization and globalization, Indian IT sector has been revolutionized. With a total revenue of about $ 108 billion in 2013, (Source: Nasscom) Indian IT sector is one of the strongest industries worldwide and has grown more than 30% in last 20 years. To deliver the quality services, this sector needs diverse, skilled and motivated workforce. For this, this sector is offering a lot to retain its employees; interesting and challenging work opportunities, professional development and career mobility. However, these benefits are not sufficient to be a competitive employer. For this, employers are adopting more innovative and flexible ways of working in order to meet the business

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objectives, to maintain productivity and to attract and retain skilled staff. As far as employees are concerned, they need greater flexibility to balance career, education and life roles and to extend their work life. Rapid advances in the application of new technology and telecommunications have helped employers to structure work arrangements more flexibly. Also with more women joining the IT sector, this industry is making drastic changes in its work patterns to make the absorption of women more easily.

1.1 Flexible work arrangements

All over the world, there is a shift from jobs organized on a relative permanent and full time basis towards flexible and part time employment. The trend towards flexible work arrangements (FWA) is the result of an individualizing work force and the need of employees to combine paid work with other (unpaid) activities. This leads to a growing demand for employee-centered working time arrangements. With that, the workplaces are not confined to the physical area, even at home; employees are always busy with their work related responsibilities. So, the achievement of an effective balance by men and women between the demands of the workplace and of the household is of crucial importance. That's why flexible work arrangements are no longer a trend but a need for the employees. Four-fifth of the companies in India like Deloitte, Infosys, Airtel, Converges are now offering their staff flexible working hours and a majority of these companies are finding that it is bringing them major benefits such as reduced overhead expenses, increased employee retention, reduced employee loyalty etc. As for the employees, career as well as the life effectiveness increases when such arrangements such as flexi time, flexi place, compressed work weeks and job shares are implemented. Gone are the days when employees used to avail arrangements for fulfilling their responsibilities towards family or home. Even the meaning of flexi arrangements for people has been changed. In order to accommodate.

Their education with working or for making advancement in their careers, they avail such arrangements. And for the employer, the recruitment and retention of the skilled and talentedworkforce with valuable skills is possible and an important contributor to the optimal participation of diverse groups in the workforce such as older workers, moonlighters, employees with disabilities and those with family and caring responsibilities

1.2 Flexible work arrangements and Gender pay gap

With the adoption of flexible work arrangements, no doubt that the employees feel that they have been able to maintain work life balance. But the other side of this aspect says something else. In most of the IT sector organizations in India, the ratio of male to female employees is quite low. Even if the organizations are providing flexibility to their employees in their working, this ratio is not significantly increasing. Usually, women avail flexible work arrangements for fulfilling their caring commitments along with their work and men usually take up such arrangements in order to make advancements in their careers. Therefore, because of this difference, there is a clear impact on the earnings of women availing such benefits which is not equivalent to men who do so. This way, flexible work arrangements are affecting the gender pay gap. This research is about identifying the gaps between the pay packet of both the genders who are availing flexible work arrangements

2. REVIEW OF LITERATURE

Wood, Corcoran and Courant (1993) in their study investigated the male female earnings gap in lawyers' salaries, also considering the different impact of children and work history on men's and women's careers and earnings. The survey was conducted on 268 women and 1490 men and the findings showed the existence of pay differentials in men and women.

Whittock, Edwards, Mclaren and Robinson (2002) in their study investigated the impact of choosing part time employment on the career paths of the both genders in the nursing profession. For this, the survey was conducted on qualified nurses on the basis of expertise, specialty, clinical grading, hours of work, gender and age. The study highlighted that male nurses both full and part time, despite being their minority status (in qualification) are more likely to grow in their career as compared to the other gender.

Rogier and Padgett (2004) in their study examined whether a woman working a flexible schedule would be perceived as having less career advancement potential than a women on a regular schedule. The findings of the study showed that participants perceived the female employee on the flexible schedule as having less job career dedication and less advancement motivation.

Smithson, Lewis, Cooper and Dyer (2004) conducted a study on 50 chartered accountants in Britain providing details on their working patterns, flexibility policies and practices and experiences of flexible working to know the relationship between flexible work arrangements and gender pay gap. The findings show that the flexible work arrangements had a direct impact on the current and future salary of women taking up such arrangements as compared to their male counterparts who did so.

Weeden (2005) in his study outlines the possible sources of an association between flexible work and wages. The data was collected from the 2000 and 2001 current population surveys (CPS) in U.S. The results indicated that flexible work employees earn wages that are at least equal to and often higher than the fixed schedule, thus it contradicted the notion of flexi glass ceiling in wages and it also suggested that flexible work arrangements did little to reduce the gender gap in pay.

Vijaya J. (2012)conducted a study on 100 employees from information technology sector in Bangalore to explore the opportunity of implementing flexible working in an IT organization and analyzing various ways in which flexibility can be provided without affecting the work. The findings show that the inflexible work culture of the company affects performance of the employees. Their working policies are rigid and thus they have to work under a lot of pressure and stress. This lowers performance levels and in turn will affect the company in the long run.

Ganadek, Kaduk, Kelly and Moen(2014) in their study have identified the relationship between flexible work practices and potential career penalties. For this, the survey was conducted on 925 employees of an IT division of a U.S. Fortune 500 organization which shows that women with children have been found to have different career penalties than women without children.

3. RATIONALE OF THE STUDY

Equality of both men and women is vital for the success of the workplace. With the passage of time, women are becoming more conscious of their career advancement prospects and thus adopting flexible work arrangements in order to combine working with their caring commitments. Rather than giving up their career aspirations, they are choosing to tread the middle path, choosing both work as well as personal life. So, they willfully adopt flexible work arrangements. But on one side such practices encourage women to continue working even after attaining the motherhood, or while fulfilling their roles as carers whereas on the other side, women have to bear the cost of it. There are different reasons for males and females opting for flexi work arrangements as stated before. Previous researches have established that at times flexi arrangements lead to gender pay gap. This study is an attempt to identify whether there is an impact of flexible work practices on the pay packets of both the genders in the current IT scenario.

4. OBJECTIVE OF THE STUDY

1. To identify the existing patterns of flexible work arrangements on gender basis.
2. To identify the presence of gender gap in pay.
3. To identify the link between flexible work arrangements and gender pay gap.

5. RESEARCH METHODOLOGY

5.1 Research Design

This study was based on a descriptive research design and involved structured questionnaire as a tool for research by taking the response of the employees working in an IT company in Gurgaon. In order to fulfill the objectives of the study, the data was collected from the primary source, which was collected by means of questionnaire. The respondents were contacted through the electronic media.

5.2 Sampling Design

There were 250 Junior Associates/Senior Associates (JAs/SAs) in the IT department of the organization. Out of them, 196 were availing flexible work arrangements. The number of JAs/SAs, availing flexible work arrangements is 131 and 67. The sample was derived from 50% of JAs/SAs, who are availing such arrangements. For the purpose of the study, the sample size of 100 employees working at junior/senior level of an IT company in Gurgaon was taken using stratified proportionate sampling technique. Out of them, 52 were males and 48 were females. The data was collected through structured questionnaires which were mailed to the employees. The questionnaire was based on 5 point Likert scale.

5.3 Data Analysis

For the achievement ofthe first objective, i.e. in order to understand the various patterns of flexible work arrangements existing for both the genders, information was gathered from the questionnaire and it was concluded that men avail more flexible work arrangements as compared to women. 53% of the total respondents feel that males take more benefit of that.

The results from the study show that out of the available flexible work options which include flexible timings, shift work, compressed hours, career breaks, home working, time in lieu; women take up flexible timings, compressed hours the most as compared to men, who take up shift work and flexible timings the most. Only female respondents have admitted that they have taken up the option of career breaks.

Table 1

FWA availed by Males			
FWA options	Responses		Percent of Cases
	Number	Percent	
Flexible time	9	16.4%	17.3%
Shift work	37	67.3%	71.2%
Compressed hours	1	1.8%	1.9%
Home working	8	14.5%	15.4%
Total	55	100.0%	105.8%

Table 1 shows that 71% of the total male employees avail shift work the most, then comes the flexible timings and home working which is taken up by 17% and 15% of the male respondents.

Table 2

FWA availed by Females			
	Responses		
	Number	Percent	Percent of Cases
Flexible time	41	50.0%	85.4%
Shift work	5	6.1%	10.4%
Compressed hours	30	36.6%	62.5%
Home working	4	4.9%	8.3%
Career breaks	2	2.4%	4.2%
Total	82	100.0%	170.8%

It can be concluded from table 2 that 85% of the female respondents avail the option of flexible timings, after that second most availed flexible work arrangement for them is compressed hours which is taken up by 62% of the female respondents. The study tells us that the reasons for availing such benefits by both the genders are completely different.

Table 3

Reasons for availing FWA by Males			
	Responses		
	Number	Percent	Percent of Cases
Career growth	63	30.6%	63.0%
Convenience	86	41.7%	86.0%
Family	55	26.7%	55.0%
Other	2	1.0%	2.0%
Total	206	100.0%	206.0%

Table 3 shows that 86% of the male respondents avail these flexible work arrangements for their convenience and 63% of them make use of such arrangements for advancing in their career. Though 55% of the total male respondents have been taking up such benefits for their family too, which was earlier the major reason for females only for making use of such benefits.

Table 4

Reasons for availing FWA by Females			
Reasons	Responses		Percent of Cases
	Number	Percent	
Career Growth	38	18.8%	38.0%
Maternity Needs	51	25.2%	51.0%
Family Responsibilities	86	42.6%	86.0%
Work Life Needs	18	8.9%	18.0%
Other Reasons	9	4.5%	9.0%
Total	202	100.0%	202.0%

From the Table 4, it can be concluded that 86% of the women take up such benefits for fulfilling their family responsibilities and 51% avail for maternity needs.

Apart from this, JAs are availing more of shift work and flexible work arrangements while SAs are provided more options in this regard. Though both the genders working at same level doing the same work are earning equally but the issue of concern is that as the level of hierarchy goes up, the number of women working goes on declining which further results in low average monthly earnings. The present study shows that 42 out of total female respondents are married. Out of the total female respondents, only 9 married females and 2 unmarried females are working as Senior Associates; whereas; out of total male respondents, 28 are married and 18 married male employees and 4 unmarried employees are working as Senior Associates.

The identification of gender pay gap is calculated by taking into account the percentage ratios of average monthly earnings of both the genders. For calculating the gender pay gap, the following formula was applied which has been used by majority of the researchers in their study.

Gender pay gap=100% - women's average monthly earnings 100

men's average monthly earnings

Through this method gender pay gap is calculated as 11% which implies that females respondents working as Senior Associates and Junior Associates in the company earn 11% less on an average as compared to their male counterparts. The average monthly earnings of the male respondents have come out to be ?26,538 whereas the average monthly earnings of the female respondents are ?23,542. The linkage of flexible work arrangements and gender pay gap is analyzed by framing the following Null Hypothesis:

1. H_{01}: There is no association between gender and flexible work arrangements hindering career growth.

Table 5

Gender and Flexible Work Arrangements hindering Career Growth

Gender	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Males	10	9	9	24	0	52
Females	2	11	0	35	0	48
Total	12	20	9	59	0	100

χ^2= 19.3 (for d.f=4,χ^2=9.48 at 95% confidence level i.e. at 0.05)

Table 5 shows the association between gender and flexible work arrangements hindering the career growth of employees. The calculated value of χ^2 is 19.3, whereas the critical tabulated value ofχ^2 is 9.48, as the calculated value is higher than the tabulated value, so the null hypothesis stands rejected. Therefore, there exists an association between gender and flexible work arrangements hindering their career growth.

2. H_{02}: There is no association between gender and flexible work arrangements affecting employees' pay packet.

Table 6

Gender and Flexible Work Arrangements affecting Employees' Pay Packet.

Gender	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Males	10	17	14	10	1	52
Females	1	3	1	43	0	48
Total	11	20	15	53	1	100

χ^2=116.43 (for d.f=4,χ^2==9.48 at 95% confidence level i.e. at 0.05)

Table 6 shows the association between gender and flexible work arrangements affecting pay packet of the employees. The calculated value of χ^2 is 116.43 where as the critical tabulatedχ^2 value is 9.48, which implies that the calculated value does not fall in the region of tabulated value, therefore, null hypothesis stands rejected, with that there exists an association between gender and flexible work arrangements affecting employees pay packet. Cooper and Dyer (2004) in their study also found that the flexible work arrangements had a direct impact on the current and future salary of women taking up such arrangements as compared to their male counterparts who did so. Out of the total targeted population, only 6 females are earning more than ? 35000 and above as their monthly income as compared to the 13 males earning in this slab. In the slab of ?15001-?25000 monthly income, 37 females out of 48 are falling and out of 52 males, 32 males are falling in this slab and in the slab of ?25001-?35000 monthly income, 5 females and 7 males are falling.

6. MAJOR FINDINGS

This study shows that the employees of the IT Company are of the opinion that the flexible work arrangement affects the pay divide in both the genders and restricting their career growth also. Many of the respondents believe that females are more focused as compared to the male employees, which further signifies that females have still been successful in shedding off their image as "carers" only.

The limitation of the study is that it was restricted to the sample of 100 employees, and the sample does not fully represent the entire workforce of the company. The present study identifies the gender pay gap in only JAs/SAs engineers. There are other level of employees which include ATL/TL, who are availing more flexible work options. The future study should include other such employees of the organization also. Future study can also include the comparison of two organizations regarding the flexible work arrangements affecting the pay gap. This way, the study can be extended to other organizations also.

7. CONCLUSION

For the retention of skilled and trained employees, flexible work arrangements are in growing trend these days. As women are becoming more and more conscious of their career advancement and growth, they are putting on their best efforts in order to balance their personal and work life. But somewhere they work and effort is not justified when it comes to their earnings part. So this study was conducted in order to identify if the flexible work arrangements are affecting the gender pay gap. It can be concluded from this study that there is a pay divide between both the genders with the taking up of flexi work arrangements.

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Global Journal of Accounting & Management
Vol. 4, No. 2, July-December, 2015
ISSN 0976-9366

An Analysis of Recommendations of the Fourteenth Finance Commission

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Abstract : *The aim of this paper is to analyze the recommendations given by the Fourteenth Finance Commission of India for its award period 2015-2020 in favour of State Governments and Local Bodies. The Fourteenth Finance Commission recognized the importance of taking a comprehensive view of federal fiscal relations. The results of the paper disclose that in view of the Commission, the tax devolution should be the primary source of transfer of resources to the States. The Commission has abstained from recommending various types of grants to the States. It has suggested that a separate institutional arrangement be introduced for the purpose.*

Key Words : *Government, Commission, Finance, Local Bodies, States.*

INTRODUCTION

The Constitution of India has been recognized that the Finance Commission can be used as an effective instrument to bring about equalization of revenues and levels of essential public services among States. The Government of India is required to set up a Finance Commission at least once in every five years under Article 280 of the Constitution of India. The role of the Finance Commission is also to review the fiscal imbalances in the States and to recommend the transfer of resources in proper manner to correct this problem. The Finance Commission determines (under Articles 269 to 275) the quantum of States share from shareable pool of Central Government and also determines the principle that should govern the distribution of such share amongst the States.

The Fourteenth Finance Commission was constituted by the President under Article 280 of the Constitution on 2 January 2013 under the Chairmanship of Dr. Y. V. Reddy to make recommendations on the basis of terms of reference for the period 2015-20. The Commission recognized the importance of taking a comprehensive view of federal fiscal relations. So the Commission has given priority in its work to the views and expectations of the Union, States and Local Bodies on the relevant terms of reference and also took into account the recommendations of the previous Finance Commissions as well. In making its recommendations, the Commission has regarded the resources of the Central Government and State Governments for five years commencing on 1 April 2015 and also considered the levels of taxation and non-tax revenues likely to be reached during 2014-15. The Chief Economic Advisor Arvind Subramanian said that the recommendations of Fourteenth Finance Commission can be treated as a watershed in the history of Indian federalism and these would give more fiscal autonomy to States to decide on what to spend and ultimately benefit the common man. The Commission believed that we have to take a comprehensive view on the total transfers from the Union to the States; the total transfers consist of devolution of tax, Non-Plan grants, Plan grants and grants for various CSS including those which were directly transferred to

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the implementing agencies by passing the State budget until 2013-14.The report of the Commission shows that the total transfers to States as percentage of gross revenues of the Union Government constituted around 52 per cent during the period from 2009-10 to 2014-15 (BE). The Commission recognized that the amounts equivalent to more than 60 per cent of the divisible pool goes to the States in various forms of transfers and keeping in mind the responsibilities of the Union Government's expenditure, there was little scope to increase the share of total transfers.

LITERATURE REVIEW

George and Gulati (1985) in their paper evaluated the Centre-State Resource Transfers during 1951-84. The study showed that the Centre had been transferring to the States only around one-third of its total receipts, these transfers had been a source of important support to the States during the study period. Janjua (1995) studied the organization and working of the Finance Commission and Centre-State financial relations in India. He evaluated the recommendations given by the first Finance Commission to the tenth Finance Commission. The study highlighted that the Commissions try to give more financial resources to the States on the basis of objective criteria while ensuring the financial stability of the Union Government and the Commissions also emphasized the need on the part of the States to tape their own financial resources. Oommen (2005) examined the role of Twelfth Finance Commission (TFC) in strengthening the position of Local Bodies. The study found that as compared to the Eleventh Finance Commission, the Twelfth Finance Commission had recommended a very generous grant-in-aid of Rs 25,000 crore, with a break-up of Rs 20,000 crore (80 per cent) for Panchayati Raj Institutions and Rs 5,000 crore (20 per cent) for Urban Local Bodies for the period 2005-10. The study concluded the Local bodies especially the Panchayati Raj Institutions (PRIs) should be made a viable part of the Indian federal polity. Agrawal (2013) reviewed the relation of Centre-State finances. He highlighted that States get around 48 per cent of total tax revenues of Centre, out of 48 per cent, around 32 per cent comes from Finance Commission recommendations and around 15 per cent comes from Planning Commission recommendations and other additional grants forming the remaining 1 per cent during 2010-11 to 2012-13. He suggested that India should increasingly move towards decentralization of powers and give States (and within States local bodies) a larger autonomy on overall political and financial matters.

OBJECTIVES

The objectives of the present study are given below:

- To analyze the recommendations given by the Fourteenth Finance Commission of India in favour of State Governments.
- To study the contribution of Fourteenth Finance Commission in improving the financial position of Local Bodies in India.

RESEARCH METHODOLOGY

The data for the award period (2015-16 to 2019-20) of Fourteenth Finance Commission has been collected from secondary sources. The data has been collected from the books, journals and report of the Fourteenth Finance Commission. The data has also been collected from the web sites.

ANALYSIS OF RECOMMENDATIONS

The role of Fourteenth Finance Commission can be studied on the basis of recommendations given by it, regarding the transfer of resources to States which are very helpful to improve the financial position of the States. The recommendations of Fourteenth Finance Commission for States are given below:

1. Sharing of Union Taxes

The terms of reference (ToR) under the Article 280 (3) (a) of the Constitution mandated the 14th Finance Commission to make recommendations regarding "the distribution between the Union and the States of the net proceeds of taxes, as well as the division between the States of the respective shares of such proceeds". In the view of Commission that the tax devolution should be the primary source of transfer of resources to States since it is formula based. The Commission observes that the relative share of tax devolution in total transfers to States remained at 46.8 per cent during 2009-10 to 2014-15 (BE).The Commission feels that there is desirable to compositional shift from grants to tax devolution in transfers for two reasons i.e. First, it does not increase an additional fiscal burden on the Union Government and Second, an increase in devolution of tax would increase the share of unconditional transfers to the States. The 14th Finance Commission by considering all the relevant factors has recommended raising share of States in Central taxes to 42 percent from 32 per cent recommended by Thirteenth Finance Commission. The report of the Commission said that the higher devolution of taxes will allow greater autonomy in financing and designing of schemes according to needs of the States. The main aim of Finance Commissions has been to correct the imbalance in revenue raising capacity and expenditure needs while determining the inter-se share of the States. The previous Finance Commissions have generally followed the principles of equity and efficiency to achieve these goals. The Commission has assigned the following criteria and relative weights for inter se distribution of share of States in shareable Central taxes for 2015-16 to 2019-20.

Table 1.1
Basis for Sharing of Central Taxes

Sr. No.	Criteria	Relative Weights (Per cent)
1	Population	17.5
2	Area	15
3	Demographic Change	10
4	Income Distance	50
5	Forest Cover	7.5

Source: Report of Fourteenth Finance Commission.

The table 1.1 represents that Income distance has been the principal determinant with the weight of 50 percent for determining the inter se share of States in Central tax devolution. This Commission recommended 17.5 percent weight to population, 15 per cent weight to area, 10 per cent to demographic change and 7.5 percent to forest cover for deciding the share of States in Central taxes.

The Commission recommended the highest share of 17.959 percent to Uttar Pradesh and least share (0.367 percent) was recommended to Sikkim in the net proceeds of all shareable Union taxes except the service tax, in each of the financial years from 2015-16 to 2019-20. The share of Punjab in all shareable taxes excluding service tax was 1.577 percent as recommended by Fourteenth Finance Commission which was increased from 1.389 per cent under Thirteenth Finance Commission

2. Grants-in-aid to States

The Commission observed that the previous Finance Commissions recommended grants-in-aid for five purposes like revenue deficit, local bodies, disaster relief, sector-specific schemes and State-specific schemes. On the basis of past experiences, the Commission observed that the mechanism of Finance Commission grants may not be appropriate to improve the fiscal relations between Union and States. The commission adopted the principle in its approach that the grants-in-aid for State-specific projects or schemes will not be considered because these are best identified, prioritized and financed by the respective States. The Commission considered that education, health, drinking water and sanitation as public services of national importance, having significant inter-state externalities. In the view of Commission, the grants to these sectors should be carefully designed and implemented. So, there should be an effective monitoring mechanism put in place with the involvement of the Union Government, State Governments and domain expertise. Therefore, the Commission has abstained from recommending specific-purpose grants. It has suggested that a separate institutional arrangement be introduced for the purpose. The Commission has made provisions for grants-in-aid for financing of Local Governments, disaster management funds and post devolution revenue deficit grants which are given below:

(a) **Post Devolution Revenue Deficit Grants:** The previous Finance Commissions have recommended grants to cover the non-plan revenue deficits. The Fourteenth Finance Commission has taken a complete approach to the assessment of expenditure needs by taking both plan and non-plan expenditure in the revenue account. The grants recommended by Fourteenth Finance Commission are intended to cover the entire post-devolution revenue deficit as assessed by it. The Commission recommended the total revenue deficit grant of Rs. 194821 crores as shown in table 1.2 during the award period for eleven States which include seven States will need a revenue deficit grant for each of the years of our award period i.e. Andhra Pradesh, Himachal Pradesh, Jammu and Kashmir, Manipur, Mizoram, Nagaland and Tripura. In addition to this, there are four States that will need a revenue deficit grant for at least one of the years of our award period i.e. Assam, Kerala, Meghalaya, and West Bengal.

(b) **Disaster Relief:** The report of the Commission shows that financing of disaster relief is an important aspect of federal fiscal relations. It is mandate to the Commission to review the present system on financing of Disaster Management with reference to the funds constituted under the Disaster Management Act, 2005 and make appropriate recommendations thereon. The Commission limits its recommendations to the financing of the funds constituted which are the National Disaster Response Fund (NDRF), State Disaster Response Fund (SDRF) and District Disaster Response Fund (DDRF) and also examine the issues related to the operations of these funds. The Commission recommended that the disaster relief grants of Rs.61219 crores to States through SDRF for the award period which included State's share Rs. 6122 crores and Centre's share Rs. 55097 crores for the award period 2015-20 as shown in table 1.2.

3. Grants for Local Bodies

The Commission has considered the relevant factors in framing our recommendations for grants to local bodies like enhancement of grants, minimal conditionalities, strengthening the role of the State Finance Commissions and placing trust in Local Bodies. The Commission has also studied and analyzed the recommendations of State Finance Commissions and made these central to its approach in making recommendations.

The Commission recommended that the State Governments should strengthen State Finance Commissions. The Commission recommended that the Local Bodies should be needed to spend the grants only on the basic services within the functions assigned to them under relevant legislations. It recommended the total size of grants to be Rs. 287436 crores for the period 2015-20 to Local Bodies, out of which, the grant recommended to panchayats is Rs. 200292.2 crores and Rs. 87143.8 crores to municipalities. It recommended distribution of grants to the States by using 2011 population data with weight of 90 per cent and area with weight of 10 per cent. It has recommended grants in two parts; one is a basic grant and second is a performance grant for duly constituted gram panchayats and municipalities.

4. Total Transfers to States

Table 1.2 shows that the total transfers to the States recommended by Fourteenth Finance Commission during 2015-20 is Rs. 4485541 crores. The Commission recommended that the prevailing level of transfers to States should be about 49 per cent of the gross revenue receipts of the Centre during the award period. The table 1.2 also depicts that out of total transfers to States, the share of central taxes constituted 88.02 per cent and remaining 11.98 per cent of total grants during 2015-2020.

Table 1.2

Total Transfers to the States recommended by Fourteenth Finance Commission for 2015-2020

(Rs. in crore)

(a) Total Tax devolution to States	**3948187(88.02)**
(b) Grants-in-aid	
Post Devolution Revenue Deficit Grants	194821
Disaster Relief	55097
Grants for Local Bodies	287436
Total of (b)	**537354(11.98)**
Total Transfers of a+b	**4485541(100)**

Source: Report of Fourteenth Finance Commission, p. 437.

Note: Bracket denotes Percentage share in Total Transfers.

5. Debt Relief to States

The Commission has assessed the burden of public debt of States during the period 2015-20. It was observed that a large part of the debt obligation of States has been through the open market borrowings but the outstanding debt of the States to the Union was not a very large part of the debt portfolio of States. In its award period, the Commission has provided in full for the interest payments to the States to discharge their debt. It recommended that with effect from 1 April 2015, State Governments be excluded from the operations of the NSSF but the involvement of the States in this scheme may be limited to discharging the debt obligations already incurred by them until that date. It further recommended the Union Government should examine the desirability of setting up of Consolidated Sinking Fund (CSF) for the amortization of debt which was relevant both for States and the Union.

6. Goods and Service Tax

The Value Added Tax (VAT) was introduced in the fiscal year 2005-06.After the introduction of VAT, it was in demand that there should be a comprehensive and broad based goods and services tax (GST). So the GST has been under consideration since 2007.The Union Finance Minister in his Budget speech 2014-15, emphasized the need for early implementation of GST and assured that the Union Government would be fair about the fiscal autonomy of States and compensation to States for any revenue loss. Firstly, the Thirteenth Finance Commission had given the recommendations regarding to implementation of GST and recommended a single rate of 5 per cent for Central GST and 7 per cent for State GST. It also recommended that in case of revenue loss to the States, a compensation amount of Rs. 50,000 crores, during the period 2010-11 to 2014-15. In the view of Fourteenth Finance Commission that a broad based tax like GST would help develop a common market and also help to increase economic growth and revenue outcome. The Commission observed that the introduction of GST in the country may lead to revenue losses to some States for a few years. The report of the Commission showed that in the case of VAT, compensation was provided to the States at 100 per cent in the first year, 75 per cent in the second year and 50 per cent in the third year. It suggested that in case of GST, 100 per cent compensation be paid to the States in first three years, 75 per cent in the fourth year and 50 per cent in the fifth and final year. The Commission recommended that an autonomous and independent GST Compensation Fund should be created by the Union to compensate the States for their revenue losses.

CONCLUSION

It can be concluded that the Fourteenth Finance Commission recognized the importance of taking a comprehensive view of federal fiscal relations. So the Commission has given priority in its work to the views and expectations of the Union, States and Local Bodies on the relevant terms of reference and also took into account the recommendations of the previous Finance Commissions as well. In the view of Commission, the tax devolution should be the primary source of transfer of resources to the States. The Commission felt that there was desirable to compositional shift from grants to tax devolution in transfers for two reasons i.e. first, it would not increase an additional fiscal burden on the Union Government and second, an increase in devolution of tax would increase the share of unconditional transfers to the States. The Commission by considering all the relevant factors has recommended raising share of States in Central taxes to 42 percent from 32 per cent recommended by Thirteenth Finance Commission. On the basis of past experiences, the Commission observed that the mechanism of Finance Commission grants may not be appropriate to improve the fiscal relations between Union and States. The Commission has abstained from recommending various types of grants. It has suggested that a separate institutional arrangement be introduced for the purpose. The Commission has made provisions for grants-in-aid for financing of Local Governments, disaster management funds and post devolution revenue deficit grants. The Commission recommended that the State Governments should strengthen State Finance Commissions. It recommended the total size of grants to be Rs. 287436 crores for the period 2015-20 to Local Bodies. The total transfers to the States recommended by Fourteenth Finance Commission during 2015-20 was Rs. 4485541 crores, out of which, the Commission recommended total tax devolution of Rs. 3948187 crores and total grants-in-aid of Rs. 537354 crores from the Centre to the States during 2015-2020. In the view of Fourteenth Finance Commission that a broad based tax like GST would help develop a common market and also help to increase economic growth and revenue outcome.

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Global Journal of Accounting & Management
Vol. 4, No. 2, July-December, 2015
ISSN 0976-9366

Fuzzy logic and its application in assessing Creditworthiness of Personal loan applicants

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Abstract : Assessing credibility is a major concern for banks to reduce its loss as well as to increase its customer base. *In this study a model based on fuzzy logic has been recommended which identifies the credibility of personal loan applicants based on numerous factors. Field investigation and interviewing bank employees helped the researcher to categorize the factors affecting credibility. Questionnaire has been developed on the basis of expert's opinion to collect data from 100 personal loan applicants. Then finally data has been processed using fuzzy rules in MATLAB R2009a which examines the credibility and provides the relevant scores. The model based on fuzzy logic can facilitate the bankers to identify the borrowers to whom credit should be advanced or not.*

Key Words : *Fuzzy Logic, Creditworthiness, Personal Loan Applicants, Banks*

1. Introduction

Creditworthiness means capability to meet the deadlines related to repaying the credit and the interest amount without affecting the financial situation of the borrower. Banks analyze the creditworthiness of loan applicants on their own or through some specialized agencies. This analysis involves preliminary study of the factors and prerequisites which can affect the duly repayment of the credit1. This analysis involves rigorous efforts before loan can be advanced to a borrower.

There are various software and model which can evaluate the creditworthiness of loan applicants. In recent years, various analysis tools based on intelligent and expert systems such as ANN, GN and tailor made tools have been deployed in banks and financial institutions.

In this research study a predictive model has been suggested using fuzzy logic which evaluates the credibility of personal loan customers. Designing this model undertakes identifying the factors affecting credibility, resulting in input data and level of credibility/ credit ranks as an output data.

Fuzzy logic enables software to make human like decisions. In the fuzzy logic experience of more than a single credit expert can be merged into system through various rules. Rules can be framed for different situations depending upon different combination of input factors and hence various outputs can be generated with different combinations.

2. REVIEW OF LITERATURE

1) Purohit et al. (2012) introduced an integrated model based on the technique of Logistic Regression, Multilayer Perception Model, Radial Basis Neural Network, Support Vector Machines & Decision Tree (C4.5) and compared the effectiveness of these techniques for credit approval process.(24)

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2) Xiaoyun Liu & James Huang (2012) proposed a wrapper feature selection method based on genetic algorithm to select a subset of essential features that will contribute to good performance in the credit risk assessment.(19)
3) Zhi-Yuan Yu and Shu- Fang Zhao (2011) implemented artificial neural network to set up early warning indicators for commercial banks credit risk. They developed a credit management system based on BP neural networks that can monitor the credit risk continuously and effectively making more scientific credit decision mechanism.(31)
4) Mahmoud et al. (2008) presented an expert system for evaluating and supporting credit decisions on the banking sector, used the credit rating weights for each factor that affect Credit decision.(20)
5) WEI Ran (2008) developed the traditional credit risk model to evaluate the credit risk of the commercial banks based on the fuzzy theory. Principal components analysis was also used to reduce the factors that have diverse impact on the credit risk degree of commercial bank.(29)
6) Angelini et. el. (2008) described the successful application of neural networks to credit risk assessment of Italian small businesses.(3)
7) Lahsasna et al. (2007) adopted a relatively transparent credit scoring model for evaluating the creditworthiness of the credit applicants through a hybrid data mining approach. Their study showed that the soft computing methods are complementary rather than competitive. Firstly fuzzy system is automatically generated from the data using a fuzzy clustering method. Then a genetic algorithm is used to increase the performance of the initial fuzzy influence system. Lastly a multi- objective genetic algorithm is applied to preserve the accuracy of the fuzzy model to a given value and to enhance the interpretability of the fuzzy model by reducing the fuzzy sets in the rule base.(15)
8) Qifeng ZHOU and Chengde LIN (2006) proposed a credit risk assessment model based on fuzzy SVM that can give a reasonable classification of unclassifiable examples. The study proved that fuzzy SVM method provides a better performance in generalization ability & assessment accuracy than conventional one versus one multi classification approach.(34)

The Problem:

To assess the credit risk, historical system used judgment method which is subjective and biased because one loan officer cannot process all the loan applications. Then credit scoring method came into existence which provided scores on the basis of 5 C's. Credit scoring method proved very effective than judgment method.

These days banks are using different credit risk assessment models which are somewhat based on credit scoring.

This study focused on the use of fuzzy logic which combines judgment method as well as credit scoring method. On the basis of judgment method, fuzzy rules have been created by interviewing various concerned experts; and improving scoring method, scores have been given to different factors analyzing the credibility and their combined impact on the credibility has been studied using fuzzy rule base system.

4. OBJECTIVES OF THE STUDY

1) To identify the factors affecting credibility of personal loan applicants.
2) To analyze the impact of each factors (one by one) on credibility of personal loan applicants.

3) To determine the credit score on the basis of combined effect of all the factors identified.
4) To suggest a model using all the significant factors with a combination of various rules that can assess the credibility of individual personal loan applicants.

5. METHODOLOGY

5.1 Research Design

Exploratory personal investigations involving original field interviews with the bank employees and customers helped to have a greater insight into all possible practical aspects of the research problem. The adoption of the descriptive and diagnostic research design proved very effective in the later stage in the present study. A questionnaire has been prepared on the basis of the opinions of the experts on the related topic. This questionnaire has been used to collect the data within a month through personal contact i.e. survey method. The Sample size has been restricted to 100 car loan applicants keeping in mind the research objectives and constraints.

Sampling technique	Convenience sampling.
Sampling size	100
Instrumentation technique	Interview, questionnaire
Sources of data collection	Primary data was collected by Questionnaire and secondary data was collected from journals, books, Research papers and internet.
Software used for data analysis	Fuzzy Logic using MATLAB R2009a

5.2 Scope of the Study

Due to time and money constraints this study has limited scope on the basis of following assumptions and restrictions:

1) This study is restricted to Punjab and Chandigarh (U.T) only.
2) To assess the factors affecting credibility only personal loan applicants has been taken rather than taking various types of loan applicants.
3) Maximum number of dependents in this research is 6.
4) Maximum income of applicants is 15 lakh per annum due to the location factor.
5) This study is subjected to impact of major six factors only out of the various factors identified.

6. ANALYSIS AND DISCUSSION

6.1 To Identify the Factors Assessing Credibility

From the various studies and interviews with bank employees and customers, we identified these factors that must be evaluated before advancing personal loan to customers:

Age, Income, No of dependents, Occupation, No of years in present occupation, Spouse Occupation, Residential status (Rented/ owned), Existing loans, Pending loan etc.

Out of these 8 factors, impact of 5 relevant factors has been taken into consideration due to time constraint.

6.2 To Analyze the Impact of Age on Credibility

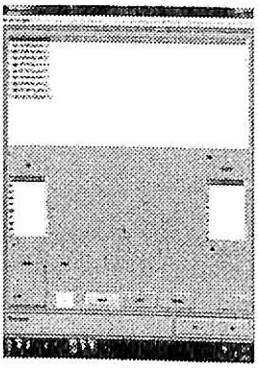


Figure 1

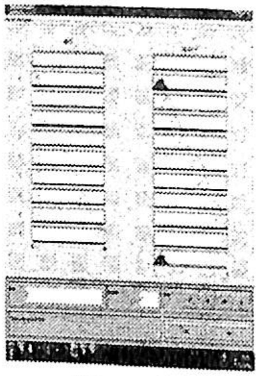


Figure 2

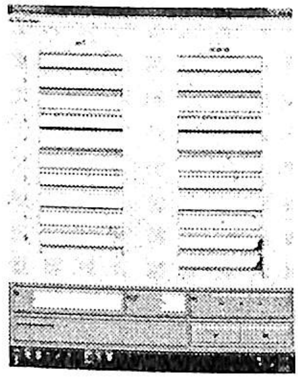
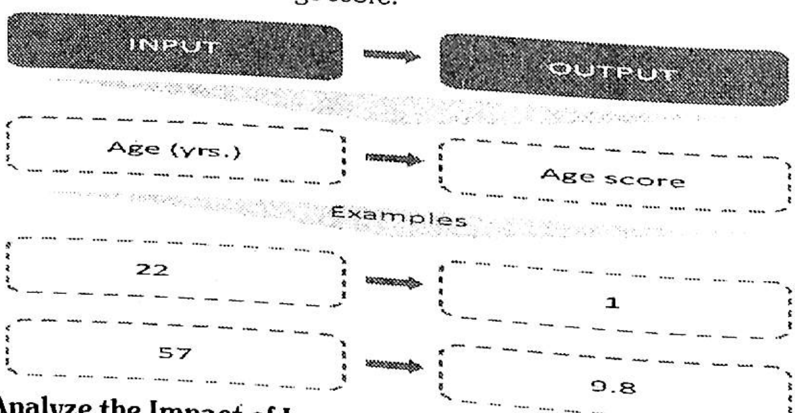


Figure 3

Using fuzzy logic in MATLAB, various rules have been created for the input age which will provide the age score as an output as shown in the figure1. It has been identified from field investigation that person in 18-25 age group will get less score as compared to persons of higher age group because tendency to default is higher among this age group due to lack of financial and occupational stability. Persons of this age group are new to the ventures or job and desires for loan are higher among this group as a result chances for default increases.

So if a person aged 22 wants to apply for a loan he will get age score 1 and a person aged 57 will get 9.8 as an age score.



6.3 To Analyze the Impact of Income on Credibility

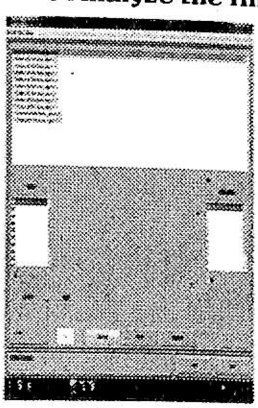


Figure 4

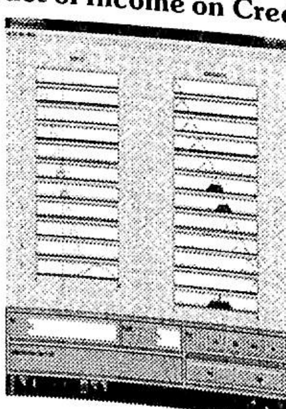


Figure 5

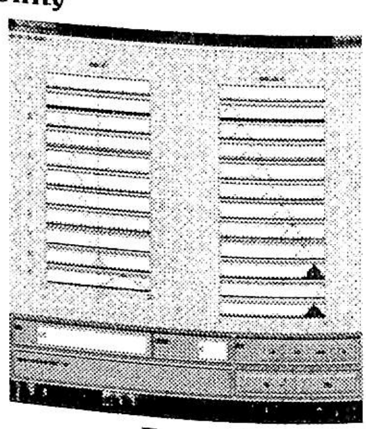


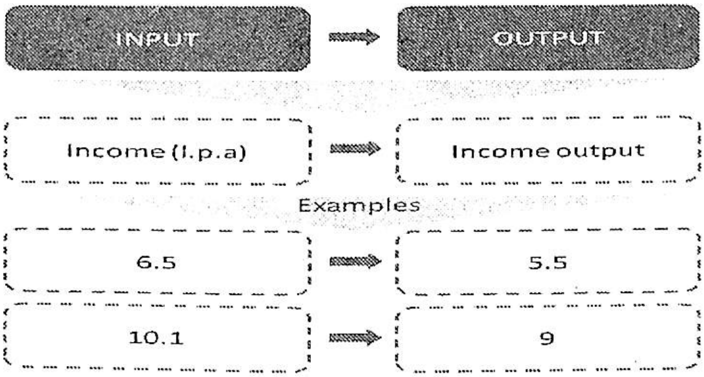
Figure 6

Income of an applicant plays very important loan while making an application for loan, because income sources determine his loan repaying capacity.

Here in figure 4, rules for input variable 'income' has been framed in the rule editor window that result in 'income output' which is a credit score based on the income of the applicant. It means if a person is earning less income and wants to avail loan, then his score will be less in comparison to the person who is earning high income.

Higher income indicates higher loan repaying capacity.

For example if income per annum is 6.5 lakh and 10.1 lakh, then income output is 5.5 and 9 respectively as shown in the figure 5 and 6.



6.4 To Analyze the Impact of Occupation on Stability

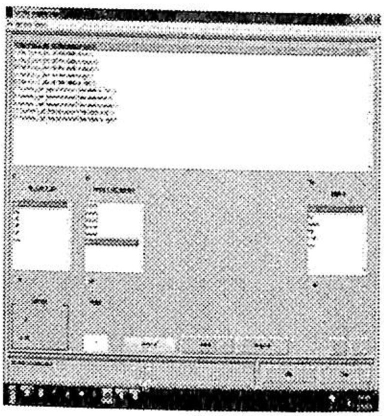


Figure 7

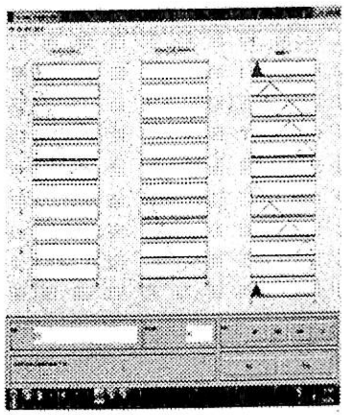


Figure 8

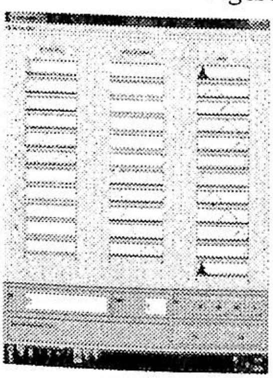


Figure 9

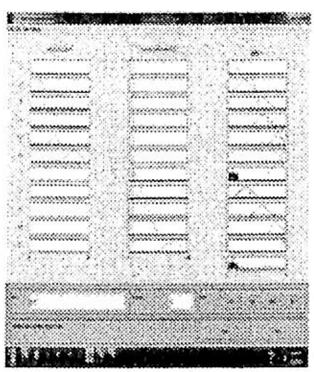


Figure 10

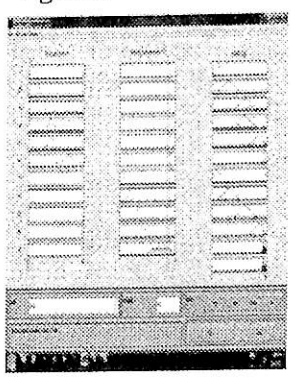
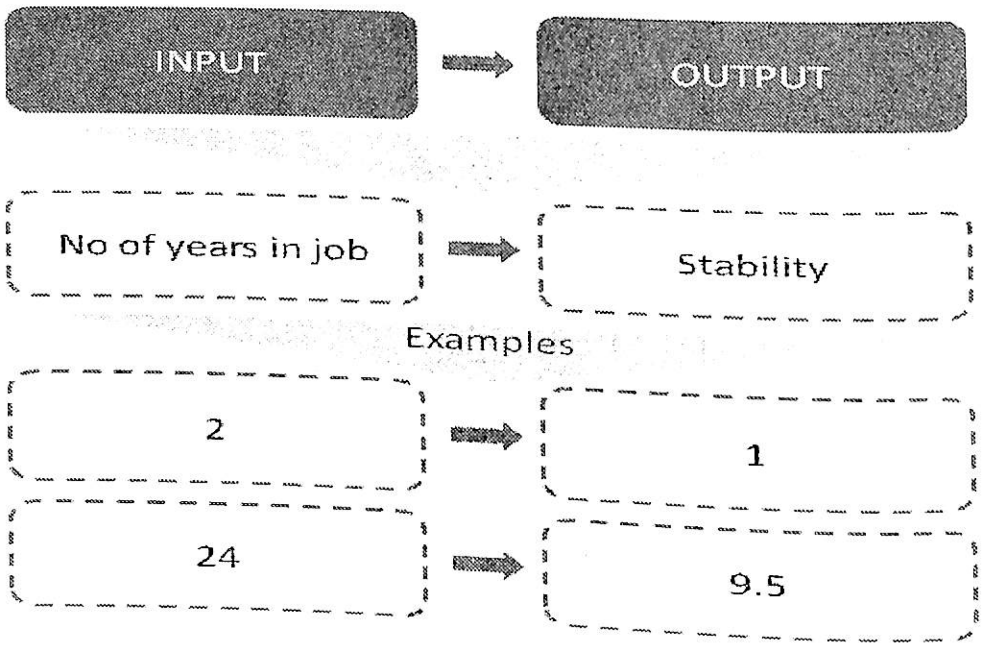
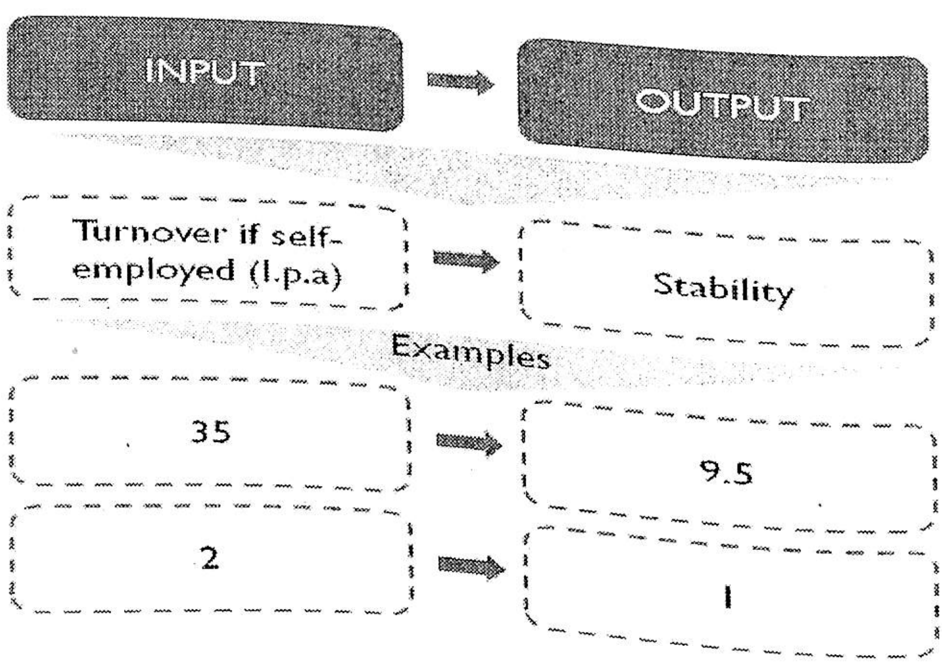


Figure 11

Type of occupation such as business or job and no of years in the job or business represent stability of the applicant. If an applicant has just started his career, uncertain income patterns, chances of being unsuccessful may affect the ability to pay back the loan and interest payments. If an applicant is in job say for 24 years, he is having high stability (9.5) than a person who is in job for 2 years only with low stability(1). If a person is in business then turnover of the business also represent his stability position as shown in the figure. If the turnover is 2 lakh then stability is 1, but if it is 35 lakh then stability is 9.5.





6.5 To Analyze the Impact of No of Dependents on Applicant's Credibility

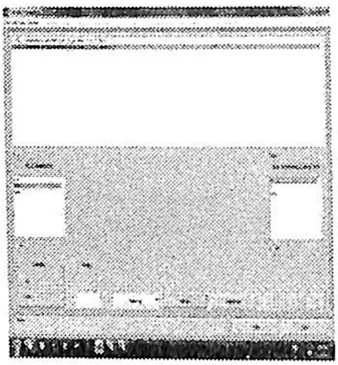


Figure 12

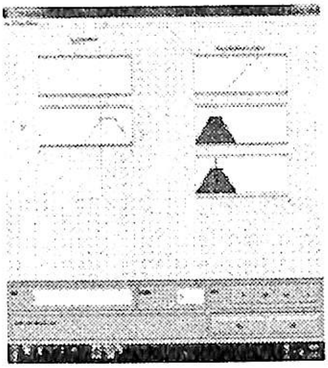


Figure 13

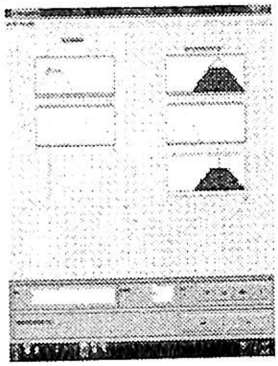
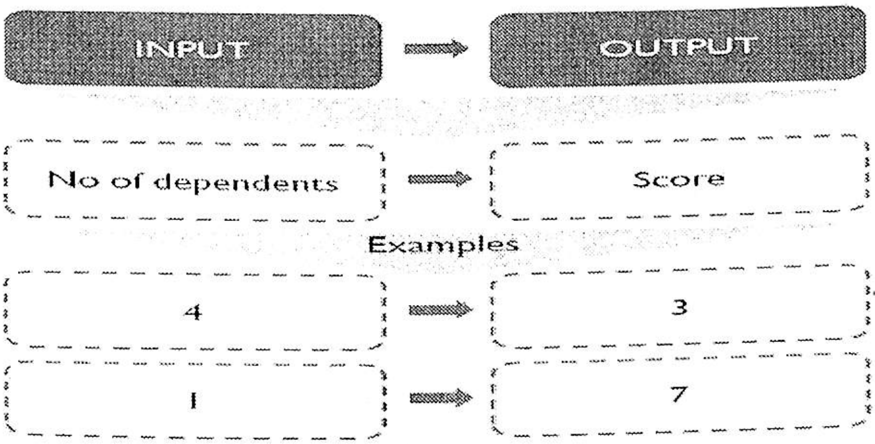


Figure 14

Number of dependents such as dependent parents, dependent children or spouse defines the responsibilities for an individual. In case of high number of dependents, his repaying capacity is affected. So if an applicant has less (0-3) number of dependents, his score will be high. But if he has more dependents (3-6), then less credibility score as shown in the figure. For example if number of dependents is 4 then score is 3, and if it is 1 then score is 7.



6.7 To Analyze the Impact of Existing Pending Loan on Credibility

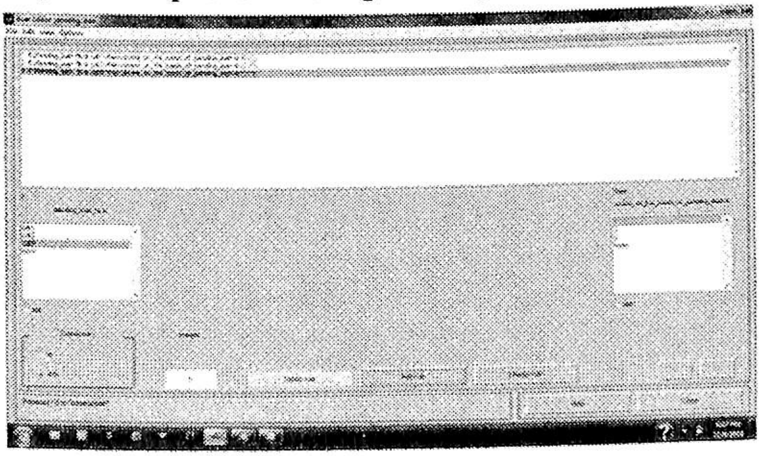


Figure 15

Existing loan and pending installments has an effect on the credibility as if a person has high amount of pending loan and he is applying for more loan then his debt liability will increase and his creditworthiness will score low. But if the person has not availed any loan yet, and applying for new loan, his credibility score increases.

For example, if 18% and 78% loan is pending, then score on this basis will be 8 and 2 respectively as shown in the figures below:

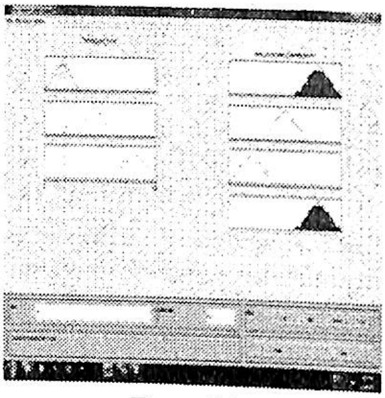


Figure 16

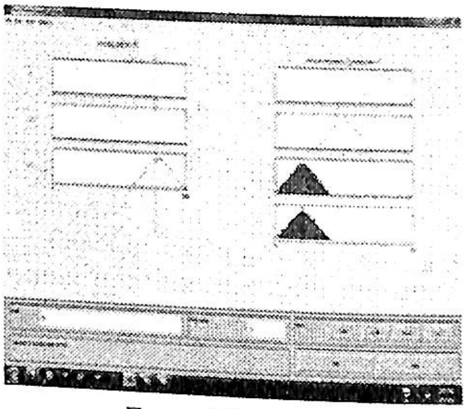
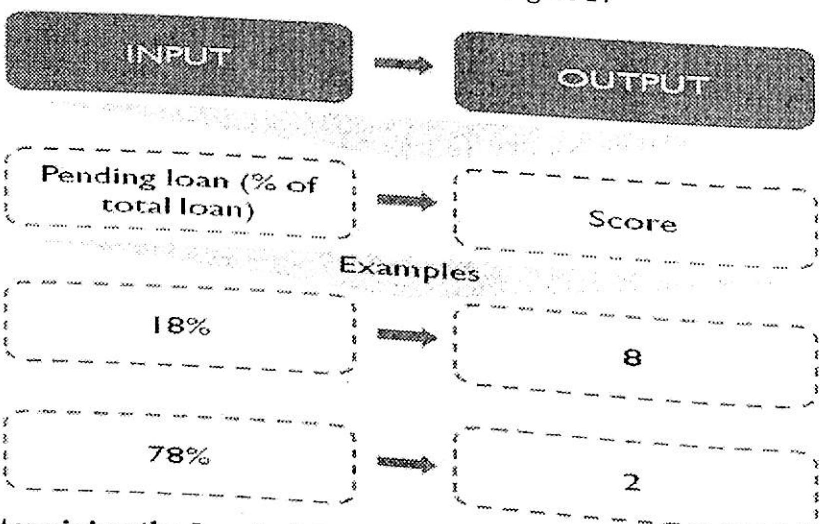


Figure 17

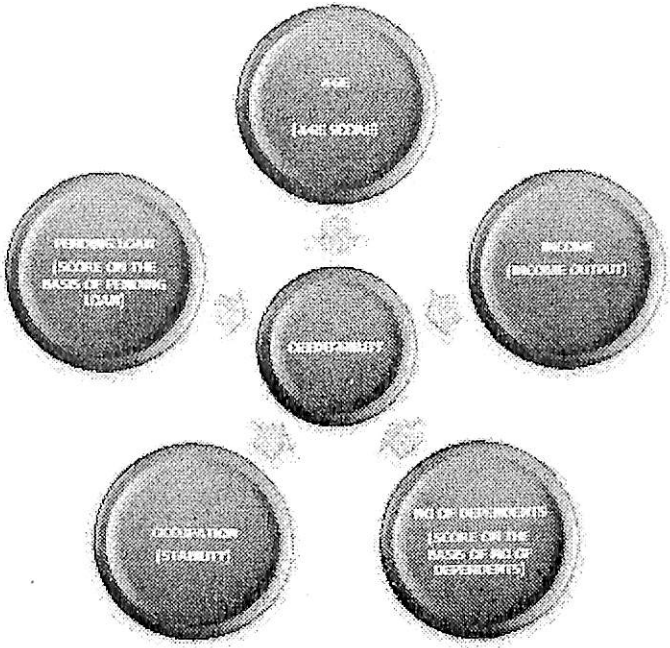


6.8 Determining the Level of Credibility/Credit Score on the Basis of All Factors Collectively

Although an applicant may have obtained high score on the basis of one or more factors say score on the basis of percentage of pending loan, but we need to check this parameter with other parameters to know the final credibility score. Suppose a person who has high income but no of dependents and pending low is also high then his credibility score will fall down despite high earnings.

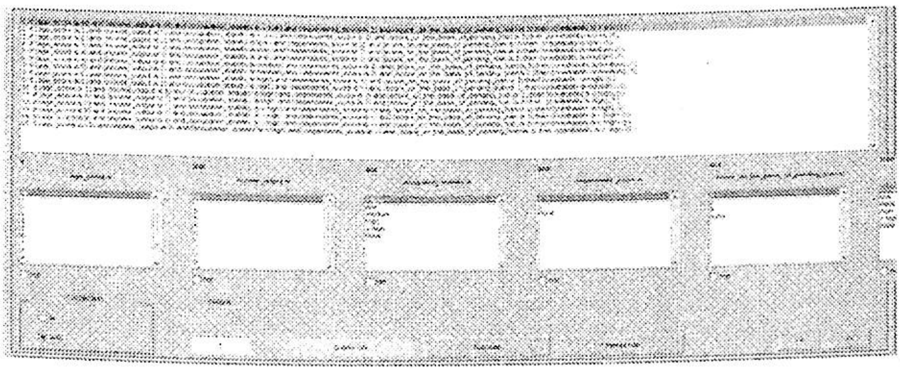
Here, applicant have obtained low score on the basis of age, income and occupation stability but high scores on the basis of less number of dependents and less amount of pending loan, hence resulting in very low credibility.

Ultimately a creditability assessment model has been suggested which shows not only the impact of individual factors but also the impact of various combinations of identified factors.



CREDITABILITY ASSESSMENT MODEL

Figure 18



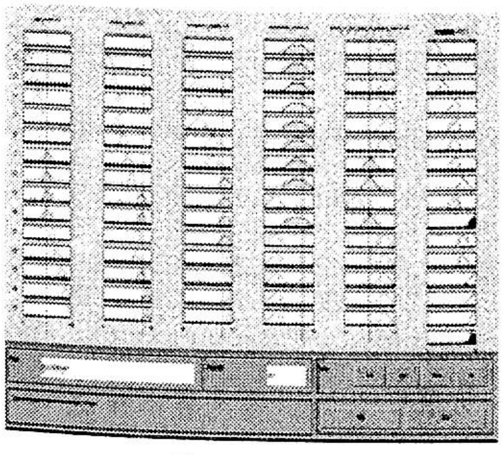


Figure 19

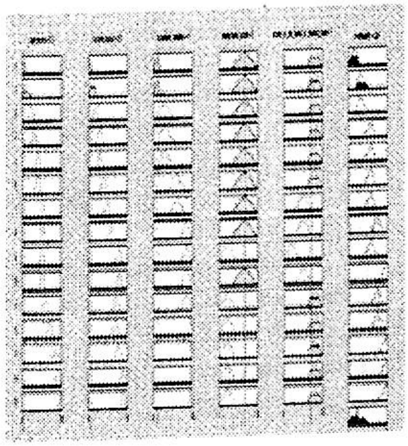


Figure 20

Finally, the input values (score on the basis of each factor) passes through all the rules, and after defuzzification of output of all the rules, crisp output i.e. credit rank is ascertained which shows the credibility of a loan applicant. For example as shown in the figure 19, loan applicant is having low credit score and in figure 20, another loan applicant is having high credit score.

7. CONCLUSION

To conclude, credit ranks depend upon the combination of various factors. Using fuzzy logic in MATLAB, a number of rules can be created with due meticulousness for the different combinations of factors. Scores obtained on the basis of each factor will pass through various expert rules to derive the ultimate credit score. On the basis of the credit score so obtained, bank can make decision whether to advance loan to an applicant or not. Evaluating creditworthiness is so crucial decision that it requires rigorous efforts. Due to increasing NPA, on the one side banks can't avoid tedious credit evaluation task and on another side, banks can't avoid lending due to high demand for the growth. This research has successfully developed a model which can assess the creditworthiness and help the decision makers while granting loan decision. This model inculcates the judgment method of various credit experts in the software by incorporating rules. The accuracy of the model depends upon the size of the sample. The future scope of the research may include the incorporation of various other factors such as spouse occupation, residential status, social media data about the applicant etc and can be trained using ANFIS. Training will facilitate better decision making for advancing loan.

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ANNEXURES

INPUT VARIABLE AGE AND OUTPUT VARIABLE AGE SCORE

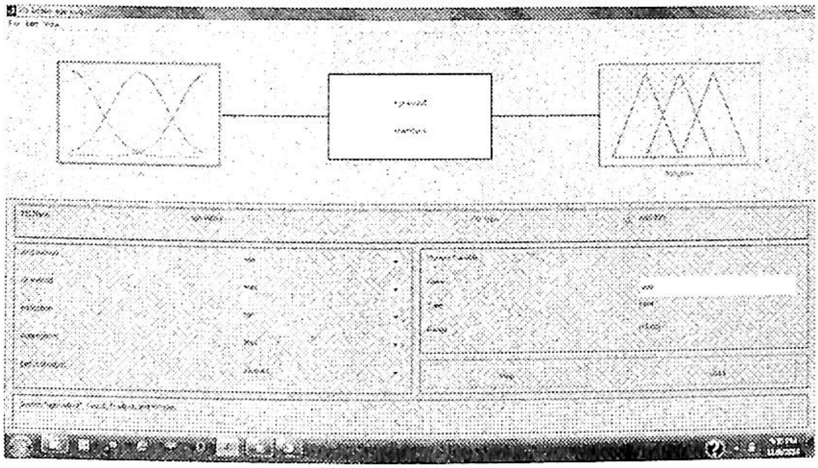

Figure 21

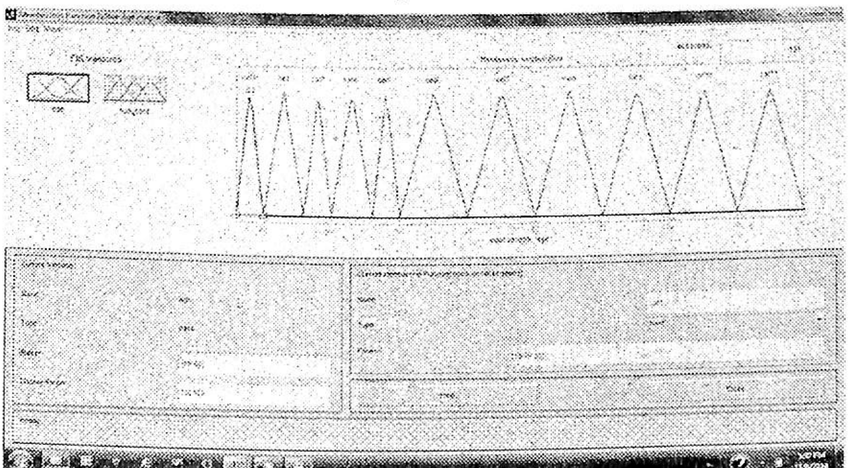

Figure 22

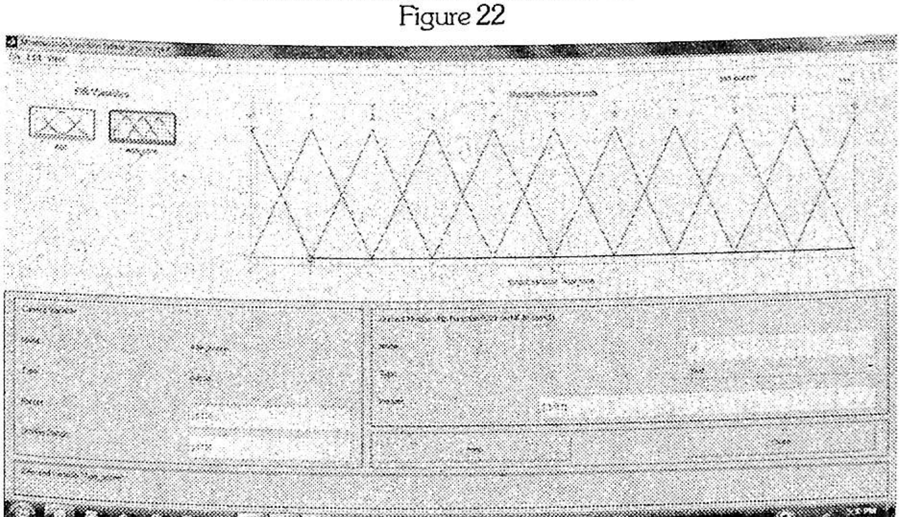

Figure 23

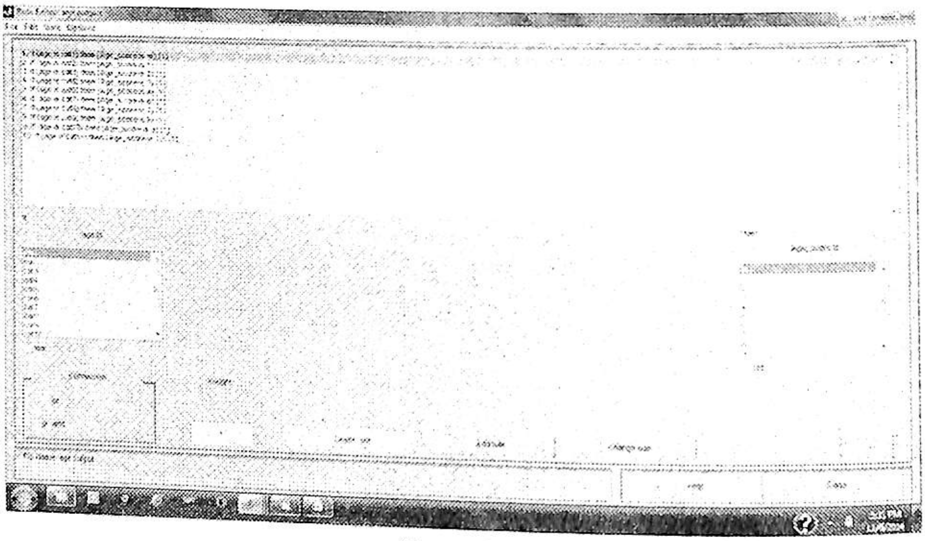

Figure 24

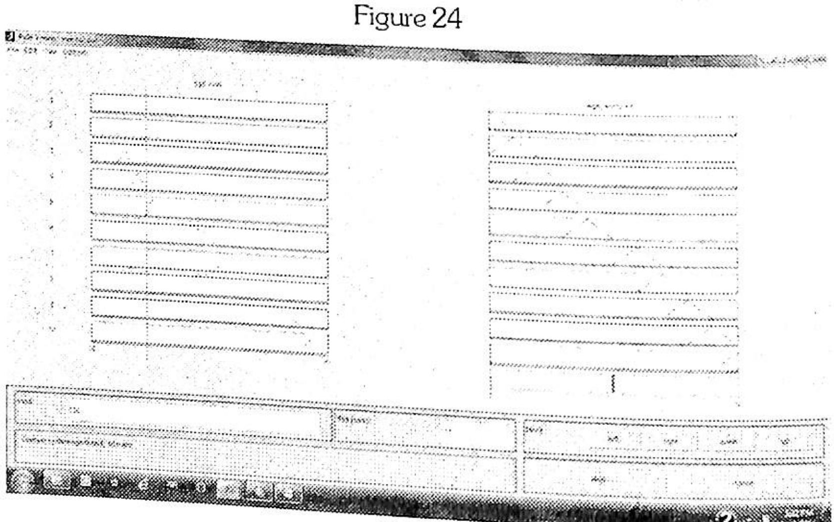

Figure 25

Similarly all other variables were defined and their rules were created.

Prime Minister Employment Generation Programme - A journey till now

Shalu Gaba *

Abstract : *Prime Minister Employment Generation, a new credit linked subsidy programme has launched by Govenment of India by merging the two schemes Prime Minister's Rojgar Yojna (PMRY) and Rural Employment Generation Programme (REGP) were operation till 31.03.2008 PMEGP is a central controlled programme administered by the Ministry of Micro, Small and Medium Enterprises (MoMSME). The present study tries to analyze the performance of PMEGP at National level. For analyzing the performance of PMEGP three variables i.e.Employment Generation, Marginal Money Utilized & No. of projects established under PMEGP are taken. Secondary data was used to acieve the objectevies. India is divided under well known six zones i.e -North zone, Central zone, North East zone, East zone, West zone and South Zone. Unemployment, poverity have been showing its teeth to India for a long time. Introduction of PMEGP is a step taken by Government of India to tackle with this problem.*

Key Words :

Prime Minister Employment Generation, a new credit linked subsidy programme has launched by Government of India by merging the two schemes Prime Minister's Rojgar Yojna (PMRY) and Rural Employment Generation Programme (REGP) were operation till 31.03.2008 PMEGP is a central controlled programme administered by the Ministry of Micro, Small and Medium Enterprises (MoMSME). This Scheme is implemented by Khadi and Village Industries Commission (KVIC) as the single nodal agency at the National level, under the administrative control of the Ministry of MSME. At the State level, the Scheme is implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centers (DICs) and banks.

Review of Literature

Review of literature is a critical summary and assessment of the range of existing material. It deals with knowledge and understanding in the given field. Its purpose is to locate the research project, to form its context or background and to provide insights to previous work. For clarity of concept, formulation of objectives and deep knowledge of previous work, genuine efforts have been done to review the related literature for analysis the performance of PMEGP

Reynolds and Sundar (1977) analyzed the administrative and financial mechanisms of the EGS of Maharashtra. Secondary data was used to evaluate the scheme. They were satisfied by administrative and financial mechanisms of the EGS of Maharashtra. They realized the need of rural development of Maharashtra. Researchers suggested that Government should have a provision of surplus consumable goods as labour spends more on consumable items after earning.

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Rangarajan (1992) examined the impact of self employment programme for urban poor on eradication of urban poverty in Madras city of Tamil Nadu. To achieve the objectives the researcher used the selected indicators such as disbursement of bank loan against target, employment and income generation among the target group under the programme, opinion of the parties involved under the programme. Primary as well as secondary data was used. Five schemes were used for the study. Multi Stage sampling and Stratified Proportional Sampling was used. Questionnaire got filled from 300 beneficiers, 100 non beneficiers and 20 branch managers. For analyzed the data, statistical tools like z test, Pearson coefficient correlation Ginni concentration of attributes, chi square test, efficiency index were used. After analysis the data, the researcher reported the positive impact of the self employment programmes for urban poor on their income and employment.

Dev and Mahajan (2003) examined the employment situation of Andhra Pradesh by providing a profile of trends in employment and unemployment. This paper also discussed constraints and provides policy suggestions and recommendations for promoting productive employment. NSS rounds reports were used to analyze the employment situation. They found that people of Andhra Pradesh were more employed in unorganized sector as compare to organized sector. This study recommended the twin strategy for literate and illiterate people.

Dev (2006) studied current policies and programme for employment generation along with an analysis of the trends and challenges. This study was based on secondary data. The period of study was 1983-2000. After exploring the trends, he concluded that there was growth in the country but on the other side there was negligible growth in employment opportunities. The researcher suggested, efforts need to be put on improvement of employment generation programmes and social security programmes. For upgrading the standard of living, government needs to pay attention toward non agricultural activities also.

Kokare (2011) tried to study the historic perspective of right to work act, depth study of EGS, NREGS and MREGs from 1972 to 2010. Secondary data was used for fulfilling the objectives. Data was analyzed with the help of average range, relative range, standard deviation, coefficient of variation, skewness, percentage change and compound growth. After analysis of these schemes, the researcher concluded that wage rate and employment rates were less in case of MREGS. The prime motive of EGS i.e. poverty alleviation did not achieve. He suggested among other to conduct awareness campaign, training programme, hike in wage rate, working days, hike in unemployment allowances and record keeping of accounts.

Saklani (2012) studied the Mahatma Gandhi National Rural Employment Guarantee Scheme of Mandi District in Himanchal Pradesh. The objectives of this study were to study the implementation of the transparency safeguard with reference to women's participation, childcare, social audit and worksite facilities available. Primary data was used. Data got analyzed with simple percentage and average methods. The researcher found that NREGS had potential to tackle with unemployment problem in India. While studying, he came to know about various problems during the execution such as shortage of staff, lack of awareness campaign, fake attendance, fake payment etc.

Objective of the Study

To analyze the performance of PMEGP at National level.

Research Methodology

Keeping in view the objectives of the study, this study will be based on secondary data. Performance of Prime Minister Employment Generation Programme at national level will be studied. To cover the whole India, it will be divided into six well known zones:-North, Central, North East, East, West and South Zone. Three variables are taken for analyzing the performance of PMEGP:-Employment Generation, Marginal Money Utilized & No. of projects established under PMEGP.

Statistical Tools

For analyzing the performance of PMEGP, percentage and ranking method has used.

Employment Generation

Unemployment has been showing its teeth to India for a long time. Introduction of PMEGP is a step taken by Government of India to tackle with this problem. Table 1 presents detail regarding number of persons employed by PMEGP

Table No. 1

Employment Generation under PMEGP

Regions / Years	2010-11	2011-12	2012-13	Total	Percentage	Ranking
North Zone	2877.94	47,653	35,521	86,051.94	8.86%	6
Central Zone	19,915	83,099	59,830	1,62,844	16.77%	3
North East Zone	10,508	78,417	26,317	1,15,242	11.87%	5
East Zone	18,803	1,34,651	93,922	2,47,376	25.48%	1
West Zone	78,890	45,790	25,689	1,50,369	15.48%	4
South Zone	47,255	1,05,913	55,766	20,8934	21.52%	2

Source: Various Annual Reports of MoSME

Table No. 1 depicted detail of employment generation by PMEGP from 2010 to 2013. PMEGP provide employment to 970816.9 persons from 2010 to 2013.Results showed that except north east & west zone, there was increase in numbers of persons employed under PMEGP from 2010-11 to 2011-12.But in 2012-13, every regions employed less number of persons under PMEGP as compare to 2011-12. This may be due to inefficiency on the part of providers or may be due to bad goodwill of he programme.By comparing the performance of six zones i.e. North, central, North East, East, West & south zones it came in to light that East zone is on number one position.Whearas North Zone is at the bottom i.e. on 6th number.

Marginal Money Utilized

PMEGP is a credit linked subsidy programme. Margin money (subsidy money) is one of the important features of this programme. As per the guidelines of PMEGP, Government provide subsidy to general category @15% of the project cost to urban area beneficiaries and @25% of the project cost to rural area beneficiaries, in case of special category (included SC/ST/OBC/Minorities/Women, Ex-servicemen, Physically handicapped, NER, Hill and Border areas etc.) @25% of the project cost to urban area beneficiaries and @35% of the project cost to rural area beneficiaries.

Table No. 2
Marginal Money Utilized under PMEGP

Regions / Years	2010-11	2011-12	2012-13	Total	Percentage	Ranking
North Zone	11966.32	10994.62	9295.31	32256.25	12.05%	4
Central Zone	19747.02	25078.46	18031.21	62856.69	23.49%	2
North East Zone	6702.19	8839.51	6488.24	22029.94	8.23%	6
East Zone	20983.56	26442.36	22336.77	69762.69	26.07%	1
West Zone	8768.27	10992.42	8521.81	28282.5	10.57%	5
South Zone	19278.14	19668.71	13416.68	52363.53	19.57%	3

Source: Various Annual Reports of MoSME

Table No. 2 showed the position of PMEGP in term of Margin money utilized from 2010 to 2013.Every zone depicted zig zag position of amount of marginal money utilized among various years. East zone enjoyed number one position out of 6 zones. North east Zone came at the last position.

Number of Projects Established

PMEGP was introduced to generate self employment among urban and rural youth. With the help of this programme, 136396 units were set up in urban and rural area.

Table No. 3
Number of Projects Established under PMEGP

Regions /Years	2010-11	2011-12	2012-13	Total	Percentage	Ranking
North Zone	1,171.00	6,722.00	4,683.00	12,576.00	9.22%	6
Central Zone	6,616.00	8,406.00	6,835.00	21,857.00	16.02%	3
North East Zone	6,648.00	7,257.00	5,700.00	19,605.00	14.37%	4
East Zone	12,575.00	16,834.00	12,596.00	42,005.00	30.79%	1
West Zone	6,335.00	4,723.00	3,851.00	14,909.00	10.93%	5
South Zone	8,933.00	8,669.00	7,842.00	25,444.00	18.65%	2

Source: Various Annual Reports of MoSME

Table No. 3 gives detail of number of units assisted by PMEGP from 2010 to 2013. By comparing all zones, East Zone came on 1st position, South on 2nd, Central on 3rd, North east on 4th, West on 5th & last position was begged by North Zone.

Findings

By analyzing the data regarding employment generation, margin money generation and number of units assisted by PMEGP, following findings came into light.

Table No. 4
Comparison of Various Zones

Variables/Ranking	1st	2nd	3rd	4th	5th	6th
Employment Generation	East Zone	Central Zone	South Zone	North Zone	West Zone	North East Zone
Margin Money Utilized	East Zone	Central Zone	South Zone	North Zone	West Zone	North East Zone
No. of Projects	East Zone	South Zone	Central Zone	North East Zone	West Zone	North Zone

- East Zone enjoyed 1st position in respect of employment generation, marginal money utilized as well as from no. of projects installed under PMEGP.
- In case of employment generation and margin money utilized, central zone came on 2nd position. Whereas central zone came on 3rd position in case of no. of projects.
- South zone enjoyed 3rd position in case of employment generation and marginal money utilized. In term of no. of projects, south zone came on 2nd position.
- In case of employment generation and margin money utilized, north zone came on 4th position. Whereas north zone came on last position i.e. on 6th in case of no. of projects.
- West Zone enjoyed 5th position in respect of employment generation, marginal money utilized as well as from no. of projects installed under PMEGP.
- In case of employment generation and margin money utilized, north east zone came on 6th position. In term of no. of projects, north east zone came on 4th position.

Scope for Future Research

No study is perfect in itself. Present study is also not completed in itself. With the help of this study, ranking of various zones came into light but cause of this ranking need to be explored. Further study can be done to know about the causes of difference among various zones.

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Global Journal of Accounting & Management
Vol. 4, No. 2, July-December, 2015
ISSN 0976-9366

LIFE INSURANCE SECTOR OF INDIA : LIC VS PRIVATE PLAYERS

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Abstract : *The life insurance sector of India was opened in 1999 for the private sector and since then this sector has seen an immense change because the Private life insurance companies have brought in professionalism, innovations, technology, new products, and operational efficiency in the life insurance sector of India. Earlier Life Insurance Corporation (LIC) has monopoly in this sector but now it is facing tough competition from the private players. This paper is an attempt to compare the performance of LIC andprivate life insurance companies in India for last six years. This paper also examines the effect of private life insurance companies on the business of LIC and up to what extent LIC is able to retain its market share in this business.*

Key Words : LIC, Life insurance sector, private life insurance companies and innovations.

Introduction

The psychology of the human beings is to secure the future so as to get least affected by the uncertainties of life, this human nature made him to think about the ways to live life at its fullest without any kind of worries. Even though life cannot be guaranteed but all that can be done is to secure the future of our loved ones to meet the financial requirements of life. So one goes for life insurance policies. Insurance is a tool by which fatalities of a small number are compensated out of funds (premium payment) collected from plenteous. Insurance companies pay back for financial losses arising out of occurrence of insured events, e.g. in personal accident policy death due to accident, in fire policy the insured events are fire and other allied perils like riot and strike, explosion etc. Hence, insurance is a safeguard against uncertainties. It provides financial recompense for losses suffered due to incident of unanticipated events, insured within the policy of insurance.

Concept of life insurance

Life insurance is a contract that pledges payment of an amount to the person assured (or his nominee) on the happening of the event insured against.

It is a contract between the policy owner and the insurer, where the insurer agrees to pay a sum of money upon the occurrence of the insured individual's or individual's death or any other event, such as terminal illness or critical illness. In return, the policy owner agrees to pay a stipulated amount called a premium at regular intervals or in lump sums. There may be design in some countries where bills and death expenses plus catering for after funeral expenses are included in Policy Premium. As with most insurance policies, life insurance is a contract between the insurer and the policy owner whereby the benefit is paid to the designated beneficiaries if an insured event occurs which is covered by the policy. To be a life policy the insured event must be based upon the lives of the people named in the policy.

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History of life Insurance Corporation (LIC) in India

Insurance in India has its history dating back to 1818, when Oriental Life Insurance Company was started by the Europeans in Kolkata to cater to the needs of European community. Pre- independent era in India saw discrimination between the life of foreigners and Indians with higher premiums being charged for the latter. It was only in the year 1870, Bombay Mutual Life Assurance Society, the first Indian insurance company covered Indian lives at normal rates. At the dawn of the twentieth century, insurance Companies Act, and the Provident Fund Act were passed to regulate the insurance business.

The first two decades of the twentieth century saw a lot of growth in insurance business. From 44 companies with total business-in-force as Rs. 22.44 crore, it rose to 176 companies with total business-in-force as Rs. 298 crore in 1938. During the mushrooming of insurance companies many financially unsound concerns were also floated which failed miserably. The Insurance Act 1938 was the first legislation governing not only life insurance but also non-life insurance to provide strict state control over insurance business. The demand for nationalization of life insurance industry was made repeatedly in the past but it gathered momentum in 1944 when a bill to amend the life Insurance Act 1938 was introduced in the Legislative Assembly, However, it was much later on the 19th of January, 1956, that life insurance in India was nationalized. About 154 Indian insurance companies, 16 non-Indian companies and 75 provident fund companies were operating in India at the time of nationalization. Nationalization was accomplished in two stages; initially the management of the companies was taken over by means of an Ordinance, and later, the ownership too by means of a comprehensive bill. The Parliament of India passed the Life Insurance Corporation Act on the 19th of June 1956, and the LIC of India was created on 1st September, 1956, with the objective of spreading life insurance much more widely and in particular to the rural areas with a view to reach all insurable persons in the country, providing them adequate financial cover at a reasonable cost.

Today LIC functions with 2048 fully computerized branch offices, 100 divisional offices, 7 zonal offices and the corporate office. LIC's Wide Area Network covers 100 divisional offices and connects all the branches through a Metro Area Network. LIC has tied up with some Banks and Service providers to offer on-line premium collection facility in selected cities. LIC's ECS and ATM premium payment facility is an addition to customer convenience. Apart from on-line Kiosks and IVRS, Info Centres have been commissioned at Mumbai, Ahmedabad, Bangalore, Chennai, Hyderabad, Kolkata, New Delhi, Pune and many other cities. With as vision of providing easy access to its policyholders, LIC has launched its SATELLITE SAMPARK offices. The satellite offices are smaller, leaner and closer to the customer. The digitalized records of the satellite offices will facilitate anywhere servicing and many other conveniences in the future.

New wave of change in Indian insurance sector

Till 1999, there were no private insurance companies in Indian insurance sector. The Govt. of India then introduced the insurance Regulatory and Development Authority Act in 1999, thereby de-regulating the insurance sector and allowing private companies into the insurance. Further, foreign investment was also increased from 26% to 49% in the Indian insurance companies. In recent years many private players entered in the Insurance sector of India. Presently, there are 23 private life insurance companies and one public sector undertaking i.e LICdoing business in India.

Duties, powers and functions of IRDA:

Section 14 of IRDA Act, 1999 lays down the duties, powers and functions of IRDA.

1) Subject to the provisions of this Act and any other law for the time being in force, the Authority shall have the duty to regulate, promote and ensure orderly growth of the insurance business and re-insurance business.

2) Without prejudice to the generality of the provisions contained in sub-section (1), the powers and functions of the Authority shall include,

a) Issue to the applicant a certificate of registration, renew, modify, withdraw, suspend or cancel such registration;

b) Protection of the interests of the policy holders in matters concerning assigning of policy, nomination by policy holders, insurable interest, settlement of insurance claim, surrender value of policy and other terms and conditions of contracts of insurance;

c) Specifying requisite qualifications, code of conduct and practical training for intermediary or insurance intermediaries and agents;

d) Specifying the code of conduct for surveyors and loss assessors;

e) Promoting efficiency in the conduct of insurance business;

f) Promoting and regulating professional organizations connected with the Insurance and reinsurance business;

g) Levying fees and other charges for carrying out the purposes of this Act;

h) Calling for information from, undertaking inspection of, conducting enquires and investigations including audit of the insurers, intermediaries, insurance intermediaries and other organizations connected with the insurance.

i) Control and regulation of the rates, advantages, terms and conditions that may be offered by insurers in respect of general insurance business not so controlled and regulated by the Tariff Advisory Committee under section 64U of the Insurance Act, 1938.

j) Specifying the form and manner in which books of account shall be maintained and statement of accounts shall be rendered by insurers and other insurance intermediaries;

k) Regulating investment of funds by insurance companies;

l) Regulating maintenance of margin of solvency;

m) Adjudication of disputes between insurers and intermediaries

n) Specifying the percentage of premium income of the insurer to finance schemes for promoting and regulating professional organizations referred to in clause.

o) Specifying the percentage of life insurance business and general insurance business to be undertaken by the insurer in the rural or social sector; and

p) Exercising such other powers as may be prescribed

Once IRDA opened the gate of life insurance for private companies ever since LIC of India is being given tough competition by ICICI. Prudential, Allianz Bajaj, SBI life, HDFC Standard, Birla Sun life, Reliance Life, Max New York, Om Kotak, Aviva, Tata AIG, MetLife, ING Vysya, Shriram Life, Bharti Axa Life etc. Private life insurance companies have brought in professionalism, innovations, technology, new products, and operational efficiency in the life insurance sector of India, due to which LIC is facing tough competition from private sector.Earlier LIC used to offer Children plan, Risk cover/ term insurance, whole life, and Money back plan and Endowment plan. The scenario changed due to the entrance of various private life insurance companies. In order to maintain its prestige in the market LIC enhanced its product mix by providing new products such as ULIP, Pension Plan, and Health insurance.

Review of Literature

Parkash, Chary and Sunder (2003) analyzed the impact of globalization on Indian insurance industry. An attempt has been made to discuss on low penetration in Insurance sector in India, challenges in front of the industry and essentials to meet the challenges. They found that LIC has created a large group of dissatisfied customers due to poor quality of service, higher premiums and outdated products. The products provided by LIC are not suitable to the changing needs of the customers. Due to these reasons, LIC is facing intense competition from the new private insurance companies. They suggested that LIC has to understand the needs of its customers in a better way and should increase the customer base in semi urban and rural areas, selection of right type of products and distribution channel mix is required and use of better technology to increase its customer base and to meet global challenges.

Reddy (2005) examined the customer perception towards the products of private life insurance companies with reference to Bangalore city. The study aimed to know customers preference between the products of private insurance companies and LIC , whether private insurance companies are up to the expectations of the customers, perception, about hidden cost, awareness regarding health care policies and to judge the awareness level of people and about IRDA and its role in insurance sector. By studying sample size of 400 respondents of Bangalore city he extracted the idea which reflected that policies offered by private insurance companies are up to customers expectations but very few policies are better alternatives for LIC, customers are more interested to invest in pension policies in comparison to fixed deposits, the respondents perceive that all polices are coming with hidden cost and there is no risk in investing inprivate insurance companies as they are controlled and regulated by IRDA.

Sharma(2005) conducted a study regarding the awareness of insurance among the rural and urban population and tried to compare the reach of different advertising and promotional media as being used by the insurance selling companies. He also studied the relative brand awareness and insurance product awareness among the rural and urban people and analyzed the relative faith of the public in private and public insurance players. The data was collected with the help of questionnaire to get better insight of respondents in eastern UP. From the study he observed that LIC has higher brand awareness and brand image in rural areas. LIC agents are more active than other private insurance agents. During the study it was observed that rural people have less faith in private players. So there is need to educate those regarding IRDA regulations and private players have to create a faith among the public it was also found that people are not purchasing insurance only for tax savings but also future investments.

Bansal and Taneja (2005) studied the effect of advertisement campaign and appeals being used by various life insurance companies and the perception of target audience regarding various life insurance advertisements. For this purpose primary data was collected by using structured interview and questionnaires in Punjab. The secondary data was collected from previous research reports, internet, pamphlets, news paper, television etc. By analyzing the data they come to the result that emotional rational appeals in the advertisement of life insurance companies effect more to the customers, more stress should be on the living things in the advertisements must show different stages of life of an individual and should be shown at prime time because most of the family members sit together at that time and have better recall of the advertisement message. The study reveals that commercial channels are best source for telecasting the life insurance advertisements.

Rajesham and Rajinder (2006) attempted to examine the growth of Indian insurance sector during the period of pre and post liberalization and finally to suggest the strategies that needs to be adopted by Indian insurance sector to meet global challenges so as to enhance its market share. They propounded that the year 1999 brought a jolt to the Indian insurance sector, as a result of major structural changes like ending of government monopoly and passing of IRDA bill, relaxing all entry restrictions for private and foreign players which resulted in innovation in product mix, smart marketing and aggressive distribution to sign up Indian customers faster than expected. The entry of foreign players bring flood of challenges in front of LIC of India. LIC business lies in rural areas but they are not so successful in the areas of realistic pricing, product promotion and reaching to the rural customers. Due to this reason the foreign players might have been tempted to keep their operations in the rural areas with sophisticated techniques and are successful because there is an enormous appetite for the saving instruments in rural areas. As is typical with monopolies the premium rates charged by LIC are highest amongst insurance companies of the world, shabby customer service record, and outdated products thus benefiting the private insurance players. They suggested that LIC of India requires coming up with multi beneficial policies, task benefits, quality based timely customer services and need to focus on health insurance, innovative products and aggressive distribution system.

Need and objectives of study

Since the private life insurance companies have been allowed to do business in Life Insurance sector of India, this Sector has undergone an immense change. Earlier, LIC has Monopoly in Life Insurance sector of India but now with the opening of this sector, LIC is facing tough competition from the private life Insurance companies. Thus, a comparative study is required between LIC and private players in Life Insurance sector of India. For this Purpose, following objectives have taken for the study

1. To compare the growth rate in No. of polices issued and premium collection bye LIC and Private Life Insurance Companies over Last Six Years.
2. To study the change in market share of LIC and Private Life Insurance Companies over Last Six Years. In the Life Insurance sector of India.
3. To study the cause of change in market share of LIC and Private Life Insurance Companies over Last Six Years.
4. To suggest measures for LIC to make it more competitive with Private Life Insurance Companies.

Sample Design:Presently, There are 23 Private Life Insurance Companies and One Public Sector Companies (LIC) is doing business in the Life Insurance sector of India. The present study covers a periods of Six Years from 2008-09 to 2013-14. An attempt is made to Compare the performance of LIC and Private Life Insurance Companies in the Life Insurance Sector of India.

Collection of Data: The present study is based on Secondary data. The information regarding the study has been collected from IRDA Journals, Annual Reports of various Life Insurance Companies, Various Newspapers and Web Sites. The results of the study have been drawn on the basis of comparison of performance of Life insurance companies in India for Last Six Years. To comapre the growth rate and the share of public and private life insurance companies in the policies sold and premium collected, the analysis of the data has been done with the help of percentage method. To calculate the share in premium collected by the public and private companies, the following method has been adopted:

$$\text{Percentage of Premium Collected} = \frac{\text{Total Premium collected by the Company}}{\text{Total Premium collected by the wholeIndustry}} \times 100$$

To calculate the policy share of the public and private companies. The following method has been used:

$$\text{Percentage of PoliciesSold} = \frac{\text{Total Policiessold by the Company}}{\text{Total Policiessold by the wholeIndustry}} \times 100$$

Table 1: Registered Life Insurers in India

Year	Public Sector	Private Sector	Total
2008-09	1	21	22
2009-10	1	22	23
2010-11	1	23	24
2011-12	1	23	24
2012-13	1	23	24
2013-14	1	23	24

Source: Annual reports of IRDA.

Table 1 show that the LIC is the only company working in the public sector while the number of private life insurance companies has increased to 23 over last six year. It is clear from the table that there is rise in penetration of private life insurance companies in life insurance sector of India.

Table 2: Premium Collection of LIC and Private Life Insurance Companies in India

Year	Premium Collected by LIC	% Share of LIC in Premium Collected	Premium Collected by Private Life Insurance Companies	% Share of Private Life Insurance Companies in Premium Collected	Total Premium Collected
2008-09	157288.04	71%	64503.22	29%	221791.26
2009-10	18677.31	70%	79369.94	30%	26544.27
2010-11	203473.40	70%	88131.60	30%	291604.99
2011-12	202889.28	71%	84182.83	29%	287081.11
2012-13	208803.58	73%	78398.91	27%	287202.49
2013-14	236942.30	75%	77340.90	25%	314283.20

Source compiled from annual reports of IRDA.

Note: Values given are in Crores.

Table 2 shows the Premium Collection of LIC and Private Life Insurance Companies in India over last six years. It is clear from the above table that the year from 2009-12 the percentage market share in premium collection of LIC is between 70-71%. But in the year 2012-13it has increased to 73% and further in 2013-14 and it has increased to 75%.While % Share of Private Life Insurance Companiesin Premium Collection is 29% in the year 2008-2009 and decreased to 25 % in the year 2013-2014.

Table 3: Polices Issued by LIC and Private Life Insurance Company in India

Year	Polices Issued by LIC	% Share of LIC in Polices Issued	Polices Issued by Private Life Insurance Companies	% Share of Private Life Insurance Companies in Polices Issued	Total Polices Issued
2008-09	359.13	71%	150.11	29%	509.24
2009-10	388.63	73%	143.62	27%	532.27
2010-11	370.38	77%	111.14	23%	481.52
2011-12	357.51	81%	84.82	19%	441.93
2012-13	367.82	83%	74.05	17%	441.87
2013-14	345.12	84%	63.60	16%	408.72

Source compiled from annual reports of IRDA.

Note: Values given are in Lakhs

Table 3 shows the policies issued by LIC and Private Life Insurance Companies in India over last six years. It is clear from the above table that the market share of LIC in the policies issued is on the increase from 71% to 84% from 2008-09 to 2013-2014. While the% Share of Private Life Insurance Companiesin policies issued has decreased from 29% to 16% for the same period.

Table 4: Number of Offices of Life Insurance Companies in India

Year	No of Offices of LIC	% Share of Offices of LIC	No of Offices of Private Life Insurance Companies	% Share of Offices of Private Life Insurance Companies	Total Offices
2008-09	3030	28%	8785	72%	11851
2009-10	3250	26%	8768	74%	12018
2010-11	3371	29%	8175	71%	11546
2011-12	3455	31%	7712	69%	11167
2012-13	3526	34%	7759	66%	10185
2013-14	4839	44%	6193	56%	11032

Source: annual reports of IRDA.

Table 4 shows the Number of Offices of LIC and Private Life Insurance Companies in India over last six years. It is clear from the above table that the No of Offices of LIC is on the increase from 28% to 44% from 2008-09 to 2013-2014. While the% Share of Offices of Private Life Insurance Companies has decreased from 72% to 56% for the same period.

Findings of the study

1. The study reveals that there is a gradual rise in the market share in premium collection of LIC in last six years. While the share of Private Life Insurance Companies has decreased in the same period.

2. The study shows that there is a continue rise in the market share policies issued of LIC from 2008-09 to 2013-14. While the share of Private Life Insurance Companies has decreased for the same period.

3. The study shows that there is a continue rise in the Number of Offices of LIC from 2008-09 to 2013-14. While the Number of Offices of Private Life Insurance Companies has decreased for the same period.

4. The result indicates that the market share of LIC is on the increase in last six years and it is giving a tough competition to private life insurance companies. It is clear from the study that LIC is the most trusted brand name and has retained its customers even in this competitive environment. It means that the customers still prefer LIC over private life insurance companies while buying life insurance product.

5. The study expresses that due to increase in infrastructure, professionalism, rise in no. of offices etc. The LIC is able to compete with private life insurance companies and its market share has increased over last six years.

Suggestions

1. Private life insurance companies have brought in professionalism, innovations, technology, new products, and operational efficiency in the life insurance sector of India but still a lot is required to win the confidence of the customers to increase their business. So it is suggested that the private life insurance companies must bring change in attitude of customers in their favour.

2. LIC is the oldest and largest life insurance industry still the Indian rural market is untapped. So it is suggested that LIC should increase its business in rural areas.

3. To make it more competitive, LIC should increase operational efficiency, launch new products and brought professionalism in business like private companies. LIC should go global by expanding its business in other countries.

Conclusion

The life insurance sector of India has seen an immense change since the opening up of this sector for the private players. Although the LIC is facing tough competition from private life insurance companies still LIC is able to retain its business. Private life insurance companies have brought in professionalism, innovations, technology, new products, and operational efficiency in the life insurance sector of India but still their performance is not satisfactory. The size of life insurance market of India is so huge that both LIC and private life insurance companies can increase their business up to any extent.

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