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Message

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Dear Academicians & Research Scholars,

Congratulations once again; As you know, recently our referred an international research journal listed with UGC approved list of journals (Sr.No.63148), and also indexed with many other research organizations like, Google scholar, Global Impact Factor, SJIF, IIJIF, MRJ, LinkedIn, RJI factor & Higher Education Supreme Authority Uzbekistan. We are also member of PILA (Crossref) USA. The motive of our research journal is to publish worthy and original research papers after double blind peer review process. There is no doubt that today we have given international platform to our journal where everyone, who belongs to management, knows very well. During the last seven years of our research journey, you can see that there are so many research papers, case studies, book reviews coming from across the world, in the field of management. Many academicians, research scholars & students have approached from different countries like USA, Thailand, Indonesia, Saudi Arabia, Iran, Spain, Nigeria, Kenya, Nepal, Pakistan, Sri Lanka, Uzbekistan to publish their research papers in our esteemed International research Journal. We have considered most of them to publish after peer blind review process. We have also published many research papers from different management institutes of our country. They are sending regularly for publication in the upcoming issues. In addition to, it, there are many academicians, research scholars and institutes subscribing for our journal for reading by students and faculties. There are so many academicians who are approaching for being associated with our editorial & advisory board or as a review expert. We have selected some of them from foreign countries like USA, Nigeria, Uzbekistan and Sri Lanka, Nepal. The standard of our all research papers like empirical, conceptual, book review and case study is increasing the popularity of this Journal day by day. Motivational quotations between the pages also inspiring our readers. Our renowned advisory board & editorial board is a real mile stone of our success. We thanks to our board members and editorial team, who are experts in different fields and contributing their valuable experience with us.

In the today's life, nothing is possible without research. Because, research is bringing revolutionary change in the world. Research based study always support academicians & scholars to upgrade their innovative skill and academic profile as per UGC and AICTE norms. I would also like to request those, who are interested to get their research papers published in the field of Retail, Tourism, Hospitality, Event Management, Import and export, HRM, Finance, Marketing, Advertising, Accounting, Economics, Aviation, and IT etc. to send their research papers through email.

With best wishes to all

Dr. P. S. Bhadouria

EQUITY MARKET RETURNS AND MUTUAL FUNDS' EQUITY FLOWS IN INDIA

Avdhesh Kumar Shukla, Vineet Kumar Srivastava and Amar Nath Yadav¹

ABSTRACT

Mutual funds provide a platform for a common investor to participate in the capital market with professional fund management irrespective of the amount invested and periodicity. Over the years, the investment in mutual funds has been gaining importance as a financial instruments for savings of the household sector. This paper analyses the determinants of mutual funds' equity flows in India. The Results of econometric analysis indicate that while stock market performance has positive impact on equity mutual fund flows, inflation and gold prices have negative impact on mutual funds equity investments.

Key Words: Autoregressive Distributed Lag Model, Mutual Funds, Foreign Portfolio Investor JEL Classification: E21, E44, G11

Introduction

Equity investments by mutual funds recorded a sharp increase from June 2014 (SEBI 2016, Mudgil 2016). As mutual fund investments are scheme driven, higher growth of equity investments reflects enhanced resource mobilisation by the mutual funds under equity schemes. Individual investors are dominant investing class in the equity segment. This also reflects in gradual increase of share of 'equity and debentures' in households' gross financial savings. Share of 'equities and debentures' in households financial saving as percentage of gross national disposable income (GNDI) increased to 0.7 per cent in 2015-16 from 0.2 per cent in 2012-13, during the same period rate of gross financial saving in GNDI increased to 10.8 per cent from 10.4 per cent. Change in the instrument composition of financial savings of household sector reflects their shift in preference from traditional bank deposits to more diversified financial instruments, viz., mutual funds, insurance and pension funds (RBI 2016).

Shift in households saving towards mutual funds has increased these funds' equity flows. Though, generally this shift has been touted as a diversification in households portfolio, some authors have raised questions about sustainability of these flows and possible adverse impact on balancesheet of households (Chandrasekhar and Ghosh 2015). However, in case of India, we do not see any formal research available on this topic. Bulk of the research on this topic has been conducted in the USA. Equity flows of mutual funds have two dimensions viz., a) flows from households to mutual funds and b) mutual funds investment in equity market. The Present study is mainly focused in second aspect, mutual funds equity flows.

Survey of literature reveals that outside the United States little research have been conducted on this topic (Oh and Parwada 2007, Khorana, Servaes and Tufano 2005). In India, we do not found any study on this issue, therefore we believe our study is an important contribution to the financial and economic literature in India. In present study, for the refernce period April 2004-March 2016 has analysed various aspects of

¹ Authors are working with the Reserve Bank of India, Mumbai. Views expressed in the paper are personal.

mutual funds equity investments following (Jank 2012, Warther 1995). Purpose of the study is to understand; a) what drives mutual funds investments flows to stock market, b) what is the impact of mutual fund flows on the equity retruns, and finally, c) what is relationship between mutual fund flows and real economy variables.

Main findings of the study are a) there is a very high degree of autocorelation in mutual funds equity flows, b) they driven by market return and c) they are negatively related with return on gold. Also, we find that as for as Foreign Portfolio Investors (FPIs) are concerned, mutual funds invest tactically, i.e., when FPIs leave in big way mutual fund flows increase. We also find in India mutual fund flows are led by return in equity market not *vice versa*. Besides introduction, the study is organised into four sections. Section II presents a brief outline of theoretical underpinnings and literature survey. Data and Descriptive statistics are presented in Section II. Econometric results are analysed in Section IV. Finally, the important findings and concluding observations are presented in Section V.

Theoretical Underpinnings and Literature Survey

Historically, the banking sector in India has played a central role in mobilising financial resources of the economy (RBI 2008). However, in recent period, a shift towards mutual funds and other long-term financial instruments has been observed. The Report on Currency and Finance, 2006-08 suggested buoyant secondary equity market, *inter-alia*, for increased mobilisation of resources by the mutual funds during initial years of economic reforms in India (RBI 2008). In a detailed theoretical and empirical analysis of determinants of saving, Sturm (1983) pointed out that efficiency and institutional characteristics of financial market are likely to influence type of saving instruments used by the households.

Financial literature, particularly in the US, has conducted an extensive analysis of mutual funds flows (particularly equity flows) and stock market return, investor sentiment, and real economy (Jank 2012, Warther 1995, Ben-Rephael, Kandel and Wohl 2012, Edelen 1999). Key finding of these studies is that stock market return and flows into equity funds are contemporaneously correlated (Jank 2012). According to Jank (2012), positive stock returns are accompanied by inflows and negative returns are followed by outflows. This phenomenon is known as *feedback trader hypothesis*, which states that stock market performance leads fund flows. However, it is also possible that increased inflows may lead price appreciation. This phenomenon is known as *price pressure hypothesis* (Jank 2012, Scholes 1972). Similar to market return if mutual fund investors respond to macroeconomic return then macroeconomic variables along with stock market return should be able to predict equity fund flows (Ben-Rephael, Kandel and Wohl 2012, Jank 2012).

Table 1: Survey if Literature – Main hypothesis and major findings

Author and year of publication	Main hypothesis	Methodology	Major findings
Jank (2012)	Tests feedback trader hypothesis, price pressure hypothesis and information response hypothesis.	Ordinary least Squares(OLS)	1. Mutual fund flows are related to predictive variables particularly to dividend yield. 2. Mutual fund flows have predictive power to pridict real economic activity.

Oh and Parwada (2007)	Stock market returns and mutual fund flows in Korea.	Multivariate Vector Auto Regression (VAR)	<ol style="list-style-type: none"> 1. A positive relationship between stock market returns and mutual fund flows. 2. Casualty tests suggest that predominantly returns drive mutual fund flows.
Alexakis, Niarchos, Patra and Poshakwale (2005)	Interaction between stock market return and mutual fund flows in Greek stock market	VAR and error correction model	They find a bidirectional causality between mutual fund flows and stock returns.
Rakowski and Wang (2009)	This study analyzes the dynamics of daily mutual fund flows	VAR and probit model	<ol style="list-style-type: none"> 1. The behaviour of fund investors is more consistent with contrarian rather than momentum characteristics. 2. Past fund flows have a positive impact on future fund returns, with the long-term information effect dominating the transient pricepressure effect.
Warther (1995)	Mutual fund flows and stock returns	OLS and correlation analysis	Aggregate security returns are highly correlated with concurrent unexpected cash flows into mutual funds, but unrelated to concurrent expected flows.
Edelen and Warner (1999)	Aggregate price effects of institutional trading on mutual fund flows	OLS with lead-lags	Concurrent relation reflects that mutual fund flows and institutional trading affecting returns.
Fant (2001)	The relationship of stock market returns with components of aggregate equity mutual fund flows	VAR	Flow-return relationship exists solely between returns and exchanges in-and-out.

Source: Compiled by the authors.

Political Uncertainty and Stock Market Movements:

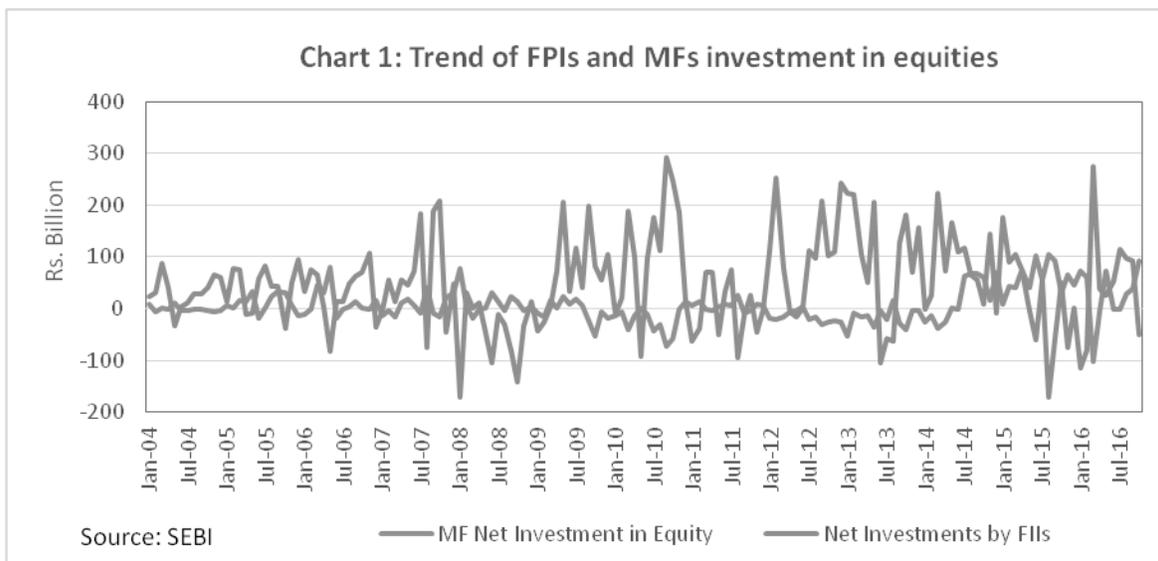
Data and Descriptive Statistics

Data on net equity investment by mutual funds are sourced from the Securities Exchange Board of India (SEBI). Return on BSE Sensex and CNX Nifty has been used as proxy for benchmark market return. Data of BSE Sensex and CNX Nifty have procured from BSE and NSE, respectively. Yield of 10-year government of India bond, 364 day T-bill and monthly price of gold have been used as a proxy for alternate investments. Difference of yield of 10 year G-sec and yield of 364 day T-bill has been used as a proxy for term spread.

Index of industrial production (IIP) and consumer price inflation for Industrial Workers (CPI-IW) have been used as measures of economic activity. Data relating to yield of 10-year G-sec, price of gold, IIP and CPI have been obtained from RBI's database on Indian economy. Data net FPI flows in equity segment have been obtained from NSDL. FPIs equity flows reflect views of global investors about Indian equity market particular and Indian economy in general.

Equity mutual funds are the prime institutional vehicles for mobilisation of small investors' savings into equities (Fama and French 2002). However, in the aftermath of global financial crisis, mutual funds resorted to divesting of their equity investments. This trend continued up to June 2014. Since July 2014, mutual funds have turned net investors in the equity segment (Chart 1 and Annex 1). Trend reversal of equity investments by the mutual funds has provided valuable liquidity support to the domestic equity market which has recorded sharp outflows by foreign portfolio investors (FPIs) since May 2015. This also bodes well from the perspective of channelization of household savings to financial instruments from physical savings.

Despite a long history of mutual funds in India, their role in development of Indian stock market is limited. Share of total assets under mutual funds in December 2016 in total market capitalisation¹ was marginally above four per cent.

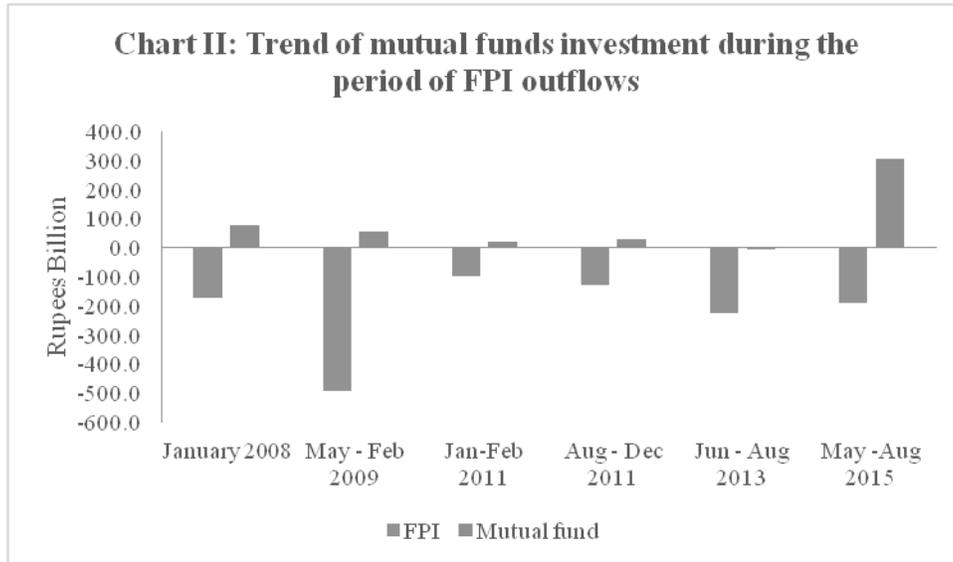


Mutual funds' investment in equities may have revived on account of two factors: a) mutual funds may be taking advantage of recent FPI outflows from equities and resorting to value buying and b) domestic individuals have returned to equity market through mutual funds on account of increased optimism in domestic economy and higher returns from equities relative to other asset classes.

In view of the above, an analysis of investment pattern of mutual funds during the periods of high equity outflows (outflows > Rs.100 billion) has been attempted. It is observed that in general during such periods, mutual funds' investment in equities turn positive. However, in comparison to quantum of present period, quantum of mutual fund's investment during earlier periods of volatility was significantly small (Chart 2). In addition to that, mutual funds investment in equities in its present phase has remained positive from July 2014 onwards when FPI investment were also rising. Hence, it appears that present episode of high mutual

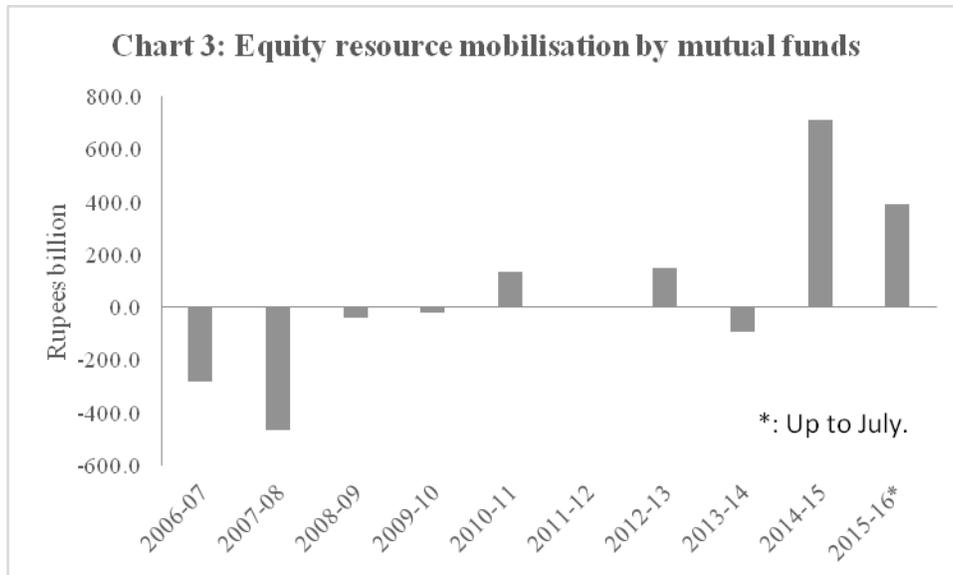
¹ For market capitalisation, market capitalisation of BSE was used.

funds investment in equities is just not a value buying phenomenon. Let us examine whether mutual funds' investment in equities are due to the second factor.



Source: SEBI & NSDL.

Trend of resource mobilisation by the mutual funds: Trend of equity resource mobilisation by mutual funds indicates that after a multi-year sluggishness, equity resource mobilisation recorded strong uptrend in 2014-15 reaching to Rs.710.3 billion as compared with redemption of Rs.92.7 billion in 2013-14 (Chart 3). During 2015-16 so far (up to July 2015) the momentum continues with equity resource mobilisation by mutual funds increasing by 96.7 percent to Rs.390.7 billion from Rs.198.7 billion mobilised in April-July 2014-15. This indicates that strong equity investment by mutual funds is not just a value buying phenomenon rather it is indicative of revival of domestic investors' interest in equity mutual funds.

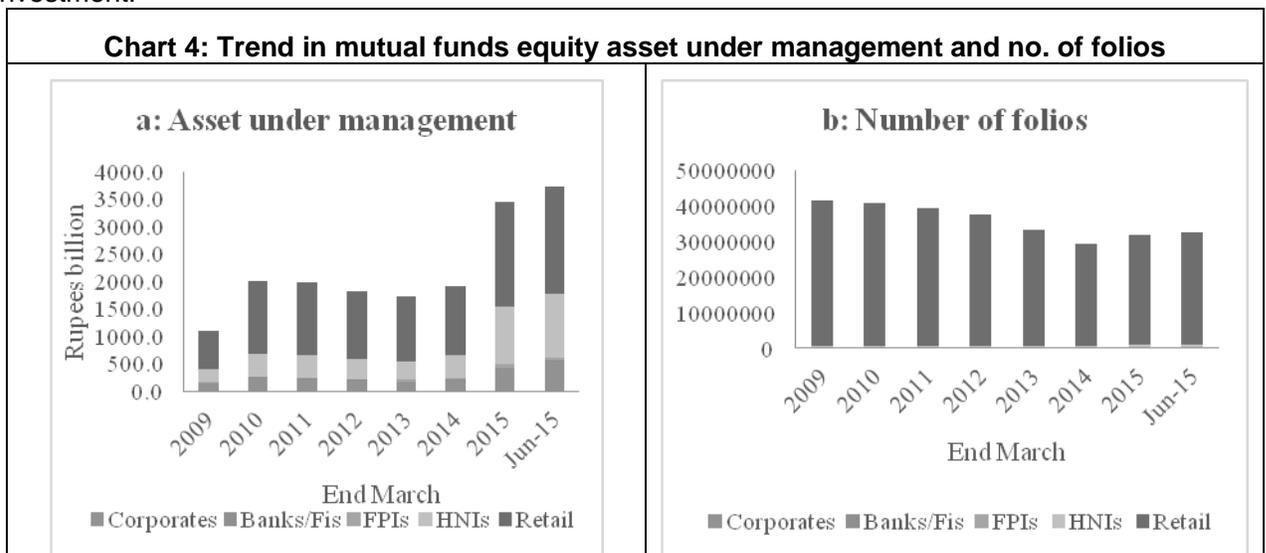


Source: SEBI & NSDL

In order to examine this factor further, the note has analysed data of amount and number folios (accounts) of equity assets under management (AUM) with mutual funds from different investing classes. Broadly, investors can be classified as corporates, banks/FIs, FPIs, high net-worth individuals (HNIs – such individuals whose investment is above Rs. 5 lakh) and retail investors (individual investors below Rs. 5 lakh) (Chart 4a). Composition of equity assets under management indicates that equity mutual funds are mainly subscribed by the corporates, HNIs and retail investors. Trend of equity AUM and no. of folios confirms the uptrend in the equity investments. During 2014-15, AUM increased to Rs.3451.4 billion from Rs.1916.8 billion in 2013-14. It further increased to Rs. 3723.1 billion as at end June 2015. The number of accounts held by individual investors increased to 32.4 million as at end-June 2015 from 29.0 million as at end-March 2014 (Chart 4b).

In terms of investing class, majority of equity resources have been raised from individual investors, i.e., HNIs and retail investors followed by the corporates. As for as number of folios are concerned, around 99.4 percent equity mutual fund accounts are held by the individual investors.

During 2014-15, declining trend of number of folios recorded a trend reversal. Analysis of corporates, HNIs and retail investors’ investment in liquid/money market, gilt, debt and balanced funds schemes indicates that their aggregate investment in these segments have also increased during this period. Therefore it does not appear that corporates, HNIs and retail investors have shifted from debt to equity investment.



Source: AMFI

From descriptive analysis it emerges that increased mutual funds flows in equity could be a) relatively poor performance of other asset classes such as real estate and gold vis-à-vis equity and b) optimism about improvement in economic fundamentals of the domestic economy leading to growth in corporate earnings. Above explanations have been tested using econometric techniques.

Econometric Analysis:

Testable hypothesis: Predictive variables and mutual funds' equity flows			
Variable	Relation to economic activity	Relation to equity return	Expected relation with mutual funds' equity flows
Equity return	Positive		Positive
Dividend yield	Negative		Negative
Long term interest rate	Positive	Negative	Negative
Term spread	Positive	Negative	Negative
FPI Flows	Positive	Positive	Negative
Gold prices			Negative
Consumer price inflation	Positive		Negative
Based on Jank (2012)			

Table 2: Correlation Matrix								
	MF	FII	Dividend Yield	Stock return	10 years G Sec Yield	Yield spread	Yield 364	CPI Inflation
MF	1							
FII	-0.56	1						
Dividend Yield	-0.1	-0.1	1					
Stock return	0.09	0.12	-0.21	1				
10 years G Sec Yield	-0.05	0.06	-0.47	-0.02	1			
Yield spread	-0.14	0.1	-0.04	0.25	-0.43	1		
Yield 364	0.07	-0.03	-0.23	-0.17	0.82	-0.87	1	
CPI Inflation	-0.41	0.14	-0.22	-0.07	0.35	0.25	0.03	1

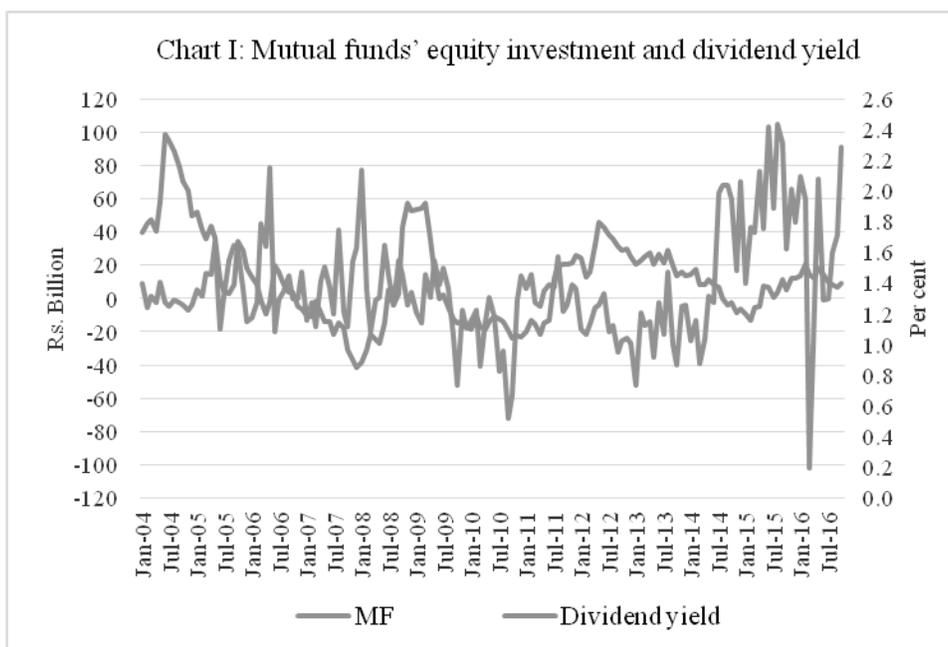


Table 3: Test of Stationarity		
H0: There exists a unit root		
H1: There exists no unit root		
Variables	Level [p value]	First difference [p value]
Mutual Funds' Equity Investments	-3.8024 [0.0036]	
Net FPI Investments	-3.3526[0.0144]	
Consumer Price Index Inflation	-1.5005 [0.5303]	-4.9209[0.0001]
Average monthly gold price (10 gms)	-0.8259[0.8084]	-
Sensex (Monthly Average)	-1.1047[0.2713]	10.9157[0.0000]
NSE Nifty (Monthly Average)	-0.8026 [0.8150]	-5.2746[0.0000]
G-Sec 10 year Government Yield	-3.6732 [0.0055]	2.4969 [0.0137]
		-3.6732 [0.0003]

Table 4: Mutual fund equity flows and stock market return

	Flow _t	Flow _t
Flow _{t-1}	0.45***	0.49***
	<i>7.02</i>	<i>7.19</i>
Flow _{t-2}	0.17	0.18
	<i>1.46</i>	<i>1.53</i>
Stock return		119.08***
		<i>3.74</i>
Constant	286.81	117.16
	<i>1.4</i>	<i>0.61</i>
R ²	0.3	0.34
Adj. R ²	0.29	0.33

Heteroscedasticity robust t-statistics are in italics.
***: significance at the 1% level.

Table 5: Expected and unexpected flows and stock return

	Dependent Variable	
	Unexpected flows	Expected flows
Stock return	-20.13	-39
	<i>-0.81</i>	<i>-1.54</i>
Constant	24.24	693.06
	<i>0.17</i>	<i>4.67</i>
R ²	0	0.04
Adj. R ²	0	0.03

Heteroscedasticity robust t-statistics are in italics.

Table 6: Mutual fund equity flows and dividend yield

Dependent variable: Mutual funds' equity flows			
	<i>Flow_t</i>	<i>Flow_t</i>	<i>Flow_t</i>
Flow _{t-1}	0.58***	0.53***	0.57***
	5.49	4.88	5.28
Stock return	117.07***		110.36***
	3.59		3.47
Dividend yield		-1247.80**	-910.95*
		-2.16	-1.71
Constant	166.93	2103.15**	1473.77*
	0.77	2.21	1.69
R ²	0.32	0.29	0.32
Adj. R ²	0.31	0.28	0.3

Heteroscedasticity robust t-statistics are in italics.

***, **, and * indicates significance at 1%, 5% & 10%.

Table 7: Test of Granger Causality

Null hypothesis	F-statistics
Stock return does not cause mutual funds' equity investment	4.66***
Mutual funds' equity investment does not cause stock return	0.27
Dividend yield does not cause mutual funds' equity investment	3.36**
Mutual funds' equity investment does not cause dividend yield	0.43

***, **, and * indicates significance at 1%, 5% & 10%.

Table 8: Mutual funds' equity flows and other predictive variables

	Dependent variable: Mutual funds' equity flows					
Flow _{t-1}	0.54***	0.54***	0.52***	0.56***	0.42***	0.47***
	<i>5.03</i>	<i>5.07</i>	<i>5.07</i>	<i>5.84</i>	<i>4.01</i>	<i>5.32</i>
Stock return						139.54***
						6.13
Yield 10 year	-28.69					
	<i>-0.15</i>					
Yield 364		95.74				
		<i>0.78</i>				
Yield Spread			-338.28			-365.46
			<i>-1.66*</i>			<i>-2.17**</i>
FII					-0.17	-0.17
					<i>-4.68***</i>	<i>-5.63***</i>
Gold price change				-187.59		-158.53
				<i>-2.94**</i>		<i>-3.69***</i>
Constant	544.08	-348.05	552.44*	533.05**	1218.84**	1471.12**
	<i>0.37</i>	<i>-0.43</i>	<i>1.78</i>	<i>2.13</i>	<i>3.69</i>	<i>3.79</i>
	0.28	0.28	0.29	0.33	0.47	0.58
	0.27	0.27	0.28	0.32	0.47	0.56

Heteroscedasticity robust t-statistics are in italics. ***, **, and * indicates significance at 1%, 5% & 10%.

Causality test: For testing of causality the study has used standard Granger causality test. Purpose of causality test is to check direction of influence. Granger test tries to establish linear precedence among events (Granger 1969).

The null hypothesis that equity fund flows do not Granger-cause stock market returns in the presence of market fundamentals is tested by $H_0: \beta_i = 0$, for all i in (2). Similarly, the null hypothesis that stock market returns do not Granger-cause equity fund flows in the presence of market fundamentals is tested by $H_0: \mu = 0$, for all i in (3).

Robustness: Relationship with benchmark equity indices (equity prices) was alternatively also tested using NSE's bench market index CNX Nifty. Results of the study remain unchanged. Hence, we believe that our results are robust to alternative scenarios.

Conclusion:

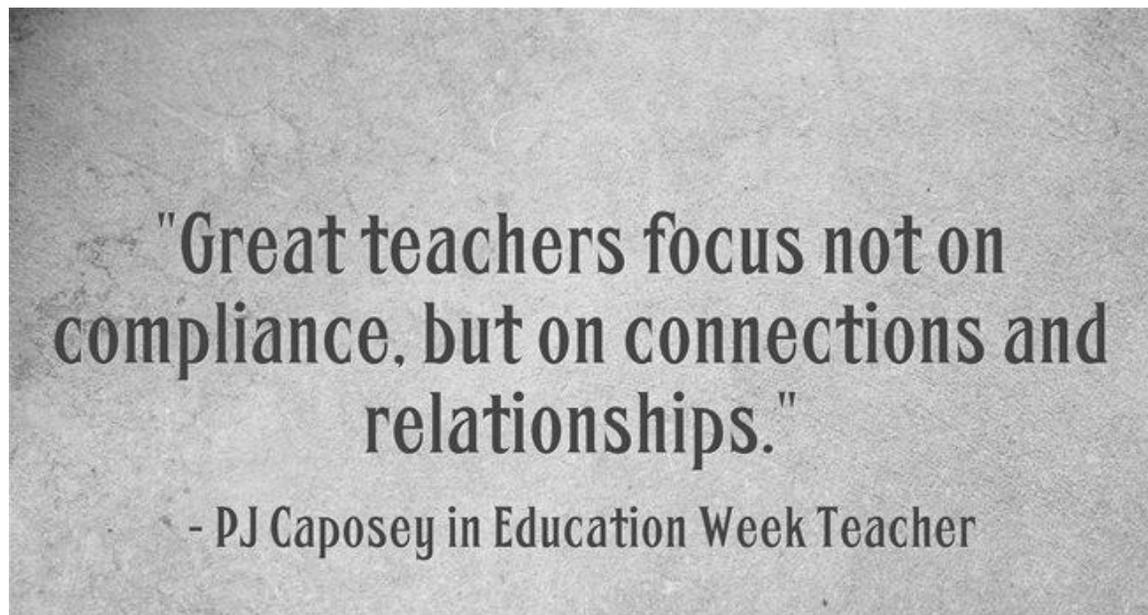
This study makes an important contribution to existing literature in terms of analysis of determinants of mutual fund flows to equity market. Although financial economics literature has given very intensive coverage to determinants, trends and behavior of FPI investment in India but little attention has been paid to analyse mutual funds investment, particularly, equity investments. Study of mutual funds equity investment is important from perspective of channelizing of financial resources of household sector for financing of risk capital in the economy and meeting the savings requirements of the household sector systematically. In our knowledge this study is first of its type.

Results of econometric analysis, using autoregressive distributed lag technique, indicate that while stock market performance has positive impact on equity mutual fund flows, inflation and gold prices have negative impact on mutual funds equity investments.

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PERCIEVED USAGE OF MOBILE BANKING SERVICES

Dr.B.S.Patil¹

ABSTRACT

India is reaching a high rate of mobile banking adoption and contributing towards the growth of the economy especially in service sector. Cost effective Mobile banking channel will bring ne innovations in the banking activities. In the present day context banks and non-banks started to render financial and non-financial services through mobile. This would in turn towards virtual banking services means branchless mode of financial service leading to a greener society. However there is a risk of fraud and privacy issues which need a regulatory concern and also huge requirement of investment in the banking infrastructure. Trust is the most important concern in mobile banking. Hence an attempt is made in this paper selecting purposively Bengaluru a sample geography with the sample size of 300 customers. Descriptive analysis is made to understand the relevance of various factors that influence or hinder the banking business through mobile. In the present study variables such as perceived cost, perceived risk, security and trust to get a better insight about the various influences in the usage of mobile banking. Perceived risk has shown negative influence in the usage of mobile banking. All other factors influence in the adoption of mobile banking. It is implicated to adopt the cost effective channel with increased level of protection to users of mobile banking

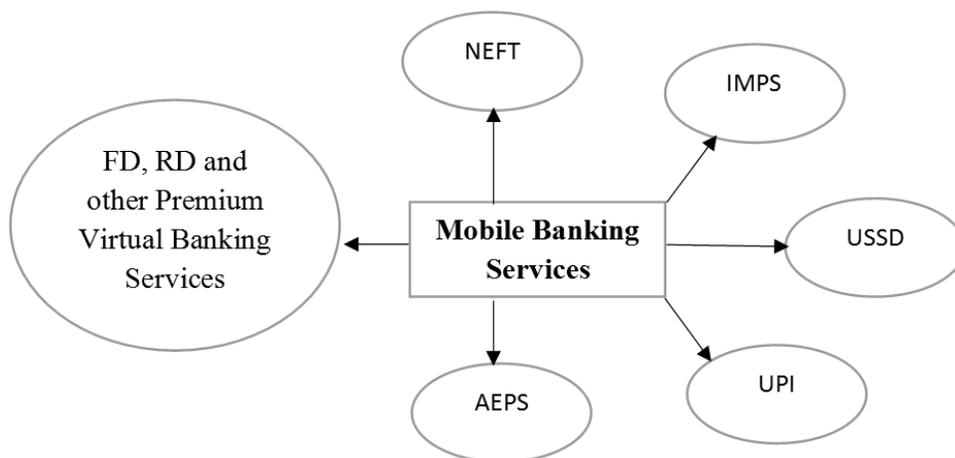
Key words: M-Banking, Perceived Cost, Perceived Risk, Security, Trust and Reliability

INTRODUCTION:

Mobile banking is slowly substituting the use of cheques, pay-in-slips, drafts and most importantly customers personally dropping into the floors of banks. The mobile banking has accrued in revolutionary changes where in customers can operate the bank accounts through mobile phones from anywhere. To avoid fraudulent transactions and to provide more transactions are ensuring all security measures. The technological innovations combined with revolutionary changes in the communication industry have provided has created congenial ground for successful digital banking. It as a new phase in retail banking services reduces time and cost to banker and customer in respect of balance inquiry, inter account transfers, utility bills payment, request cheque book and obtaining statement of account. The competition between physical market and virtual market is getting intense with revolution in the field of electronic communication. Of late banking companies are thinking about switching their businesses from the physical to virtual market. The subsystems in bank-deposit collections, arrangements for payments and transfer of funds, management of investment portfolio and loan management are getting digitized. Concomitantly digital banking is getting simplified and internalized in the banking system. Trust, security and safety are the most challenging all time

¹ Professor & Director, School of Research and Innovation CMR University, Bangalore-560042
Email: patil.bs@cmr.edu.in

issues for the banks. Since inception banks are effectively handling these challenges, hence, banks are blooming.



The time tested adaptation of banks in the evolutionary process has given much required edge to the bankers. Banks began online banking business with Automated Teller Machine (ATM) and now package of services such as internet banking and mobile banking namely National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), Immediate Payment Service (IMPS), Unified Payment Interface (UPI), Aadhar Enabled Payment Service (AEPS) and widely premium virtual banking services are enabled and all like that as major tools in digital banking.

REVIEW OF LITERATURE:

Mohammad et al., (2016) emphasize that privacy/security is the essential factor for internet banking revealed that service quality is influenced by network quality, customer service, information support, privacy and security. The results suggest to use seven dimensions which were also approached using semi-structured interviews to get the broader picture, where data were interpretively analyzed and coded using Nvivo.

Nagaraju (2015) investigated that the most important factor affecting mobile-banking operations is cost, security, and time and customer satisfaction. It was concluded that awareness about the mobile-banking usage and familiarize the benefits of using m-banking is essential. However a cheap, reliable and secure technology development is must for mobile-banking adoption to address the security problem.

Aditya Kumar Tiwari et al., (2014) describe the various benefits of mobile-banking such as obtaining mini-statement, making payment and transfer conveniently and at less time. There are certain challenges for adoption of mobile-banking such as lack of security and privacy concerns, lack of customer awareness, network issues, non-encrypted SMS-banking and issues on authentication. This can be overcome by various solutions such as educating and training the customers about safe mobile-banking, provision for

high infrastructure facilities, provision for secured data and information including trust worthy services. It was concluded that trust can remove the barriers in adoption of m-banking.

Md. Shori wful Islam (2014) findings that generating more apps will lead to more security problems which is unavoidable .There is a parallel statement that security control measures are also broad and extensive. It is found that the user awareness to protect the data is essential. There is more a fear perception which is not a reality according to the reviews.

Nitin Nayak et al., (2014) found exploratory work to know the factor affecting adoption and steps to be taken by bankers to increase the adoption of users. Since the adoption rate was poor the author evaluated various models to know the influencing factors. Based on evaluation of various models supported by literature review the author inferred that trust factor, perceived use and ease of use and perceived cost are the factors affecting the attitude of users to use m-banking. It was suggested that bank should create awareness about the benefit of m-banking and a revolution in m-banking should take place by bankers along with service providers.

STATEMENT OF THE PROBLEM:

Technology is a benefit for progress in banking sector country like India for ample reasons and also a bane for adoptability. A whole lot of changes in the technology i.e., digitalisation, mobility, connectivity, dropping costs, the universe of inclusive banking customers along with education of rural customers hold the opportunity. So it becomes the responsibility of the banker to provide the technology which treats every customer as equal. Even Urban banking consumers have huge expectations from every bank, no matter how small it is. Therefore technology has enabled banks to transform customer experience, expand channels, innovate non-cash payment mechanisms and become more operationally efficient. Banking is essential but Banks are not whether we like it or not, this paradigm shift is inevitable. So leveraging with the power of mobile banking is a must to be profitable and stay successful.

NEED FOR THE STUDY:

A number of studies have shown the adoption and assess the technology acceptance by the users of mobile banking and the variables that influence mobile banking usage. Hence technology acceptance variables namely perceived use and perceived ease of use was adopted for the study along with other variables like perceived cost, perceived risk, security issues and trust factor, which were found to be important in mobile banking usage from the literature review.

SCOPE AND LIMITATIONS OF THE STUDY:

The study will contribute to the existing knowledge on customer perception about adoption in mobile banking in Bengaluru. Being a land of various banks it is important to develop an alternative delivery via mobile so as to cut cost and improve banking efficiency. The innovation in mobile technology will further give a richer experience to user and thus contribute to greater convenience and ease in financial transactions. This study is limited to the customers using mobile banking services in Bengaluru city. Therefore the inferences cannot be generalized.

OBJECTIVES OF THE STUDY:

1. To study the developments in mobile banking services.
2. To evaluate the various components of mobile banking services and analyze the factors which influence the perception of customers in usage of mobile banking.
3. To suggest strategies for effective use of mobile banking services

HYPOTHESIS OF THE STUDY:

H1: Demographic factors has no significant impact on the digital banking usage

H2: Perceived factors do not have a significant influence on usage of mobile banking.

RESEARCH METHODOLOGY:

This study used the descriptive and exploratory research design. Analysis of Secondary data combined with shared thoughts of researcher's academic peers and experts in financial services has given solid based for descriptive analysis, customer adoption of mobile banking services in Bengaluru city. 300 respondents selected in simple random sampling. Pilot tested structured questionnaire was administered 600. 575 responses were collected of which 300 were used. The response percentage is 52.

STATISTICAL TOOLS:

The data collected from various sources were analyzed by applying appropriate mathematical and statistical techniques along with percentage analysis. Analysis of test by descriptive test and correlation analysis was made. Further Anova was used for testing the variables are used with the help of SPSS 24.

DATA COLLECTION:

For this study primary and secondary data were used. For collecting primary data a well- structured questionnaire is important factor. The questions that ask the respondent to select an answer from a list of options are called closed-ended questions. They provide a uniformity of response and are relatively easy to analyze. Secondary data is obtained from the published sources.

Table - 1: Demographic Profile of the Respondents

Factors	Parameter	Frequency	Percent
Gender	Male	249	81.4
	Female	57	18.6
Age	18-30	222	72.7
	31-45	64	20.9
	>46	19	6.3

Education	Illiterate	1	.2
	High school	6	1.9
	Intermediate	13	4.2
	Degree	177	57.7
	Master's Degree	101	33.1
	Others	8	2.8
Marital Status	Married	105	34.2
	Single	201	65.8
Occupation	Employee	119	38.8
	Business	45	14.6
	Profession	31	10.0
	Student	108	35.5
	Others	4	1.2
Monthly Income	<20,000	146	47.9
	21,000-40,000	101	33.2
	41,000-80,000	43	14.2
	>80,000	14	4.7
Type of Bank	Public	181	59.1
	Private	125	40.9

Source: Computed from Primary Data

The above table shows the demographic profile of the respondents in Bengaluru. Male constituted the vast majority of the sample at 81.4 percent rest constitute the Female. The respondents from the age group 18-30 years constituted the vast majority of the sample at 72.7 percent. Those from the age group 31-45 years are the majority from the sample constituting 20.9 percent. The degree holder respondents constituted majority of the sample at 57.7 percent. The 'single' respondents constituted majority of the sample at 65.8 percent. Employees constituted the single largest category at 38.8 percent of respondents. The respondents earning less than ₹ 20,000 per month constituted the majority of the sample at 47.9 percent. The respondents from public banks constituted the majority of the sample at 59.1 percent. Respondents from private banks constituted the remaining 40.9 percent of the sample.

MEASURING THE PERCEIVED USAGE OF MOBILE BANKING SERVICES:

An analysis of the above table brings out that 'Perceived Usefulness' achieved the highest mean score while the 'Perceived Risk' achieved the least mean score. Probably for this reason there is slow adoption of m-banking.

Table – 2: Correlation of Various Mobile Banking Components

	Perceived Usefulness	Perceived Ease	Perceived cost	Perceived Risk	Security	Reliability /Trust	Using Mobile Device for various services
Perceived Usefulness	1.00						
Perceived Ease	.557**	1.00					
Perceived cost	.522**	.437**	1.00				
Perceived Risk	-.001	-.054	-.013	1.00			
Security	.427**	.367**	.317**	-.079	1.00		
Reliability /Trust	.454**	.424**	.368**	-.086	.578**	1.00	
Using Mobile Device for Various Services	.356**	.309**	.308**	-.137	.352**	.367**	1.00

** . Correlation is significant at the 0.01 level (1-tailed)

From the correlation analysis it is observed that when risk exists there is no relation with the other variables which influence the usage of mobile banking transactions. It can be analysed that the respondents are not risk takers.

F Test with help of ANOVA

Objective: To know significant differences in various mobile banking components across age groups

From the result, to test whether age has a significant difference with the mobile banking parameter, it is observed that age group do not influences the factors of mobile banking usage in terms of usefulness, cost, trust, using mobile device for various service. It is also observed that the age group will influence for perceived ease, risk and security in mobile banking usage. The sample respondents based on the age group, it was observed that 18 to 30 years greatly influence the variables influencing the mobile banking usage than other age groups. Finally, it can be inferred that age will influence the mobile banking usage.

Objective: To know significant differences in various mobile banking components across educational qualifications

Based on the relationship between the education qualification and mobile banking parameters, it is observed that factors that is perceived use, perceived ease, perceived cost, perceived risk, security, trust

and usage of mobile device for various services do not show relevance with education in promoting the mobile banking usage. It can be finally inferred that education will not influence the use of mobile banking.

Objective: To know significant differences in various mobile banking components across occupations

On Examination of the relationship between usage of mobile banking parameter and occupation revealed that, the occupation will not influence the perceived usefulness, perceived ease, perceived cost, perceived risk, security, perceived trust and usage of mobile device factors. It is observed from the sample that employees followed by students prefer m-banking. As per the sample response the business people find it riskier. Finally, it is inferred that occupation will not influence the mobile banking usage.

Objective: To know significant differences in various mobile banking components across monthly income of respondents

It is analyzed from the study about the relationship between monthly income and various mobile banking parameters, that monthly income do not have a significant bearing on the usage of mobile banking. Sample represents that income bearing less than Rs. 20,000 followed by income ranging from Rs. 20000 to Rs.40000 has more influence on the mobile banking usage. However, it can be inferred that monthly income will not influence the mobile banking usage.

Objective: To know significant differences in various mobile banking components across usage of mobile banking

The inference done from the analysis show that all variables i.e perceived use, ease of use, cost, risk, security, trust and using mobile device for banking functions are not significantly related to each other with regard to usage of mobile device. However there is a good mean score for various variables.

Objective: To know significant differences in various mobile banking components across frequency of using mobile banking

The result signify that all factors such as perceived usefulness, ease of use, cost, risk, security, trust and use of mobile device do not influence the frequency of usage of mobile banking. However there is a good mean score for various variables. However there is a good mean score for various variables.

From the Anova results it is thus observed that education, occupation, monthly income, internet banking adoption, frequency of using internet banking, mobile banking adoption and frequency of using mobile banking may not significantly influence the various variables of mobile banking usage. However for various regions and age of the respondents has significant impact on variables of mobile banking usage.

MAJOR FINDINGS

1. The profile of customers details from Bengaluru are majority with Males dominating the sample population mostly with youngsters. The major population is educated with degree qualification and is unmarried. The single large categorized people are employees with income composition of less than 40,000 with more than 50% from public sector banks.
2. From the correlation analysis it is observed that when risk exists there is no relation with the other variables which influence the usage of mobile banking transactions. It can be analysed that the respondents are not risk takers.

3. Based on ANOVA analysis, it is know whether the region has any significance of various mobile banking parameters, it is interpreted that perceived ease, risk and security factor will definitely influence the mobile banking usage among various regions .It is also observed that perceived ease leads to influence of perceived useful as examined in literature review. It is also observed that perceived usefulness, cost, reliability and use of mobile device for various services do not influence for the mobile banking usage pattern across regions. From the sample it is indicated that metro area influence more than urban centers. Finally, it can be interpreted region influence the use of mobile banking.
4. From the result, to test whether age has a significant difference with the mobile banking parameter, it is observed that age group do not influences the factors of mobile banking usage in terms of usefulness, cost, trust, using mobile device for various service. It is also observed that the age group will influence for perceived ease, risk and security in mobile banking usage. The sample respondents based on the age group, it was observed that 18 to 30 years greatly influence the variables influencing the mobile banking usage than other age groups. Finally, it can be inferred that age will influence the mobile banking usage.
5. Based on the relationship between the education qualification and mobile banking parameters, it is observed that factors that is perceived use, perceived ease, perceived cost, perceived risk, security, trust and usage of mobile device for various services do not show relevance with education in promoting the mobile banking usage. It can be finally inferred that education will not influence the use of mobile banking.
6. On Examination of the relationship between usage of mobile banking parameter and occupation revealed that, the occupation will not influence the perceived usefulness, perceived ease, perceived cost, perceived risk, security, perceived trust and usage of mobile device factors. It is observed from the sample that employees followed by students prefer m-banking. As per the sample response the business people find it riskier. Finally, it is inferred that occupation will not influence the mobile banking usage.
7. It is analyzed from the study about the relationship between monthly income and various mobile banking parameters, that monthly income do not have a significant bearing on the usage of mobile banking. Sample represents that income bearing less than 20,000 followed by income ranging from 20000 to 40000 has more influence on the mobile banking usage. However, it can be inferred that monthly income will not influence the mobile banking usage.

CONCLUSIONS AND RECOMMENDATIONS:

In the light of outcome of the research work involving the process of testing the hypothesis, the following recommendation has been taken place.

1. The current research work clearly indicates that there are certain factors of technology acceptance are important for adoption of mobile banking i.e., perceived use, perceived ease of use, perceived cost, security and trust. It is further suggested to develop security as an important parameter to decide the success of mobile banking services. Security in turn enhances trust in the mobile banking model. The RBI has also come up with supervisory actions to handle security and cyber fraud. Apart

from this to combat risk in mobile banking, launch of central fraud registry holding 13 year database of various fraud that took place is maintained so as to give an idea for banks to take operational decisions. Similarly Large value banking frauds Committee were also set up comprising of the FINMIN, department of financial services including investigating agencies.

2. There is a surge in smart phones in recent months because of also of the banks who insist the retail customers to go for mobile banking for their financial transactions. There was a 46% growth in mobile banking transaction totalled to 49029 crore in December. There was a surge of 82% between Septembers to December along with the growth in retail mobile transactions. This is because of the increase in the adoption of smart phones across the country.(mint, dec.2015).There is a record of 112.34 million subscribers as on 30th June 2016 for wireless broad band service providers among top five companies such as Bharti Airtel, Vodafone, Idea Cellular, Reliance communication and BSNL (TRAI). They contribute to 84.38% of the total market share. The recent launch of smart phone feature by Reliance as less than Rs.1500 is another motivation consumers including rural people to explore m-banking features.
3. Data revealed that the monthly subscription and monthly growth rate for wireless segment is of 1,958,976 and 0.19% respectively. While the year-end subscription and year growth rate was 1,035,115,990 and 5.54 % respectively for the wireless segment in the telephone subscription as on 30th June, 2016. This shows that nearly 85% have mobile phone so it is easy for them to penetrate for banking operations. Ease will lead to usefulness based on various articles review.
4. The December 9th 2015, 195.2 million accounts have been opened and 166.7 million RuPay debit card have been issued under Pradhan Mantra Jan Dhan Yojana. (PMDJY)To attain universal access to banking facilities this scheme was launched on 28th august 2014 in two phases upto August 2018 by issuing cards to all households, conducting financial literacy programme, creation of credit guarantee fund, micro insurance and unorganized sector pension schemes. In the light of this banks could avail Reserve bank scheme for subsidy in rural ATMs. Apart from this, as a financial initiative, it is estimated that almost 91% of the banking outlets were operating in branchless mode with the help of business correspondent and business facilitators as on 31st march 2015 based on ICT. Hence financial inclusion objective is implemented by a congruency of technology, RBI's policy and the government's policy.
5. The impact of transaction cost migrating from branch to mobile is 43times in branch, 13 times greater in a call center, 13 times greater than in ATM and 2 times greater than online channel (Javelin Strategy and Research, August 2015). This ensures that mobile is cost effective channel which can increase the adoption rate in different region urban as well as rural area.
6. Based on risk perception, certain precautionary measures by customers should always be adopted such as signing on SMS alert to see fraudulent withdrawal and informing banks and blocking the access, discarding the message which shows the remaining balance, not sharing the PIN number and MMID, disable the access of phone by locking with password, avoid direct access to banking site by sign out action every time after completing the m-banking task. Learning on self-defensive technique for user of mobile banking becomes dire essential whenever customer go to choose banking on mobile to avoid any problem in mobile banking transactions.

The faster new age technologies like 4G and competitive prices of the new smart phones with as less as Rs.5000 will add to flexibility in varied fields including banking sector. The socio-political influence for digitalized India and National telecom new policy (for more than 2 Mbps) will lead to higher network quality. Under the broad band /wi fi facility access for 100 railway station in 2016 and increase this to another 400 by 2017, the same plan to make other areas as free zones can bring more digital participation. The 100 smart cities plan in India would call for more investment in technology based industries which will lead to digital empowerment by citizens. Make in India plan similar to China will bring down the electronic value like smart devices, dongles and routers/access points. This will lead to high affordability and adoption of brand service. The optic fibre connection to around 2 million gram panchayat covering nearly 80000 kms will lead to digital infrastructure and in turn lead to financial inclusion and economic growth. According to Inclusive Finance India report, 2016 at the global inclusive finance India Summit reveals that areas where traditional branch model has failed to rapidly scale up there is a sharp increase in the branchless mode outlets in villages from 34,316 in year 2010 to 5,34,477 in year 2016. The explosion of mobile banking transactions has aimed to deepen the engagement of PAN India population. This staggering improvement in the banking infrastructure can be foreseen both in rural and urban areas. All this will lead to probably, to a mobile (moving) India, synching for progress.

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Teachers matter.
Improving teacher
quality is the single
most effective way to
improve student
outcomes.

BUDGET REVENUES IN INTER-BUDGETARY RELATIONS AND METHODS OF THEIR FORECASTING

Mansurov Mansur Alisherovich¹

ABSTRACT

This paper investigates the major points of budget revenues in inter-budgetary relations while learning methods of their forecasting. Moreover, the way of procedures on financial parts of budgetary is analyzed both theoretically and practically. Finally, outcomes of research paper is concluded and major feedbacks according to shortcomings were stated to make further investigations in the mentioned issue.

Keywords : Budget revenues, inter-budgetary relations, forecasting, methodology.

Introduction

From the radical economic reforms in the period of transition to a market economy, through the creation of the ultimate objectives of the economic system based on market mechanisms to achieve sustainable economic growth. The fact that the conditions of social and economic reforms to maintain the state's role in the implementation of the first President of the Republic of Uzbekistan Islam Karimov, by implementing economic reforms have been identified as one of the basic principles. Play a role in the implementation of economic reforms in the state reformatory; the difficulties of the transition period of social protection for the most vulnerable layers of the population need the funds necessary for the formation of the centralized systems.

On the other hand, a market economy and centralized monetary fund's paid by means of the relations connected with the formation of the national economy and social reproduction process by the quantity, quality and efficiency of the public will be important repercussions on the economic and financial supporters. Based on the above, the state budget is the main type of funds centralized relations connected with the formation and use of money in terms of theoretical and practical study of the mechanism of formation of a market economy today, its actual significance. To fulfill an important role in Society State requires a certain amount of value. State expenses are those which state-owned financial resources to meet the nation's needs for cost collection. All budget expenditures are the character of the current expenses and capital expenses.

Theoretical background

The bulk of the money is current cost, and the rest of them are capital costs. In this regard, consideration should be given to classification of budget expenditures. Classification of budget expenditures will be able to examine the 3 main groups. These are as follows:

- A. The classification of the budget expenditures by functions

¹ PhD candidate, Tashkent Institute of Textile and Light Industry, Email: m.mansurov1985@gmail.com

B. The classification of the budget expenditures by organizing

C. The classification of the budget expenditures by economic

According to the classification of the budget expenditures by functions, costs of government functions assigned to the classification of public sector bodies within the functions and tasks of socioeconomic classification. The attention of the organizations financed from the republican and local budgets delivered to the amount of the approved budget appropriations.

The main objective of this stage is the implementation of the cost of liabilities to the budget limits of budgetary obligations and messages. Engaged in the implementation of the budget limits of budgetary obligations established for the distribution of budget funds and agencies and the sum of the liabilities of the approved budget. Limit the budget to pay the costs— money given to recipients of the current fiscal year's budget is limited.

Only limited by the distribution of budget funds of budget organizations should have the right to spend the funds. In other words, the size of the budget plan financing organizations, state budget funds provided the buyer the right account holder.

On this way, **execution costs account budget** is determined in the manner and within the limited financial resources, the approved estimates of expenditure in accordance with the obligations of payments budget. Commitment of the payment order issued by the state budget submits and the recipients of budget make funds and budget commitments based on documents confirming the execution of expenditure. Providing the means to control the use of budget funds, the budget revenues and expenditures of the state budget principles and limits applicable classification the relevant documents, the parameters of the budget approved, the budget estimates of expenditures of budgetary organizations registered in the manner prescribed by legislation in order to provide funds to organizations and other basis.

Estimates by the Ministry of Finance of the Republic of Uzbekistan approved the state budget revenues and expenditures in accordance with the applicable description to classification the added costs of the four groups will be formed. An integral part of the added estimate, estimate and serve as a forecast for the calculation and reporting purposes. New organizations to provide funds to the budget in accordance with the principles of the cost method of providing funds to the following groups:

1. The salary, allowances to families with children, low-income families with financial aid, scholarships and pensions.
2. Wages
3. Capital investments.
4. Other expenses. State budget and social spending will increase 1.2 times in 2015 compared to 2014.

Over the past few years, Uzbekistan has managed to achieve a growth in GDP and the consolidated national budget. The national budget includes central government expenditures, while the local budgets include expenditures of the regional governments, district and city governments as well as community self-governments. Central and regional government expenditures are stable relative to GDP and the consolidated national budget, while local community self-government expenditures have dramatically increased.

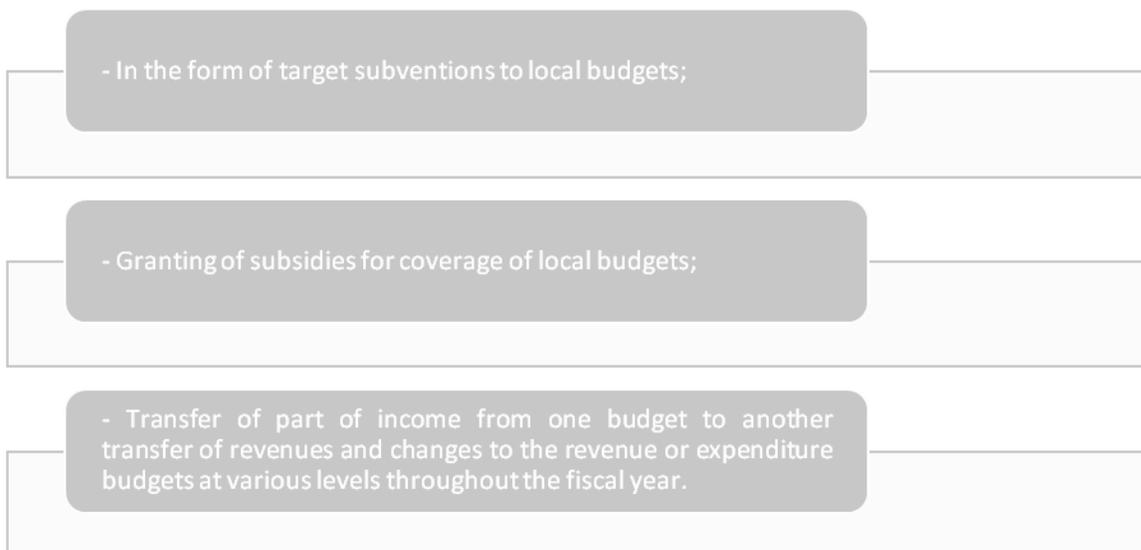
From the experience of the global budget process, the practice of regulating the budget system, which includes financial flows from top to bottom, is aimed at ensuring the balance of income and expenses of different levels of budgets.

One of the priorities of the reform in the budget system of the Republic of Uzbekistan is the formation of a sustainable mechanism for the regulation of the budget system. This is reflected in the regulation of relations between the budgets.

Budget revenues in inter-budgetary relations

Inter-budget relations are the basis of the relationships between the budgets. They arise in the redistribution of national taxes between the national budget and provincial budgets, regional budgets of national taxes, local budgets of districts, and local taxes between regional budgets and local and municipal budgets.

The current methodology used in the Republic is the basis of the intergovernmental budgets of different levels of budgeting and distribution of budget revenues. Annually this methodology is developed and approved in accordance with the established procedure norms of deductions from national taxes and fees to the national budget, local budgets and extra-budgetary funds. This is the main purpose of the practice of allocating budget revenues from national taxes to different levels of income generation in regions without sufficient income base to cover their expenses. Extras include:



It is well known that changes in the budget revenues and expenditures will result in a breakdown of the balance between income and expenditures of these budgets.

In order to ensure the balancing of the revenue and expenditure part of the budget envisaged by law, financial authorities use mutual settlements between the budgets. This mechanism envisages the allocation of additional funds to the budget, or vice versa, with adjustments to the planned revenue and expenditure levels. At the time of mutual settlements, additional funding or vice versa will require at least two levels of budgetary involvement in this process.

As a result of changes in planned income and expense levels, these budgets are formed by mutual

settlements, which ensures balance between these budgets. It is important to note that today the process of mutual settlements is divided into two parts, including time.

The first one is related to the change in budget revenue and expenditure indicators. As a result of these changes, mutual budgets arise between relevant budgets.

The second one is the transfer of funds to another budget to cover the mutual obligations. Because these two processes can not be implemented simultaneously in practice, typically there is a lack of funds in the budget, and the other is over the surplus of funds, and as a result, the balance between revenue and expenditures of the budgets is broken. This is one of the main reasons for the inefficient implementation of budget expenditures in most cases.

The process of balancing the budget revenues and expenditures as mentioned above requires the implementation of complicated and ongoing work in the formulation, approval and execution of the budget, in particular, approval of the budget, filling, transferring to the relevant executors and receiving orders, inquiries, accounting of special accounts of accounting, introduction of accounting records on them, and so on.

Implementation of the objectives reflected in legislative and regulatory documents related to distribution and redistribution of incomes between the budgets requires not only participation of financial and treasury bodies but also active participation of tax, bank, and local executive bodies.

The problem is that, in addition to the excessive amount of time spent and the work to be done, this process becomes even more challenging, as tax, financial and treasury bureaucrats, as well as the risks associated with mistakes or offenses committed by bank staff involved in this process. This, in turn, requires additional time to find and fix errors. In cases where errors are not found and eliminated in time, there is a significant difference in the reports on execution of the State Budget.

At the same time, special attention should be paid to the problem of mutual settlements, with the introduction of changes in the budget revenue.

As noted above, changes in the revenues of the relevant budgets for some reason are one of the reasons for the mutual settlements between budgets of different levels. Today, the technology of introducing budgets for budgets replacement consists of two parts. The first section predicts the modification of the forecast of tax revenues, which will then be forwarded to the tax and financial authorities of the respective provinces, districts and cities. The second part is a direct continuation of the first section, which relates to the need to amend the income part of the relevant budgets. This practice is applied as a result of the use of two revenues. This is about the forecast of tax receipts and other mandatory payments and the relevant budget revenues plan. It should be noted that the tax inspectorate is responsible for the implementation of the forecast of tax revenues, and the local budget is in charge of the local budget revenues. Changes to the budgets of budgets usually affect the budgets of all levels.

Changes in the forecast of tax revenues and the revenues of the relevant budgets necessitates registration of certain documents and the need to convey these documents to tax and financial authorities. Local executive authorities also participate in this process by making a decision to amend the revenue part of the budget. Thus, khokimiyats, tax and financial authorities, and banks are responsible for elaborating activities on the ground in two ways. They are the tax revenue plan and the relevant local budget revenues scheme.

The existence of these two plans to be implemented on the ground creates a conflict of interests. This is especially evident in the regions where the budget allocations are higher than certain types of taxes. Where local authorities and financial authorities are interested in increasing revenues to the local budget and, accordingly, pay the full taxation of the local budget, the tax authorities are primarily responsible for the fulfillment of the tax revenue forecast for this area.

At the same time, it should be noted that this technology of planning and execution of the budget revenues, based on both tax revenues and local budget revenues, is still being protected from the post-Soviet period. That is, at that time, responsible divisions for budget revenues were part of the financial authorities, responsible for the implementation of the tax revenues plan and the implementation of the local budget revenues plan. In areas where the revenue outcome plan has not been fulfilled, the responsibility for the revenue (fees or charges) has been borne by the head of a financial institution.

Today, tax inspectorates in the regions are an independent body, which is primarily responsible for the performance of forecasted tax revenue forecasts. As noted above, the authorities and their finance departments are interested in the revenue generation to the local budget.

The unification of forces in the process of collecting taxes and mandatory payments by the administratives, tax and financial authorities in their territories will provide a solution to the contradictory interests.

Moreover, this approach can help increase the taxpayers' interest in taxation by expanding their tax base, reducing the cost of taxpayers, increasing taxpayers, and developing SMEs.

This leads to an increase in tax revenues from the final local budget and, naturally, to the reduction of the subsidy scales allocated to local budgets.

The Law on Local Public Administration regulates local government activities. Major local council functions are the following:

Major functions of local council are the following:
<ul style="list-style-type: none"> • to approve the local budget and report on its execution;
<ul style="list-style-type: none"> • to approve long-term social, economic and land development programs and plans for regions, districts or cities;
<ul style="list-style-type: none"> • to establish tax privileges or exemptions on local taxes, duties and fees;
<ul style="list-style-type: none"> • to approve the appointment or dismissal of major or deputy major and review reports on their activities;
<ul style="list-style-type: none"> • to review reports from heads of divisions, departments and other structural units of the executive branch;
<ul style="list-style-type: none"> • to approve and amend regulations concerning the local council and provisions on council commissions;
<ul style="list-style-type: none"> • to establish or dissolve local council commissions and review reports on their activities;

<ul style="list-style-type: none"> • to certify local council members or dismiss them from office before the end of their term;
<ul style="list-style-type: none"> • to review and decide upon council member initiatives.
Major functions of the local major functions are:
<ul style="list-style-type: none"> • to supervise economic, social and cultural activities in the region, district or city;
<ul style="list-style-type: none"> • to develop and maintain social and economic development programs;
<ul style="list-style-type: none"> • to mobilize territorial and inter-sectoral resources to promote efficiency in production and the
<ul style="list-style-type: none"> • solution of social issues;
<ul style="list-style-type: none"> • to submit local social and economic development programs to the local council for approval;
<ul style="list-style-type: none"> • to submit major components of the local budget and budget execution to the local council for review;
<ul style="list-style-type: none"> • to continue privatization efforts at the local level;
<ul style="list-style-type: none"> • to promote foreign and inter-regional economic relations;
<ul style="list-style-type: none"> • to provide for the enforcement of law, order and security;
<ul style="list-style-type: none"> • to supervise local communal services;
<ul style="list-style-type: none"> • to ensure protection of the environment

Both internal and external bodies perform control, audit and supervision functions over local governments. Internal control is the responsibility of the representative branch, and is performed by the major, the budget and finance commission and the accountant. The chief of the city monitors operations of all department heads and local administration employees, while the budget and finance commission monitors changes in budget revenues. The control and audit department of the Ministry of Finance and its local government divisions monitor local government assets.

Recommendations

Budgetary System Reform in the Republic Within the framework of the Budget Code, the new mechanism for determining budget revenues and expenditures, as well as the prevention of contradictions between the administrative parts, their financial authorities and tax inspectors in budget revenues, development of intergovernmental relations creates the necessary bases and serves as a basis for simplifying the inter-budgetary system.

Among the elements of this mechanism are the following:

- Establishment of only forecasted tax earnings forecasts for the district, city, and provinces without specifying the forecast of the local budget tax and other mandatory payments plan;
- transfer of responsibility for performance of forecasted revenue inflow not only to tax authorities, but first of khokimiyats;
- elaboration of a mechanism of increasing the interest of khokimiyats in executing and even exceeding the forecast of tax revenues;

- Development of a new mechanism for the formation of the revenues of the local budgets by abandoning the practice of allocation of national and local taxes to the subordinate budgets on standard indicators;
- to abandon the current mechanism of mutual settlements between different levels of budgets and to develop a new mechanism of relationships between higher and lower budgets in the formulation and implementation of budget revenues and expenditures.

The implementation of the treasury execution of the revenue part of the state budget is aimed at eliminating the contradictions between the khokimiyats, their financial bodies and tax inspectors in the execution of the budget revenue part for the finance and treasury bodies, prevention of interference of commercial banks in the process of distribution of incomes between the budgets, to simplify the process of the books and the overall system of inter-budgetary relations.

Increasing the interest of khokimiyats, tax, financial and treasury authorities in the issue of collection of taxes, increase of their interest in the implementation of the forecast of tax payments, increase the collections of payments and taxes on the budget, reduction of the sums of payments, reduction of errors and offenses in execution of budget revenues, as well as the State budget execution calculations - Improving the quality of records and reports.

We will consider proposals for setting up forecasting targets for district, city, and provincial taxes, without setting the plan for tax and mandatory payments to local budgets.

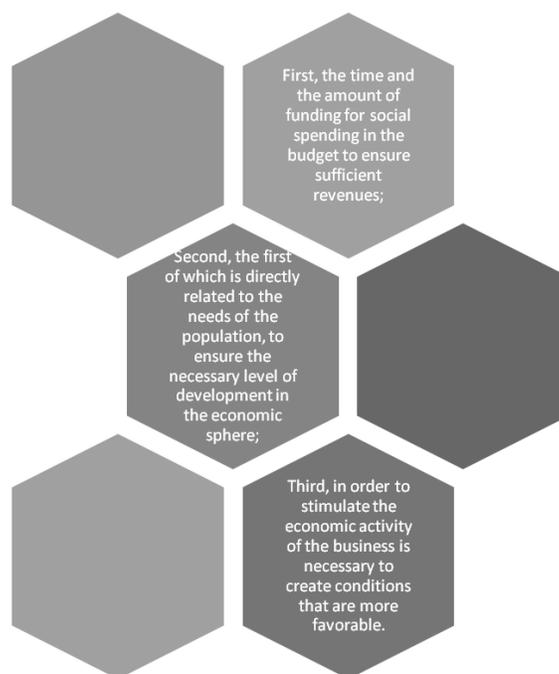
The implementation of the treasury execution of the revenue part of the state budget is aimed at eliminating the contradictions between the khokimiyats, their financial bodies and tax inspectors in the execution of the budget revenue part for the finance and treasury bodies, prevention of interference of commercial banks in the process of distribution of incomes between the budgets, to simplify the process of the books and the overall system of inter-budgetary relations.

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The annual projection of these indicators is useful for the idea of seasonal and other deviations. Monthly, weekly and daily cash outflows play a crucial role if the annual forecast is essential for a certain period of time and can be useful for comparing the budget year results or for budgeting.

Debt scheduling is scheduled per week as operational unit. This is partly due to the fact that the maturities of emissions and payments are in line with the maturity of books on the primary market (they are almost always available this week) and the prospects of the main buyers of government liabilities - banks.

Improving control of the budget, taking into account the current context of the economic development aspects of the most important features can be summarized as follows:



Conclusion

With the introduction of the treasury system of financial control in the execution of the state budget and in the forms, provided by the sharp increase in the efficiency. At the conclusion of contracts without a legally valid contract is still in the process of its control. That is, after the occurrence of a violation of the law to punish those found guilty of control in the event of a breach of the law by refusing to be taken before it.

Budget buyers to the suppliers of the product (acting as service providers) to ensure the structure of part of the funds envisaged in the contracts concluded with estimates, as well as payments on contracts registered with the treasury budget will be paid based on the balance of funds in the budget will serve to minimize the amount payable to the recipients. To increase the efficiency of use of budgetary funds, as used in above critical to expedite the preparation of reports on the implementation of the budget period and to improve the quality of reporting.

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THE DEVELOPMENT AND VALIDATION OF A SCALE TO MEASURE TRAINING CULTURE: THE TC SCALE

Bushra Muzaffar¹

ABSTRACT

Training culture entails continuous organization of training programs inside the organization rather than being organized at once only at the time of recruitment; and it entails designing and delivering training programs according to the needs and requirement of employees rather than seeing it as a burden. Training culture is supported by the aspects of culture of an organization that encourages training, sharing and application of knowledge and skills at workplace. This paper defines the constructs of training culture and describes the development of the Training Culture Scale. Evidence for the validity and reliability of the scale is presented in a series of studies. Evidence is also provided for the discriminate validity of the scale, including with regard to self-esteem measures.

Keywords: Design, supervisor, training culture, travel agency.

1. Introduction

This paper reports an experience of developing and validating a measurement scale of *Training Culture* at organization. This research has made possible the creation of psychometrically valid tool applicable in studies related to the assessment of training culture. A new scale is constructed when existing scales do not represent the construct adequately, and scales contain lack of reliability, lack of validity, outdated (old words; meaning of words changed; attitudes changed), insensitive for changes (Nussbeck, 2009). Literature is replete with questionnaire, but most of them are assessing training effectiveness, training transfer, training and development etc. (Meyer & Smith, 2000; Abbad, Andrade & Sallorenzo, 2004; Azman, Sieng, Ajis, Dollah, & Boerhannoeddin, 2009; Mwesigwa, 2010; Alhassan, 2012). In order to achieve research goal of assessment of training culture, need to construct a new scale, containing all the important dimensions, was realized. The inclusion of subscales in the measure is theoretically motivated, so that the constituent components of training culture would be reflected in the scale design. An original, valid and reliable measure of TC is expected to be a boon for proper assessment of training culture in LSTAs across culture and demographic segments.

There are good theoretical reasons to believe that having favourable training culture in an organization promotes its well-being, the construct has not yet been examined empirically. The remainder of this article, therefore, reports the results of an attempt to create a scale that could measure training culture. The research has two main goals: 1) to create a valid and reliable scale that accurately assesses levels of training culture as conceptualized in this paper, and 2) to empirically examine the outcomes associated with training culture. The scale was designed to measure the three main components of training culture on

¹ Senior Research Fellow, Department of Commerce, A.M.U., Aligarh muzaffarbushra993@gmail.com

separate subscales (training design, trainee characteristics and supervisor support for training), with the intention of summing the subscale scores to create a total score that would represent an organization's overall level of training culture. The inclusion of subscales in the measure are theoretically motivated, so that the constituent components of training culture will be reflected in the scale design. However, the subscales are expected to be highly intercorrelated, and the main object of the scale is to measure training culture as a single overarching construct.

Training culture is directly related to training, but it does not mean to frequently organize training programs without giving due attention to the training requirement of the employees. The definition of training culture, moreover, is distinguished from the mere general definition of training. Training is defined as the process through which skills are developed, information is provided, and attributes are nurtured, in order to help individuals who work in organizations to become more effective and efficient in their work (Davis & Davis, n.d.). Unlike this, training culture is a culture through which skills are developed; information is provided to the employees to make them more efficient. Subsequently, difference lies in the fact that training is a process while training culture entails a culture which requires time to occur.

Defining Training Culture

According to Lynton and Pareek (2005) the degree to which training climate becomes "institutionalized" and is supported by enduring procedural and physical arrangements it is the "training culture, at least in that particular system or part of it. In a training culture, the acquisition of new knowledge and skills is supported by aspects of the culture of an organization that encourages training, gathering, sharing, and applying knowledge and skills. These conditions are not always readily visible or measurable, but they are always affecting organizational training culture. The culture of an organization, the ways in which trainees communicate with each other, the ways in which people lead, how the organization evaluates employees' performance, the physical environment of training, and transfer of training to the workplace all have an impact on sustaining training culture over time. This is a culture of getting skills that are required to perform one's job. It is a culture in which staff and volunteers are valued and need-based training programs are frequently organized to update them with changing needs.

2. Training Culture (TC) Scale: Construction and Initial Validation

2.1 Item Generation

Each item of the instrument has been designed to obtain information from the employees about their organization on how they feel about training culture. Thus, the instrument has undergone through several iterations to achieve the final goal. This questionnaire was developed after a careful review of Bill Gillham's (2000) book, *"Developing a Questionnaire"* and numerous articles on development and validation of scale (Duckworth & Quinn, 2009; Hassad, 2007; Kneff, 2003). Based on research literature as well as an array of instruments for measuring training in previous studies, a list of items for each factor was generated. Initially, most of the items were drawn from previous instruments used in training studies that have established validity (Meyer & Smith, 2000; Abbad, Andrade & Sallorenzo, 2004; Azman, Sieng, Ajis, Dollah, & Boerhannoeddin, 2009; Mwesigwa, 2010; Alhassan, 2012; Pandey, 2011; Tesemma & Soeters, 2006), and were compiled. Each item has been then carefully examined and weighed for its presumed representation of Training Culture. Items that do not appear to be content relevant are eliminated, and unclear items are reworded. The items for the constructs not only measured the knowledge gained but also measured the understanding, interpretation and analysis. The items are then restated based on the nature of the

employees of travel agencies for which the instrument was created. Finally a pool of 37 items has been generated. Each item is generated as a statement capturing factors of training culture.

While developing items Researcher employed due diligence in analyzing each item in order to avoid frequencies in item wording, avoid confusing questions, leading or loaded questions, avoid item wordings including negative mood and avoid negatives to reverse meaning of an item (Groves, Fowler, Couper, Lepkowski, Singer & Tourangeau, 2008; Page & Meyer, 2000;Whitley, 2002). The items are then submitted to a panel of content knowledgeable experts. The items were again edited to derive the items and instruments and expert review process was initiated.

2.2 Pre-Testing With Subject Expert

The protocol for the content validation process is based on what Kerlinger (1986) and Haynes and O'Brien (2000) have recommended. Content validity deals with how representative and comprehensive the items are in creating the scale and is the representative or sampling adequacy of the content substance, the matter, and the topic of a measuring instrument (Kerlinger, 1986). Content validity in this study is relatively acceptable since the various parts of questionnaire are based on the literature review and on the opinions of several experts who examined the items.

As per the suggestion from Cooper and Schindler (2003), a panel of experts was contacted to judge how well the *Training Culture (TC) Scale* meets the standards. An expert review of the items was conducted to assess the content validity of the survey by requesting detailed responses concerning clarity, relevance, and quality of items. The expert panel consisted of 10 experts, 5 of them were the experts from corporate sector who had more than five year experiences. 2 of experts were from the area of methodology and their interests include quantitative research techniques. The other 3 experts were from Human Resource Development (HRD) background. The researcher contacted these individuals through personal meeting, electronic mail, and by telephone to request their assistance in serving as expert reviewers for this study.

The reviewers were provided with a letter explaining the objectives of the study as well as the process of framing the measurement scale. They were given an expert rating sheet and were asked to rate each item on both clarity and relevance on a three point scale. They were also asked to discuss the effectiveness of the items for each variable. Additional comments on items and measures as a whole were also solicited where the investigator personally noted all the suggestions and comments. The results of the expert review were compiled on a summary sheet. Each item was reviewed considering the individual item comments. Several items were revised due to these comments, some of the items were deleted, and a few new items were added. At the end 25 items were finalized to proceed further.

2.3 Pilot Study of Training Culture (TC) Scale

A pilot test was undertaken on completion of the first draft of the questionnaire (Malhotra, 2008). The main rationale of the pilot study was the pragmatic evaluation of instruments with a purpose to probe and examine their psychometric attributes and features in socio-cultural perspective, for subsequent acceptance and utilization in the main study (Welman & Kruger, 2000;Page & Meyer, 2000; Whitley, 2002). This helps the researcher to make improvements where necessary.

The pilot study took place in travel agencies at Delhi, where 31 employees from travel agencies located at different places answered the questionnaires. After the pilot test, the questionnaire proposed time were

revised as it was found that more time was needed. In addition, some items from the scale were revised to make it more easily understandable by participants while safeguarding same objectives of the questions, and some of the items were deleted. Minor amendments were also made to the demographical information section on the piloted questionnaire before it was administered to the larger research sample.

2.4 Administration of Training Culture (TC) Scale

The next part is survey administration of *TC Scale*. Therefore the administration of *TC Scale* was done, so that if there is any evaluation issue in the *TC Scale* that can be sorted out and researcher can come to the conclusion whether *TC Scale* can be used for the proposed objectives or not. At this stage *TC Scale* contains 20 items comprised from pilot test. The instrument has a different section eliciting demographic details i.e. age, gender, qualification and experience. Measurement scheme adopted was five-point Likert scale (strongly agree to strongly disagree). Data collection was done over a period of two months i.e. in September 2015 and October 2015. Convenience and snowball sampling were employed. *TC Scale* was administered to 250 employees in travel agencies. Out of which only 171 were found complete in all respects. The profiles of the respondents are introduced in Table 1.

Table 1: Sampling profile of the Respondents

Gender	Males (128)	Females (43)		
Age	Below 25 (39)	25-35 (82)	35-45 (36)	Above 45 (14)
Qualification	Post Graduate/ Graduate (69)	Professional Qualification (55)	Graduation (29)	Any Other (18)
Work Experience	Below 2 (47)	2-5 (48)	5-8 (49)	Above 8 (27)

3. Psychometric Evaluation

In order to test the psychometric properties of the scale the following statistical tests have been performed:

- 3.1 Assumptions of parametric testing
- 3.2 Sample Adequacy
- 3.3 Exploratory Factor Analysis
- 3.4 Confirmatory Factor Analysis
- 3.5 Reliability Analysis
- 3.6 Validity Analysis

3.1 Assumptions of parametric testing

Conducting parametric test requires fulfillment of certain assumptions. The first assumption is that the data is normally distributed. In order to check the normality of the data collected, descriptive statistics were produced. Skewness and Kurtosis were used to judge the normality of data. Though, a normal distribution has both skewness and kurtosis values equal to zero (Field, 2009;Malhotra, 2008), for psychometric purposes, skewness and kurtosis values between -2 to +2 is acceptable (George & Mallery, 2010; Khan, 2015). It can be noted from the Table 2 that values of skewness and kurtosis fall within the acceptable range of -2 to +2, indicating that the data is fairly normal and the basic assumption of parametric testing is fulfilled.

Table 2: Descriptive Analysis

Scale	No of respondents	Skewness		Kurtosis	
		Statistics	Std. Error	Statistics	Std. Error
TC	171	-.118	.186	-.501	.369

The second assumption of parametric testing is in respect of Homogeneity of variance. This assumption suggests that all data should have same or similar variances. For checking this assumption, researcher employed Levene’s Test for equality of variance. If Levene’s Test is non-significant (i.e. $p > 0.05$) then researcher must accept that the difference between variance is zero (or roughly zero). Researcher found data to be acceptable in this regard.

The third assumption is in respect of Independence. This implies that the behaviour of one participant does not influence the behaviour of another. Since, the data was collected by researcher of employees, utmost care was taken in this regard.

Conclusion from the above discussion is that the data collected for the study met all assumptions of parametric testing and is fit for further analysis.

3.2 Sample Adequacy

Sample adequacy is a measure using Kaiser-Meyer-Olkin (KMO) test (Kaiser & Rice, 1974;Field, 2009). Pre analysis for the suitability of entire sample for factor analysis was computed as recommended by Comrey (1978). KMO Measure of Sampling represents the ratio of the squared correlation between variables to the squared partial correlation between variables. It varies between 0 to 1, where a value close to 1 indicates that patterns of correlations are relatively compact and should yield distinct and reliable factors (Field, 2009). According to Hutcheson and Sofroniou (1999), values between 0.5 and 0.7 are mediocre, between 0.7 and 0.8 are good, values between 0.8 and 0.9 are great, and above 0.9 are superb. Results for this research are identified in Table 3, which shows that the KMO measure of sampling adequacy falls into the good range, as identified by Hutcheson and Sofrinou (1999), which indicates that the sample size is adequate to yield distinct and reliable factors.

Table 3: KMO & Bartlett’s Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.758
Bartlett’s test of Sphercity	Approx. Chi-Square	672.213
	Df	66
	Sig	.000

Bartlett's Test (Bartlett, 1954) determines whether the correlations between survey items are large enough for factor analysis to be appropriate. It is another indicator of the strength of relationship among variables i.e. whether or not the correlation matrix is sufficiently different from the identity matrix, testing whether the diagonal elements of the variance-covariance matrix are equal indicating the group variances are the same, and that the off-diagonal elements are approximately zero indicating that the dependent variables are not correlated. In this research, the Bartlett's test results indicate that Chi-square statistic is 672.213 with significance less than 0.001. It shows that the sample in this research is a correlation matrix not an identity matrix, hence suitable for further analysis.

3.3 Exploratory Factor Analysis

Factor analysis operates on the notion that measurable and observable variables can be reduced to fewer latent variables that share a common variance and are unobservable, which is known as reducing dimensionality (Bartholomew, Knott, & Moustaki, 2011). These unobservable factors are not directly measured but are essentially hypothetical constructs that are used to represent variables (Cattell, 1973). Factor analysis is considered as the method of choice for interpreting self-reporting questionnaires (Byrant, Yarnold, & Michelson, 1999). It uses mathematical procedures for the simplification of interrelated measures to discover patterns in a set of variables (Child, 2006).

EFA is normally the first step in building scales or a new metrics. EFA is often considered to be more appropriate than CFA in the early stages of scale development because CFA does not show how well your items load on the Non hypothesized factors (Kelloway, 1995). EFA allows the researcher to explore the main dimensions to generate a theory, or model from a relatively large set of latent constructs often represented by a set of items (Henson & Roberts, 2006; Pett, Lackey & Sullivan, 2003). In this study, since there is no research evidence into the underlying structure of training culture, exploratory analysis was chosen before confirmatory factor analysis.

EFA involves many linear and sequential steps and many options and rules of thumb apply themselves to EFA (Williams, 2012). Firstly for something to be labeled as a factor it should have at least 3 variables, although this depends on the design of the study (Tabachnick & Fidell, 2007). Another consideration when deciding how many factors will analyze data is whether a variable might relate to more than one factor. Rotation maximizes high item loadings and minimizes low item loadings, therefore producing a more interpretable and simplified solution (Williams, 2012). There are several methods to carry out rotations. SPSS offers five: varimax, quartimax, equamax, direct oblimin and promax. For the purpose of this study, researcher selected varimax rotation in the rotation menu, chose to display the factor score coefficient matrix in the scores menu and opted for listwise exclusion, sorting by size and suppression of absolute values less than 0.40 in the options menu. Researcher has chosen for a value of 0.40 because the sample is not very big.

There are many criterion to retain factors, one criterion that can be used to determine the number of factors to retain is Kaiser's criterion which is a rule of thumb. This criterion suggests retaining all factors that are above the eigenvalue of 1 (Kaiser, 1960). A factor loading for a variable is a measure of how much the variable adds to the factor; thus, high factor loading scores demonstrate that the dimensions of the factors are better represented by the variables. Therefore, the bigger the sample the smaller the loadings can be significant. With the sample of 171, a factor loading of 0.50 and above was considered significant at the 0.05 level (Hair, Black, Babin, Anderson & Tatham, 2006), hence factors with a loading of less than 0.50 are not displayed.

Table 4 presents the results of factor analysis for *TC Scale*. In the principal component analysis, results of this research demonstrate that 3 factors were extracted from the 20 items of TC, explaining 60.092% of the total variance.

Table 4: Results of Exploratory Factor Analysis

	Component 1	Component 2	Component 3	Mean	SD
Var_9	.792			3.47	1.014
Var_11	.742			3.56	1.080
Var_10	.700			3.54	1.047
Var_1	.674			3.59	.944
Var_14	.608			4.06	.899
Var_16		.800		3.95	.893
Var_19		.783		3.86	1.048
Var_17		.735		3.88	.953
Var_18		.704		3.98	.861
Var_5			.782	3.61	.966
Var_13			.776	3.75	.945
Var_15			.734	4.04	.923
Total Variance Explained = 60.029					

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

In analyzing the results of the rotated component loadings of *Training Culture Scale*, the factor loadings of all were well above the threshold of 0.50 (Hair, Black, Babin, Anderson & Tatham, 2006) except Var_2, Var_4, Var_6, Var_8 and Var_20. Hence these five were eliminated from the scale. Var_3, Var_12 and Var_7 were loaded on two components, hence these were also eliminated from scale. Finally the themes that emerged after rotated component loadings of *TC Scale* are; Component 1 survey items contains 5 items and relates to supervisor support. Component 2 survey items contain 4 items and relate to training design. While component 3 survey items relates to trainees characteristics and contain 3 items. In total TD Scale reported to have 12 items.

3.4 Confirmatory Factor Analysis

A line of research begins with studies utilizing EFA while later work demonstrates what can be confirmed. Gerbing and Hamilton (1996) in a study by using Monte Carlo methods found that EFA can add to model specification when applied prior to cross-validation using CFA. Therefore confirmatory factor analysis is recommended.

CFA is ordinarily used in a deductive mode to test hypotheses with respect to unmeasured sources of variability responsible for the commonality among a set of scores (Hoyle, 2000). For this analysis, the entire 20 items were used to determine whether or not good factor loadings could be obtained. In CFA the researcher uses this approach to test a proposed theory (CFA is a form of structural equation modelling), or model and in contrast to EFA, has assumptions and expectations based on priori theory regarding the number of factors, and which factor theories or models best fit (Williams, 2012).

CFA output includes fit indices. There are no set rules for assessing the model fit per se. but reporting a variety of indices is advised. For the present study most commonly reported indices have been chosen which include normed chi-square, Root Mean Square of approximation (RMSEA), which is an absolute fit index; Goodness of fit (GFI), Adjusted goodness of fit (AGFI) and, Comparative fit index (CFI). A detailed discussion of model fit indices is carried out in forthcoming sections. All six indices were measured against the following criteria:

- $X^2/df < 3.0$ (Hair, et al., 2006; Kline,2005)
- GFI, TLI, CFI and IFI > 0.90 (Hair, et al., 2006)
- $RMSEA < 0.08$ (Hair, et al., 2006)

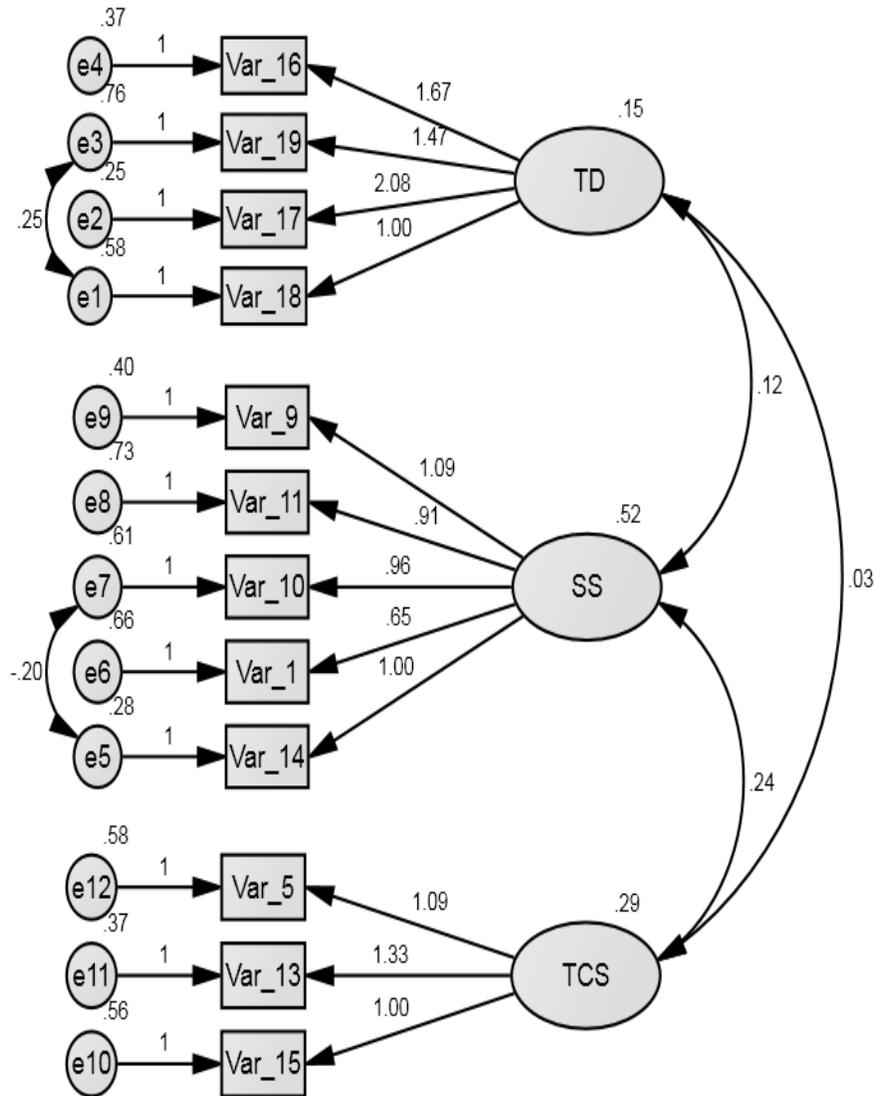
The validity assessment of TC Scale was performed using a CFA. The validity inspection of this measurement model indicated that some indices model fit were not satisfied (GFI=.896, AGFI=.841, IFI=.875, CFI=.872, RMSEA=.096). All standardized regression weights (or factor loading estimates) were found to be significantly above 0.50, hence no variable dropped out. An examination of modification indices suggested that fit could be improved significantly by freeing the corresponding error covariance parameter between the error terms for the measured variables Var_10 and Var_14, Var_18 and Var_19.

A revised CFA was repeated to examine the improved level of model fit. The final CFA results of the TC Scale are presented in Table 6.5. These result suggested that the measurement model of structural infrastructure provided a reasonably good fit: $X^2/df=1.986$, GFI=0.919, IFI= 0.925, CFI= 0.923, AGFI=0.871, RMSEA=0.076. All factors loadings, ranging from 0.52 to 0.85, were greater than the threshold level of 0.50.

Table 5: Fit Indices for Confirmatory Factor Analysis

Fit Indicators	Observed Value
X^2/df	1.986
GFI	.919
IFI	.925
CFI	.923
AGFI	.871
RMSEA	.076

Figure 1: Measurement Model for TCS



3.5 Reliability Analysis

According to Peterson (1994), there is virtual consensus among researchers that, for a scale to be valid and possess practical utility, it must be reliable. Bryman and Cramer (2005) defined reliability as the degree to which an instrument measures the same way each time it is used under the same conditions with the same object.

In this study, the *TC Scale* used three factors to measure the constructs proposed in the research conceptual framework, namely training design, trainee characteristics and supervisor support. To ensure that such a set of measurement scales consistently and accurately captured the meaning of the constructs,

an analysis of scale reliability was performed. Cronbach’s alpha is by far the most popular measure of reliability (Peterson, 1994; Hogan, Benjamin & Brezinski, 2000;Iacobucci & Duhachek, 2003). Researcher opted for Coefficient alpha to examine reliability of TC Scale. Coefficient alpha takes into account the effect of each item in estimating the overall reliability (Fried & Ferris, 1987). The scale is considered reliable if the Cronbach’s alpha is greater than 0.70 (Nunnally, 1978; Hair, Black, Babin & Anderson, 2010). Others have regarded a value greater than 0.50 as workable (Erdogan, 2009; Vashist, Wadhwa & Uppal, 2012). The Cronbach’s alpha for all the constructs exceeded the level of acceptance as suggested by Nunnally (1978), and Hair, Black, Babin and Anderson, (2010) and shown in Table 6.

Table 6: Internal Consistency

Constructs	Cronbach’s alpha
Training Design (TD)	0.774
Supervisor Support (SS)	0.794
Trainees’ Characteristics (TCS)	0.763

3.6 Validity Analysis

Validity is an altogether more complex concept. Usual definition of validity is that it tells us whether an item or instrument measures or describes what it is supposed to measure or describe, but this is rather vague and leaves many questions unanswered (Bell, 2005). In broad sense, validity means that the data and the methods are right. In terms of research data, the notion of validity hinges around whether or not the data reflect the truth, reflect reality and cover the crucial matter (Denscombe, 2007). Content validity was achieved primarily during the early stages of instrument development, and refers to the extent to which the items in the scale capture or reflect the theoretically and empirically supported facets of the construct being measured (Nunnally, 1978). This was facilitated by a thorough the consultation with experts. Face validity (pilot test) has also been already conducted for the TC Scale. This section would cover construct validity.

Construct Validity

Construct validity of a scale can be established by convergent validity and discriminant validity. Conversant validity can be established by correlation analysis. For this study, researcher calculated the inter-item correlation values. Barring a few items, the values were in range of 0.2-0.5 as recommended by previous researchers (Blankson & Kalafatis, 2004; DeVellis, 2003; Dhurup, Venter, Ossthuyzen, 2005;Kerlinger & Lee, 2000; Netemeyer, Bearden & Sharma, 2003; Nunnally, 1978; Terblanche & Boshoff, 2004). According to the principle of discriminant validity, measures of theoretically different but related constructs should not correlate highly with each other.

Table 7: Factor Correlation Matrix

Construct	1	2	3
Training Design (TD)	1.000		
Supervisor Support (SS)	.345	1.000	
Trainees Characteristics (TCS)	.099	.417	1.000

For discriminant validity, researcher examined the factor correlation matrix and found that the values are less than 0.6 as shown in Table 7 (Carlson, Kacmar & Williams, 2000).

A rigorous regime of statistical testing was followed in of the scale development process to ensure that a robust measure of TC is available. The process helped reveal various insights about measurement of TC. In conclusion, the EFA and CFA developed and confirmed good measurement scales for *Training Culture (TC)*; training design (TD), supervisor support (SS), trainee characteristics (TCS), with very good reliability, validity and defined components. This scale can be further used by researchers for identifying the relationship of these constructs with outcome variables.

4. Discussion

Due to the lack of available instruments to verify the attitudes of employees towards the constructs of training culture viz in India, the study was performed to construct a measurement instrument for the theme, which will be able to cover training culture aspects of an organization. The scale, started with 37 items, was restricted to 12 statements in its final version, distributed into three factors viz. training design, supervisor support and trainee characteristics, with a reduction of nearly three times of the initial amount. The researchers considered this result as an ideal.

The three factors with 12 items in the final TC Scale, according to the initial objective of this study, aimed at defining the constructs of training culture and describing the development of the *Training Culture Scale* that could measure the attitude of employees towards training culture of their organization, covering three different aspects of the training culture, i.e. training design; supervisor support; and trainee characteristics.

Although being initially conceived to measure the attitudes of employees, it was decided that the preliminary version of TC Scale would be consulted with the experts so that the items could be refined. This procedure was adopted to test the content validity of the scale, due to the lack of such studies in Indian context. With the suggestions obtained from this sample of experts, at this stage, 12 items were excluded as per the comments obtained by the experts of different subjects. After this pilot test has been done then TC Scale was distributed to employees. After the collection of data, a complete psychometric evaluation of scale has been done. Exploratory factor analysis has been employed herein, this exclusion criterion was adopted when considering that even items with factor loading 0.40, considered adequate to compose a factor, must be discarded in the process of building an instrument, since an item represents a factor well when its loading is equal to or higher than 0.50. Therefore 20 items of TC Scale have been retained and 3 factors were extracted. For CFA of the *Training Culture Scale*, the entire 12 items were used to determine whether or not good factor loadings could be obtained. All the standardized regression weights or factor loading estimates were found to be significantly above 0.50, hence no variable dropped out.

The final version of TC Scale consisted of items that were predominantly positive. The prevalence of positive conceptions towards training design, supervisor support and trainee characteristics' statement, which generated the items, can justify this fact. Being predominantly positive, 12 TCS items are oriented positively, which means that, the higher the agreement of the subjects towards the item, the more positive their outcomes are. Therefore, for the interpretation of data collected with this scale, the answers to the items can be easily calculated with the scores computed according to Likert scale. Consequently, high scores tend to reflect positive outcomes. Still, regarding the advantages of the instrument presented herein, it can be said that it facilitates the application in India, since it was built in consideration to the Indian context.

5. Conclusion

TC Scale was shown to be reliable for the evaluation of attitudes towards the theme. The results achieved through psychometric analysis, showed a satisfactory reliability (accuracy) and validity comprovation, for an instrument that has not been refined yet. As such, the resulting instrument can be considered good, and therefore capable of evaluating attitudes towards training culture. Its application is desirable in samples consisting of employees working in other sectors viz. manufacturing sectors and other area of service sector as well, since it was limited to the employees working in travel agencies, characterizing the work as a preliminary exploration of the psychometric properties of the instrument.

This scale has been used in studies conducted at a single point in time, so a longitudinal study is needed as well. This study provides evidence of the internal consistency, as well as the convergent, construct, and discriminant validity of the scales. This scale can be used by the researchers who approach the study of training through training culture. Researcher has also tried to avoid items that bring ambiguity.

In summary, the results of this study suggest that the TC Scale is a psychometrically sound and theoretically valid measure of training culture. Results also indicate that having high levels of training culture is linked to organizational well-being. It is hoped that the development of the TC Scale will help to initiate a new line of research that explores the relationship between TC and other important outcome variables. It is also hoped that exploration of the training culture construct can make a contribution to the growing movement.

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PROBLEMS AND PROSPECTS OF RURAL MARKETING IN INDIA

Sunil V. Chaudhary¹

ABSTRACT

A silent revolution is sweeping the Indian countryside. It has compelled marketing professionals to go rural. The marketing battle field has shifted from the cities to the villages. The rural consumer is discerning and the rural market is vibrant. At the current rate of growth it will soon outstrip the urban market. But it is also true that several parts of the rural area are still underdeveloped. The role of rural marketing as such is more developmental than transactional.

KEY WORDS: Rural Marketing, Rural Consumption Behavior.

INTRODUCTION:

There is no official definition of what constitutes a rural area. However, an urban area is defined as per the census of India as “all places with a municipality, corporation, cantonment or a notified town area” and all other places satisfying the following criteria: (a) Minimum population of 5000, (b) at least 75% of male working population in non-agricultural pursuit, and (c) density of population of at least 400 persons per square kilometer.”

Therefore, an area that does not satisfy the criteria specified above can be considered a rural area.

Therefore, considering the above, it can be said that rural marketing encompasses all the functions which manage entire activities involved in accessing, stimulating and converting the purchase power into an effective demand for specific products and services, and moving them to the people in rural areas to create satisfaction and a standard of living, thereby achieving the goal of the organization (Krishnamachayulu & Ramakrishnan).

Knowledge about rural consumer behavior becomes all the more important in a country like India, because according to the Census 2011 published by the Government of India, the rural population accounts for 68.84% of the entire population, while the urban population accounts for only 31.16% of the same. Also, rural India accounts for 50% of India's GDP. Moreover, of the total demand for FMCG and consumer durables, nearly 53% and 59% respectively come from rural India (Paninchukunnath, 2010).

India today has about 6.4 lakh villages. All except about 15000, have a population below 5000. Looking at marketer defined classification, most companies in the FMCG sector would define any area with primarily agriculture based occupation and with a population of less than 20000 as rural.

¹ Assistant Professor, SGME College of Commerce and Management (SEMCOM), Vallabh Vidyanagar, District Anand. Sunilchaudhary72@gmail.com

RESEARCH OBJECTIVES:

1. The objective of the paper is to understand the problems and prospects of rural marketing in India.
2. The objective of the paper is to examine the innovative marketing initiatives implemented by the corporate and businesses in India to tap rural market potential.
3. The objective of the paper is to understand rural consumers and analyze their consumption behavior.

LITERATURE REVIEW:

1. An estimated 68.84% of the total Indian population living in villages (Census 2011) makes rural India the 'next big thing' for businesses. The sheer size of rural India give it a significant share in the total Indian market, which from the marketer's perspective, translates into a huge customer base. Just like everything else in India, rural India too is changing. Education, access to technologies, and progressively increasing purchasing power is the new face of rural India. The analysis reveals that in spite of the recent growth and a promising future, at present, the rural markets are weighed down by inadequate infrastructure, lack of proper linkages for roads and railways, and limited electrification and telecom connectivity. Fragmented demand pattern further adds to these challenges. **(Mohd. Azhar Suharwardi & Iqbal Ahmad Hakim, 2014)**
2. One needs to be psychologist in addition to marketing veteran to be successful in rural India. Due to its variety, each state is a different country. It is important for marketers to understand how a customer behaves, interprets & analyses a product, communication, pricing & purchase action. Looking at the challenges and the opportunities, which rural markets offer to the marketers, it can be said that the future is very promising for those who can understand the dynamics of rural markets and exploit them to their best advantage. Companies have well realized that if growth is the only option, rural market is the only way to go ahead. **(Vinod S. Gaikwad, 2010)**
3. According to Dalip Sehgal, executive director of the Shakti initiative, the objective of project Shakti are "to create income-generating capabilities for underprivileged rural women by providing a small-scale enterprise opportunity, and to improve rural living standards with greater awareness of health and hygiene". Hindustan Unilever's Project Shakti is an eye-opener for the organizations of the 21st century. The Project Shakti of HUL is well equipped with result orientation, customer focus, leadership and constancy of purpose, management by processes and facts, people development and involvement, continuous learning, innovation and improvement, partnership development and public responsibility. **(Indrani Majumder, 2009)**
4. India's rural market is a gold mine, but largely remains untapped by the Indian Corporate sector. During recent times some companies and organizations have implemented innovative projects to tap the rural market and deliver value added services to the door steps of the rural people. Indian agriculture is characterized by poor infrastructure, numerous intermediaries and fragmented farming. To tackle such issues which are affecting Indian agriculture, and also to eradicate the vicious cycle of poverty of the Indian farmer, ITC limited launched e-choupal in June 2000. The purpose of e-choupal was the procurement of agricultural and aquacultural products such as soya beans, rice, pulses, wheat, coffee and prawns directly from the farmers. Internet can change the life of the rural masses in a big way. It can catapult the rural economy to new heights, increase the standard of

living and quality of life of the rural masses, bridge the rural-urban divide and contribute to positive social transformation. **(Suvadip Chakraborty, 2010)**

5. Go rural ... is the marketing mantra of many organizations today. However, until a few years back, the rural markets were mostly ignored and were not considered profitable. But with many Indian brands entering into the rural markets, this myth has now been completely removed. Nonetheless, operating in a rural area is not an easy task and requires serious efforts. Rural consumers, even today, are distinctly different from their urban counterparts. Therefore, it is very essential for the companies to have a proper understanding of the distinctive needs of rural consumers. **(Priyank Azad, 2010)**
6. Rural India, of late, has received much desired attention from the marketers given the fact that the urban markets have either become saturated or sales have leveled off. Furthermore, given the fact that more than 60% of the Indian population lives in rural areas, it became worthwhile to investigate rural consumer behavior. The study also explores whether innovative marketing activities of firms targeted towards the rural consumers are meeting the criterion of affordability, accessibility, availability and awareness. The study addresses these research questions with the help of an exploratory study conducted across four villages in the state of West Bengal, India. The major findings from the study indicate that: media used for advertisements or awareness differed across occupational categories. Grocery purchase is mostly on credit, consumers were, at most, willing to travel 12 km to purchase grocery items, consumption level may not be low, but low disposable income leads to purchases in small amounts, and innovative marketing activities undertaken by firms in rural areas, though they met the accessibility and awareness factors, are affected by problems related to affordability and availability, which act as major hindrances for the rural consumers. A product bundling strategy could be tried out by the marketers, where the price of the bundle would be lesser than the price of buying the products separately. Absence of rural credit facilities is also a challenge which a marketer can try to counter. Given that the shopkeepers are not willing to give credit, the marketers could think of a buyback scheme which would guarantee a supply of raw materials to the marketers and would provide the rural buyer with products instead. Similar schemes have been tried out successfully in certain parts of India by companies such as ITC. **(Saurabh Bhattacharya & Subhadip Roy, 2014).**
7. The marketing approaches of manipulating the elementary marketing mix alone have proven to be inadequate to cater to the fast evolving rural India. New perspectives that defy traditional thought processes have to set in. What is now known as developmental marketing refers to the efforts of reaching out to the rural customers. The Hindustan Lever experimented with the one-use-sachet shampoo, which, in fact, made almost one-fourth of the rural population start using shampoo, though infrequently. Forming marketing partnerships with NGOs and agencies that have a better understanding of lives and the problems in rural areas would materialize into better sales. Building trust and assuring a fraud-free environment in business transactions would ensure sustained relationships. A long term association with the local farmers and their culture is required. Reaching out to their day-to-day problems of farming, cropping, pest control and domestic concerns, including education of their children would go a long way in fostering better rapport. **(Dr. Thomas T. Thomas, 2012)**

8. In the marketing literature, much attention has been devoted to urban consumers. As there exists two countries namely developed and developing countries, the market of urban and rural areas can be characterized by developed markets (urban) and developing markets (rural). This is due to the fact that most of the markets are untapped in these (developing) regions. An extensive review of literature reveals that there is no simple framework that lends itself to a comprehensive study of consumer behavior in the rural/urban markets. Problems with the existing framework make it essential to provide some structure to the study of consumer behavior. The paradigm proposed in the paper uses four sequential stages to represent the purchase and consumption processes. These four stages are named as access, buying behavior, consumption characteristics and disposal. **(Dr. S. Sakthivel Rani, 2010)**

IMPORTANCE OF RURAL MARKETING

Rural marketing process is both a catalyst as well as an outcome of the general rural development process. Initiation and management of social and economic change in the rural sector is the core of the rural marketing process. It becomes in this process both benefactor and beneficiary. The growth of the rural market can be a planned evolutionary process based on strategic instruments of change rather than constitute just short term opportunities for commercial gains. The exposure of rural consumers to a variety of marketing transactions puts them in the role of beneficiaries than of just 'buyers' of modern inputs and infrastructural services. Many Companies have gained by adopting the development approach of marketing.

The market size for the fast-moving consumer goods (FMCG) is estimated to be Rs. 6500 billion, consumer durables at Rs. 500 billion, agricultural inputs (including tractors) at Rs. 4500 billion, and automobiles (two-wheelers and four-wheelers) at Rs. 800 billion, totaling to Rs. 12300 billion. **(Philip Kotler, Kevin Lane Keller, Abraham Koshy & Mithileshwar Jha, 2007)**

RESEARCH METHODOLOGY:

- Data type: Secondary data.
- Scope of Study: India
- Research Type: Descriptive
- Analytical Tools Used: SWOT Analysis based on Secondary Data.
- SWOT ANALYSIS OF RURAL MARKETING IN INDIA

STRENGTHS

1. The rural population is large and its growth rate is also high. Despite the rural urban migration, the rural areas continue to be the place of living for a vast majority of Indians. According to the Census 2011 published by the Government of India, the rural population accounts for 68.84% of the entire population, while the urban population accounts for only 31.16% of the same.
2. In spite of the apprehension that rural areas are underdeveloped, marketing companies have made tremendous inroads into the rural terrains with their offers and services. Today, the intricate networking by telephones and the wizardry of the information technology have made inroads into the rural terrain, making dissemination of information much easier. The easiness of reaching more of the remote regions have caused great transformation in the lifestyles of the people living in these places.

3. Because of the overwhelming response from rural India, now not only Indian players, but several foreign brands such as LG Electronics and Coca-Cola have also been attracted towards the rural markets. The European and the US multinational firms have, for some time now, become household names in rural areas. Companies viz. Phillips, Nestle, Unilever and Gillette have penetrated into the psyche of rural residents.
4. The rural markets generally prefer simple and easy to use products. The packaging has to be convenient and cost-effective. For instance, the sachet revolution played a great role in making many consumer products popular in rural areas. Eicher tractor provides after-sales service in the rural areas itself, so that the facility is approachable and accessible for the rural people.

OPPORTUNITIES

1. The consumption pattern in rural India and the demand for new products have shown an encouraging trend. The purchasing power of rural consumers has increased significantly over the past decade.
2. The rural consumers are no longer dependent only on traditional products. For instance, in most villages, shampoos have replaced the traditional product shikakai which the rural people have been using since years. Similarly, the use of gas-cylinders has become popular in place of conventional chulas.
3. The huge population base in rural India provides a massive opportunity for the companies to sell their products and services on a sizeable scale.
4. India's rural markets are growing at double the rate of urban markets. The rural consumer is changing and is now willing to experiment with new products. Therefore, the opportunities in these markets are quite large and needs to be explored.
5. The promotional activities should be undertaken through media that are comfortable and appropriate for the rural areas. Positive word-of-mouth through local reference groups and opinion leaders is considered as the key to success in the rural markets. Traditional art forms such as puppet shows and street plays or creating awareness through village panchayat members can prove to be fruitful. Asian Paints selected some opinion leaders in the villages and painted their houses to demonstrate that the color does not come off. Life Insurance Corporation of India made use of puppet shows to create awareness amongst the rural people regarding the importance of insurance products.
6. The rising income levels in rural India have quite noticeably transformed the rural consumers, and their change nature of demand is forcing companies to offer better quality, better service, greater choice, and true value for money

WEAKNESSES

1. The rural consumer is price sensitive and expects value for money. Marketers have to therefore devise strategies that can make their products affordable for rural consumers.
2. At present, the rural markets are weighed down by inadequate infrastructure, lack of proper linkages for roads and railways, and limited electrification and telecom connectivity.

THREATS/CHALLENGES

1. However, understanding the rural people and predicting their behavior can prove to be a challenging task because of their diverse and varied characteristics. India is a diverse country. Diversity in language, customs, traditions, food habits, clothing, and culture makes proper understanding of the rural consumers a must for developing the marketing strategy.
2. There have been several instances where in rural consumers found unique and unintended use for certain products. It was found that in some areas of Punjab, the washing machine was being used to make lassi (a drink made by churning curd, usually with the addition of salt or sugar) in large quantities, instead of washing clothes.
3. All possible efforts should be made to make the products available at the doorstep of the target audience. Direct contact with the local vendors and retailers has to be established. Cooperative societies, feeder markets, village weekly markets, fairs and festivals can be utilized to ensure adequate distribution of one's products.
4. Rural consumers, even today, are distinctly different from urban consumers. Therefore, it is very essential for the companies to have a proper understanding of the distinctive needs of rural consumers.

Utility of the Study: The research study will help in understanding rural consumer behavior and is beneficial for manufacturers, whole sellers and retailers.

Findings of the Study:

The finding from the review of literature and SWOT Analysis are:

- Indian Rural Market is fast evolving with rise in income, development of infrastructure and offers immense potential to rural marketers for business growth and expansion.
- Rural Consumers are different from urban consumers, rural marketing is more about developmental marketing. The Classic example is AMUL Dairy, ITC's e-Chaupal initiative.
- Rural Income is seasonal in nature, and affects demand.
- Rural Consumer is price sensitive, but wants value for money market offering(s).
- Rural Consumers prefers to buy in small quantity, due to less income, and has preference for credit facility.
- The effectiveness of rural marketing communications, to a large extent is influenced by the media habits of the rural consumers. Though all types of media is being used in rural areas, in view of low level of literacy, audio visual media-radio, TV and films assume more importance.
- In rural areas, shopkeeper's recommendation holds sway in making purchases.
- Rural specific media like puppet shows, demonstrations, haats, sampling, mobile advertisements play a vital role in spreading marketing messages.
- Brand differentiation is vital in village tracts where big marketers are fighting global brands on the price front and where duplicate and spurious brands are all pervasive.

- Due to income limitation, the rural consumers prefers to go for products on need based platform.
- Urban consumer is more open to innovations and experiments. Whereas, the rural consumers prefer time tested and experimented products and services.
- Urban consumer usually does some secondary research before buying (like in consumer durables, he visits different discount stores, check out websites etc.) whereas, the rural consumer seeks to get opinion from the key opinion leader of the village.
- Smaller packs and units are preferred by the rural customers.
- Urbanites usually go for branded products, whereas from cost saving perspective, rural dwellers usually fall prey to look alike, local brands.
- Due to credit facility given by the local shop keeper, the rural consumer accepts the products which the retailer gives.

CONCLUSION:

The SWOT analysis of the Indian Rural Market reveals the immense strength of the rural market in terms of size, purchasing power, market potential as well as the weakness in form of less purchasing power, poor infrastructure, and opportunity of tapping the huge market base with innovative marketing strategies tailored for the rural market. The threat comes from lack of proper understanding of the rural market and thinly populated villages with infrastructure problems. The cases of the Amul Dairy, Hindustan Unilever Ltd and ITC Ltd. provide a glimpse of the immense potential of the Indian Rural Market and How to tap it for marketing Success.

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INCREASE OF ECONOMIC POTENTIAL OF ENTERPRISES OF TEXTILE INDUSTRY OF UZBEKISTAN

Davranov Orzu Abdujabborovich¹

ABSTRACT

The textile industry is the base for ensuring sustainable economic growth, increasing export earnings, developing small business and private entrepreneurship, as well as providing employment for the population, raising their incomes and welfare.

The article analyzes the current state of the textile industry, identifies the existing problems and develops proposals for their elimination. A method for assessing the economic potential of textile enterprises has also been developed, analyzing methods for assessing the economic potential of industrial enterprises and assessing the economic potential of existing textile enterprises.

Keywords: *textile industry, economic potential, current assets, net profit, profitability, potential stock, fixed assets, working capital.*

Introduction

Textile industry has an important place in the socio-economic development of the country. Therefore, the world market of textile products has remained stable in the conditions of the global financial and economic crisis. In 2009, the financial and economic crisis led to a decrease in the growth rate of the world textile market by as little as 0.7%. However, in 2010 the growth rate was 4.1%, by 2012 this indicator was 7.2%. Such dynamics of increase are inherent in the countries of the Asia-Pacific region and the average annual growth rate is 6.3%. At the same time, the annual growth rate in the European market is 1.5% [18].

In conditions of active integration of the economy of Uzbekistan into the world economy, the ongoing crisis in the world economy and the changing conjuncture of world markets, the creation of a rational management system using its potential, including the production, financial and technological capabilities of textile enterprises is topical.

Adoption and development of management decisions aimed at ensuring effective performance should be based on objective and specific information on the potential of enterprises. Since, planning and developing business effectively using the potential of textile enterprises is the main factor for the sustainable development of these enterprises.

To date, the way out of the state of the crisis without losses having economic efficiency, showing the potential of enterprises of the textile industry is of particular importance. In this process, it is important to assess the economic development of the enterprise and designate priority areas for textile enterprises based on information on the actual use of financial and production resources.

¹ Researcher of the Tashkent Institute, of Textile and Light Industry, Republic of Uzbekistan
orzu.davranov@gmail.com

Therefore, the preparation of scientific and practical proposals and recommendations on the development of an integrated approach to the methodology for assessing the economic potential of textile enterprises and the assessment of the economic potential of enterprises based on it, effective use and development of priority directions for its improvement are of current importance.

Current condition of the textile industry of Uzbekistan

In Uzbekistan, the textile industry is one of the priority areas of the country's economy and is among the actively developing industries. Including in 2016, the share of light industry in gross domestic product was 9.4%, increasing this indicator (7.4%) compared to 2010 and has a downward trend in comparison with the index (11.1%) in 2000. In the analyzed years, the share of the textile industry in the gross domestic product (from 10.9% to 5.2%), in the production of industrial products (from 17.7% to 9.3%) and in light industry (from 94.6% on 55.5%) sharply decreased (Fig.1). To date, more than 44% of cotton fiber produced in the Republic of Uzbekistan is processed in the republic, this figure in 1991 was only 7%.

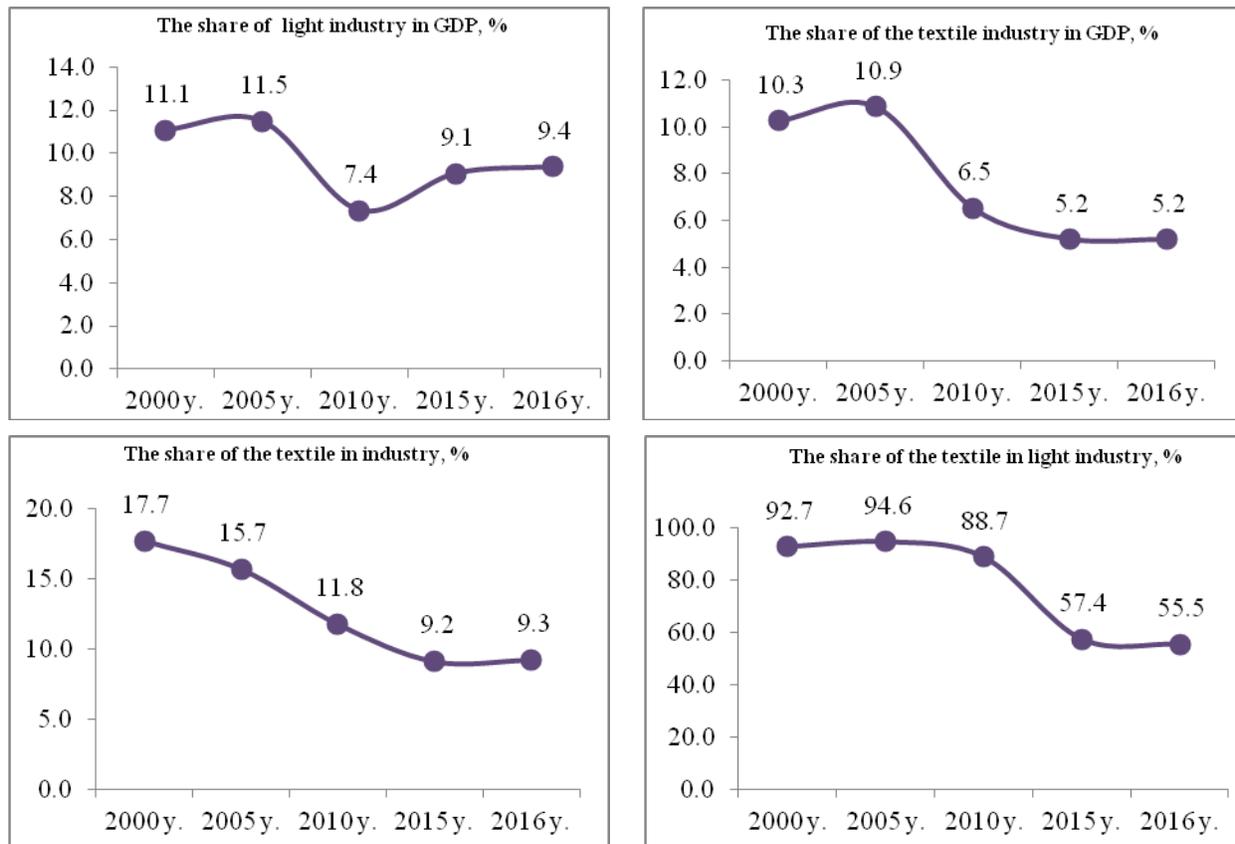


Fig.1. The role of the textile industry of Uzbekistan in the economy of the country

Source: Compiled by the author on information of the State Committee on statistics of the Republic of Uzbekistan

The decrease in the share of light and textile industry in gross domestic product can be described mainly in the growth rates of other industries, the decrease in the share of the textile industry in the light industry

due to the active development of production of finished textile products (clothing and others) with high added value.

Nevertheless, the high growth rate of the textile industry is ensured by the production of carpets and rugs, and in 2016 this figure increased by 13.9 times as compared with 2000 or amounted to 22.3 million square meters. Also, the production of yarn for spinning of fabrics increased by 2.7 times and amounted to 367.1 thousand tons, knitted production increased by 2.4 times and amounted to 105.9 million pieces (Table 1).

Table 1 Dynamics of production of textile products in Uzbekistan

The name of product	2000 y.	2005 y.	2010 y.	2015 y.	2016 y.	Growth in 2016 in comparison with 2000, in time
Fabric thread, mln.sq.m.	358,9	258,3	145,3	227,1	284,0	0,79
Yarns for spinning fabrics, thousand tons	135,1	170,8	225,6	326,1	367,1	2,72
Cotton, thousand tons	36,0	31,2	26,5	29,2	31,5	0,88
Raw silk threads, thousand tons	1,2	0,9	1,3	1,5	1,6	1,33
Silk fabrics, mln.kv.m	5,4	3,4	3,4	3,8	4,2	0,78
Non-textile materials in the form of fabrics, mln.kv.m	31,3	47,9	44,0	44,4	42,1	1,35
Carpets and carpet products, mln.kv.m	1,6	17,4	21,6	21,9	22,3	13,94
Knitted goods, mln. pieces	44,5	36,3	98,9	103,8	105,9	2,38

Source: Compiled by the author on information of the State Committee on statistics of the Republic of Uzbekistan

In the long term, effective and rational use of the textile industry's capabilities is of great importance in the sustainable development of the economy and in enhancing the country's export potential.

Method for assessing the economic potential of textile enterprises

Of the main methodological problems of research on economic potential is the choice of methods for its evaluation. The scientific and economic justification of methods and indicators of economic potential is of great importance in ensuring the economic potential of enterprises and developing strategies to increase it in the future. Including assessment of economic potential allows:

- to determine the available opportunities of enterprises;
- assess the degree of effective use of economic potential;
- determine the effectiveness of the use of economic potential and the main directions of its increase;

- determine the degree of use of its individual elements for the determination of reserves and unused opportunities;
- determine the direction of development of the economic potential of enterprises [2, 6].

Currently, methods and methods for assessing the economic potential of textile enterprises by domestic and foreign scientists have not been fully developed. From this point of view, the study of available scientific approaches and methods for assessing the economic potential of enterprises is of great scientific and practical importance.

Including, according to V.V.Vinogradova and T.V.Ponomarenko, the estimation of the company's economic potential is based on the methodology of the system of harmonized indicators (BSC) and reflects financial and non-financial indicators ensuring achievement of the main and strategic goals [3].

In this case, the method proposed by E.B.Chekardina [14] is interesting, since the economic potential includes such factors as production, innovation, finance, marketing and contract.

Summarizing the foregoing, it can be noted that the method developed by the authors to assess the economic potential of enterprises is aimed at drawing attention to the share of coefficients in the calculation of indicators.

Some economists [1, 16, 13] approach the assessment of the economic potential of enterprises on the basis of methods for assessing the market value of the enterprise. Including, these methods are based on 3 main indicators:

- profitability - the economic potential of the enterprise is estimated by the volume of net revenue of the economic result;
- market (comparative) - the economic potential of the enterprise is estimated by means of comparison of enterprises;
- property (cost) - the economic potential of the enterprise is estimated by capacity building and costs for their use.

Also, in many economic literature [8, 15], there are methods of rating the economic potential of enterprises.

Many economists [4, 5, 7, 9, 10] propose an approach to assess the economic potential of enterprises based on methods for assessing the financial performance of enterprises. Here, the economic potential of the enterprise is analyzed in terms of assessing the financial situation and the property potential of the enterprise. Also, different methods are used for financial and property evaluation of the potential, the use of certain collections of financial ratios and coefficients for the enterprise's activities is scientific and economical.

The proposed method of S.M.Stepanova and N.N.Rogozhina [11] on the assessment of the economic potential of textile enterprises is of great importance for our research. Since, they proposed the following composition of the assessment of the economic potential of textile enterprises: financial, property, personnel, material, information, innovation and energy potential.

Based on the various methods and methods for assessing the economic potential of enterprises studied, taking into account the specific features of the textile industry of Uzbekistan, as well as the importance of

resources and reserves in the textile industry and the active investment of the textile industry in the liberalization of the country's foreign exchange market, we propose an improved valuation method based on index indicators dividing the economic potential of textile enterprises for short full-time and long-term potential.

The economic value of the methodology based on index indicators is that the index of indicators is determined by comparing the current and prospective economic potential with the real economic indicator, that is, by dividing the indicator of current and prospective economic potential by the indicator of real economic potential.

Basic indicators for assessing the short-term economic potential of textile enterprises:

1. Coefficient of provision with own circulating assets ($O'AM_t$):

$$O'AM_t = \frac{O'M_m + UMM - UMA}{A_j} \quad (1)$$

where:

$O'M_m$ – sources of own funds, thousand sums;

UMM – long-term liabilities, thousand sums;

UMA – long-term assets, thousand sums;

A_j – current assets, thousand sums.

2. Coefficient of current liquidity (L_j):

$$L_j = \frac{A_j}{QMM} \quad (2)$$

where:

A_j – current assets, thousand sums;

QMM – short-term liabilities, thousand sums.

3. Net assets (TA_q):

$$TA_q = A_q - M \quad (3)$$

where:

A_q – average annual value of assets, thousand sums;

M – liabilities, thousand sums.

Basic indicators for assessing the long-term economic potential of textile enterprises:

1. Coefficient of own circulating assets ($O'AM_t$):

$$O'AM_t = \frac{O'M_m + UMM - UMA}{A_j} \quad (4)$$

where:

$O'M_m$ – sources of own funds, thousand sums;

UMM – long-term liabilities, thousand sums;

UMA – long-term assets, thousand sums;

A_j – current assets, thousand sums.

2. Profitability of assets (A_r):

$$A_r = \frac{F_s}{A_q} \quad (5)$$

where:

F_s – net profit, thousand sums;

A_q – average annual value of assets, thousand sums.

3. Profitability of long-term capital (UMK_r):

$$UMK_r = \frac{F_s}{UMA} \quad (6)$$

where:

F_s – net profit, thousand sums;

UMA – long-term assets, thousand sums.

The scientific significance of the proposed method is that a new approach is used to assess the economic potential of textile enterprises, that is, "use the valuation of potential reserves" and apply it on the basis of indices.

Thus, based on the proposed method for assessing the economic potential of textile enterprises, the calculations are carried out in the following stages:

The first stage. The basic indicators of the real economic potential are defined ($O'AM_{t_{real}}$, $A_{r_{real}}$, $UMAr_{real}$, $L_{j_{real}}$, $TA_{q_{real}}$). The sources of information are the balance sheet (Form No.1) and the financial results report (Form No. 2).

The second stage. Taking into account the use of available reserves, the calculation of possible indicators based on the results of the enterprise's activities is carried out and the basic indicators of the current economic potential are determined on its basis ($O'AM_{t_{plan}}$, $A_{r_{plan}}$, $UMAr_{plan}$, $L_{j_{plan}}$, $TA_{q_{plan}}$).

In the third stage, the basic indicators of the long-term economic potential are calculated taking into account the use of potential reserves ($O'AM_{t_{forecast}}$, $A_{r_{forecast}}$, $UMAr_{forecast}$, $L_{j_{forecast}}$, $TA_{q_{forecast}}$).

At the fourth stage, index indicators are determined, reflecting the growth of the final indicators using existing or promising economic potential relative to the real economic potential. These index indicators are

an assessment of the economic potential of textile enterprises and are divided into short-term and long-term capacity assessment.

Summarizing the above, we suggest using the following indicators to assess the economic potential of textile enterprises (Table 2).

Table 2 The final index indicators for assessing the short-term and long-term economic potential of textile enterprises

The short-term economic potential		The long-term economic potential	
$i'_o m^{O'AM_t} = \frac{O'AM_{t_{real}}}{O'AM_{t_{plan}}}$	Note: Determination of the enterprise's own resources.	$i'_{um}^{O'AM_t} = \frac{O'AM_{t_{real}}}{O'AM_{t_{forecast}}}$	Note: Determination of the enterprise's own resources.
$i'_o m^{L_j} = \frac{L_{j_{real}}}{L_{j_{plan}}}$	Note: Determine the current financial condition of the enterprise.	$i'_{um}^{A_r} = \frac{A_{r_{real}}}{A_{r_{forecast}}}$	Note: Determining the effectiveness of the use of enterprise assets
$i'_o m^{TA_q} = \frac{TA_{q_{real}}}{TA_{q_{plan}}}$	Note: Determination of net assets of the enterprise.	$i'_{um}^{UMK_r} = \frac{UMK_{r_{real}}}{UMK_{r_{forecast}}}$	Note: Determination of the effectiveness of the use of long-term capital of the enterprise.
$\overline{i'_o m^{IS}} = \frac{O'AM_{t_{real}} + L_{j_{real}} + TA_{q_{real}}}{O'AM_{t_{plan}} + L_{j_{plan}} + TA_{q_{plan}}}$	Estimation of the level of short-term economic potential.	$\overline{i'_{um}^{IS}} = \frac{O'AM_{t_{real}} + L_{j_{real}} + TA_{q_{real}}}{O'AM_{t_{forecast}} + L_{j_{forecast}} + TA_{q_{forecast}}}$	Estimation of the level of long-term economic potential.

Source: Compiled by the author on the basis of scientific research.

It is the final index indicators that show the increase of economic potential due to attraction of reserve and potential reserves in the financial and economic activity of the enterprise. In this case, each investor will invest his investments in an efficient enterprise, that is having a high level of economic potential. From this point of view, for the index indicators obtained in the calculations based on the proposed method, the normative index is not set.

The practical value of the proposed method is determined by the ability to obtain information on the economic potential, reflecting the factors that affect the future activity of the enterprise at the stage of studying the enterprise as an investment object.

Thus, the proposed method for assessing the economic potential of textile enterprises is based on an assessment of the final index indicators for the financial and economic activities of the enterprise. This method is important in attracting investors to the textile industry and preparing analytical information on the economic potential of textile enterprises for investors.

Assessment of the economic potential of textile enterprises industry and its analysis

Using the developed method for assessing the economic potential of textile enterprises, we will assess and analyze the level of economic potential in the context of enterprises operating in Uzbekistan JV "BAYPAK TEXTILE", PE "OSBORN TEXTILE", JV "UZTEX TASHKENT" LLC "CHINOZ TEXTILE".

The results of the calculations show that in 2013-2016 years the level of short-term economic potential of the state of emergency PE "OSBORN TEXTILE" and LLC "CHINOZ TEXTILE" high (Fig. 2). This shows that investors have the opportunity to invest short-term investments in the activities of these enterprises and make a profit.

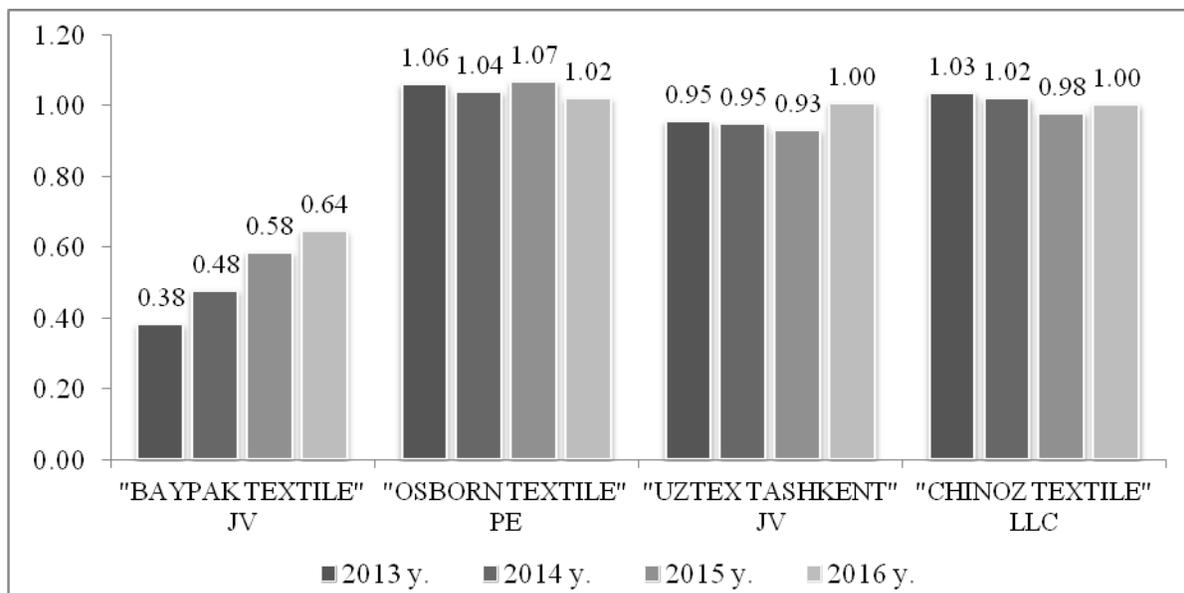


Fig.2. Dynamics of the level of short-term economic stability of textile enterprises

Source: The calculation was carried out by the author according to the data of enterprises.

However, the results of the above-mentioned analyzed indicators show that in all enterprises there was a negative trend, like accounts payable, an increase in overdue accounts receivable, as well as a decrease in revenue and net profit from sales of products along with positive changes.

It should be noted that in the analyzed years in JV "BAYPAK TEXTILE" the level of short-term economic potential is higher, but the level achieved is not positive for investors, therefore, the company needs to develop the necessary economic levers and mechanisms.

Based on the results of the calculations, it can be concluded that in the analyzed years only in the state of emergency PE "OSBORN TEXTILE" the level of long-term economic potential was high fluctuating within 0.66 - 1.06. Usually investors try to invest and get long-term profit. Therefore, in our opinion, the level of long-term economic potential of PE "OSBORN TEXTILE" may be of interest to investors (Fig. 3).

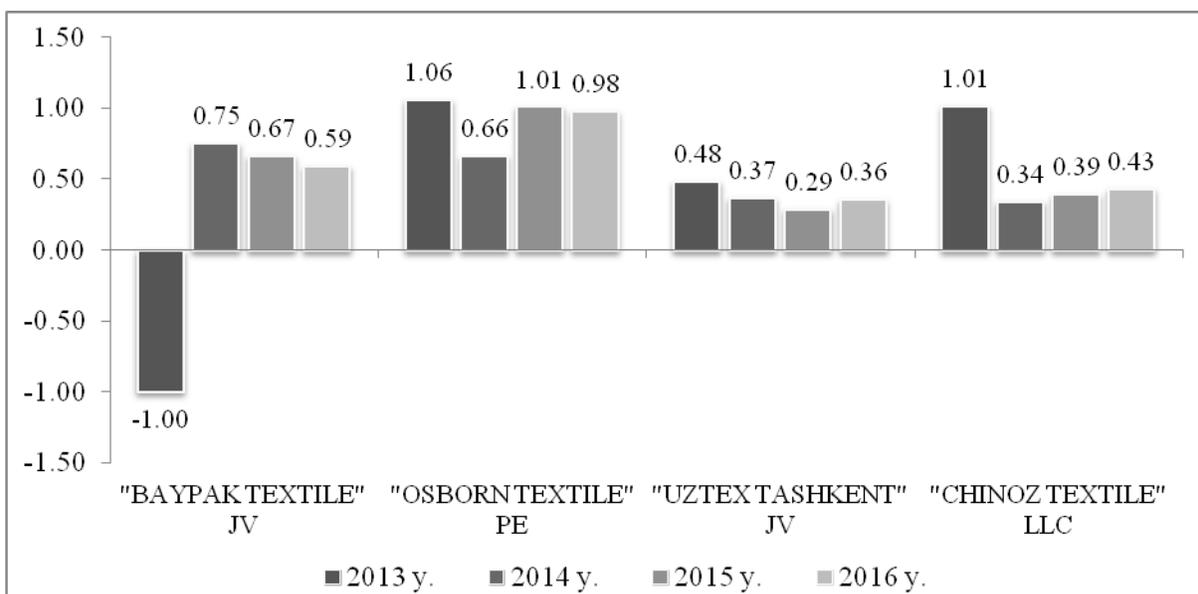


Fig.3. Dynamics of the level of long-term economic sustainability enterprises of the textile industry

Source: The calculation was carried out by the author according to the data of enterprises

In the analyzed years, the level of long-term economic potential of other enterprises has fluctuated and over the past years JV "UZTEX TASHKENT" and LLC "CHINOZ TEXTILE" had an average upward trend. The main reason for the low level of long-term economic potential of all textile enterprises was the low (weak) turnover of assets, apart from PE "OSBORN TEXTILE", and it is explained by the increase in production, the costs of the period and the difference in the exchange rate.

Conclusions

The complex system of increasing the economic potential of enterprises of the textile industry is directly related to the indicators of the financial and economic activity of the enterprise, and it is advisable to develop a modern mechanism and levers for their improvement.

In particular, in order to increase *the level of provision of own funds* for enterprises of the textile industry, it is expedient to use the following main mechanisms: optimization of the composition of current and non-negotiable assets; attraction of additional funds of investors; change in the current foreign exchange and dividend policy (strategy) of enterprises; the direction of the net profit received for the refinancing of the enterprise, etc.

The increase in *the level of current liquidity* of textile industry enterprises consists of the following mechanisms: ensuring profit generation and raising it; compliance with the financial order, that is, financing of investment programs, not at the expense of short-term loans, but at the expense of long-term investments; realization of investments in the limits of the received profit by the enterprise and taking into account pure circulating assets in attraction of long-term investments; rational reduction of low liquid assets, that is, stocks of unfinished construction, etc.

Net assets of textile enterprises can be increased through the following mechanisms: improving the composition of assets; choice of the optimal method for valuation of inventories, as well as calculate depreciation of fixed assets and intangible assets; distribution or sale of unused property of the enterprise; improvement of product quality, optimization of price policy, increase in sales volume due to entering new markets; implementation of a strategy for effective inventory management, receivables and payables, other assets and liabilities of enterprises.

The following mechanisms are of great importance in increasing *the profitability of assets* of enterprises in the textile industry: reducing the cost of production or increasing profits by raising the price of products; a sharp reduction in the number of all assets relative to revenue; Increase of profitability of realization of production; accelerating the turnover of assets; increase in sales of highly profitable products, etc.

It is advisable to ensure *the effectiveness of long-term assets* of textile enterprises through the following mechanisms: the creation of production reserves; modernization of existing machines and mechanisms and provision of intensive use of equipment on the basis of establishing the optimal order for their use; increase in the volume of capital investments in order to develop newly launched capacities; training of workers in order to ensure accurate and efficient use of equipment; economic incentives for key and auxiliary employees responsible for quality and volume of products; the development of innovative activities by widely applying modern and advanced technologies; ensuring effective and rational use of stocks of operational non-current assets by time and capacity in order to optimize the total volume and composition of non-current assets.

Also, today in the textile industry, first of all it is important to develop an economic mechanism for the monetary policy of enterprises and methods for accelerating the turnover of receivables.

The monetary policy of the enterprises of the textile industry is based on the following: assessment of currency risk; monitoring and management; rational formation of the foreign exchange portfolio; keeping the optimal amount of cash currency; optimization of financial investments in foreign currency; fulfillment of currency obligations at low cost; determination of the limit on accounts receivable in foreign currency; adjustment of contractual requirements at the stage of drafting contracts for foreign trade.

Methods of accelerating the turnover of accounts receivable in the textile industry are as follows:

- at the stage of formation of production stocks: application of economically justified standards for the stock; approaching textile enterprises to the suppliers of raw materials; wide application of long-term direct links; expansion of warehouses for wholesale trade and logistics; full automation and mechanization of loading and unloading operations in warehouses.
- at the stage of unfinished production: acceleration of innovation (advanced technology and technology, non-waste production, use of robotic technology, etc.); development of standardization, unification and optimization; improving the system of economic incentives for the use of fuel and energy resources and raw materials; increase in the volume of production with high demand.
- at the marketing stage: the approach of consumers to the producers; improvement of the calculation system; the range of products and increase in its volume according to the established standards at the time and strictly observing the contract.

- at the stage of regulatory and legal relations: introduction of a system of levying taxes at the expense of debtors; use of the services of the economic court and mandatory enforcement office, etc.

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FACTORS INFLUENCING THE EFFICIENCY OF LABOUR RESOURCES AT INDUSTRIAL ENTERPRISES: METHODOLOGICAL AND ANALYTICAL FEATURES

Irmatova Zamira Baxtiyorovna¹

ABSTRACT

It is impossible to succeed without analyzing labour resources involved into the branches of industry in a country because when realizing the processes of modernization, diversification, and innovation the main working power sources are labour resources and cabale cadres.

The current article deals with the scientific-theoretical analysis of the labour resources in industrial factories. The current state of the development of the industry in Uzbekistan and labor efficiency has been analyzed; the methodologies of assessing the efficiency of labor resources of industrial enterprises have been developed. This methodology divides the factors changing the profitability of labour resources into four groups taking into account their economic content: factors related to salaries and work efficiency; factors related to the current expenses of the factory; factors connected with effective exploitation of the capital stocks; circulating or turnover costs and their content structure. In addition, the degree of the efficiency of labour resources at textile factories in Uzbekistan was assessed and analyzed; on the basis of the analysis, conclusions have been drawn.

Key words: labour resources, efficiency, profitability, work efficiency, factors, factor analysis.

1. Introduction

The ongoing processes of modernization and diversification of the economy and acceleration of innovation factors lead to the change of human labor, its character and content in various directions. Under these conditions, efficient use of labor resources at each enterprise is one of the most important measures. Because all of the economic indicators are largely dependent on the efficiency of labor resources.

It is difficult to assess its effectiveness theoretically and comprehensively without determining the criteria for evaluating the efficiency of labor resources. Practical use of labor resources in market conditions is the requirement of the time. This issue is one of the most urgent problems, because its efficient use is always relevant, regardless of the type of ownership of the property. The effectiveness of labor resources encompasses not only the interests of the property owner or the worker, but also of all relevant entities (such as the staff, the state, the community).

Therefore, this issue has always been in the spotlight of scholars and experts, and is still relevant in the conditions of a free economy based on today's market relations. Effective use of human resources is especially important today for our country. Because, with a high rate of development, the economy of our country can not be achieved by relatively inexpensive simple manual labor. That's why now every single worker should be productive in the use of labor resources.

¹ Tashkent State University of Economics, Uzbekistan

Based on the above mentioned, focusing a particular attention on the analysis of the indicators related to the efficient use of labor resources in all sectors of the economy, ie, developing the ways to identify, evaluate and analyze their indicators is one of the burning topics of the present time.

2. Analysis of the current state of the industrial sector development and labor productivity in Uzbekistan

As a result of the consistent reforms undertaken by the Government of Uzbekistan, positive changes could be observed in the industrial sector. Thus, the share of industry in GDP in 2000 was 14.2 percent, which is 33.5 percent in 2017, ie it rose to 19.3 percent. In recent years, a tendency for growth in industrial production was noticed. Thus, in 2000, the industrial production rate increased by 5.9% in comparison to the previous year, which is 7.0% in 2017, high growth rates were also observed in 2010 [8].

In the meantime, due to modernization, technical and technological re-equipment of production, labor productivity in the industrial sectors has been rising significantly, and during some years this indicator fluctuated. For example, in 2000, labor productivity in non-mobile networks increased by 4.0 percent in comparison to the previous year, which is 5.6 percent in 2017, and the lowest growth rates were recorded in 2005 (Fig. 1).

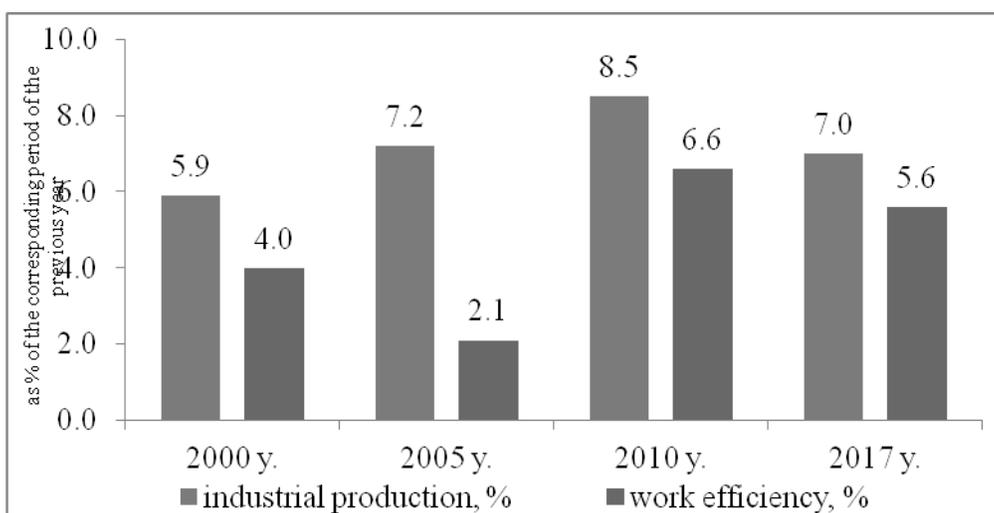


Figure 1. Dynamics of the growth in industrial manufacturing and labour efficiency in Uzbekistan

Source: The author calculated using the data from the statistics Committee of the Republic of Uzbekistan.

Despite the achievements in manufacturing, the industry of Uzbekistan still works on the principle of high energy consumption. In particular, the energy intensity of GDP is 4.7 times higher than in developed countries and 1.4 times higher than in developing countries [2].

In order to further improve the competitiveness of the national economy through further deepening structural transformations in Uzbekistan, gradual implementation of modernization and diversification of leading industries, development of high-tech industries providing sustainable economic growth, the realization of network programs targeting at implementing 649 investment projects worth about 40 billion US dollars in 2017-2021 is planned.

Investments allocated to the modernization and reconstruction of industrial sectors as well as the launch of new capacities are primarily driven by the private capital of enterprises, loans from commercial banks, and foreign investments and loans. Qualitative changes in the industry of Uzbekistan are observed due to large investments in the industrial sector and the provision of bonuses in taxes, customs and other benefits to the state enterprises. In the next five years, industrial production in the country will increase by 1.5 times, its share in GDP will grow from 33.6% to 36%, and the share of processing sectors in industry - from 80% to 85% [10].

3. Methodology for assessing the effectiveness of labor resources in industrial enterprises

In order to explore the system of indicators representing the effectiveness of labor resources and the methodological approaches to their identification, it is desirable to begin with clarifying the concept of labor efficiency, first of all.

In order to fully understand the concept of efficiency, it is desirable, first, to define the meaning of "effectiveness", "efficacy" and "efficiency". In particular, the word "effect" is as follows: "effect" result, consequence; fruit [6]. The term "efficacy" the ability to produce a desired or intended result refers to the effectiveness of the work, and is expressed in words such as economic efficiency and efficiency. [6] the term "efficiency" is used in regards to the ratio of the useful work performed by a machine or a person in a process to the total energy expended or heat taken in; the term "effectiveness" refers to the degree to which something is successful in producing a desired result; success [6].

There are specific approaches and methods for determining productivity in economics. In determining the effectiveness of labor resources in enterprises, it is also necessary to build on the general principle of efficiency. In particular, economists [4, pp. 233-234] presented general indicators of labor productivity. These include the following indicators: Efficiency of labor resources; labor profitability; labor productivity. In terms of these indicators, the of lprofitability of labor resources are crucial in their theoretical and practical significance.

Economic processes occurring in enterprises are influenced by certain factors. Therefore, in order to improve the performance of the enterprise, it is important to know the factors that have a negative or positive impact on the outcome. It is here when analysts acquire the task to strengthen positive factors and eliminate negative factors. The instrument which will allow you to perform this task is a factor analysis.

In this context, it is important to analyze the effectiveness of labor resources, first of all, to identify its nature, content, types, and relationship patterns. Because, as other economic indicators, the profitability of labor resources is also shaped by complex processes and effected by many factors.

For this reason, first of all, we need to focus on the definition of factor analysis. In our opinion, the explanation provided by M.Q. Pardaev and A.N. Holiqulov clearly explains the content of this analysis. It is stated that "Factor analysis is the methods of identifying the effects of various factors influencing the outcome change by means of a complex study applying traditional, mathematical and other methods of economic analysis." [5].

Besides, Factor Analysis of Labor Resources Profitability has been comprehensively researched by Q. Pardaev, I.T. Abdukarimov, B.I. Israelovs [4, pp. 233-245] and they have identified the following factors affecting labor productivity:

- volume of production;

- total number of employees;
- Number of employees with higher education;
- Number of employees with secondary special education;
- Number of literate people;
- Number of employees with incomplete secondary education [4, p.241-245].

Sh. Holmuminov, X.M. Khakimov, I.A. Boqieva, M.A. Allaeva, A.T. Mahkamboevs analyzed specific labor indicators, [7] limited their researches on performance indicators to the analysis of labor productivity.

In view of the above, we consider that it is desirable to pay a particular attention to the issue of labor resources profitability. This is because the increase of labour resources profitability in enterprises determines its economic viability and creates opportunities to provide financial incentives for employees. The significance of this situation is increasing as market relations become more rapid.

The analysis shows that many factors affect the profitability of labor resources. They need to be classified in order to identify and analyze their effects. However, research on this topic has not been undertaken at present. In this context, in our opinion, it is desirable to divide factors that affect the profitability of labor resources in their economic context into the following groups:

1. Factors related to labor and labor productivity.
2. Factors related to current expenses of the enterprise.
3. Factors related to effective use of fixed assets.
4. Circulating assets and their structural components.

Changes in labor resources profitability dependent on these factors are calculated, summarized and summarized separately. An increase in the number of factors leads to the increase in the outcome indicators. The inter-dependency between them is based on the multipolar model with the following formula.

1. *Factors related to labor and labor productivity* ($P_{L,LP}$) require their consideration of their interrelations and the relationship between them is determined by the following formula:

$$P_{L,LP} = P_w \times T_{Q,w} \times LE \quad (1)$$

here:

P_w – profitability of the wages fund paid to all staff members;

$T_{Q,w}$ – the endowment of the manufactured(sold) goods with the wages;

LE – labor efficiency of all employees involved in the work.

2. *Factors related to the current expenses of the company* ($P_{L,c/e}$) are also functionally connected with the result. Their inter-dependency can be determined by the following formula:

$$(P_{L,c/e}) = P_p \times C_{g/e} \times T_{w/a,e} \times T_{Lw} \quad (2)$$

here:

P_p – the general profitability degree of the company;

$C_{e/e}$ – efficiency of the general expenses;

$T_{w/a,e}$ – provision of the wages with all expenses;

$T_{L,w}$ – provision of labour resources with wages .

3. Factors the inter-dependency of the result with the application of the main means ($P_{LR, M_{zc}}$) can be identified by the following formula:

$$P_{LR, M_{zc}} = P_{M_{main,actives}} \times G_{M_{main,ac}} \times C_{LR} \quad (3)$$

by erda:

$P_{M_{main,actives}}$ – profitability of the active part of the main means;

$G_{M_{main,ac}}$ – the share of the active part of the main means within general main means;

C_{LR} – the degree of the main means capacity of labour resources.

4. Factors circulating assets and their structural components (P_{LR, A_c}) are also factors that influence the outcome. The link between them is also multiply, so the following formula can be used:

$$P_{LR, A_c} = P_{money} \times A_{money} \times P_{wr, K_{circ}} \quad (4)$$

where:

P_{money} - profitability of finances;

A_{money} - money contribution of all circulating assets;

$P_{wr, K_{circ}}$ - provision of working resources with working capital.

In the analysis, the effect of each factor on the efficiency was determined. Some methods of economic analysis were used.

4. Evaluation and analysis of labor resources efficiency of textile industry enterprises

Based on the above-mentioned methodology, we analyzed the impact of factors on each group on the example of textile factories of "OSBORN TEXTILE" JV and "CHINOZ TEXTILE" LLC operating in the Republic of Uzbekistan.

In particular, we consider the impact of the first group of factors on the effectiveness of labor resources in the analyzed enterprises. This group includes three factors related to payments and labor productivity.

According to the results of the calculations, in recent years, the "OSBORN TEXTILE" JV's and "CHINOZ TEXTILE" LLC's wages fund profitability have a tendency to increase, which is up by 64.8% points and + 7.0%, respectively, but when comparing to 2013, the figures decreased to - 66.6% and -66.2%, respectively (Fig. 2).

The second factor is the degree to which the manufactured product is provided with wages. At "CHINOZ TEXTILE" LLC it increased to 133,3% in comparison to 2013, and it reached 0,084 sum, accordingly, at

"OSBORN TEXTILE" JV it decreased to 11,3% and was 0,061 sum. The influence of this indicator at "OSBORN TEXTILE" JV private company was negative(Figure 3).

The next factor, labour efficiency of all employees involved in the work, showed a tendency to the increase at the companies analyzed. For example, a sharp rise was observed at "OSBORN TEXTILE" JV, and it demonstrated 184,2% in 2016 when compared to that in 2013, as for "CHINOZ TEXTILE" LLC, it was 119,9% accordingly (Fig. 4).

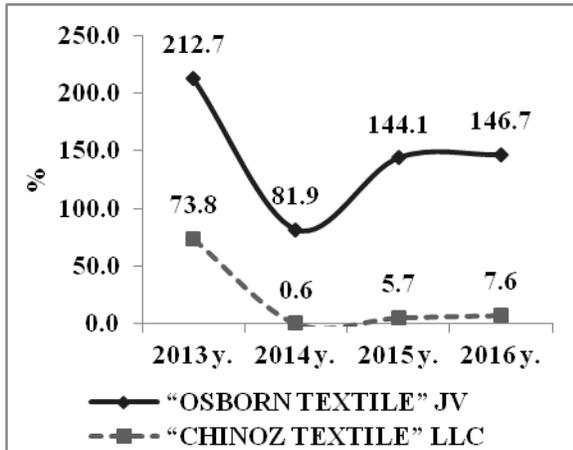


Figure 2. Profitability of the wages fund

Source: the author calculated based on the information from the relevant companies.

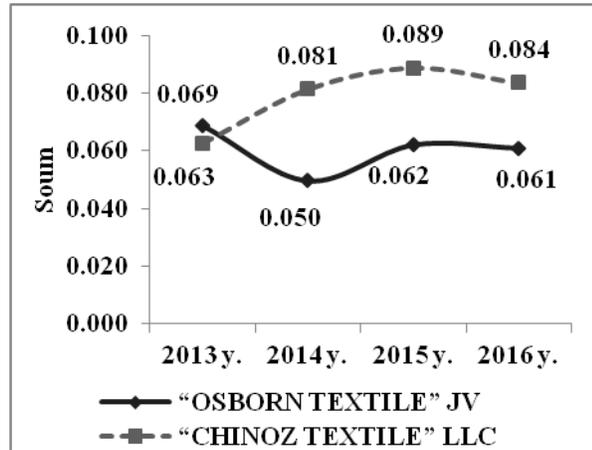


Figure 3. Provision of the output with wages

Source: the author calculated based on the information from the relevant companies.

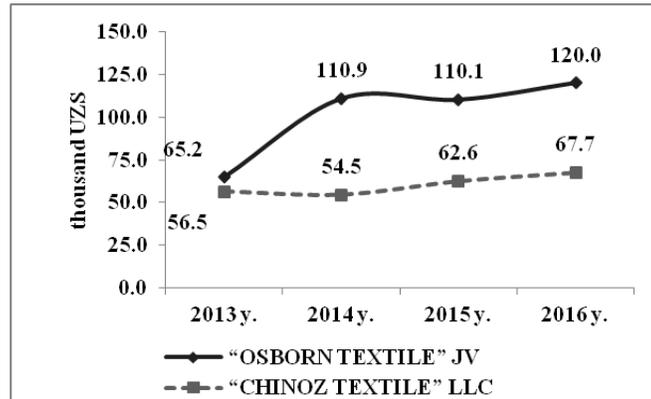


Figure 4. Labour efficiency of all employees involve in production

Source: the author calculated based on the information from the relevant companies.

This factor analysis serves as a key tool for determining the internal capacity of labor force utilization. Particularly, in this case, together with the positive impact of all the factors, one factor, ie, wage earnings of products produced (sold) has been negatively influenced.

Factors related to the current costs of the second group include four factors and their quantities are determined. The amount of this indicator depends, first of all, on the overall profitability of the enterprise. This indicator has decreased in the analyzed enterprises in 2016 compared to 2013, but has a moderate upward trend since 2014. Particularly, this figure is significantly higher than in the "OSBORN TEXTILE" JV "CHINOZ TEXTILE" LLC. This factor has had a positive impact on the utilization of labor resources, as its quantity has increased (Fig. 5).

Overall cost effectiveness also affects the profitability of labor resources. The analysis showed that this factor had increased by 0.15 sums or 114.8% at the "OSBORN TEXTILE" JV in 2013, while that of "CHINOZ TEXTILE" LLC decreased by -0.22 sums or 17.6% respectively (Fig. 6).

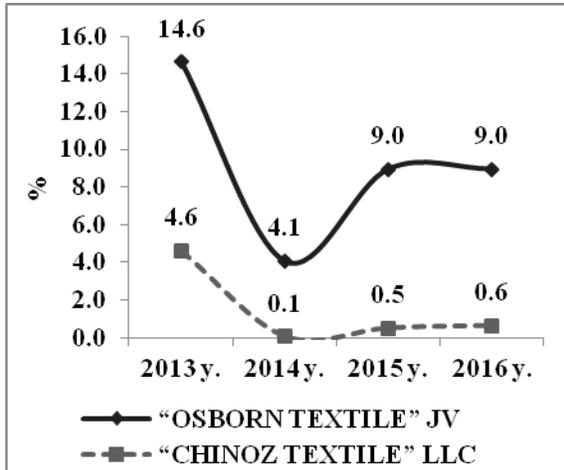


Figure 5. The degree of the general profitability of the company

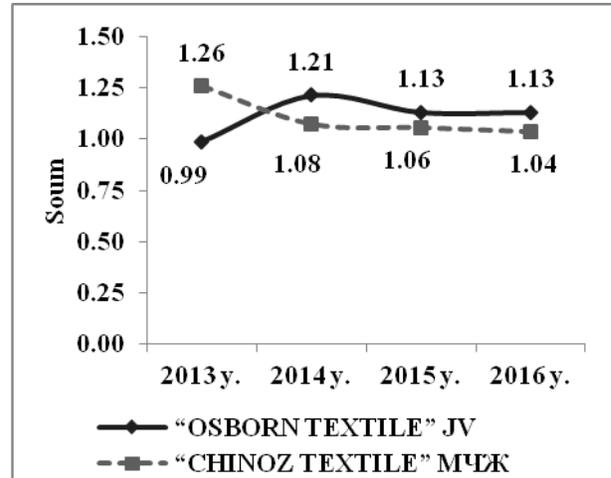


Figure 6. Efficiency of total costs

Source: the author calculated based on the information from the relevant companies.

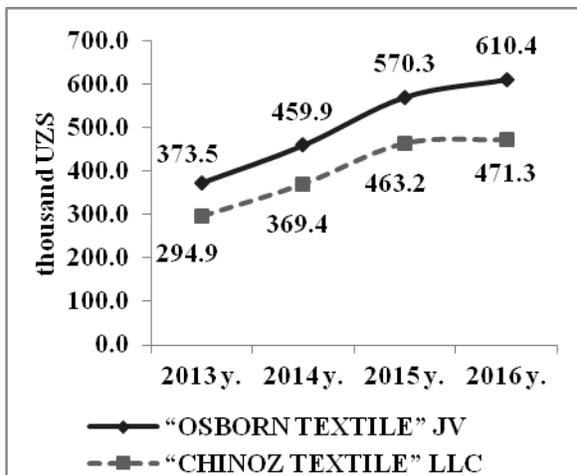


Figure 8. Endowment of the workforce with wages

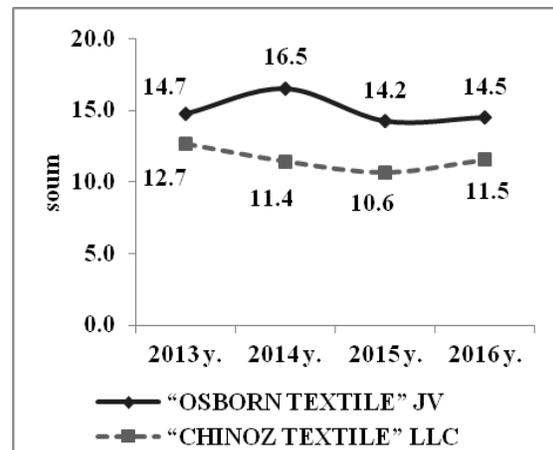


Figure 7. The endowment of wages with all costs

Source: the author calculated based on the information from the relevant companies.

One of the factors affecting the change in the usefulness of labor resources is the provision of labor costs. While this factor decreased in the "OSBORN TEXTILE" JV in 2014 compared to 2014, it was high in recent years and the tendency of such a change can be observed in "CHINOZ TEXTILE" LLC (Fig. 7). This factor is also functionally dependent on the output indicator, when it is high, it will result in high performance results. This factor has a positive impact on the utilization of labor resources.

For the years under review, "OSBORN TEXTILE" JV and "CHINOZ TEXTILE" LLC had a stable salary increase in labor resources or average wage earnings. In particular, this indicator increased by UZS 610.4 thous. per month or 163.4% at the beginning of the year, while "CHINOZ TEXTILE" LLC increased by 471.3 thousand soums or 159.8% -figure). This situation also has a positive impact on the outcome. Another aspect of this factor is that if the rewarding system at the enterprise is properly organized, it will lead to the increase in the outcome of work and profitability.

Application of the factor based analysis of this type brings about the need for identifying inner capacities for increasing labour resource profitability. Working with this economic instrument may serve for a wider application analytical capabilities.

The third group includes Factors for Effective Use of main means. In particular, it is important to take into consideration the impact of these factors on the modernization of the economy, in particular, on the modernization, technical and technological re-equipment of industries. This group includes three factors related to the asset part of the fixed costs.

According to the results of the calculations, in recent years, the profitability of the active part of fixed assets in the "OSBORN TEXTILE" JV and "CHINOZ TEXTILE" LLC has been steadily increasing. Particularly, this figure has a relatively sharp tendency for 2014 in "OSBORN TEXTILE" JV, and by 2016 has slightly increased compared to that in 2013. In the "CHINOZ TEXTILE" LLC, the profitability of the active part of fixed assets in the reporting year decreased by 81% compared to 2013 and amounted to 0.8%. However, since 2014, the tendency towards moderate growth is being observed (Fig. 9).

Furthermore, the share of fixed assets in the total assets of the enterprises analyzed decreased in recent years (Fig. 10). This indicates that the enterprise has a negative impact on the benefits of labor resources.

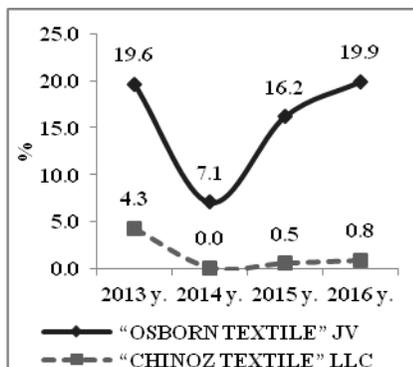


Figure 9. Profitability of the active assets of the capital stock.

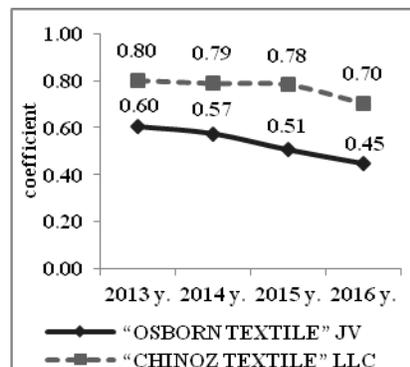


Figure 10. The share of the active assets in the total capital stock

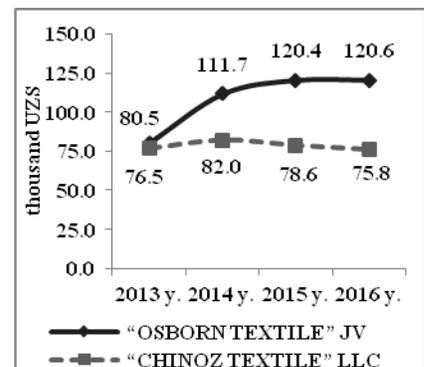


Figure 11. The endowment of labour resources with capital stock

Source: the author calculated based on the information from the relevant companies.

The next factor is the level of endowment of labor resources with the capital stock, which has a steady growth trend in "OSBORN TEXTILE" JV, and the change has a positive effect on the profitability of the enterprise's labor resources. In particular, this indicator in 2016 increased to 149.8% compared to 2013 and amounted to 120.6 thousand UZS. In the "CHINOZ TEXTILE" LLC this indicator has been decreasing since 2014 (Fig. 11).

The fourth group includes factors directly related to working capital and their structure. Because the factors of this group are also important for increasing the profitability of labor resources. If the working capital is insufficient, the activity will not be effective. It is also important to have enough money. In this context, it is desirable to calculate the effects of these factors.

During the period under review, the profitability of financial resources at the "OSBORN TEXTILE" JV company has risen sharply, with an unstable trend. This indicator has also been steadily growing at "CHINOZ TEXTILE" LLC since 2014 (Fig. 12). This factor is directly related to other indicators of profitability, including the benefits of labor resources. This, in turn, will increase the usefulness of labor resources.

The share of funds in all circulating assets in the analyzed enterprises has a tendency to decline and sharp decline is observed at "CHINOZ TEXTILE" LLC in 2013-2015. This factor, of course, had a negative impact on the profitability of the enterprises' labor resources. Because here there functional interdependency comes to the view. Reduction of those factors will certainly reduce the final output.

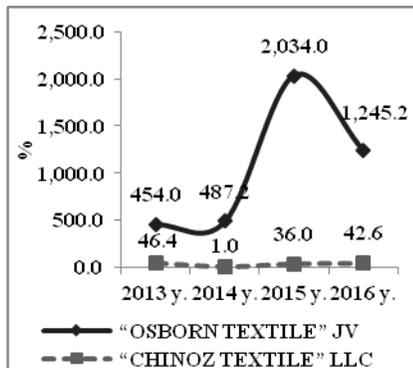


Figure 12. Profitability of finances

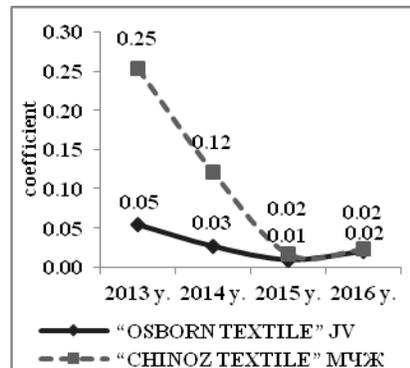


Figure 13. The share of financial funds among all circulating assets

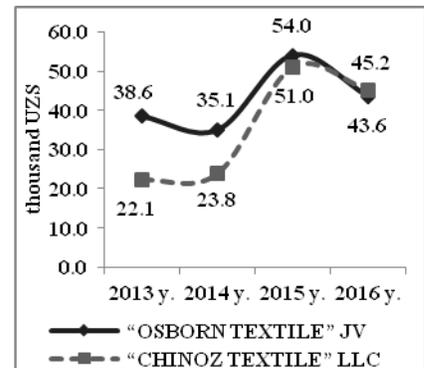


Figure 14. Endowment of labour resources with circulating assets

Source: the author calculated based on the information from the relevant companies.

During the analyzed period "OSBORN TEXTILE" JV and "CHINOZ TEXTILE" LLC were unstable in terms of employment resources, and an upward trend was observed in 2015, but in 2016 this figure dropped dramatically. This indicates that the staff was provided with the work process. These are also directly functionally interdependent to each other.

Based on the proposed methodology, the efficiency of human resources, i.e. profitability of enterprises was summarized, taking into account the factors analyzed above. Particularly, during the period under analysis, at "OSBORN TEXTILE" JV and "CHINOZ TEXTILE" LLC, the profitability of labor resources was unstable. In particular, in comparison with the last year's decline in 2014, this indicator has been steadily rising in the analyzed enterprises since 2014.

Furthermore, in 2016, the profitability of labor resources in the "OSBORN TEXTILE" JV increased to 112, 7% compared to 2013 and amounted to 1,074.6 million UZS, the same indicator went down to 83.5% in the "CHINOZ TEXTILE" LLC and amounted to 43.1 million soums. As it is evident, the level of human resource utilization in "OSBORN TEXTILE" JV is much higher than that at the "CHINOZ TEXTILE" LLC (Fig. 15).

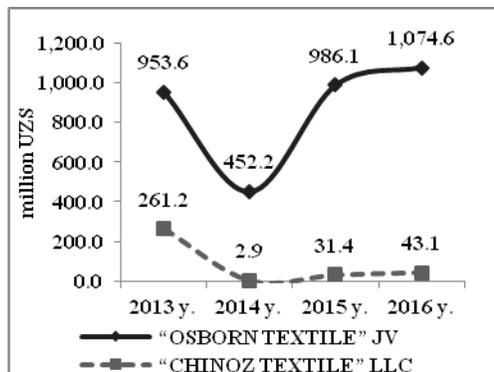


Figure 15. Profitability of labor resources in textile enterprises

Source: Calculated by the author based on the data of the respective enterprises.

An important aspect of the analysis is that if all factors affect the total disparity of the result, then the factors are correctly selected and correctly calculated. If this principle is maintained in the present case, it indicates the relationship between the result and the factors of functionality and correctness of the calculations.

As a result of the factor analysis, by applying various methods it is possible to identify inner capacity to increase the profitability of labour forces. By using this economic instrument, the opportunity to make proper management decisions that would increase the efficiency of the object.

5. Conclusions and Suggestions

Considering that many factors affect the profitability of labor resources, it is desirable to divide and analyze their impacts into four groups of economic content: factors related to wage and labor productivity; Factors related to current expenses of the enterprise; Factors related to the efficient use of fixed assets and the circulating assets and their structure.

The impact of these factors on the change in labor resources profitability is separately estimated and summed. All group factors are summarized as a result of the analysis.

Comparative analysis of the labor productivity of textile enterprises shows that the enterprise is a key factor in raising the net profit of the enterprise to increase labor productivity. This can be achieved by:

- introduction of modern management at the enterprise;
- expansion of product range and quality;
- Reduction of the product cost;
- organization of production on the basis of applying renovation, modernization, and innovative approaches to the capital stock;
- marketing development;
- diversification of product sales;
- Training and promotion of the personnel.

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*There is no problem that humanity
cannot solve with sensitivity, common
sense and seriousness*

— Krishna

DECISIVE FACTORS ON SAVING AND INVESTMENT BEHAVIOUR OF TEACHERS WORKING IN PRIMARY SCHOOL IN JHANSI CITY OF U.P

Prof. R.C.Gupta¹, Rajat Kumar Kamboj² and Shubhangi Pandey³

ABSTRACT

Salaried class peoples are mostly dependent on their salary or pension. But in today's life everyone is in hurry to earn as much money they could earn. Many of the people has started saving some part of their income and invest them to various fields to earn a high return for improving their financial condition. Besides this everyone want to appreciate their capital and purchasing capacity of commodities in present and future and investment is the additional method for increasing value of assets. this research is conducted in Jhansi city of people working as a teacher because salaried class people have limited source of income so this study has an importance for investment and saving.

Key Words: Capital, Appreciate, Return, Financial Condition etc.

Introduction:

Saving and Investment is the key requirement in today's life for growth and development. Salaried class peoples are mostly dependent on their salary or pension. But in today's life everyone is in hurry to earn as much money they could earn. Many of the people has started saving some part of their income and invest them to various fields to earn a high return for improving their financial condition. Peoples with higher income face it easily to save some part of their income. One interesting fact that i want to tell is saving money for the future is one of the great habits of wealthy people. The way the rich spending their money is becoming rich and wealthy and they have successful measures to stop their expenses, wealth but the main difficulty is for middle class people they have make many sacrifices of their dreams to save some part of their salary they also face many problems while investing money because they have to be very careful while choosing a investment field for their savings. "Hence it is necessary to have the financial knowledge while making investment otherwise there are chances to lost the money"

Savings refers to the amount of money the current income is kept separate for future use. People are able to save money by keeping part of their revenues every month and it is likely to cut the unwanted expenditure, generate more income and both. The need for saving is to fulfil future expenses, to meet the unexpected contingencies or emergency situation, to help in improving the nation, to generate future income. The economic development etc., Saving money for future gives you protection from unexpected circumstances you don't know what will happen to you next day or next week, month, year if you will lost your job you can survive while looking for a job because you have your savings or you have invested your money in any field which can give you some return. Let us take the example of teachers. They belong to

¹ Professor, Deptt. Of Commerce and Management, M.L.B. College of Excellence, Gwalior.

² Research Scholar (Management) Jiwaji University, Gwalior E-mail- rjtkmbj@gmail.com

³ MBA(FM), Institute of Economics and Finance, Bundelkhand University, Jhansi.

middle class income people they have the salary in which it is easy to serve the needs of a family but it is much difficult to save some part from the salary. Teachers are well educated and it is interesting to study the factors which they keep in their mind while saving and investing their money.

With the saving money you should have to start investing. Investing helps you in getting return on your savings. So that the purchasing power of money will be same or more as in present time. Investment are of different types on the basis of time, like long term, medium term and short term investments on the basis of risk there are investments with high risk, low risk, there are different fields of investment likewise investing in shares and debentures, gold, real estates, government bonds, private bonds, etc. In order to attract people for saving a part of their income, various efforts have been made by the government and financial institutions like different saving plan with high rate of return.

Investment means the expenditure today we sacrifice something the main purpose of some investment for the protection of future is to generate additional income and to protect the future. Various opportunities of enterprise are government deposits, bonds real estate, post office savings certificates, life insurance policies, mutual funds etc. Logic behind the enterprise to generate additional return through investments but every investment is another step to secure your futures.

Many of the peoples don't have financial knowledge and they invest and lost their money in any cheat fund companies. So many people are afraid to invest their saved money. They are a lot of choices for keeping the saved money safe and also getting return on it like bank deposits, property, national saving certificates, etc.

Some people love to take risks weather some don't want to take risk on their investment. Some deposit it in bank to have a low but safe return on their investment while some invest it in shares to get high rate of return but they also carry high risk on their investment. Savings means different things for different people some people mean to put money in this bank. For other it means to buy stock or contribute to a pension plan which should also be called as an investment an investment is today, the consumption of unused items is used in the future to create wealth. Saving money keeps you less stressful in future. In future you can face any financial disaster if you have saved your money. But if you have not saved money for future it can lead to all sorts of health conditions like anxiety, depression, stress, or even heart problems. Admit knowing that you have money, makes you happy, is not it? While saving money is not fun in itself, when you need it, there is definitely wealth. a great feeling for any person. The necessity of money never came with a warning in life sometimes it comes suddenly and if you are in habit of saving money you can face that necessity very easily and if you have not saved money you should have to take it from someone or banks as a loan or you have to worry about it. While saving keeps you away from all these things. Money can not only saved by sacrificing some part of your salary anyone can also save money by sacrificing their unnecessary needs if someone is in habit of cigarette and alcohol which drain the wallet, by quitting it imagine how much money he can save by quitting.

Review of Literature:

A STUDY ON INVESTMENT BEHAVIOUR OF MIDDLE CLASS HOUSEHOLDS IN NAGPUR (DR. APARNA SAMUDRA AND DR. M.A. BURGHATE) 5, May 2012:

The aim of this research was to examine the investment behaviour of the middle income class households in Nagpur. The research has been conducted to answer few important questions on the preference of the investment instrument & investment pattern of the middle class household and to know the

various objectives of the investment of the middle class household and to know whether there has been any increase in their savings.

A STUDY PERTAINING TO INVESTMENT BEHAVIOUR OF INDIVIDUAL INVESTORS IN COIMBATORE CITY (K. Parimalakanthi & Dr. M. Ashok Kumar) 6 June 2015:

This paper aims to find the behaviour of individual investors from Coimbatore city towards available investment avenues in Indian financial markets. This also analyses factors affecting the Investment decision and to find out the risk tolerance level of individual investors with respect to demographic variables.

A STUDY OF SAVING AND INVESTMENT PATTERN OF SCHOOL TEACHERS WITH SPECIAL REFERENCE TO AHMEDNAGAR CITY, MAHARASTRA (Prof. Harshvardhan N Bhavsar):

The aim of the study was to determine the relationship between the savings and investments literacy among the school teachers. The study was done on the different government and private school teachers. The data were collected by distributing a structured questionnaire to 100 school teachers in different schools of Ahmed Nagar city. In spite of low income the teachers have been saving for future needs. The major impact on savings is due to the level of income of the school teachers. The research shows that the majority of the respondents is saving money as Bank deposits for the safety of an unpredictable future. The main avenues of investment are Bank deposits and the main purpose of investment is for children's education, marriage, and security after retirement.

A STUDY OF SAVING AND INVESTMENT BEHAVIOUR OF INDIVIDUAL HOUSEHOLDS – AN EMPIRICAL EVIDENCE FROM ORISSA (Suman Chakraborty & Sabat Kumar Diga):

Taking 200 respondents in the survey from the state of Orissa (India), the paper attempts to analyse the investment pattern, saving objective and preferences of individual investor's for various investment options available in India. For the purpose of the study, parametric and non-parametric statistical methods have been employed. The study used a structured questionnaire in which potential investors were asked for their reactions to some specific situations. The result shows that, objective to saving is significantly influenced by demographic factors such as age, occupation and the income level of investors.

INCOME, SAVING AND INVESTMENT PATTERN OF EMPLOYEES OF BAHRA UNIVERSITY, SOLAN (Dr. Bhawna Bhardwaj, Dr. Nisha Sharma, Dr. Dipankar Sharma):

The aim of the research is to find the crucial factors which affect the process of economic development. There is an impression that Marginal Propensity to consume is high in the employees of Bahra University and their capacity of desire to save is low because of this reason the study was done.

SAVING AND INVESTMENT BEHAVIOUR OF TEACHERS AN- EMPIRICAL STUDY (Dr. Anantapadmanabha Achar):

This research paper is focused on saving & investment patterns of primary, high school, college and university teachers in Udupi District of Karnataka State. To find the attitude of teachers towards Consumptions, Saving and Investment would reflect their economic behaviour, which would influence quality of life and in turn influence their profession and education system.

AN INVESTIGATION ON THE DETERMINANTS OF SAVING AND INVESTMENT IN NIGERIA (Adelakun, O. Johnson) 2015:

The aim of the result is to show a positive relationship between savings, investment and economic growth in Nigeria. Of the determinants of savings considered in the study, inflation rate contributes negatively to saving, while interest rate positively affect saving. All these confirm economic theory. The striking feature of the study however is the confirmation of the impact of labour on economic growth, which according to the study far outweighs the contribution of capital.

THE SAVING INVESTMENT RELATIONSHIP: COINTEGRATION AND CASUALITY EVIDENCE FROM UEMOA COUNTRIES (Loesse Jacques ESSO, Yaya KEHO) Febraury 2010:

In the research show that domestic saving plays an active role in financing investment in only three countries. For the other four countries, the domestic savings rate and investment rate are not related. In paper contribute to the literature of Feldestain and Horoiko (1980).

SAVING-INVESTMENT RELATIONSHIP IN AN OPEN ECONOMY (Florin Marius PAVELESCU):

This paper reviews the conceptual-theoretical framework related to the analysis of the savings-investments relationship in an open economy and reveals the main trends of the respective relationship in the consolidated market economies and emerging countries during the second part of the 20-th century and first decade of the 21-st century.

Research Methodology:

Objective of the study:

- To Identify the Saving and Investment pattern of primary school teachers.
- To study the Rate of Return expected by income earners from the Investment.
- To know the effect of Socio Economic Variable on saving and investment.

DATA COLLECTION:

Both type of data Primary Data & Secondary Data has been used in this study. Primary Data was collected by Face to Face interview was conducted for Data collection from various respondents. Secondary data was collected from various type of literature i.e. Research Papers, Books, Magazines, Journals & from different Websites.

SAMPLING DESIGN:

Especially Jhansi City was selected for this study, it was conducted in different Primary Schools of Jhansi city of Uttar Pradesh.

SELECTION OF RESPONDENTS:

Random selection of Primary Schools are selected for Sampling from different areas of Jhansi city some of them are Primary Basic Schools of Pichhore, Simraha, Marry, Gola Kuan, Gumnawara, Birgua, etc. And some Private Schools like, Mother Teresa Convent School, M.K. Public School, Saraswati Gyan Mandir, H.R. Memorial etc.

PERIOD OF STUDY:

In the month of January,2018 much information was collected from the teachers of various Primary Schools. 100 peoples were interviewed through questionnaire and in addition to it interviewing where ever needed.

DATA ANALYSIS:

Data Analysis was done by using simple Mathematical methods i.e. Percentage, Ratio, Mean, Average and Tabulation. Graphs and Pie Charts are also used in the study.

Analysis and interpretation

Socio Economic Status of the Respondents:

The Socio Economic variables have a major influence on the investment of any individual. To find the effect of these variables a questionnaire was made to collect the data. Based on the data the analysis are:

Table 1. Socio Economic Variable of the Respondents

SL. NO.	STATUS	NO. OF RESPONDENTS	PERCENTAGE
SCHOOL TYPE			
1.	PRIVATE	50	50
2.	GOVERNMENT	50	50
AGE			
1.	BELOW 25	29	29
2.	25-40 YEARS	48	48
3.	40-55 YEARS	22	22
4.	ABOVE 55	1	1
GENDER			
1.	MALE	55	55
2.	FEMALE	45	45
RELIGION			
1.	HINDU	76	76
2.	MUSLIM	21	21
3.	SIKH	0	0
4.	JAIN	3	3
MARITAL STATUS			
1.	MARRIED	64	64
2.	UNMARRIED	34	34
3.	WIDOW	2	2

QUALIFICATION			
1.	HIGHER SECONDARY	1	1
2.	UNDER GRADUATE	55	55
3.	POST GRADUATE	36	36
4.	PROFESSIONAL	8	8
ANNUAL INCOME			
1.	BELOW 1,50,000	39	39
2.	1,50,000-3,00,000	11	11
3.	3,00,000-4,50,000	17	17
4.	ABOVE 4,50,000	33	33

From the above table the Socio-economic status states that 50% of the respondents belong to Private schools and 50% are from Government schools. 55% belongs to male and rest 45% are female 64% of the respondents are Marries 34% are unmarried and 2% are widow. The age of 29% respondents belong to below 25 years and 48% belongs to 25 to 40 age group. 22% of 40 to 55 age and the remaining 1% is of above 55 years. The qualification of the respondents are Under Graduate 55%, Post Graduate 36%, Professionals 8% and the remaining 1% has done Intermediate.

Figure 1. Respondents of Different Age Group

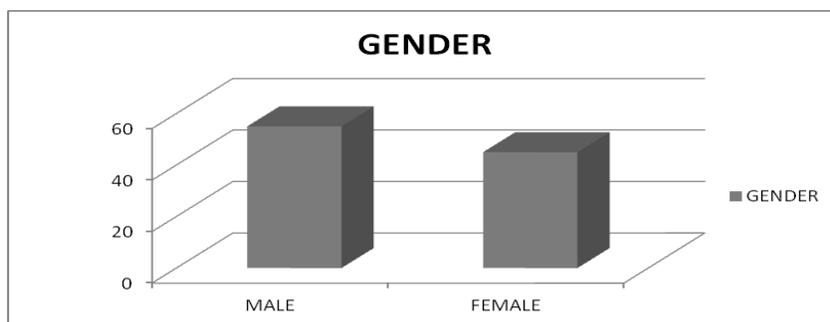


Figure 2. Religion of the different respondents.

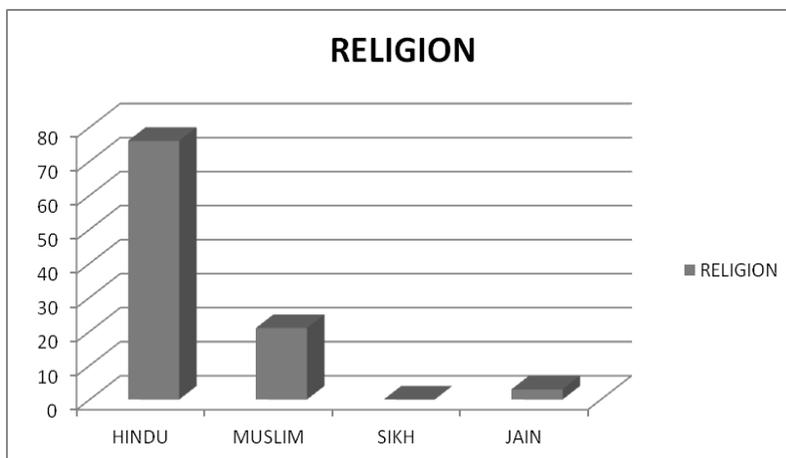


Figure 3. Marital Status

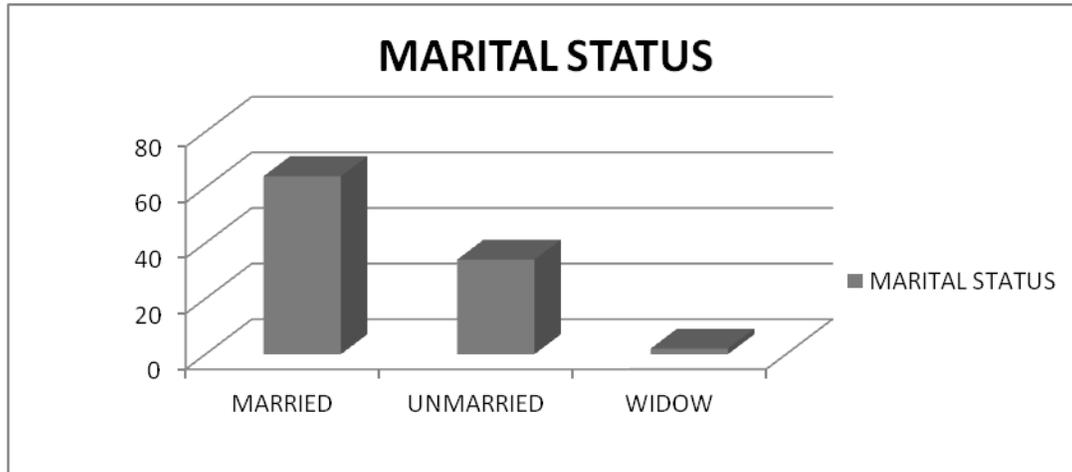


Table 2. THE RESPONDENTS IN HABIT OF SAVING MONEY

SL. NO.	STATUS	NO. OF RESPONDENTS
1.	YES	95
2.	NO	5
	TOTAL NO. OF RESPONDENTS	100

Figure 4. Saving Habit of the Respondents

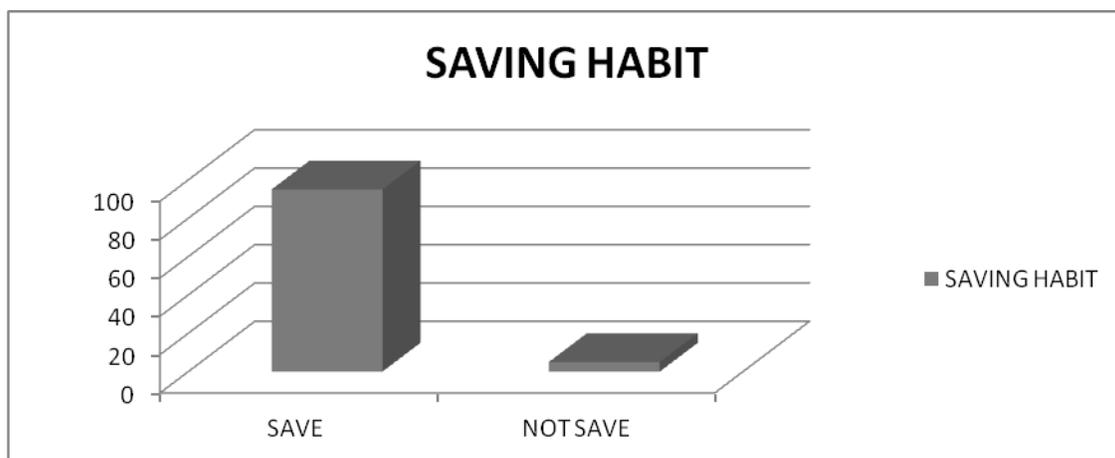


Table 3. THE MODE OF SAVING OF RESPONDENTS

SL. NO	STATUS	NO. OF RESPONDENTS
1.	BANK DEPOSIT	38
2.	JEWELS	9
3.	PROPERTY	5
4.	CASH IN HAND	3
5.	NATIONAL SAVING CERTIFICATES	7
6.	INSURANCE POLICIES	33
	TOTAL NO OF RESPONDENTS	95

Figure 5: Modes of Saving.

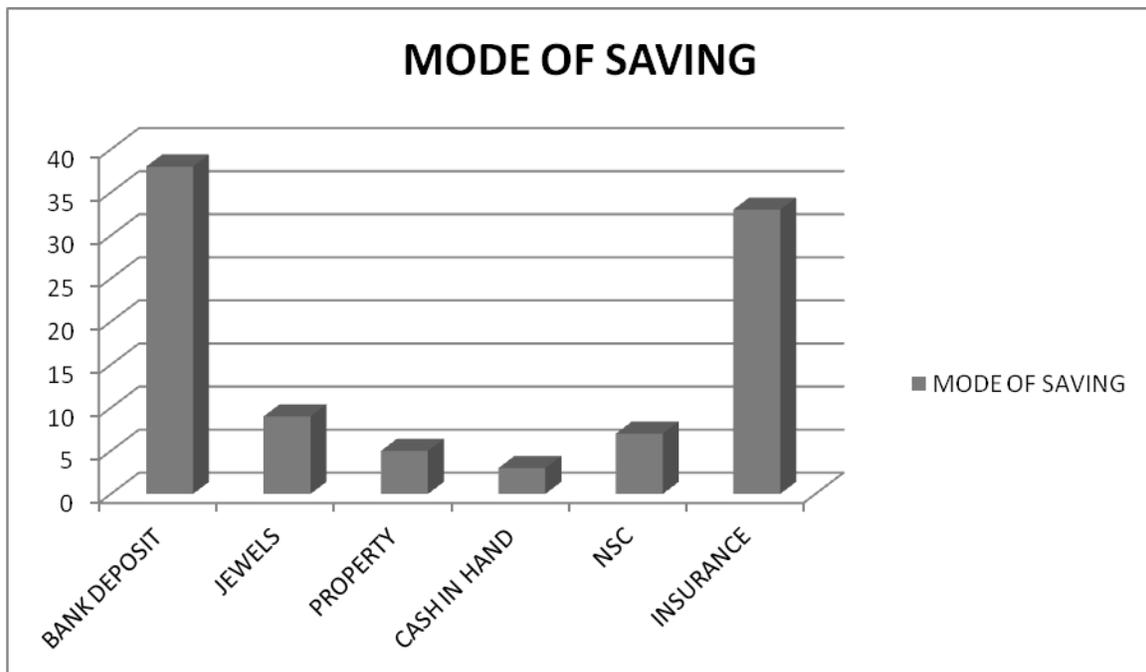


Table 4:Reason for Saving.

SL. NO.	STATUS	NO. OF RESPONDENTS
1.	TAX CONCESSION	23
2.	CHILDREN EDUCATION	16
3.	SECURED FUTURE	28
4.	FUTURE CALAMITIES	18
5.	OTHER	10
	TOTAL	95

Figure 6: Reason for Saving.

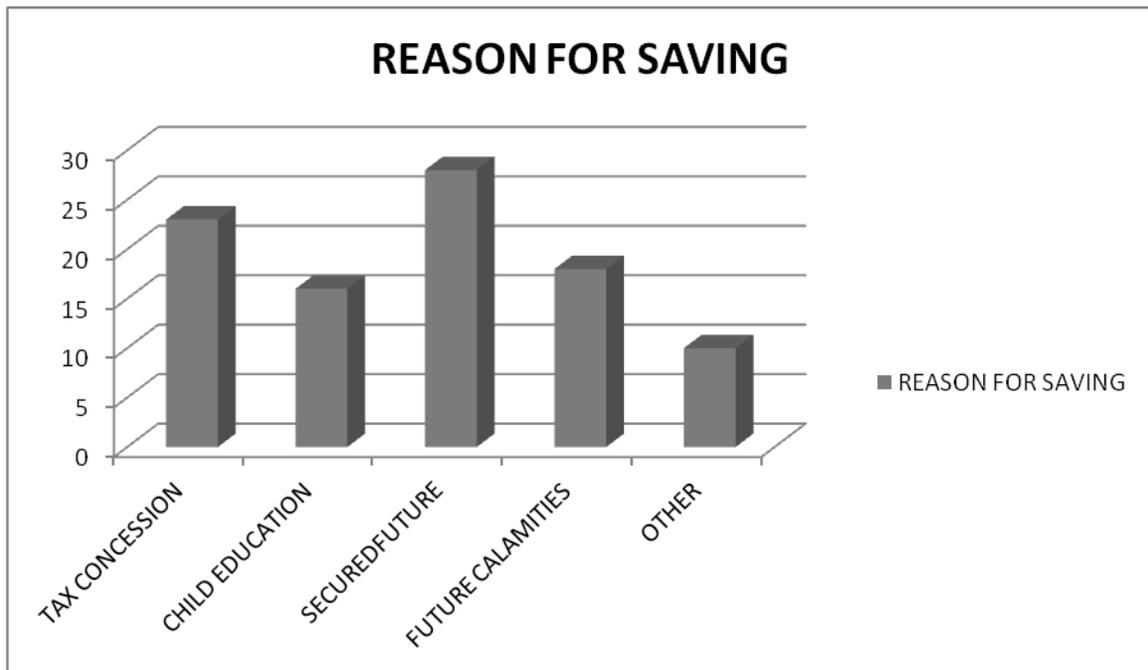
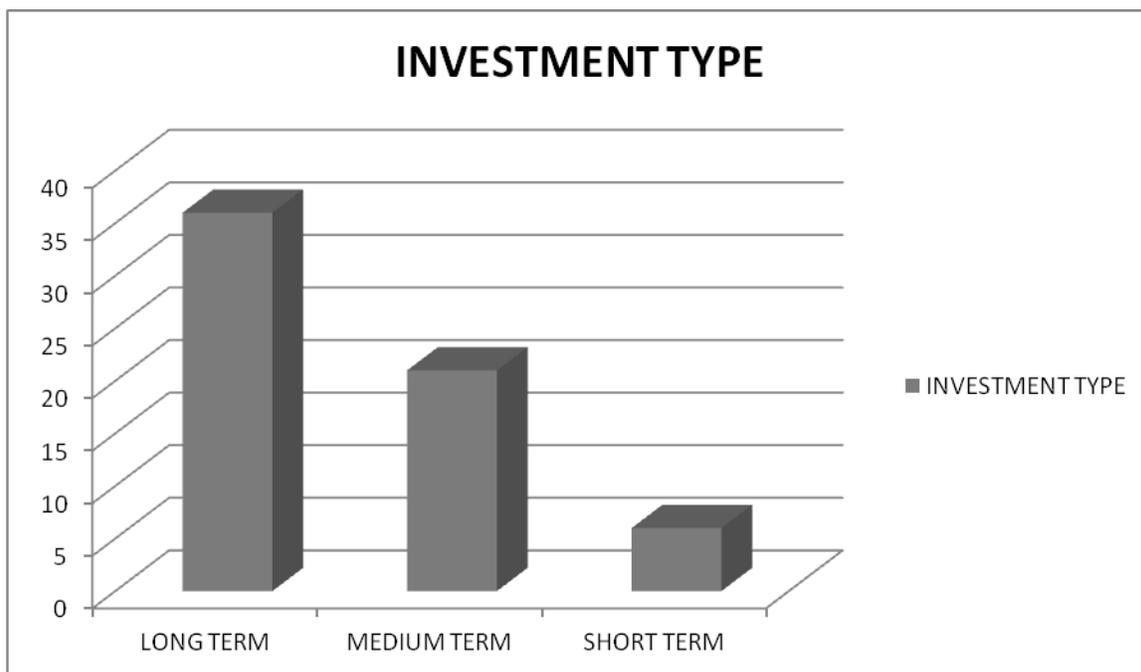


Table 5: Saving and Expenditure Ratio

SL. NO.	STATUS	NO.OF RESPONDENTS
1.	10:90	17
2.	20:80	39
3.	30:70	22
4.	40:60	10
5.	50:50	7
	TOTAL NO. OF RESPONDENTS	95

Figure 7: Investment Type



Results:

According to the survey maximum people were in habit of saving their earning . The mode of saving by them was mostly in bank deposits and insurance policies.

The reason behind their saving was different for both type of respondents the government teachers save money to get tax concession whereas the private school teacher salary fall below tax free limit of 3,00,000 that’s why they are not worried about tax and they save for children education and secured future.

Socio-Economic variables have a big effect in the saving and investment by the people. those who were below the age of 40 are ready to take some risk on their Investment but people above 40 did not want to carry any risk on their savings.

The people below the age of 40 mostly take decision of saving or investment by own whereas others consult it from the wife or they convey with a consultant or bank staff.

Their is nearly equal number of male and female both type of teachers in the schools.

In the government school most of the teachers were married but in private 70% of the teachers were unmarried.

The saving ratio was 20:80 for above for most of the peoples like, if a person earns monthly 10,000 rupees then he spends 8,000 rupees from his salary and saves 2,000 rupees.

50% of the private teachers don't have any investment plan because of low income and high household expenses.

Above 55% of the people want to or has invested in long term.

Above 75% of the respondents were not aware about the Shares & mutual funds and government bonds.

The rate of return expected by 60% of them was above 20% on investment but only 6% get return above 20%.

Conclusion:-

According to the analysis which was done above in chapter 4 most of the teachers of private school are not in the habit of investing money because their savings are very low or nil because of low income.

Some of the respondents not invest their money because of lack of knowledge about investment fields.

Some respondents are not interested in saving or investing because of low rate of return 44% of the respondents has expected the rate of return above 20% but only 6% of the respondents get it.

The respondents did not take high risk on the investment and above 45% of the respondents has invested their money in long term investment because on long term their is low risk on investments.

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ERRATIC INDIAN TELECOM SECTOR: PROSPECTS & CHALLENGES

Krati Kulshrestha¹, Dr. Sanjay Gupta²

ABSTRACT

India is world's second-largest telecommunications market, with over 1.21 billion subscribers and has third-highest internet users, as of July 2017, due to one of the lowest tariff rates in the world. Telecommunication market had played a significant role with technological breakthroughs in socio-economic development of the country. Indian telecom market is currently witnessing a threat to profitability due to close competition and increased market liberalization causing volatility in the sector in terms of mergers and takeovers. The study aims to determine prospects and challenges associated with the Indian Telecom industry and government initiatives towards stabilizing the sector.

The study suggested that although the Indian telecom sector saw consolidations like never before, leaving just few major players in the market by the end of the year 2016 i.e. Airtel, Vodafone, Idea and Reliance Jio. Still with latent demand for data fuelling the digital economy and reformist government policies, 2018 could be the growth year for the sector with an estimated investment of around Rs. 3 lakh crore in coming two years.

Keywords: Indian Telecom sector, Government Initiatives, Telecom Reforms, Service providers.

INTRODUCTION

The Indian telecom industry has touched newer heights by emerging as one of the leading potential markets in the global context with increasing growth in subscriber base, technological innovation, regulatory liberalization, structural reforms and competition. World-over telecommunication has been recognized as an important tool for socio-economic development for a nation and plays a phenomenal role in growth and modernization of various sectors of the economy. Digital access also opens up a plethora of content and powers the movement towards a knowledge-based economy. Crashing data tariffs, free voice calls due to the disruptive entry of Reliance Jio has brought turbulence in the Indian telecom sector and has left mobile subscribers craving for more in the coming years both in terms of tariffs and technology.

India is currently the world's second-largest telecommunications market, with over 1.21 billion subscribers as of July 2017 and has third-highest internet users in the world. The major contributor being wireless segment i.e. 98.02 per cent of total telephone subscriptions. Tele-density (defined as the number of telephone connections for every 100 individuals) in India, during a decade increased from 17.9 in FY07 to 92.59 in FY17-1. Data usage on Indian telecom operators' networks (excluding Reliance Jio), doubled in six months to 359 petabytes or 3.7 million gigabytes per month as 4G data usage share increased to 34 per cent by the end of June 2017.

¹ Research Scholar, Jiwaji University, Gwalior.

² Prof. & Head, Department of Management Studies, MLB Govt. College of Excellence, Gwalior

The Smartphones sales across the globe increased 6.7 per cent year-on-year to 366.2 million between April-June 2017, due to increased demand of 4G smartphones in India and other emerging markets. According to a study by GSMA, smartphones are expected to account for two out of every three mobile connections globally by 2020 making India the fourth largest smartphone market and the total smartphone traffic is expected to grow seventeen-fold to 4.2 Exabytes (EB) per month by 2021. India's economic transformation through adoption of Digital Payment system for becoming a cashless economy will majorly be supported by the telecom, internet and equipment service provider companies. The government also, under its new revolutionised policies relating to 'Digital India', 'Skill India', 'Make in India' and commitment towards inclusive growth, has enabled easy market access to telecom service providers, equipment companies along with a fair and proactive regulatory framework that has ensured availability of telecom services to consumer of all sections of society at affordable prices. Recent shifting of customer base from 3G to 4G and gradually to 5G technology has led to neck & neck competition among various service providers, whether public or private.

The government is further committed towards building a robust broadband infrastructure with the rapid rollout of a nation-wide optical fibre cable network, that will connect all gram panchayats/village blocks etc. and future technologies like mobility, analytics, cloud, Internet of Things (IoT) and Machine to Machine (M2M) will play a pivotal role in making telecommunication a necessity for the Indian population. The industries like consumer electronics, automotive will include mobile sensors virtually in all their products and a plethora of e-governance services across sectors like healthcare; education and banking will see consumers using mobile technologies and Internet. Technology changes and investments in 4G and beyond, connected objects, Artificial Intelligence (AI), Big data analytics, Virtual Reality (VR) would yield benefits with Digital simplicity being introduced, demanding even higher standards of connectivity but there are challenges that need to be addressed to accelerate this change and unshackle constraints on the industry.

OBJECTIVES OF THE STUDY

- 1) To study the recent trends of Indian Telecom sector.
- 2) To determine the future prospects and challenges associated with the Indian Telecom industry.
- 3) To highlight the recent Government Telecom reforms.

METHODOLOGY

This study was descriptive in nature. The population included all telecom service provider companies in India and the period of study covers two financial years from 2016 to 2018. The data were collected from secondary sources i.e annual reports of telecom service providers, websites of Department of Telecom, Telecom Regulatory Authority of India, Cellular Operators Association of India (COAI) and Ministry of Communication & IT etc.

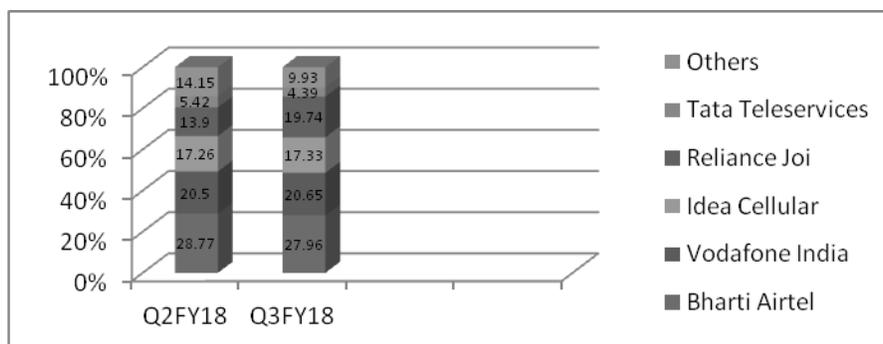
RESULTS AND DISCUSSIONS

Recent Trends in Indian Telecom sector

In the last two to three years, the telecom sector has experienced significant turbulence due to disruptive pricing which have aggravated the financial stress that the sector in general was facing from high spectrum prices, low tariff rates, diminishing profit margins and the advent of other digital service providers. The launch of Reliance Jio services in September 2016 was probably the epitome of the underlying focus of telecom operators to now work on improving subscriber base. Jio's 'Welcome offer' gave subscribers unlimited benefits for three whole months further extended to three more months and in order to sustain subscribers, competing operators also doled out similar plans. The year 2017 could be considered as a transformational year for the Indian telecom sector, as the telcos saw consolidations like never before, leaving just three major players in the market by the end of the year. The added pain of competing with Jio on tariffs, increased capital expenditure from upgrading their networks, and the attorney general signing off on Trai's penalty of Rs. 3,050 crore on Bharti Airtel, Vodafone and Idea Cellular over the interconnection issue with Jio could have unpredictable results. It only proved that telecom sector has become a money guzzler where only those with deep pockets can survive.

Bharti Airtel took away Tata's telecom business along with Telenor's ailing Indian subsidiary, Telenor India, Mukesh Ambani's Reliance Jio acquired spectrum, mobile-phone towers and fibre assets of his brother Anil Ambani's Reliance Communications Ltd., Whereas Vodafone India and Idea Cellular Ltd. decided to merge in order to become the country's largest telecom operator. Reliance Jio propelled India to the top position in terms of mobile data consumption with 150 crore gigabytes per month, surpassing the combined 130 crore gigabytes mobile data consumption of the US and China. The competition forced market consolidation as nervous, smaller players bailed out and biggies joined hands to cement their position.

Telecom Revenue Market Share

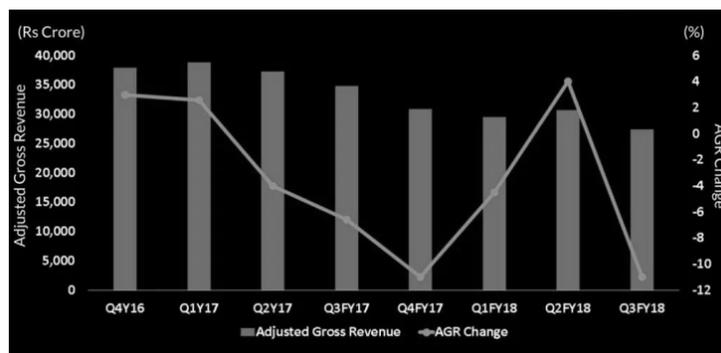


(Source: BloombergQuint)

India's youngest telecom operator Reliance Jio's revenue market share increased to 19.7% in the third quarter of the financial year 2018, higher than Idea Cellular Ltd., a feat achieved in just 16 months of operations. The telecom company is just 90 basis points away from becoming the second-largest. During December-ended quarter, Bharti Airtel Ltd., the country's largest telecom operator, lost some market share to Reliance Jio, Vodafone India Ltd. and Idea Cellular Ltd. did see some marginal improvement in their market share. Among the smaller players, the state-owned BSNL saw the sharpest decline in revenue

market share followed by Anil Ambani-led Reliance Communications Ltd. Tata Teleservices revenue market share declined by more than 100 basis points to 4.39%.

Telecom Sector Revenue (Q4FY16-Q3FY18)



(Source: BloombergQuint)

The telecom sector as a whole again saw a drop in its adjusted gross revenue decline the most in last three quarters. After an increase in last quarter, the adjusted gross revenue again decline by 10.9% to Rs 27,391 crore in the December-ended quarter.

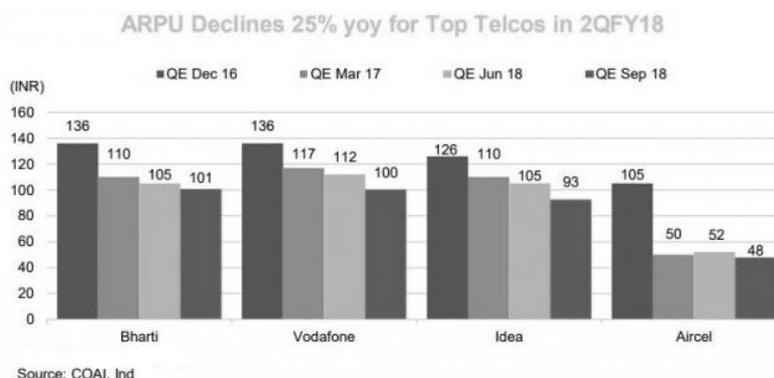
Prospects and challenges

The India telecom sector during the past few years has witnessed improvements in various operating parameters like rising MOUs (Minutes of Usage), increasing tele-density, double-digit growth in Internet subscribers and increasing data-consumption levels. The government on its part has also supported the sector with lots of positive initiatives such as *Digital Literacy Scheme* for rural India, National Optical Fibre Network (NOFN) project, launching of payments banks, new spectrum trading rules, *Digital India* and Make in India programs, which are helping in tapping the unexplored areas of the sector. However, in spite of all these positives, the telecom industry is facing some concerns in terms of spectrum crunch, quality of services, under-investment in passive infrastructure, and intense competition among players; therefore, it would be crucial for the whole telecom industry to tackle these issues before they escalate into major hurdles for the sector in the coming years.

In order to cater to the growing demand for data consumption the telecom service operators have to invest in improving passive infrastructure in the urban as well as rural areas. The major challenge and concern is the heavy cost of investment coupled with low investment returns along with the lengthy process of getting clearances from various departments and opposition from the Resident Welfare Associations (RWAs) on account of the widespread perception about health hazards from the radiation emitted from such infrastructure. Furthermore, during the year the problem of call-drops escalated which resulted in Telecom Regulatory Authority of India (TRAI) coming up with a proposal to penalize the operators for call-drops forcing them to invest and improve the Quality of Service (QoS).

The operators in certain areas, however, are also facing the issue of lack of adequate spectrum leading to higher CapEx on deployment of network as they need more cell sites to improve their service quality. In addition, the sector continues to be one of the most competitive resulting in thin operating margins and

volatile trends in realizations for the service providers as intense pressure and competitive pricing has resulted in volatile ARPUs.



Government Initiatives

The government has fast-tracked reforms in the telecom sector and continues to be proactive in providing room for growth for telecom companies. Some of the major initiatives taken by the government are as follows:-

- a) The Government of India is working to digitally connect the rural and remote regions in the country and has decided a new affordable tariff structure with the principle of more you use, less you pay.
- b) To leverage the mobile device and SIM Card with enhanced features for enabling secure transactional services including online authentication of identity and financial services.
- c) To promote synergies between roll-out of broadband and various Government programs viz e-governance, e-panchayat, MNREGA, NKN, AADHAR, AAKASH tablet etc.
- d) To promote R&D, design, development and manufacturing in the domestic telecom equipment manufacturing.
- e) To move at the earliest towards liberalisation of spectrum to enable use of spectrum in any band to provide any service in any technology as well as to permit spectrum pooling, sharing and later, trading to enable optimal utilisation of spectrum through appropriate regulatory framework.
- f) New Unified licensing regime will provide flexibility to operators to operate any or all segment of services of the total basket of services provided in the scope of licence. The entry fee regime will also be made flexible accordingly.
- g) To work towards recognition of telecom as Infrastructure Sector for both wireline and wireless and extension of the benefits available to infrastructure sectors to telecom sector also, to realize true potential of ICT for development.
- h) To facilitate establishment of a National Mobile Property Registry for addressing security, theft and other concerns including reprogramming of mobile handsets.
- i) To create an institutional framework through regulatory measures to ensure that safe-to-connect devices are inducted into the Telecom Network and service providers take measures for ensuring the security of the network.

- j) To take new policy initiatives to ensure rapid expansion of new services and technologies at globally competitive prices by addressing the concerns of cloud users and other stakeholders including specific steps that need to be taken for lowering the cost of service delivery.
- k) To rationalise taxes, duties and levies affecting the sector and work towards providing a stable fiscal regime to stimulate investments and making services more affordable.
- l) To review the TRAI Act with a view to addressing regulatory inadequacies/ impediments in effective discharge of its functions.

CONCLUSION

India is witnessing one of the most pervasive adoptions of digital technology globally and has emerged as the world's second largest telecommunications market, with over 1.19 billion subscribers. With latent demand for data fuelling the digital economy, 2018 could be the growth year for the sector where investment of around Rs. 3 lakh crore is estimated to be made in next two years.

In what could be considered as a transformational year for the Indian telecom sector, 2017 saw telecom companies consolidate like never before, leaving just three major players in the market by the end of the year. It only proved that telecom sector has become a money guzzler where only those with deep pockets can survive. The competition forced market consolidation as nervous, smaller players bailed out and biggies joined hands to cement their position. Consolidation led to fewer players and fewer jobs.

The industry is still struggling with a massive cumulative debt of around Rs 4.6 lakh crore, while revenues have fallen to under Rs 1.8 lakh crore, The year 2017 saw Idea and RCom reporting their first-ever consolidated loss (for the quarter ended December 2016), and Bharti Airtel sustaining steep fall in profits. The telcos blamed Jio's free offers for the haemorrhage.

The government is finalizing relief package for the sector which includes proposal to give more time to telcos to make spectrum payments. The Government of India also plans to auction the 5G spectrum in bands like 3,300 MHz and 3,400 MHz to promote initiatives like Internet of Things (IoT), machine-to-machine communications, instant high definition video transfer as well as its Smart Cities initiative.

The study further suggest that with converged services like voice telephony, wired and wireless broadband, television services along with content, financial payments, Artificial Intelligence, drones and robots future demand for high-speed data will be propelled further, as currently it may just be a matter of time before the industry - with fewer players, government and regulatory support- will surely return to its trademark growth.

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WAYS OF REGULATION, CONDITION AND EMPLOYMENT TRENDS OF THE POPULATION OF THE REPUBLIC OF UZBEKISTAN

Amanov Otabek Amankulovich¹

ABSTRACT

Employment remains an important moment in the life of the able-bodied population. Because there is a close relationship between employment and income policy. This requires studying the approaches and theories to the problem of employment, the labor market, the activities of the state in the field of regulation of employment and methods of social work with unemployed citizens.

The purpose of the article is to examine the main theoretical and methodological approaches to the development of employment theory, the labor market as a regulator of employment and unemployment, employment and unemployment problems, public employment services, social protection of the unemployed, social work among the unemployed, job search technology.

Keywords : *Labor market, labor economy, unemployment, employment, self-employment, informal employment, job creation, modeling, regulation, diagnostics, adaptation, agricultural labor resources*

Introduction

With economic growth, the strengthening of the real economy and the consequent increase in employment and living standards, the size of secondary employment, self-employment, as well as the scale of informal employment in general, will gradually decline. Part of the self-employed workers, as well as those employed in the informal sector of the economy, will move to corporate state and private enterprises or open their own officially formalized enterprises.

With the release of these types of employment, working members of households will receive additional time for rest, schooling with children, performing traditional domestic work, i.e. can improve the quality of their lives. At the same time, both the economic activity of the population and the level of responsibility of the workers to the main job will have to increase. At the same time, more forms of employment, such as part-time work and part-time work, convenient for some categories of citizens and acceptable in some areas of production, will have to be developed more.

Statement of the scientific problem and its significance

Employment problems in most countries of the world are the most pressing problems, and they always need to be addressed. Since this problem is not solved, the risk increases for the need for financial and economic resources for social support of the unemployed, the payment of unemployment benefits, which has been increasing day by day in recent years. The traditional approach to employment problems was based on the socialist population law, which fixes the impossibility of unemployment under socialism. Such an approach does not correspond to the current trends in the development of the economy and to today's reforms, for this reason a fundamental question arises about the objective interpretation of the notion of

¹ Senior Lecturer, Department of Economics of Karshi Engineering and Economic Institute, Uzbekistan
Mail: otabek.amonov@gmail.com

employment. From our point of view, employment is a combination of economic and legal relations closely related to the provision of jobs to citizens and the realization of their right to work in order to earn money, income, and of course to improve their social life. Today, employment is characterized by instability, its fragility and diversification in the field of view of scientists and researchers, as modern employment is enriched with new forms of employment, new spheres of employment.

The emergence of market relations led to a change in the demand for labor due to the diversification of the structure of the economy, the emergence and development of private business, the farmer's movement, accelerated development of the service and service sector. At the same time, structural reforms were accompanied by a decline in employment.

Analysis of research on this problem

In Uzbekistan, there is a state employment policy - a set of government actions to ensure employment of the population. There are two types of employment policy: active policy is aimed at reducing unemployment, passive - on the material support of the unemployed.

The employment policy includes 4 stages of formation:

- modeling (development),
- regulation (implementation),
- diagnostics (monitoring),
- adaptation (correction and modification) [1].

Modeling of employment policy is carried out through the adoption of legislative acts and strategic program documents at the government level, the bodies of economic management and the executive in the field. The republic has adopted an extensive legal framework regulating employment issues. In accordance with the Constitution of the Republic of Uzbekistan, everyone has the right to work, to free choice of employment, fair working conditions and protection against unemployment (Article 37). The state guarantees freedom of economic activity, entrepreneurship and labor (Article 53). In May 1998, the Law of the Republic of Uzbekistan "On Employment" was adopted (in a new version, the first edition after independence in 1992).

The law provides for guarantees of the right to work, employment, vocational training and professional development, social support for the unemployed, participation of government bodies, employers and trade unions in the implementation of the state employment policy. The Labor Code, the laws "On Labor Protection", "On the Social Protection of People with Disabilities" and other acts guaranteeing employment for socially vulnerable categories of the population, labor protection standards, social guarantees for job loss are adopted.

Regulation. After approval of the Program of the Ministry, departments and economic management bodies develop and submit for approval deputy prime ministers - heads of industrial complexes of the Cabinet of Ministers, sectoral programs for creating jobs in the context of enterprises. At the same time, targeted lists of created jobs are developed in the context of districts and cities, indicating the resources needed to create them, as well as measures to implement territorial programs for creating jobs. If the responsible executors of these programs are ministries, departments, economic associations, subjects of the Small and Private business, then the labor and social protection agencies are engaged in the

employment of the unemployed population. These measures provide for employment in newly created, vacant and reserved workplaces, organization of provision of services for retraining and employment primarily for young people, women, persons with disabilities.

Diagnosis of the implementation of the Program to ensure employment of the population in the context of the regions and cities of the republic, industries and specific enterprises is carried out by: the Ministry of Labor and Social Protection, the Ministry of Economy - with respect to the implementation of the parameters provided for in territorial and sectoral programs; The Council of Ministers of the Republic of Karakalpakstan, the khokimiyats of regions, districts and cities - in the part of fulfilling the territorial parameters for creating workplaces; bodies of economic management - with regard to the implementation of sectoral programs to create jobs.

According to the results of monitoring, enterprises, industries and territories are identified, where the forecast parameters of job creation are not met. At quarterly meetings of the Cabinet of Ministers, managers who failed to ensure the fulfillment of the forecast parameters are criticized. Numerous meetings are held, where the implementation of the Program is discussed in detail, but nevertheless, the situation with the real implementation of employment programs remains not always resolved.

This mechanism is an example of an administrative solution to the issue of employment by mobilizing all the resources available to the leaders of the territory (district, city) or industry (enterprise). Meanwhile, employment provision is systemic in nature and is connected with demographic issues, commissioning new capacities, stimulating business activity, etc., which are difficult to solve by mobilization methods in the style of "manual" management.

Adaptation. The administrative model of the employment policy assumes that its main functions are modeling and implementation, while the function of adaptation consists only in revising the planned indicators, i.e. practically absent. The following processes testify to the need to strengthen this function:

- the reliability of the accounting of jobs is reduced. The Ministry of Labor and Social Protection and the State Statistics Committee have introduced a system of quarterly accounting of created jobs in terms of employment and territories. However, the question remains on the quality of accounting. So, it was announced that in 2011 970,900 seats were created. At the same time, the number of employed in 2016 increased by 314.5 thousand people.
- the need to revise the approved indicators for the territories that for a number of years do not fulfill the forecast indicators of job creation is increasing;
- the parameters of employment programs do not change, although the process of implementing other programs on which the creation of a significant number of new jobs depends.
- the effectiveness of methods of manual management of employment in conditions when the main share of employed (74.8%) falls on the share of small and private business is reduced.

The purpose and objective of the article.

The peculiarities of the transition period and the demographic situation determined the model of the employment policy in Uzbekistan: the model of prompt response to the high level of labor supply. To eliminate tension in the labor market, the state annually develops and implements the Job Creation and Employment Creation Programs. However, the administrative nature of their implementation, which is

expressed in the creation of "gross" jobs "at all costs" without due regard for their sustainability, as well as the lack of specific mechanisms for granting benefits, subsidies, and sources of funding for job creation projects, leads to unsystematic solutions to employment problems. As a result, the level of the employed population in relation to the able-bodied decreases: if in 1991 it was 81.6%, then in 2000 it was 69.4%, and in 2011 it was 66.9%, and in 2016 it dropped to 63, 6%.

In the context of globalization, each country has a labor market, that is, a system of labor and employment, as well as an education and training system. In the Republic of Uzbekistan, essentially both systems are integrated and together for many years are preparing a work resource, especially in rural areas. Since, in rural areas of Uzbekistan, more than 50% of the population is concentrated. The analysis shows that the uneven distribution of the population and the availability of labor resources for individual regions, sectors, and economies have historically evolved. Therefore, for one group of districts or farms, it is necessary to solve the problem of releasing workers, for others it is necessary to fill the labor force by attracting from the outside. For many years the republic's agriculture has been the object of laboring a significant part of the growth in labor resources and is increasingly becoming labor-surplus.

The study of labor productivity in relation to employment shows that the excess labor, as well as its shortage, negatively affects the efficiency and productivity of labor. In conditions of surplus labor in agriculture, the following are observed:

- low capital productivity, with a high capital ratio;
- low labor productivity of rural workers;
- ineffective use of expensive equipment;
- extremely slow introduction of the achievements of advanced science and technology in production [2]. Scientific and technological progress is mandatory for modern agriculture, as people's needs are rising very quickly and the trend is that quality food is the choice of mankind, and for this, the achievements of advanced science are needed. Unfortunately, if there are no skills to use new implementations, this leads to the use of mostly manual, non-mechanized labor and inadequate agricultural production. Statement of the main material and justification of the research results.

In recent years, measures have been taken to regulate employment in agriculture, first of all, measures to create conditions for the growth of the number of dehkan and farming enterprises engaged in the cultivation of cattle. A mechanism has been set up to sell livestock at auction auctions, granting preferential loans, providing feed, expanding and improving the quality of veterinary services. Measures have been taken to include cattle-raising citizens in the formal employment market with the provision of social guarantees (a work book is opened).

A particularly important role is played by reform, initiated by the President of the Republic of Uzbekistan for the last 2017. On his initiative, the strategy of development of the Republic of Uzbekistan in 2017-2021 was developed in five directions.

In this development strategy, programs for social protection of the population have been developed, and special attention has been paid to issues related to the creation of preferential works. And this proves once again what role the social sphere plays in the politics of our state. In the strategy, the main goal was a gradual increase in the social direction, both employment and real incomes of the population. Here, the

increase of salaries, scholarships and social pensions of employees of budget organizations was considered, plans were developed to provide jobs to the population through the creation of new jobs.

This strategy examined plans for diversified development of the regions through the implementation of more than 25 investment projects through which more than 256.4 jobs are created, and with its help to ensure the implementation of the state program on employment. At the source of these complex measures lies a deeply thought-out policy and precise goals set by the state. Planning is being developed for the creation of 46,800 new jobs in regions where the unemployment rate is the highest, providing loans to more than 10,000 graduates of educational institutions for entrepreneurship. Especially this policy concerns and has a positive value for those who have graduated from professional colleges and can not find a job [3].

To date, it becomes urgent to consider such issues as the role and importance, features and laws, the priorities for the development of rural labor markets, the impact of demand and supply of the labor market for effective employment of the population, and the development of mechanisms for influencing the price of labor.

As the President of the Republic of Uzbekistan Sh.Mirziyayev emphasizes: "In our country, the need for work places is 1.5 million people every year, but the centers for rendering assistance to the employment of the population are registered by 248 thousand people or 16.5 percent of people provided with jobs "[4].

Despite the scientific theories that speak of the non-interference of the state with the processes emerging in the labor markets in developed countries under the conditions of a market economy, new tendencies of effective intervention and regulation of the state on the labor market policy are being developed, which, on the contrary, makes it possible to strengthen the state's influence on the labor market. Because according to the theory of J.M. Keins and the experience of developed countries, where financial and economic crises were observed, provided the production rate fell, the "free labor market" could not solve the tasks assigned to it without state intervention. To date, attracting the population of our country to entrepreneurship is seen as a policy of the state. In this sphere, large-scale works are being carried out, the entrepreneurial ideas of the population are supported by the state.

For example, the signed Decree of the President of the Republic of Uzbekistan "On the establishment of the institution of the authorized representative under the President of the Republic of Uzbekistan for the protection of rights and legal interests of business entities" (5.05.2017), the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan on "Additional measures for the development of waterproof, export-oriented tree plantations, use of household land and Farmer farms "(March 4, 2017) consider the effective enforcement of reforms in this area.

In 2016, within the framework of the state program for the modernization and diversification of agriculture, the growth rates of agricultural production were 6.6 percent, including fruits and vegetables 11.2 percent, potatoes 9.7 percent, vegetable products 10, 4 percent. And this means that the labor resources of agriculture are aware of their important role in this trend.

For today in our country, within the framework of the state program on "Education of jobs and job creation," forecast parameters of the demand for jobs by sectors and regions of the country were given, especially the young people who first come to the labor market were considered, coordinated economic changes and industries requiring a lot of labor resources, which have been modernized and, as a result, which employees have been left without work, as well as the demand for labor in the sectors to to the service, agriculture, industry, and business entrepreneurship [5].

In Uzbekistan, the most important problem of employment is the hidden employment of the population, which in turn becomes the main factor in the development of the shadow economy. Because:

- Informal employment does not have any economic basis;
- Informal employment is not socially built and has no guarantee of longevity of incomes;
- Because of the adoption of regulatory and legal reforms, changes in the socio-economic environment and production infrastructure, those employed in this sector are losing their jobs;
- Informal employment is seasonal and temporary, in case of weather, climate and season changes, it remains unemployed;
- In this form of employment, no taxes and payments are paid to the state budget;
- There are problems related to the extrabudgetary organizations of the Pension and the accumulation fund, the costs of the Pension Fund are increasing.

Conclusions and prospects for further research.

Drawing conclusions, it should be noted that the adoption of comprehensive measures for the social protection of the population, require taking into account the standard of living of the population and the changing situation in the labor market. If we provide strong social protection and a guarantee of stability, then it is possible to achieve the effectiveness of the developed program, the mechanism of work and development of the economy. Today, objective development of a powerful comprehensive measure to ensure social protection of the population in a market economy is urgent. We must understand that coordinated changes in the economy affect the standard of living of the population, and because of them there are no probable problems in life. We must not forget about strong social protection, and we must develop precise directions and means of social protection.

Analysis of the experience of state regulation of the rural labor market shows that we must take into account the following results:

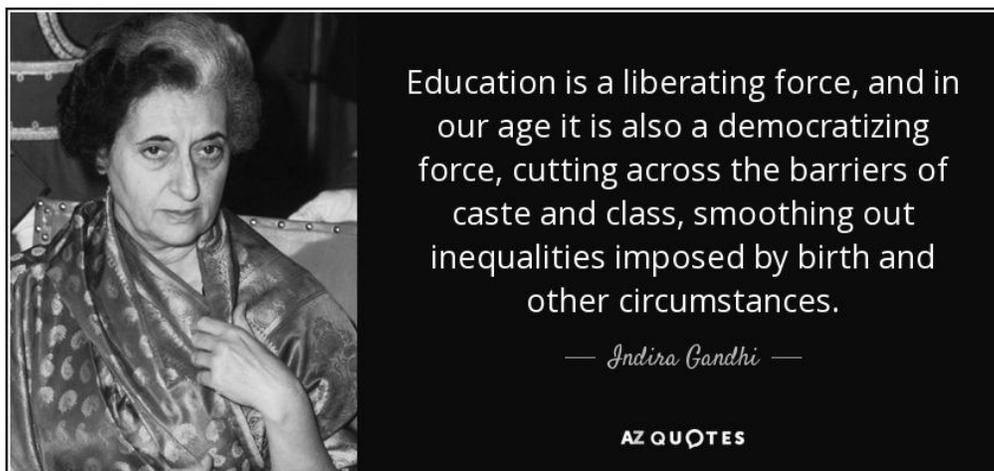
- implementation of the state policy and complex measures on the state demand for labor resources, their supply, prices, quantity and quality as well as orientation for specific purposes;
- distribution of preferential terms for employers, with the help of tax, financial-credit and investment policies, to create new jobs and ensure the livelihoods of effectively operating industries;
- development and improvement alternative forms of employment and ensure programming of the self-employment of the population;
- reducing the level of depressed unemployment and creating economic conditions for the social protection of the unemployed population, etc.

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INDIAN CORPORATE CRIME- CONCEPT AND CONSEQUENCES

Dr.Praveen Srivastava¹, Shobhana Srivastava²

ABSTRACT

The important contributions made by Richard Quinney to the study of corporate crime and the sociology of law, crime, and justice have influenced the development of the concept of corporate crime. This concept has been advanced to examine how corporations and governments intersect to produce social harm. Corporate crime is defined as criminal acts that occur when one or more institutions of political governance pursue a goal in direct cooperation with one or more institutions of economic production and distribution. The creation of this concept has directed attention to a neglected form of organizational crime and inspired numerous empirical studies and theoretical refinements.

Introduction

The Australian criminologist John Braithwaite defined corporate crime as “the conduct of a corporation or employees acting on behalf of a corporation, which is prescribed and punishable by law.” A company can act through human beings and a human being who commits an offence on account of or for the benefit of a company will be responsible for that offence himself. The importance of incorporation is that it makes the company itself liable in certain circumstances, as well as the human beings. Section 11 of Indian Penal Code, 1860 (the Code) defines person. It reads “the word person includes any Company or Association or a body of persons, whether incorporated or not.” Further section 2 of the Code provides that “Every person shall be liable to punishment under this Code.” Thus, section 2 of the Code without any exception to body corporate, provides for punishment of every person which obviously includes a Company. Therefore, by reading of these two provisions, the concept of corporate criminal liability can be derived, though it is not the sole legislation which provides for the punishment of corporate body, Companies Act, 2013, Income Tax Act, etc.

Corporations have now become an integral part of our society, and with development of corporations they have become a significant factor in our economy, our society runs in the risk of getting victimized by these corporations, and therefore they should be deterred too. Imposition of punishment, upon offenders of any kind, can be understood by various rationales of criminal law jurisprudence, but deterrence is the rationale that is applicable to such economic entities as corporations have their own identity, they have separate legal personality and they are different from their members_ and this is sufficient to make it possible to hold them liable and censure them. Criminal Liability is the quality or state of being legally obligated or accountable; legally responsible to another or to society which is enforceable by criminal punishment. And therefore, Corporate Criminal Liability means the extent to which a Corporation as a legal person can be held criminally liable for its acts and omissions and for those of the natural persons employed by it. This paper is intended to examine various nuances related to corporate criminal liability, and at the end to provide various recommendations which should be incorporated in legislations. There are some basic

¹ Asst. Professor, School of Business, ITM-University, Gwalior, M.P.

² Research Scholar, Dept. of Law, ITM-University, Gwalior, M.P.

models which are concern with the corporate criminal liability and may be highlighted under the following heads.

Derivative Model

This model is individual centered model. It derives to attach the liability to the corporation only because an individual connected to the corporation incurred some liability for which the individual is to be punished, but since it is connected to the corporation the liability is put on the corporation to having that individual with it and letting it incurred some liability Derivative model can be understood in two sub-categories: a) Vicarious Liability; b) Identification Doctrine. *Vicarious Liability*-The concept of vicarious liability is based on two latin maxims- *first, qui facit per alium facit per se*, it means that he who acts through another shall deemed to have acted on his own, and *second, respondeat superior* which means let the master answer. In *Barton shill Coal Co. v. McGuire* Lord Chelmsford LC said: *'every act which is done by an employee in the course of his duty is regarded as done by his employer's orders, and consequently is the same as if it were his employer's own act.* 'Vicarious liability generally applies to civil liability but Massachusetts court in *Commonwealth v. Beneficial Finance CO.* held three corporations criminally liable for a conspiracy to bribe, the first company, for the acts of its employee, the second, for the act of its Director, and the third, for the acts of the Vice-President of a wholly owned subsidiary. The Court seemed to believe that corporate criminal liability was necessary since, a corporation is a legal fiction comprising only of individuals. US courts are not the only courts which have incorporated the concept of vicarious liability in the cases of criminal liability, but now this model has been rejected considering it to be unjust to condemn one person for the wrongful conduct of another. *Identification Doctrine* This doctrine is an English law doctrine which tries to identify certain key persons of a corporation who acts in its behalf, and whose conduct and state of mind can be attributed to that of the corporation. In case of *Salomon v. Salomon & Co.* House of Lords held that *corporate entity is separate from the persons who acts on its behalf.* The Courts in England had in various judgments like *DPP v. Kent & Sussex Contractors Ltd. R v. ICR Haulage Ltd.*, ruled that the corporate entities could be subjected to criminal liability and the companies were held liable for crimes requiring intent. Judgment like these led to the promulgation of 'identification doctrine'. As to the liability of these key persons who act on behalf of company, it was held in *Moore v. Brisler* that *the persons who are identified with the corporations must be acting within the scope of their employment or authority. The conduct must occur within an assigned area of operation even though particulars may be unauthorized.* It will be wise to infer that identification doctrine is narrower in scope than the vicarious liability doctrine, instead of holding corporation liable for act of any employee; identification doctrine narrows it down to certain persons. Organizational Model- Unlike derivative model which focuses on individual, organizational model takes corporation into consideration. Offences require mental state (*mens rea*) to commit a crime along with physical act (*actus reus*), but the problem that arises while holding corporations criminally liable is how a corporation which is juristic person could possess requisite mental state to commit a crime. Derivative model was one way to attribute mental state to corporation. Other way could be by proving that there existed an environment in the corporation which directed, tolerated, led-on, and even encouraged the non-compliance of specific law which made it offences Moreover, physical act that too is required to complete the requirement of commission of an offence can be derived rather be proved from the act of its employees, officers, directors, etc. Thus, culture of a corporation is to be seen while determining its criminal liability. Corporate culture may help for commission of an offence requiring mental state by- *firstly*, providing the environment or necessary encouragement that it was believed by the offender working in the corporation that it was perfectly alright to commit that offence, or corporation has psychologically supported the commission of offence; *secondly*, it is

quite possible that the corporation created an environment which led to commission of crime. Both ways it was the corporation and its working culture that let the offence committed.

Consequences of corporate crime In India

Imprisonment- As has been discussed above that a company is recognized as a juristic person, and being a person it has to face the punishment that has been provided by the various acts. There are various provisions in Companies Act, 2013 itself which hold a company liable for its wrongdoing. However, there are a provision which provides mandatory imprisonment for a person including company, such as Section 447 of Companies Act, 2013 Act, Section 420 of The IPC, 276B of The Income Tax Act etc. The Courts found themselves in dead end in these kind of situations where a company is charged under sections which provides for necessary imprisonment, as the company being a legal person cannot be imprisoned for its criminal acts, it can only be punished with fine and not otherwise. The Supreme Court has to face similar difficulty in case of *M.V. Javali vs. Mahajan Borewell & Co. and Others*, The Company was found guilty under Section 276B read with 278B of The Income Tax Act, which gives mandatory punishment of at least 3 months, but the Court found itself in a fix about how to imprison a company. J. Mukhrjee said that, *“Even though in view of the above provisions of Section 278B, a company can be prosecuted and punished for an offence committed under Section 276B the sentence of imprisonment which has got to be imposed there under cannot be imposed, it being a juristic person and we are of the opinion that the only harmonious construction that can be given to Section 276B is that the mandatory sentence of imprisonment and fine is to be imposed where it can be imposed namely on persons coming under categories (ii) and (iii) above, but where it cannot be imposed, namely on a company, fine will be the only punishment.”* Therefore, the solution as of now is that a person is juristic person then punishment relating to imprisonment would not apply to it instead he will be liable for fine. The court can do one thing though, if it cannot imprison a corporate body but it can charge greater amount of fine in such cases in comparison to what it charges to the person who are capable of being imprisoned for the same offence.

Supreme Court on Liability of Corporations and its Officials

The law on this aspect has evolved over time. Now, a corporation can be convicted of offences involving mens area by applying the doctrine of attribution. Thus, the corporation can be held responsible for offences committed in relation to the business of the corporation by the persons in control of its affairs. The legal position in the US and UK has also crystallised to ensure a corporation can be held liable for crimes of intent. In the UK, the courts have adopted the doctrine of attribution to the corporation liable for acts committed by the directing mind, i.e., the directors and managers. It is now clear that the criminal intention of the company's directors or officials can be attributed to the company to make the company liable. However, the question then arises whether the reverse is possible – i.e. whether the officials of the company can be held responsible for acts of the company? This question was recently answered by the Supreme Court of India in *Sunil Bharti Mittal v. Central Bureau of Investigation* ((2015) 4 SCC 609). The Apex Court in this case in no uncertain terms held that an individual who has perpetrated the commission of an offence on behalf of a company can be made accused, along with the company. However, to make an individual liable, there must be sufficient evidence of his active role coupled with criminal intent and/or a provision must be specifically incorporated into the statutory regime that attracts the doctrine of vicarious liability. It may thus be noted that when the company is the offender, vicarious liability of the directors cannot be imputed automatically, in the absence of any statutory provision to this effect. Who can be held liable? It is worth clarifying that a person cannot be held liable merely on the basis of the designation. No presumption can be

drawn against the person occupying the position of a chairman or managing director only on the basis of their position. There is no universal rule that a director of a company is in charge of its everyday affairs. A person should fulfil the 'legal requirement' of being a person in law (under the statute governing companies) responsible to the company for the conduct of the business of the company and also fulfil the 'factual requirement' of being a person in charge of the business of the company. Certain legislations have a provision titled as 'Offences by Companies', which makes the person in charge of and responsible at the time of commission of the offence liable for that offence along with the company unless the person proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commissioning of such offence. Under the said provision, the director, manager, secretary or any other official of the company may also be held liable if it is shown that the offence was committed with his consent or connivance.

CONCLUSION

The forgoing discussion makes it clear that due to the advancement of science and technology newer form of criminality known as corporate crime has arisen. The concept of this crime was introduced in the field of 'Criminology' by Edwin H. Sutherland in 1939. The Indian Penal Code was enacted in 1860. The word white collar crime is not mentioned anywhere in the Code. But the dimensions of white collar crimes are so wide that after analyzing the provisions of Indian Penal Code 1860 we may conclude that certain offences under Indian Penal Code are closely linked with white collar crimes such as corruption, bribery, counterfeiting of coins and government stamps, offences relating to weights and measures, adulteration of food stuffs and drugs, misappropriation of property, criminal breach of trust, cheating and dishonesty inducing delivery of property, forgery, etc. After analyzing relevant provisions we may conclude that even though Indian Penal Code was enacted in 1860 and though it has been amended here and there but its main structure has continued intact during the last 154 years. It is an admirable compilation of substantive criminal law and most of its provisions are as suitable today as they were when they were formulated. But the social and economic structure of India has changed to such a large extent that in many respects the Code does not truly fulfill the needs of the present day. It is dominated by the nation that almost all major crimes consist of offences against person, property or State. However the Penal Code does not deal in any satisfactory manner with acts which may be described as white collar crimes having regard to the special circumstances under which they are committed and which have now become dominant feature of certain powerful sections of modern society. The 81 punishment prescribed for white collar crimes under Indian Penal Code, 1860 are proving inadequate. The specific Acts dealing with white collar crimes and the provisions of Indian Penal Code should be harmoniously interpreted to control the problem of white collar crimes. The provisions of Indian Penal Code dealing with white collar crimes should be amended to enhance punishment particularly fine in tune with changed socio-economic conditions.

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TRANSFORMATIONAL LEADERSHIP TOWARDS DEVELOPMENT: REFERENCE WITH TRIVENDRA SINGH RAWAT

Anup Kumar¹

ABSTRACT

The purpose of this study is to analyze the Transformational Leadership style for development work in Himalayan region of Uttarakhand State of India. On 18th March 2017 Mr. Trivendra Singh Rawat became the 9th Chief Minister of the State and focusing on digital revolution for overall development of the state with zero tolerance on corruption. The study of Transformational Leadership, Development Work and Trivendra Singh Rawat is assessed in qualitative study with engagement of a sample of 100 people. The data, which is obtained using personal interaction with Trivendra Singh Rawat, his family members, his peers and officers of the state. A Leader is an agent of change, and transformational leadership is about raising the aspirations of followers and enthusing them to reach higher goal, beyond expectation, commitment, loyalty, satisfaction and performance.

Keywords: Transformational Leadership, Ethics, Elected Leader, Commitment, Growth

Introduction

In many areas of the developed world, advance work for development is confronted by workforce challenges, changing consumer expectations and demands, financial constraints, increasing demands for access, mandates to improve work culture, and issues regarding the levels of quality and safety of education, health care etc. Effective governance is crucial to maximize the effective management development of state. Emerging from this complex literature is the role of leadership in the setting of development path. Leadership is the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives. This definition shows the importance of leadership, which is an important function of management and helps to maximize efficiency and to achieve organizational goals. In Uttarakhand, effective leadership has consistently been identified as an essential component to ensure optimum development of the state. The importance of good leadership is becoming increasingly apparent. This article aims to use transformational leadership theory to interpret development and also to improve leadership effectiveness. At Uttarakhand a hill state, which holds more than 1 crore of population, leaders have devised a series of work policies. The zero tolerance policy on corruption is one of the most important practices in state that no public servants or politicians of the state are allowed to involve into corruption. Trivendra Singh Rawat, the Chief Minister of state assumes a transformational leadership role in this activity.

¹ General Manager - Human Resource, Bridge, Ropeway, Tunnel & Other Infrastructure Development Corporation of Uttarakhand Ltd. (BRIDCUL) Dehradun, Uttarakhand 248001, India Telefax: +91-135-2522941, Mob: +91-8477000388, E-mail: anup_india@hotmail.com

Leadership theories

Transformational leadership

The first theory that can be utilized in this is the transformational leadership theory. Leadership expert James MacGregor Burns originally identified the concept of transformational leadership. According to Burns, transformational leadership is a relationship between the leader and the follower in which they motivate each other to higher levels, resulting in value system congruence between the leader and the follower. Later, Bernard M. Bass, who believed that a strong vision and personality are common traits among transformational leaders, extended Burn's original thoughts. Moreover, they motivate their followers to adjust expectations, opinions, and inspirations to work toward common goals. Additionally, he mentioned four components in transformational leadership:

Idealized Influence (II) - the leader serves as an ideal role model for followers; the leader "walks the talk," and is admired for this. It occurs when leaders engender the trust and respect of their followers by doing the right thing rather than ensuring they do right things right. When they focus on doing the right thing, they serve as role models.

Inspirational Motivation (IM) - Transformational leaders have the ability to inspire and motivate followers. Combined these first two I's are what constitute the transformational leader's charisma. Leaders who engage in inspirational motivation "Raise the Bar" for their followers, encouraging them to achieve levels of performance beyond their own expectations. They do so by doing themselves to communicate their vision and their message.

Individualized Consideration (IC) - Transformational leaders demonstrate genuine concern for the needs and feelings of followers. This personal attention to each follower is a key element in bringing out his or her very best efforts. This deals with treating people as individuals, by being compassionate, appreciating and responding to their needs, recognizing and celebrating their achievements.

Intellectual Stimulation (IS) - The leader challenges followers to be innovative and creative. A common misunderstanding is that transformational leaders are "soft," but the truth is that they constantly challenge followers to higher levels of performance. This involves engaging the rationality of subordinates, getting them to challenge their assumptions and to think about old problems in new ways. Leaders who engage in intellectual stimulation no longer answer all their people's questions; instead they help their people to answer all their own questions.

Evidence has shown that transformational leadership impacts follower satisfaction and commitment to the organization. Because of its impact on individual and institutional outcomes, transformational leadership can be used in all organizations. Thus, transformational leadership is of great importance and applicable to the present scenario. Specifically, transformational leadership theory is focused on change. The leaders who utilize this style are regarded as change agents who use their qualities and personalities to motivate their followers to achieve their goals, to share their visions, and to empower them. Transformational leaders influence followers by encouraging and inspiring them to achieve organizational objectives. This statement is best suited for Trivendra Singh Rawat. He is influencing the followers adopting this on him-self with building a connection of trust with his followers. This connection of trust can be established by being open, fair, and honest with the staff and by motivating them to be independent in their decision-making. Second, leaders must use effective communication to lead the people to achieve ultimate goals. Furthermore, leaders should

possess great self-confidence, firmly believe in their vision and have the courage to achieve the goals. According to transformational leadership theory, Trivendra Singh Rawat is scheduling an appropriate time and designate responsibility and accountability among followers to reassure the leader's respect and trust.

Journey of Trivendra Singh Rawat from Sangh Pracharak to Chief Minister

The research "Transformational Leadership towards Development – Reference with Trivendra Singh Rawat" is based on 4 I's and the scholar trying to find out Trivendra Singh Rawat as a Transformational Leader of 21st Century.

Trivendra Singh Rawat is born in 20 October 1960 at Village Khairasen, Kotdwar of Pauri Garhwal, Uttarakhand. His father Late Pratap Singh was an Army Man and his mother Bochha Devi was a stern disciplinarian as housewife. He married with Sunita Rawat a Government School Teacher and they have two growing daughters namely Kirti Rawat & Srija Rawat.

Trivendra Singh Rawat has joined Rashtriya Swyam Sangh in the year 1979 at the age of 19 years. For Rawat, it has been a long and strenuous journey from those days of living in the hope that tomorrow would be better day. Soon in the year 1981, he became Sangh Pracharak and served the area like Lansdowne, Srinagar and Dehradun of Uttarakhand.

He did his Masters Degree from Hemwati Nandan Bahuguna Garhwal University in History and Journalism. His writing skill fosters him to become an Editor of "Rashtradev" at Meerut, Uttar Pradesh in 1989.

Trivendra Singh Rawat's magnetic personality and leadership qualities made an impact and he was appointed as Bhartiya Janta Party Secretary in 1993 and later as BJP State Secretary of Uttar Pradesh and Uttarakhand from 1997 to 2002. This is true example of 4 I's of transformational leadership what central leadership of Bhartiya Janta Party recognized him. Further to it, Trivendra Singh Rawat subsequently appointed as National Secretary of BJP in March 2013.

In the Uttarakhand State first legislative assembly elections in 2002, Trivendra Singh Rawat was elected from Doiwala Constituency. Retaining this seat in the year 2007 elections, he served as the Minister of Agriculture in Uttarakhand led by Bhuwan Chandra Khanduri and Ramesh Pokhriyal Nishank. He was appointed as an incharge of Bhartiya Janta Party, Jharkhand State in 2014, where BJP formed the government in state election.

Winning from Doiwala Constituency again in 2017, he was named the Chief Minister after his party won majority of 57 seats out of 70 and formed the Government. On 18th March 2017 Trivendra Singh Rawat has taken oath as 9th Chief Minister of State of Uttarakhand in presence of Prime Minister Narendra Modi and BJP's National President Amit Shah at Parade ground in Dehradun; apart from him, nine ministers, including two ministers of state, were administered the oath of the office by the State Governor K. K. Paul. Union Ministers Rajnath Singh and Uma Bharti and Haryana Chief Minister Manohar Lal Khattar have also attended the swearing-in ceremony.

Transformational leadership is said to have occurred when engagement in a group results in leaders and followers raising one another to increased levels of motivation and morality.

After heroic election victories, Trivendra Singh Rawat (TSR) is elected to the position of Chief Minister of Uttarakhand with 57 Member of Legislative Assembly of Bhartiya Janta Party out of total 70 seats. As with

Chief Minister position, the rank and status is a very important contingency variable that affect the tendency and need to be more transformational.

Elected leaders derive their legitimacy from different sources. Elected leaders may be more transformational. To remain in office, elected leaders must retain their power as persons in the eyes of their constituents. Elected leaders must cultivate followers. It is difficult for them to be purely transactional with their constituents. If a higher authority appoints the leaders, it provides recognition, authority, and specific responsibilities. This makes it easier for appointed leaders to practice contingent rewarding and management-by-exception (Bass, 1960).

Self-authorized, emergent leaders may arise also as a consequence of the personalities and characteristics of the leaders and their followers, but that is a matter of individual differences. Leaders with more internal locus of control are more likely to display transformational leadership; leaders with more external locus of control are more likely to display laissez-faire leadership. Likewise, there is some evidence that emotionally intelligent leaders are more transformational, with emotional intelligence correlating negatively with management-by-exception and laissez-faire leadership. The study reveals that Trivendra Singh Rawat is with more internal locus of control and hence display transformational leadership characterizes.

Ordinarily, elected leaders initially would be expected to enjoy relatively high status as a result of their election to the position of leader. Titles, perquisites, and symbols of office and simple behaviors such as maintaining eye contact or speaking in a firm voice with few hesitations would help to maintain the higher status. Elected leaders would be expected to derive their power from their expertise and their referent power, their esteem as persons (Ben-Yoav, Hollander, & Carnevale, 1983). Of course, elected leaders can be transactional as well as transformational, depending on their personal predilections and training. They can be successful or unsuccessful as leaders, depending on their ability to function effectively with their followers and their ability to meet their followers' important needs.

Transformational leadership has rapidly become the approach of choice for much of the research and application of leadership theory. In many ways, transformational leadership has captured the imagination of scholars, of noted practitioners, and of students of leadership. Research on transformational leadership and related charismatic approaches has grown exponentially - so much so that a research on it is necessary with reference to Trivendra Singh Rawat. Perhaps it is because transformational leadership, with its emphasis on intrinsic motivation and on the positive development of followers, represents a more appealing view of leadership compared to the seemingly "cold," social exchange process of transactional leadership. Perhaps it is because transformational leadership provides a better fit for leading today's complex work groups and organizations, where followers not only seek an inspirational leader to help guide them through an uncertain environment but where followers also want to be challenged and to feel empowered, if they are to be loyal, high performers.

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**The true measure of the value of
any business leader and manager
is performance.**

Brian Tracy

DEVELOPMENT TAX ACCOUNTING AND FINANCIAL ANALYSES IN TEXTILE ENTERPRISES**XUDOYBERDIYEVA DILDORA AMIRDINOVNA¹**

ABSTRACT

The article describes the significance, theoretical and practical aspects of improving tax accounting and analysis in textile enterprises of Uzbekistan for the production of export-oriented competitive products. Based on the research results, the main directions of increasing the role of accounting and analysis in providing economic information in the management of the industry are identified.

Keywords : *tax accounting, tax burden, tax rates, financial result, tax base, income tax (income), cash flow analysis*

Introduction

Uzbekistan has strong tax policy aimed at improving the taxation system, ensuring a sustainable replenishment of budget revenues, stimulating the development of business entities. Nevertheless, important issues that still need to be done in connection with this policy. "Strict adherence to fiscal policy, social obligations of the state, salaries, pensions, allowances and scholarships, the size of large investment projects and to finance the strengthening of the country's defense capacity are the most important tasks" were stated by the President Shavkat Mirziyoyev.

To be more precise, the analysis show the receipt of competitive products, the textile industry and export-oriented products, the final appearance of the development of new modern textile complexes more than 2 times the size of domestic processing of cotton fiber, cotton yarn production 2.6 to 3 times, knitting and sewing, products in 2 times. At the same time, the modernization of the textile industry, financial condition and ability to pay taxes, to reduce the tax burden on the strengthening of gained taxes, as well as the implementation of tax policies aimed at improving the regulatory framework of accounting and financial analysis requires.

President of the Republic of Uzbekistan "Republic of Uzbekistan" On further development of the Decree of the Strategy, "Reducing the tax burden and simplifying the tax system, improving tax administration and continuing the policy goal is to expand incentive measures". The subject of scientific research is a set of economic relations related to the improvement of tax accounting and financial analysis at textile enterprises.

The main objective of the study is to develop scientific recommendations and practical recommendations for improving tax accounting and financial analysis, paid by textile companies in the modernization of the economy. The subject of scientific research is a set of economic relations associated with the improvement of tax accounting and financial analysis at textile enterprises.

¹ Tashkent State Economic University, Independent Researcher *E-Mail:* elyor_info@mail.ru

The main purpose of the research is to develop scientific recommendations and practical recommendations to improve tax accounting and financial analysis, paid by textile companies under the modernization of the economy.

Even though, the textile industry in the world is estimated at \$ 45 million a year tons of basic raw materials, of which 50% is synthetic and artificial fibers, the rest is natural (45% cotton, 4-5% wool, silk, etc.). Worldwide, 100 bn. m² of gas, and 40% of them are in Asian countries. In the international practice, the financial reporting standard will be used by the International Standards Committee (ISC) to improve taxation and taxation in the textile industry. In particular, "Income Tax" is partly used in the accounting practice of the Commonwealth of Independent States, as international standards are not fully implemented because of the lack of basic indicators and registers, such as the methods of calculating tax efficiency, the establishment of a tax balance.

Light industry of Uzbekistan is one of the most diverse, innovative attractive sectors of the Uzbek economy. Because of the economic reforms carried out within the framework of the "Movement for Development Strategy" of the Republic of Uzbekistan for 2017-2021, the share of light industry in GDP in current year is 3.8%, industrial output - 26.2%, non-food products - 44%. Average annual growth in the volume of production at the enterprises of the sector is 20%, and the growth of exports - 10%.

The World Bank has a long history of taxation and taxation, as well as the assessment and analysis of taxpayers as a single tax mechanism, a general approach to tax incentives based on taxation principles, taxation accounting and tax reporting unification (taxation), income tax for the reporting period continuing, temporary differences, constant method of accounting of tax liabilities (assets). The analysis shows that based on the results of these international researches, the scientific research on this subject has been implemented in our country.

Taxation and tax audit in Uzbekistan, tax audits, classification of tax liabilities, accounting for export-import operations, tax exemptions, zero rate taxation indirect taxation, tax burden and tax calculations research projects have been carried out. However, in the context of further economic reforms, the issues of textile companies' failure to carry out comprehensive research in the field of tax accounting and financial analysis, and raising its prestige to international standards determine the relevance of research.

According to the Decree of the President of the Republic of Uzbekistan dated February 7, 2017 "On Strategy for the Development of the Republic of Uzbekistan" and PF-5285 of December 14, 2017 "On measures to accelerate the development of textile and garment-knitting industry" This dissertation research will serve a certain extent in performing tasks.

Literature review

Level of knowledge of the problem. Economists have always been in the spotlight of the study of theoretical, methodological and practical aspects of tax accounting and analysis in economic entities operating in sectors of the economy. In particular, this problem was addressed by foreign scientists K.Druri, V.P.Pali, R.Wander Ville, D.Morse, J.L.Zimmerman, R.Aynsvors, D.Deines, IA Slabinskaya, R.D. .Rlumli, K. X. Larson, B. Nidlz, X. Anderson, D. Kolduell, A.V.Avdeev, A.D.Sheremet and others.

An analysis of the research carried out by economics scholars of our country shows that although the national accounting standards have been developed in our country, there are not enough ways to address the practical problems of tax accounting and financial analysis in the textile industry. At the same time, the

tax accounting system of our republic has not been studied as a separate subject, but it has been studied as part of the accounting financial account.

Economical content, objects and subjects, rates, accounting and analysis of taxes are addressed by scientists of Uzbekistan such as I.T.Abdukarimov, A.V.Vahobov, R.D.Dusmuratov, N.Y.Juraev, O.M.Zhumanov, A.A. Karimov, A.Kh.Ibragimov, A.T.Ibrohimov, B.I.Isroilov, M.K.Pardaev, A.H.Partayev, A.J.Toychiev, Sh.Toshmatov, B.Hasanov, K.B.Urazov, Z.N.Gurbonov, D.Shaulov, A.X.Shoyalimov, U.Kan, K.R.Xatamov, B.E.Toshmurodova and others.

In addition, there are two other types of enterprises that simplify taxation: enterprises with strictly defined taxpayers and agricultural enterprises paying a single land tax ". From the analysis of the literature, it can be said that scientists can be divided into three groups depending on the status of the tax account, the place of their accountability. Companies in the group of companies recognize the tax as a type of doing business. Among them - B. Khasanov, D. Shaulov, U. Kan, V. F. Pali, V. V. Kovalev and others

According to Professor B. Khasanov, "... it is wrong to include taxes on the account. It is an independent type of account that has its own goals, tasks and functions. This is a rapid, statistical and accounting, as well as the organization of a common accounting system ". This author considers tax accounting as a separate science, which is separated from accounting.

D. Shaulov and U. Kan also noted that the calculation of the tax was independent. They say: "... tax accounting does not replace or exclude accounting, but uses its accounting methods to calculate taxes and fees". V.V. Kovalev puts tax accounting in accordance with accounting, as he emphasizes the need to transfer it to an independent system of accountability in the Russian Federation. Professor V.P.Paly admitted that adult calculations are an integral part of the enterprise's accounting system. Other groups of scientists consider the company part of the accounting of taxes. Most foreign scientists recognize that tax accounting is a subsystem of accounting records. Uzbek scientists A.A.Karimov, F.Islomov and A.Avloqulov taxes make up that this is the type of accounting. O. Bobokhonov and K. Dzhumanizov in his textbook "Financial Accounting" called tax calculation as a kind of financial account.

K. Urazov acknowledged that tax is an important asset of the financial account, describing it as a component of the company's financial account.

Thus, both in foreign countries and in our republic there is no uncertainty as to the nature, content, status of the tax account and its role in the accounting system. All this indicates that the conceptual basis of tax accounting in our country is not fully formed..

In general, the issues of financial analysis of the impact of taxes and tax on the financial condition of economic entities, taking into account their characteristics in textile enterprises, have not been studied as independent research object. This situation defines the need for deeper scientific research in this area.

Theoretical background

Formation of the tax system and improvement of the tax policy have led to the development of the bookkeeping and improvement of its methodology. Revision of the Law of the Republic of Uzbekistan "On Accounting" (2016), development and introduction of the National Accounting Standards (NAS), introduction of the Law of the Republic of Uzbekistan "On production and sales of products (works, services)" and the Regulation on the Procedure for Forming Financial Results and Continuous Improvement of Taxes was the basis for the further improvement of accounting.

As a result, of the research, an important issue that stimulates the activities of businesses through taxation is tax breaks and their widespread application has resulted in the disproportionate distribution of tax burden among enterprises. Tax incentives can be used to stimulate innovation activities, accelerate development of promising sectors of the national economy, facilitate the financial burden associated with the need to meet the environmental requirements of the enterprise, implement separate demographic policies and other purposes. This is one of the most effective forms of incentives, often a financial tool.

As international accounting practices show, one of the most effective methods is the method of disposal. Damage is the method of reducing the tax burden for enterprises that have a considerable volume of capital investment costs and are re-equipment in production modernization, technical and technological renewal. For example, in the CIS countries, in particular, in Russia, a taxpayer may transfer the entire tax amount or amount of tax that may have been incurred for future periods if the taxpayer was damaged during the previous tax period or periods. At that, the period of transfer of the tax amount should be up to 10 years, the size of which should not exceed 30% of the taxable base.

Such an experience is crucial for newly created businesses, which will allow the development of strategically promising enterprises, including textile, garment and knitwear, and other light industry enterprises, by transferring damages to the initial stage of long-term investment planning. In this regard, we propose to introduce a method of transferring damages to the Tax Code of the Republic of Uzbekistan and existing normative acts.

According to the current regulatory documents, by the decision of the government agencies responsible for late payment obligations under 6240 - "Taxes and Obligations," the current portion of the debts and mandatory payments to the budget for deductible taxes will be reflected in the legislation. 6240 - "Overdue Liabilities on Taxes and Obligation Payments" includes the sum of delayed current payments associated with the debt payments to the budget (6400), and the receivables (6500), which account for debts on insurance and targeted public funds. In our opinion, the use of the current part of long-term delayed obligations on taxes and mandatory payments in the national accounting standard # 21 and their reflection in accounting records has not been fully covered.

TAXATION ACCOUNTS AND FINANCIAL IMPROVEMENT IN TEXTILE INDUSTRY ENTERPRISES

The formation of the tax system in Uzbekistan during the years of independence and the improvement of the tax policy led to the development of accounting and the improvement of its methodology.

On the Law on Accounting of the Republic of the adoption of the new version, the national accounting standards development and practical application of the Ministers of the Republic of Uzbekistan dated February 5, 1999. In our opinion, it is desirable to have a four-level system of normative and legal documents regulating the organization and maintenance of accounting (Table 1). A special place in the improvement of tax policy is taken by the system of documents regulating accounting, reflected in Table 1.

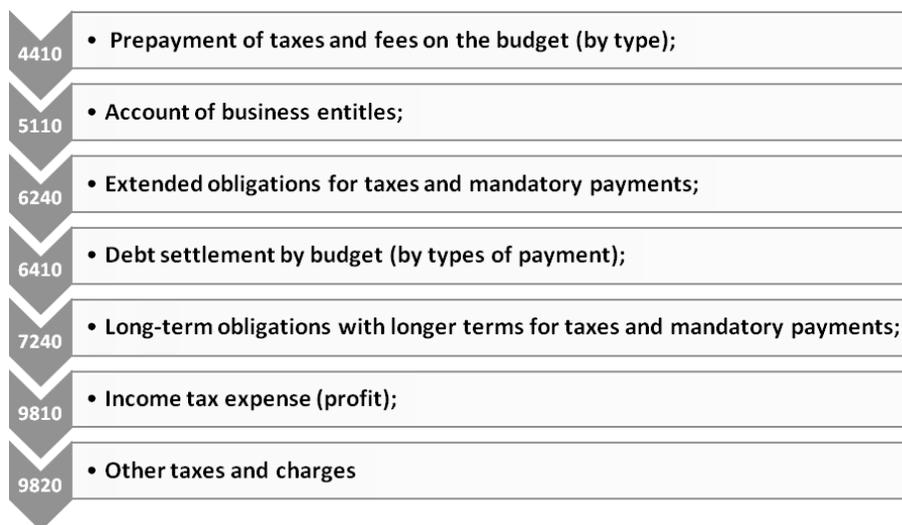
Table -1. System of normative-legal acts regulating accounting in the Republic of Uzbekistan

Level	Documents	Documents accepting documents
I stage. Legitimate	Laws, Codes Presidential Decrees and Decisions, Resolutions of the Cabinet of Ministers	The Senate and the Legislative Chamber of the Oliy Majlis, the President, the Cabinet of Ministers
II level. Regulatory	National accounting standards	Ministry of Finance and Justice
III level. Methodical	Regulations, Guidelines, Methodological Guidelines	Ministry of Finance, Central Bank, State Tax Committee, State Statistics Committee, State Customs Committee
IV level. Accounting policy of business entities	Organizational distribution documents (commands, internal standards, guidelines, instructions)	Business entities, tax consultants, consulting firms

Taxes in the textile industry are associated with the taxation of enterprises in the organization of accounting. Because some textile enterprises are in the general taxation system, while others pay taxes in a simplified taxation system.

In accordance with the tax system adopted in our country, small businesses are included in the simplified taxation system, pay a single tax, the rest are taxed in the tax system and pay taxes in accordance with the established procedure. This situation affects the organization and conduct of tax accounting in the textile industry (Figure 2).

Figure 2. Tax Code of the Republic of Uzbekistan on taxpayers (Number 21)



The current portion of long-term delayed taxes and mandatory payments was recommended to be included in reserve capital during the reporting period. According to current legislation, it is expedient to

compensate for losses in the current reporting period at the expense of the reserve capital. In this regard, it is recommended that additional records be included in the (Table 3).

Table 3. An analysis of the profit tax rate in the financial results of the joint venture "Beshariq textile" Joint Stock Company (in thousand sums)

№		2015 year	2016 year	Difference	
				Absolute, +, -	Relative, %
1.	Net sales	15486812	16 460603	+973791	106,2
2.	Production cost	(14452232)	(13362349)	-1089883	92,4
3.	Gross income	1034580	3098254	+2063674	3 times
	Other incomes	785468	832452	+46984	105,9
	Commercial expenses	(56530)	(345549)	+289019	6 times
	Administrative expenses	(791428)	(1880250)	+1088822	2,4 times
	Other operation expenses	(789870)	(1451547)	+661677	183,7
4.	Profit (loss) from operating activities	182220	253359	+71139	139,0
	Income from course difference (expense)	(23261)	115428	+92167	4,9 times
5.	Profit (loss) before tax	158959	368787	+209828	2,3 times
	Income tax expense	(41692)	(87106)	+45414	2 times
6.	Profit (loss) after tax	117267	281681	+164414	2,4 times

Source. Author's development based on enterprise data

Profit (loss) after profit tax the analysis of the table shows that the net profit of the joint-stock company increased by +973,791 soums or 106.2 percent. Product cost was 92.4%. Gross profit increased by +2063674 thousand soums or by almost three times. Commercial expenses in the enterprise increased by UZS + 289019 thousand or 6.1 times. At the same time, profit tax costs increased by 208.9%, while profit tax revenues were reversal, ie pure revenue increased by 106.2%. It should be noted that in 2016, net profit tax costs were 0.53%, as it was noted that in 2015, the tax burden on this type of tax was 2.7%. The next task of the joint-stock company is to reduce commercial, administrative and other operating expenses. If these expenses exceed the standard, their excess shall be added to the taxable base under the current tax legislation and may lead to an increase in company expenses and reducing profits.

Table 3. An analysis of the effect of profit tax on cash flows on current transactions in the joint venture "Beshariqtextile" Joint Stock Company (in thousand sums)

№.	Contents of current operations	2015 year	2016 year	Difference	
				Absolute, +,-	Relative, %
	<i>Cash flows from operating activities:</i>				
1.	Total- income:	17516405	19793538	+2277133	113
	Sales of products, works and services	17516405	19793538	+2277133	113
2.	Total- payments:	18049318	18995967	+946649	105
	From this:				
	Suppliers and contractors for materials, works, services	11696 308	12723791	+1027483	108,7
	Payment for employee labor	3581098	3687595	+106497	103
	Interest on Debt Obligations	70480	155	-70325	0,21
	Profit tax for the enterprise	1594000	1595848	+1848	100,1
	Other payments	1107432	988578	-118854	89
3.	Cash flows from current transactions (line 1 line-2)	(532913)	797571	264658	149,6

Source. Author's development based on enterprise data

According to the table data, the vertical analysis of the corporate income tax in the straight-line flows report shows that their share in total payments is 8.8% in 2015, which is 8.4% in 2016. In horizontal analysis of profit tax, we can see that in 2016 it increased by +1848 thousand soums or 100.1% to the corresponding period of the previous year.

Also, if cash balances on current operations do not reach 532913 thousand soums in 2015, this is the source for payment of +797571 thousand soums in 2016.

Thus, taxation allows for timely provision of tax-related information and managers, while rational accounting of accounts, on the one hand, ensures timely accrual and payment of taxes. This, in turn, has a positive impact on the quality and effectiveness of management decisions, and provides substantiated conclusions on financial analysis of enterprises' taxes. As a result, taxation is ensured and timely national taxation is ensured.

It was found out that the taxpayers pay the tax burden on different types of taxes, and provide more accurate information about the tax burden on profit before taxes and the impact of tax burden on the enterprise.

It is possible to make conclusions about the optimal structure of taxation system, how well the mechanism of calculation and collection of taxes, the level of tax burden, the level of economic development of different branches and branches of economy can be deduced by analyzing and evaluating the level of tax collection.

Conclusion

As a result of the analyzes, the following scientific conclusions and practical recommendations can be formulated in the following ways:

- It is time to improve the accounting and tax analysis of export-oriented competitive products in the textile industry on the basis of modern requirements. Nowadays, taxpayers are required to pay taxes, introduce tax consultations, introduce tax monitoring, apply taxation methods, and find all the benefits and preferences in the accounting way.
- It is important to note that the taxation burden on business entities in the simplified and simplified regimes is differentiated by the different rates due to the expansion of the tax base and the reduction of the tax burden and tax incentives in our country. Given the international experience, unification and collapse will also benefit taxpayers and tax authorities.

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**When we are born we cry
that we are come to this
great stage of fools.**

William Shakespeare

EXPANDING THE ROLE OF RELATIONSHIP MARKETING THROUGH CUSTOMER ENGAGEMENT PROGRAMS: AN ILLUSTRATIVE STUDY

Ruchi Malik Gorai¹

ABSTRACT

This article develops and discusses the role of customer engagement strategies in enhancing relationship marketing for any organization. Customer engagement can be defined as organization's approach in developing customer's commitment, trust and involvement with the objective of creating engaged and loyal customers. It includes several activities which can be a part of online or offline environments such as word-of-mouth (WOM) activity, recommendations, helping other customers, blogging, and writing reviews. This paper discusses the concept of customer engagement, its advantages, and some of its real life applications in the Indian Scenario.

Keywords: *Customer Engagement, Customer Loyalty, Customer Involvement*

Introduction:

In this age of social media, the way that businesses engage with customers and manage their relationships have witnessed radical transformation. With mobile technologies, customer nowadays is more informed and more empowered. He seems to take a more rational and pre planned decisions in all the stages of the purchase decision process. Thus, it becomes quite critical to engage with customers throughout the customer journey. Marketers can ensure to be a part of the entire customer journey by practicing customer engagement strategies. These engaged customers eventually and unknowingly transforms into loyal customers.

Customer engagement is a fairly new concept which has gained a lot of momentum in the past few years. Customer engagement broadly constitutes any kind of interaction that customer have with the company. These strategies are a part of the entire customer journey i.e. customer acquisition, customer retention and customer loyalty. It will encompass all activities that consumer's carry that may have both positive and negative consequences for the firm. Some of the popular examples of it in the online mode are: online discussions, commenting, information search, word-of-mouth (WOM) activity, recommendations, helping other customers, blogging, writing reviews, and opinion polls to name a few. In the words of Lior Arussy "Customer engagement are the efforts that companies make to reach out and obtain some form of customer connection. The engagement may be limited to a purchase or a whole detailed discussion."

In particular, customer engagement includes several communications through brand communities, blogging and other social media (Van Doorn et al., 2010). Customer engagement has largely emerged with the advent of social media and online shopping apps. It makes the customer interact with the firm beyond the physical purchase of product or service. In other words, customer interaction is not restricted just to the purchase decision but even beyond it i.e. pre-purchase and post purchase as well. In other words, customer engagement is a two way communication that may include consumer-to-firm and consumer -to-consumer communication.

¹ Assistant Professor, Apeejay School of Management, Dwarka, Delhi

Definition of Customer Engagement: Different researchers have given their own perspectives while defining Customer Engagement. In March 2006, the Advertising Research Foundation announced the first definition of customer engagement as "turning on a prospect to a brand idea enhanced by the surrounding context." However, the ARF definition was criticized by some for being too broad. Various definitions have translated different aspects of customer engagement. Few definitions are quoted below:

"Customer engagement is repeated interactions that strengthen the emotional, psychological or physical investment a customer has in a brand" (Ron Shevlin, 2006).

"Engagement is the level of involvement, interaction, intimacy, and influence an individual has with a brand over time" (Brian Haven, 2007).

Why Customer Engagement is important: A highly engaged customer eventually becomes the brand advocate and starts not only repurchasing the product but strongly recommending it. This engaged set of customer has an emotional connect with the brand. Thus, it increases not only the retention rate but also reduces the churn rate. Thus, deployment of customer engagement as a long term strategy can act a lot in favour of the firm as eventually it will transform into higher revenues for the firm. Organizations are always concerned about what all can be done to acquire new customers and then how to reduce customer churn rate. The firm can adopt short term strategy in the form of discounts and promotional offers. However, a long term strategy can take the form of deployment of customer engagement strategies.

In order to implement customer engagement strategies, organizations may even use loyalty ladder to assess the level of involvement customer might have with the brand. This model is adapted from Mark Godson (2016) who illustrates that as we go up the ladder customer's involvement increases and he becomes more loyal towards the brand. Thus, in the initial steps transactional marketing strategies in the form of economic benefits may work. However, in the later levels it is building long term relationships with the customers that will work. These may involve the customers at an emotional level. Singh *et al* (2010) talks about 4I's of activities in the customer engagement model. Figure 1 summarises the model. These can actually be even considered as the stages in developing customer engagement strategies. The four stages are described as follows:

a) Involvement stage: The first stage in developing the customer engagement strategy is Customer involvement. In this stage the objective is to involve the customer as much as possible with the brand so that he feels subconsciously the presence of brand which will eventually turn into brand recall. In offline mode the firm can make the may conduct quiz of the day, crossword puzzles, contests etc. In online mode, a more detailed data may be available with the firm about to intensity and type of internet usage. The firm can use the strategies such as website logins, participating in crossword, quiz of the day, contests, opinion poll, slogan generation and completion, sample request, discussion, blogging etc.

b) Interaction stage: In this stage the customer gradually starts interacting with the firm and may inform good as well as bad points. This can be through reviews on their own blogs/ forums/ communities, frequency of visits, comments on other's blogs forums/ communities. This in turn spreads a positive or a negative WOM for the brand. The only difference between the offline and online mode is that in online mode there is e-WOM rather than just WOM and e-WOM travels at a much faster rate because of its reach across boundaries.

c) Intimacy: This stage encompasses the role of sentiments and emotions: through the emotions attached with the brand. In offline mode this may include the facial expressions attached with the brand and

in online mode this may include the popular *emojis* associated with that brand. Intimacy may have extreme like over a period of time customers have developed love and passion for the brand whereas on the other hand, some customers may have developed hatred for the brand. The firm should have the objective of increasing the set of customers who are eventually becoming passionate about the brand and at the same time make sure that the set who hates your brand is getting shrunk day by day or not at all present.

d) Influence: This can also be replicated to the last stage in the ladder of loyalty (Godson, 2016). This stage includes the power of influence other through your recommendations. The customer becomes so passionate and develops a deep affinity for the brand that he unknowingly becomes the brand advocate. There have been instances wherein customers not only recommend the brand but many a times defends it.

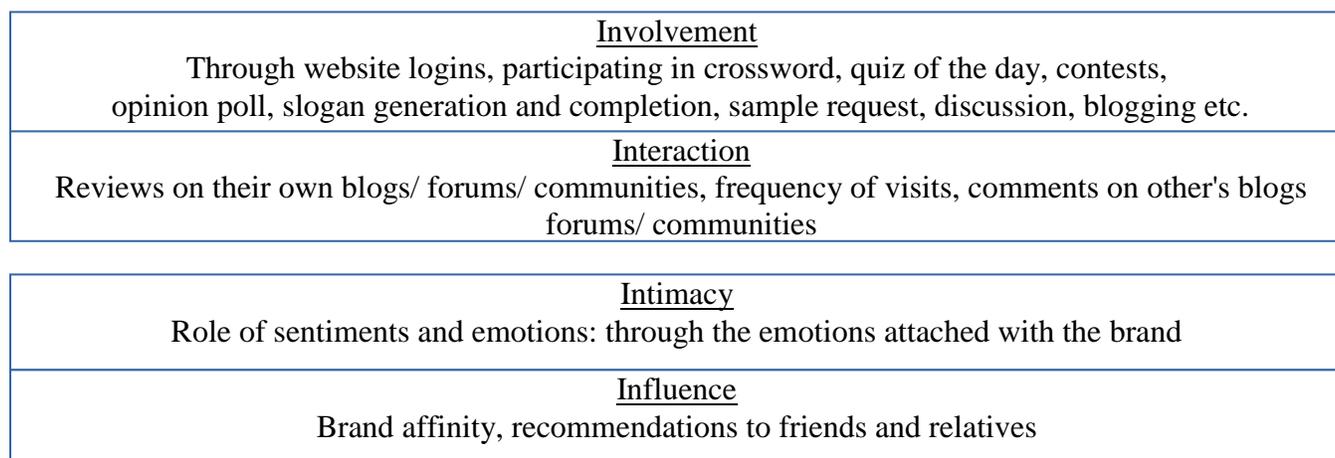


Figure 1: Customer Engagement model adapted from Singh Anurag, Kumar Brajesh, Singh V.K. (2010)

Applications of Customer Engagement in India: Every marketer is trying to implement a lot of online customer engagement programs to reap long term benefits for the organization. Some of the ways of doing it is by participating in crossword, quiz of the day, contests, opinion poll, slogan generation and completion, sample request, discussion, blogging etc. Like this a customer reaches to the stage of involvement. Involvement is the initial component of customer engagement which can be traced through site logins, time spent, pages viewed and search by keywords. Taking examples of well known categories in the Indian Scenario:

a) **SNS (Social Networking sites):** The most well known amongst them are Facebook and Twitter. These sites surely engage the customers in the most creative and innovative ways and at the same time by understanding the customer and providing him the customised solution, they make sure he is retained for very long. By letting the customers share his thoughts, opinions, he tweets to start a discussion, informing his whereabouts, uploading photographs and videos; the customer's involvement rate is higher. They also run ads and contest and certain web series which also get customised according to the viewer's involvement (liking or disliking). They will suggest your own video (a customised solution) and use of hash tag to know the customers involvement rate.

b) **Indian Cinema:** The Indian cinema/ Bollywood know the pulse of their viewers very well. Each and every movie has a defined target audience. It may be children, adults, family, couples, rural or urban etc. In

other words, multi level segmentation is done. Depending upon who is their target audience they try to engage them in various innovative campaigns even before the release of the movie. Some of the classic examples are: Tare Zameen Par, Ghajni, Chandini Chowk to China.

Taare Zameen Par: movie starring Aamir Khan and released in 2007 started its customer involvement even before its release. Aamir Khan did a live chat with parents and children on radio for few hours. He did a special appearance on Zee TV's 'Sa Re Ga Ma Pa L'il Champs'. Hence, targeting the right audience. Also, a creative painting contest for children called 'Meri Duniya' was launched.

In another movie: *Ghajini*, starring Aamir Khan, he attended events shaving people's hair off, a strategy to build on his own iconic look in the film. This increased the involvement rate further.

Another movie *Chandani Chowk to China* starring Akshay Kumar was released in 2009. Through publicity it took the customers to its official website to download *Chandani Chowk to China* (CC2C) videogame (Abhilasha Ojha, 2009). This further made the customers engaged with the brand.

c) **Retailing**: Retailing is one such sector which has been quite innovative in introducing the most creative hash tag campaigns and also measures its effectiveness. Some of the examples are mentioned below (though the list is not exhaustive. It is only suggestive)

Dominos Pizza: Dominos Pizza created a social media campaign called 'Pizza legends' in 2014. This campaign allowed customers to create and name their own pizza, they could even see it come to life and share it on social media. This drastically increased their sales.

Amazon: The online retail giant player: Amazon has been very creative in involving the customer. The benefits categorization that is suggested in loyalty: economic benefits, emotional benefits and ego benefits have been very well implemented by the organization. Customers get instant cash back while transacting through Amazon Pay Balance which is a classic example of economic benefits given to the loyal customers in the initial stages. However, it is trying to take loyalty at an altogether different level where in customer is not just fascinated by economic benefits but is looking for convenience, comfort, huge involvement and that is through their Amazon Prime one month free and after that paid membership. This is where they are providing emotional benefits in the form of fun and entertainment and ego benefits in the form of early access to deals and speedy delivery. In the ladders of Loyalty this may help them reach the upper levels of customers becoming the advocates and also becoming passionate about the brand.

Fashion Retail Store: H & M: H & M have always celebrated opening of any of its stores across India. It always tries to involve customers both through online and offline mode so as to create a buzz about the brand and generate more traffic. The first H & M store that was opened in Delhi was grand with celebrities and CEO doing the grand opening and high energy flash mob enticed H & M lovers. Similarly, H&M conducted a #HMlovedHYD contest when the outlet established its first store in Hyderabad. Also as various coupons are given to these online contest winners, they generate more traffic to either online or physical retail stores.

BookmyShow: They have transformed movie and show booking phenomena to a great extent specifically in the urban cities. But in this dynamic world of small fishes gradually enlarging in size, it becomes imperative that you take your customer along ladders of loyalty. BookmyShow have been very proactive in doing that. They provide eco, ego and emo benefits to these customers as well for that they

already have tie up with banks, credit cards agencies, cab services, restaurants and parlours. They also involve the customers by conducting polls, reviews, knowing about celebrities, celebrities contest etc.

d) FMCG Sector: this sector has been equally competitive in this race of customer engagement. It has left no sub sector unturned for the same. The example ranges from ready-to-eat category Maggi to even Beauty products Nykaa.

Maggi: It is one of the leading brand and having a greater percentage of heart share among Indian consumers. The brand's digital team established a magiclub where it was depicted as solution to hunger anytime. It also launched the campaign 'We miss you too Maggi' that engaged its customers. It also launched the campaign 'Welcome back Maggi' in the social media during Maggi's relaunch after a 6-month ban. This campaign received extraordinary response. Also, Maggi partnered with Snapdeal.com for the sale of Maggi welcome kit called 'Dil Ki Deal'. This drastically affected the sale of Maggi. The brand also started 'Meri Maggi' campaign in which the company has come up with new Indian tastes. It engaged their online followers by encouraging them to guess the 4 new flavours to be launched.

Beauty Products: In beauty products firm particularly involve women more. There are several examples such as in hair care: Sunsilk. Sunsilk came with the highly creative concepts of 'Gang of Girls' by establishing online community for live interaction among its target customers i.e. young girls. This resulted in huge targeted customer involvement. Another brand that engages the customer is Nykaa which encourages its users to write reviews, blogs about its products and provide them with free samples as eco benefits. It has launched a highly interactive portal and app and also including reviews and comments from celebrities.

e) Telecom sector: Many firms in telecom sector also are deploying customer engagement Strategies. To name one of them is Airtel App: It is trying to provide a single solution to multiple accounts: prepaid or post-paid mobile, broadband, digital movies, movies, music, to name a few. The customer can add different mobile numbers or different accounts (like broadband, mobile, music etc.) in a single app. It will keep on suggesting you the best solution based on your usage rate and will also suggest the new offerings. Thus, helping at all stages of customer journey.

f) Banking sector: There are several examples from public as well as private sector bank who are trying to engage all their customers. To cite some examples: Axis Bank, ING Vysa and Public sector giant SBI. All of them have a very interactive mobile banking platform that is friendly and easier to use for the target audience. They have clearly identified customer's needs and their pain points and from time to time improvise the customer experience based on their personal requirements. Another innovative aspect that was implemented by ING Vysa was involving its customers in their blog website i.e. pickuradvisor.com.

Conclusion and Scope of future research:

Based on the above it can be concluded that customer engagement results in so much of positive benefits for the organization that the long term relationships and loyalty seem to evolve from it in an automatic manner. Also, it is actually practiced in India across diversified sectors. The firms are taking it very seriously and are spending their time, money and effort for deploying the right strategy for customer engagement. Though there is a lot of literature about it, but in real life taking into consideration the impact of multiple variables and doing a multitudinous analysis is the need of the day. It cannot be generic strategy that would actually lead to customer engagement rather a more customised one depending upon the need of the customer and the objectives of the firm. Thus, an empirical research can be conducted in order to study the multitudinous variable selection for a more customised customer engagement strategy. Further

research, can also, be conducted taking the illustrative cases as to which of the customer engagement strategies were more effective and valid reasons behind that. This may further help the firm in improvising their strategies from time to time and grow their profits and sales.

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ENHANCEMENT OF HOTEL INDUSTRY SERVICES, CASE OF UZBEKISTAN

Akhmedov Umid Khurshid O'g'li¹

ABSTRACT

The article describes the main points of the formation of a quality management system for hotel services as an important component of the competitiveness of the tourism sector. On this way, the criteria of the effectiveness of the quality management system of hotel services are considered, providing the ability to specify and concentrate efforts on adjusting the quality of individual parameters. Finally, major conclusions of the paper are outlined to make better analyses as whole.

Keywords : *Hotel, Tourism, Quality management, Enhancement, Competitiveness, Quality of service system, Competitiveness, Tourism business, Uzbekistan*

Introduction

The hotel business, being one of the economic activities, directly or indirectly creates jobs and is an important means of replenishing the treasury with foreign currency. In the world there is a constant process of mastering new concepts of hotel business and modernization of old ones. The globalization and concentration of the hotel business are manifested in the creation of large corporations and hotel chains. This approach allows hotel companies to regroup and attract additional resources for the development of their business. Hotel enterprises are concentrated through the creation of unions or associations that do not violate their legal and economic autonomy, but allow joint marketing programs, conduct research, form a unified system of training and retraining of personnel.

World practice convincingly proves that investments in the hospitality industry in return are comparable with investments in oil production. The economic analysis of the hotel sector indicates the effectiveness of investment in the hotel chains, and not in individual hotel facilities. In world practice, there are two main types of hotel chains: integrated chains that are created from homogeneous units, and a hotel consortium that unites independent hotels.

By now, tourism has become one of the leading sectors of the world economy. In this regard, Uzbekistan pays special attention to the modernization of the tourism industry, the development and improvement of the regulatory and legal framework for sustainable development of the industry, the organization of foreign guests in accordance with international standards. In the years of independence, our country has made a significant breakthrough in this area, along with the preservation and augmentation of the historical and cultural heritage of the people, the revival of national traditions and customs, the restoration and arrangement of the sights of the Republic. In order to create a modern highly efficient and competitive tourist complex, a strong regulatory and legal framework has been formed in the country, based on the Law on Tourism, adopted on August 20, 1999.

¹ Tourism and Service Department, Tashkent State University of Economics Mail: umid.akhmedov@mail.ru

There are programs of targeted measures to improve the tourist infrastructure, including attraction of investments, diversification of tourist products, intensification of cognitive-educational activities, training and professional development of specialists in the field. Since the first years of independence, Uzbekistan has been actively building up cooperation with international organizations, regularly acting with initiatives to deepen cooperation in this promising direction. An important milestone in the history of domestic tourism was the entry of the republic in 1993 into the United Nations World Tourism Organization (UNWTO). In 1994, 19 countries of the world adopted the Samarkand Declaration on Tourism along the Silk Road. In 1999, the Khiva Declaration on Tourism and Preservation of Cultural Heritage was adopted, supported by UNWTO, UNESCO and the Council of Europe. In 2002 - the Bukhara Declaration on Tourism along the Silk Road, which emphasizes the benefits of sustainable tourism and identifies specific steps to promote cultural and ecological tourism in this direction. Moreover, in recognition of the special place of the republic in the world tourism industry, in 2004 the regional office of UNWTO was established in Samarkand to coordinate the development of tourism on the Silk Road.

It should be noted that such an office exists only in two countries - Japan and Uzbekistan. Its main function is to designate directions in the development of not only regional, but also international tourism. The presence of over 7,000 objects of material cultural heritage of different epochs and civilizations, including the historical centers of Bukhara, Khiva, Samarkand and Shakhrisabz included in the list of UNESCO World Heritage sites, attests to the possibilities of our country. World-famous historical monuments, modern cities, unique nature of Uzbekistan, unique national cuisine, as well as the unrivaled hospitality of our people attract travelers.

Through the efforts of the republic's leadership, the tourist infrastructure has been raised to a rather high level in recent years. In the country, in particular, 1,176 tourist organizations, including 621 tour operators, 555 hotel farms, function successfully. An extensive network of hotels for more than 25 thousand seats meet modern international standards. During the years of independence, due to truly large-scale works on the construction and reconstruction of infrastructure facilities in Uzbekistan, 11 airports have received the status of international harbors. Modern comfortable airplanes of the National Air Company "Uzbekistan Airways", consisting of Boeing and Airbus airliners, perform regular flights to more than 40 cities in Europe, Asia, the Middle East and America. In 2016, two modern «dream liners» - Boeing Dreamliner, will supplement the country's civil aviation fleet.

In recent years, new types of travel have been actively introduced in Uzbekistan, including ecological tourism. Presence of reserves, national parks, nurseries, reserves, natural monuments, biosphere reserve in the republic makes ecotourism a very promising area. In addition, in our country, ecotourism, medical tourism, as well as mountaineering and rafting have developed. In the regions, recreation areas and comfortable infrastructure facilities are being built. For example, in the sports and health centers "Chimgan", "Beldersay" and "Charvak" located in the Tashkent region, the necessary conditions for skiing and other winter sports are created. There are built mountain routes of different types with a length of 300 to 3 thousand meters. Vacationers can climb the ropeway using a special lift. In Uzbekistan, the gastronomic direction of tourism is gaining popularity, the development of which has made it possible to make pilaf and other national dishes a recognizable brand of the country.

The modern growth dynamics of the tourism industry confirms the need to modernize the training system for it, taking into account the existing realities and prospects. Creation of a number of educational institutions for the training of qualified specialists in this field was facilitated by the Decree of the President of the

country "On training qualified personnel for tourism in Uzbekistan" of June 30, 1999 and the Resolution of the Cabinet of Ministers "On measures for further support and development of tourism in the Republic of Uzbekistan" from October 10, 2012.

Methodology

A modern hotel company provides consumers not only accommodation and food services, but also wide range of transport, communication, entertainment, sightseeing service, medical, sports services, services of salons beauty, etc. Actually hotel companies in the structure the tourism industry and hospitality perform key functions, as they form and offer consumers a comprehensive hotel product, in the formation and promotion of which all sectors and elements of the tourism industry hospitality. Proceeding from this, it is legitimate to single out the hotel industry or hotel business as the largest integrated component of the tourism and hospitality industry and consider her own, largely identifying with a single tourism and hospitality industry. The hotel business in Uzbekistan will have access to long-term loans for the construction and modernization of its real estate, follows from the draft presidential decree "On measures to implement the Concept of Tourism Development in the Republic of Uzbekistan for the medium term." According to the document, the Central Bank will be instructed to introduce a flexible system of lending to the hotel business, according to which funds will be allocated for a period of 15 to 20 years for the construction of modern hotels and the modernization of existing ones. At the same time, the draft resolution specifies that the conditions for repayment of the loan and interest are formed taking into account the capital intensity and seasonal congestion of hotels. The hotels will also be released until January 1, 2022, from the payment of a single social payment from the payroll fund of foreign specialists involved as management personnel; from the tax on incomes of physical persons, incomes of the foreign experts received as management personnel of hotels. Among other measures envisaged in the document: an increase in the number of ATMs and terminals installed in hotel facilities and other tourist facilities operating with international payment systems, the creation of facilities for business entities when accepting payments in foreign currency.

Literature review

The problems of developing methodological foundations for determining the potential of an enterprise, the effectiveness of its use have been studied in the works of various authors, such as IA. Blank, A.A. Vrenkel, M.A. Livshits, V.M. Popov, B.C. Sinavina, R.A. Fatkhutdinov, U. Scharp, V.V. Sheremet and others. Specific features of determining the effectiveness of enterprises in the service sector, and especially the hotel business, are substantiated in the works of E.V. Egorova, E.N. Zhiltsova, V.V. Ivanova, N.I. Kabushkina, A.J. Lesnik, N.A. Platonova, R.Yu. Popova, TP Rozanova, S.S. Skobkina, A.V. Chernyshov, and others. At the same time, in the works of these authors there is no comprehensive approach to determining the potential of the hotel enterprise and the efficiency of using the potential in conditions of transition to a market and tougher competition. This circumstance makes it necessary to conduct further research on the development of methodological foundations for determining the potential of hotel enterprises and the efficiency of using potential in changed conditions.

Purpose and objectives of the study. The purpose of the thesis is to develop a set of methodological, scientific, and practical recommendations for determining the potential of the hotel company and the efficiency of using the potential. In the field of regional economy, the author relied on the scientific contribution to the development of the theory and methodology of research made by such scientists as Amirkhanov MM, Granberg AG, Kiselnikov A.A, Mironenko N.S, Tatarinov A.A, Hard-breads I.T, Cohen S., Pyat G., Row A. and others.

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The dissertation research is largely based on the works of national and foreign scientists in the field of economic and mathematical modeling, forecasting regional and sub-regional economic systems. Among them is Vedeveva A.A, Geyla D., Glavatsky T.V, Granberg A.G, Guusin-Zade S.M, Ivanova Yu.N., Kiselnikova A.A, Kosareva A .E., Tatarinova A.A, Kam Yu, Cohen S, Fletcher I, Kehoe T, Mead J.E, Morley C.L, Mautinho L., and Witt C.

In accordance with this goal, the following aspects were set and realized in the thesis:

- study the evolution of the concepts "enterprise potential" "efficiency" and to identify their specificity in the sphere of hotel services;
- study the conjuncture and the main trends of the Moscow hotel services market;
- identify and substantiate the perspective directions of development of the hotel business of the capital;
- study the personnel potential of hotels and to identify the main areas for improving the training of personnel for the hotel complex;
- develop a comprehensive methodology for determining the potential of hotel enterprises;
- identify areas of activity to improve the efficiency of the use of the potential of the hotel complex.

Theoretical background

The hotel industry of Ukraine is one of the most dynamically developing branches of the economy with a high degree of profitability. This is facilitated by the saturation of real estate market segments with a minimum payback period, a steady increase in demand for hotel services and an increase in capital that can be invested in the development of the hotel industry. There is also a gradual increase in business activity within the country.

A necessary condition for the effective use of the recreational potential of the use of technologies adequate for modern market conditions for the production of components of the aggregate tourist product, its promotion and circulation, as well as the management of these processes. The key element of the latter is the implementation of a model of structural policy, including the implementation of market transformations in conjunction with measures of economic and legal protection of entities involved in creating a quality, competitive product in the territorial complexes of tourism specialization.

To date, there is a need and an opportunity at the initial stage of implementation to apply a set of stimulant measures aimed at creating a regulatory and methodological basis for quality management at the level of the territory, stabilizing the composition of existing hotel enterprises by the quality criterion based on the structuring of business entities, in the short, medium and long term.

The implementation of the activities of this stage should be carried out in parallel to the process of formation of the organizational environment and development of the infrastructure of territorial quality management (second stage). Since in fact they complement each other. By the level of costs, the measures of the first and second stages are classified as low and medium-cost. The stages of formation of a quality management system for hotel services (Table 1).

Table 1. The stages of the formation of a quality management system for hotel services

Target settings	Formation of structural, normative-legal and methodological basis of quality management of hotel services	Building an organizational environment for quality management of hotel services	Ensuring the effectiveness of the quality management of hotel services in the long term
Components of the entity involved in the implementation	Authorized bodies of state and local government, higher executive bodies of economic entities, associations of producers and consumers of hotel services	Authorized bodies of regional and local government, higher executive bodies of business entities, consumer associations and producers of hotel services	Authorized bodies of regional and local government, higher executive bodies of business entities
Predictive managerial and socio-economic effect	<ol style="list-style-type: none"> 1. Stabilization of the composition of hotel enterprises by the level of service; 2. Normative consolidation of the ideology of quality service; 3. Integrity of the hotel industry with a modern resource base; 4. Horizontal and vertical cooperation of subjects on quality management; 5. Methodological and methodological unity of quality management. 6. Structuring the infrastructure of quality management of hotel services. 	<ol style="list-style-type: none"> 1. Growth in the manageability of the hotel industry in terms of ensuring the quality level; 2. Increase the efficiency of management; 3. Enhancing responsibility for quality of service; 4. Minimizing the resource of consumption; 5. Increasing the attractiveness of hotel services for tourists; 6. Stabilization of the economic situation of economic entities; 7. Perspective growth in the budget return of the hotel industry. 	<ol style="list-style-type: none"> 1. Development of tools for the transformation of the hotel industry, related to this increase in overall manageability; 2. Expansion of market integration of the hotel industry with satellite industries; 3. Stabilization of the socio-economic status of the territory due to: <ul style="list-style-type: none"> - job creation; - raising the standard of living of the population;
Set of measures	Organizational and legal measures: - creation of a favorable regime for the subjects, - joint participation in the program-methodological	Organizational and economic measures: - creation of the system of economic consulting - implementation of a monitoring system	Financial and economic: - budgetary financing; - granting of tax privileges; - development of a

	and norm-setting process.	- implementation of joint marketing; - regulation of pricing processes, differentiation of tariffs; - concessional lending; - investment grants for the implementation of quality management measures.	municipal order system for services of appropriate quality; - Provision of targeted budget loans for the creation of jobs. - investment grants for the implementation of quality management measures.
Cost level	Predominantly low	Average, with a tendency to growth	High

The burden of costs is not assigned to any one group of elements of the entity, be it the structures of state, local government or business entities, but are of a parity nature. Moreover, at present a well-developed regulatory and legal framework determines the possibility and necessity of their implementation. The burden of direct costs can be assigned to the budget of the territory within the framework of existing substantive articles that provide mandatory allocations for the implementation of the unified marketing policy, including the holding of a comprehensive advertising company, support for small and medium-sized businesses, as well as for financing the implementation of mandatory functions management.

In order to solve the set tasks of system regulation, targeted programs for the development of regional and national level can also be used. Being fundamentally indicative, they, nevertheless, determine not only the tasks of strategic development, but also the totality of measures that are possible to implement within it, which seems to be important enough for effective planning of the system.

The formation of effective information flows should become one of the stimulating functions implemented by the state and aimed at ensuring the sustainability of the process of obtaining and processing the necessary data on the state and trends in the development of the parameters of the external environment.

At the same time, the information flows that are generated must be of a two-way nature in order to ensure information exchange, not only with regard to information necessary for economic entities, but also with respect to monitoring the concrete results of organizational and managerial decisions taken and with regard to their effectiveness.

The implementation of the necessary information support for the components of the management system is in no way aimed at substituting the functions performed by the system of state statistics, but to complement them.

Enhancement of hotel industry services

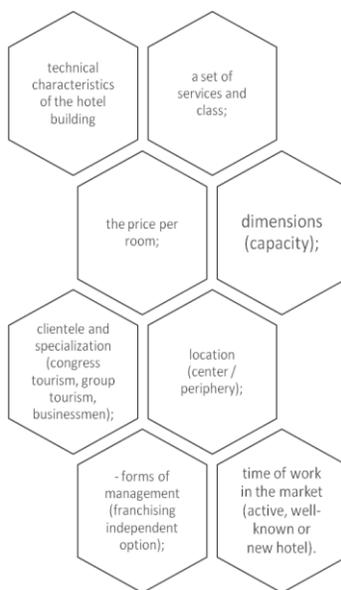
The globalization and concentration of the hotel business are manifested in the creation of large corporations and hotel chains. This approach allows hotel companies to regroup and attract additional resources for the development of their business. Hotel enterprises are concentrated through the creation of unions or associations that do not violate their legal and economic autonomy, but allow joint marketing programs, conduct research, form a unified system of training and retraining of personnel. The transition to a market economy is objectively accompanied by the gradual creation of a competitive environment in all

sectors of the economy. This circumstance, in turn, necessitates the introduction of adequate changes in the system and methods of managing firms, regardless of their size and profile of activity. The hotel industry today is an industry with a growing level of competition in the hotel services market. At present, there are different approaches to the evaluation of various types of potentials of various socio-economic systems. Based on their analysis in the thesis, it is suggested first to justify methodological approaches and principles for assessing the financial potential of a hotel enterprise. The production potential reflects the production capacity of the hotel to provide basic and additional types of services, sales of related products, i.e. this is the volume of services rendered and products sold that can be performed for a certain period of time by employees of the hotel company on the basis of available production assets with the optimal organization of work. The system for assessing the production potential of the hotel is quite complete, in our opinion, it can be displayed by two groups of indicators - defined in the whole by the hotel and by individual structural units. In addition to the basic indicators characterizing the production potential, additional indicators can be calculated.

Calculation of the production potential of the hotel will allow to assess its position on the market, i.e. competitiveness. However, here there is a problem of adequate segmentation of the market or allocation of direct competitive groups. Indeed, a small hotel for 100 or less rooms can not compete with a large hotel for 500 or more rooms. The hotel in the city center or large tourist areas is not comparable in terms of indicators with hotels located in the sleeping areas. From international practice it follows that in the case of an unsaturated market of hotel services, it is permissible to compare objects that have the same class, but different other characteristics. If the market is saturated and highly segmented (by class and specialization of hotels), for comparison, the most similar objects are selected, relying on their classification for the entire spectrum of the existing differences below. At the same time, the clientele factor is considered to be a priority for choosing the nearest competitive environment for the hotel.

It seems expedient to determine the nearest competitors in the calculation of the hotel's production potential, in addition, the following aspects should be taken (graph 2):

Graph 2. Major features of hotel production



The productive potential is directly related to the financial potential. The financial potential reflects the financial possibilities of the hotel, i. it is the ability to effectively form, distribute and use the financial resources of the hotel in order to increase the welfare of its owners and achieve a social effect.

Depending on the group of problems facing the enterprise, it is proposed to apply certain methods and indicators of financial analysis. We can distinguish three main stages of financial analysis - preparatory, analytical and final. Using the proposed methodology of financial analysis will provide an objective assessment of the financial condition of the hotel on a certain date, as well as build a forecast for the development of the hotel for a certain perspective.

Foreign scientists the degree of conformity of abilities, that is, the staff potential of an employee to the requirements set to him, characterize his competence, understanding by this the totality of the following factors;

Graph 3. Enhancement factors of hotel industry



The following facts testify to the insufficiently high level of labor organization and training for the hotel complex:

- inefficient organization of work in a number of hotels, leading to an increase in labor costs in the process of hotel services;
- low quality of the proposed set of services, which reflects the unsatisfactory state of hotel buildings requiring ongoing or major repairs;
- obsolete fixed assets and the use of outdated technologies;
- the lack of a sufficient number of personnel in the hotel services market who have the qualifications required for modern working conditions;

- lack of a reserve of trained personnel, which allows to solve flexibly the problems of seasonal fluctuations in the load; The absence of a staff reserve increases the time required for the training of a qualified specialist.

Based on the conducted studies and taking into account their own practical experience, a methodology for calculating integral indicators characterizing the potential of a hotel is proposed. This calculation includes indicators for six blocks:

- 1) the organizational and technical component;
- 2) the production component;
- 3) financial component;
- 4) the investment component;
- 5) the staffing component;
- 6) socio-economic component.

In each individual case, the calculation assumes an additional clarification with the customer of the methodology. At the same time, the participation of the customer in the relevant work becomes an indispensable condition, since only this approach provides administrative support for the collection of information and specific comments on its regional characteristics.

The specific methodical approach essentially depends on the set tasks and includes the formation of a list of integrated indicators that reflect the specific nature of the problem; determination of the composition and quantitative value of the weighting coefficients; clarification of the characteristics of certain processes that need to be identified.

The analysis made it possible to identify the processes of globalization among the latest trends in the development of the hotel business in the world. This trend is embodied in the formation of global unions of corporations and the rapid increase in their number, occurring under the influence of a number of factors, among which the decisive impact is exacerbated by competition in world markets.

Conclusion

Conclusions on the results of work and prospects for further development. The problems of increasing the competitiveness of the hotel business can be divided into the following:

- conducting research on the formation of the principles of management of the hotel business in market conditions;
- application to management and development of management solutions of the main scientific approaches (system, marketing, functional, reproductive, regulatory, etc.);
- revision of the ISO 9000 series on quality systems with the aim of linking them with the whole - competitiveness and complementing with scientific approaches such as marketing, functional, reproductive, etc., covering most aspects of management;
- Orientation of the development of the hotel business mainly on innovative development let, etc.

In the conditions of the market and competition, the developed countries of the world perceive high quality as a strategic commercial imperative and the most significant source of national wealth. Only on its basis the enterprise can survive in the conditions of a competition and receive the necessary profit. Therefore, it seems quite objective that activities to improve and ensure quality in a market economy should be a priority.

Thus, summarizing all of the above, we can conclude that actualizing "quality" in the role of one of the main factors of success for the Ukrainian tourism industry in general, and the hotel industry in particular, as a base, the hypothesis about the possibility and necessity of managing the processes of providing the required its level from the point of view of the interconnected functioning of the elements integrated into the subsystem of the subject, synergistically determining the effectiveness of the territorial management system ETS hotel services

With the formation of a quality management system for hotel services, the Odessa region can become a new equal participant in the world market of hotel services.

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EFFECTIVE LEADERSHIP
IS NOT ABOUT MAKING SPEECHES
OR BEING LIKED; LEADERSHIP
IS DEFINED BY RESULTS
NOT ATTRIBUTES

Peter Drucker

BARRIER FREE ENVIRONMENT IN HYDERABAD METRO RAIL

Nishant Bhola¹, Dr.Panchali Singh²

ABSTRACT

Hyderabad as a metropolitan city is a growing capital of Telangana state which has emerged as an Information Technology hub. With technological advancements the public transportation has also changed to fast, convenient and environment friendly. Persons with disabilities (Divyangjan) usually face barriers in using public transport systems independently. But it is quite evident from the data collected through office of the Hyderabad metro rail that Hyderabad metro stations and metro rail coaches are barrier free. Thus Hyderabad metro rail is providing all the barrier free facilities to persons with disabilities (Divyangjan) so as to make them accessible and respect their independence.

KEY WORDS: Barrier free environment, Persons with disabilities, Hyderabad Metro Rail

INTRODUCTION:

According to official website of the Hyderabad Government, “Hyderabad District is a city-district in the state of Telangana which includes a part of the metropolitan capital city area of Hyderabad. It is the smallest in terms of area, among all the districts in the state, but has the highest human density. Hyderabad district occupies an area of approximately 217 square kilometers. According to the 2011 census the population of this district was 3,943,323. Hyderabad is known as the City of Pearls, as it had once flourished as a global centre for trade of rare diamonds, emeralds as well as natural pearls.”

ABOUT HYDERABAD METRO RAIL:

According to official website of Hyderabad Metro Rail, “Hyderabad Metro Rail (HMR) is the world's largest Public-Private Partnership (PPP) project in the Metro rail sector. Metro rail and other forms of Mass Rapid Transport System (MRTS) are emerging as prominent infrastructure requirement offering a viable solution to the transportation woes that accompany urban expansion. Hyderabad Metro Rail (HMR) Project is an integrated urban transport development project with inter-modal connectivity and convenient sky walks that will mark the beginning of an era of seamless commuting across Hyderabad”. Hyderabad Metro Station has a three-tier infrastructure – Street level, Concourse level and Platform level.

ABOUT BARRIER FREE ENVIRONMENT:

Barrier free environment are concerned with those facilities, provisions and arrangements which help to overcome various hindrances that hamper independent movement of a person. For example, if a person using wheel chair wants to reach first floor from ground floor in a particular building then it is difficult task for him or impractical to use stairs for reaching first floor, but if there is ramp or lift in that building then it is easy for a wheel chair user to use that ramp or lift and reach first floor without any problem. Persons with

¹ Assistant Professor, Department of Management, Dr.Shakuntala Misra National Rehabilitation University, Lucknow, Uttar Pradesh, India

² Associate Professor, Department of Management, Dr.Shakuntala Misra National Rehabilitation University, Lucknow, Uttar Pradesh, India

Disabilities (Divyangjan) usually face barriers in using public transport systems independently. So facilities of ramp, lift, handrail, Braille letters, signage etc are part of barrier free environment.

OBJECTIVE:

1. To study the barrier free facilities provided to Persons with Disabilities (Divyangjan) in Hyderabad Metro stations.
2. To gather information about the barrier free facilities present in the Hyderabad metro rail coach.

RESEARCH METHODOLOGY:

The present study is a qualitative research wherein the researcher aims at gaining knowledge about the barrier free facilities provided to Persons with Disabilities (Divyangjan).

In order to meet the desired objectives secondary data is taken from official website of Hyderabad Metro rail. Desired information is also obtained from authorities of Hyderabad Metro rail through formal RTI application.

FINDINGS:

Hyderabad metro rail is being designed and executed as Persons with disabilities (Divyangjan) friendly system. The following are some of the important features which tend to make Hyderabad Metro rail as barrier free:

- Special care is taken at Metro stations and trains to cater the needs of the people with mobility impairment (Wheelchair passengers), visual impairment and hearing impairment.
- Stations are designed to provide barrier free environment. Ramps are provided at the road level of Metro stations to facilitate wheelchair movement upto the lifts.
- Bigger lifts are provided to easily accommodate and manoeuvre wheel chairs. Lifts has hand rail inside for the aid of Persons with disabilities (Divyangjan) and elderly people.
- The height of operating buttons in lifts, fare gates, ticket vending Machines (TVM) etc, is designed in such a way to enable access for Persons with disabilities (Divyangjan).
- Lift operating buttons will have information in Braille at all levels of the stations to help visually impaired persons.
- Tactile strip is provided throughout the stations from street level right upto the edge of the platform so that visually impaired persons can get into the train on their own by tapping the floor with walking stick.
- The gap between the platform and train floor is maintained in such a way that wheelchairs can easily get into the trains and visually impaired persons will not get their feet accidentally trapped in the gap between the platform and the train door.
- Specially designated wheel chair spaces are provided in the metro trains to lock the wheelchairs to a special 'grab hold' in the train.
- Special toilet with provisions for Persons with disabilities (Divyangjan) is provided at each station. These toilets are equipped with grab bars and supports to aid them.
- Wide Automatic Fare collection gates are provided for wheelchair passengers.
- Ticket Vending Machines (TVM)s are designed to aid the passenger with speech impairment.

- Signage is designed with high contrast levels to aid passengers with low vision. Pictograms along with signage will facilitate Persons with disabilities (Divyangjan) and illiterate people to easily access different areas of the stations and the trains without anybody's help.
- Stainless steel grab holds are provided in the standing areas of the trains for the comfort and safety of standing passengers.
- Announcements are made in three languages to aid passengers who are unable to see and read the information. Announcements will tell the next station; platform side on which the door will open; and other safety guidelines.

CONCLUSION:

- It is evident from the facts presented by the Hyderabad metro rail that all the facilities are provided by the metro for easy accessibility and mobility of Persons with Disabilities (Divyangjan).
- Every possible care is taken for removing barriers which may hamper in the travel trip of Persons with Disabilities (Divyangjan).

LIMITATIONS OF STUDY:

- This research paper is mainly based on secondary data, taken from the website of Hyderabad Metro.
- The present research is focussed only on Hyderabad metro rail.
- The study is aimed at gathering information on barrier free facilities provided to Persons with Disabilities (Divyangjan) and no other facilities are studied.

SCOPE FOR FUTURE WORK:

- The present research work may act as a base for further researches on Hyderabad metro and metro rail in other cities.
- This piece of work may help policy makers in making other modes of transport barrier free for easy accessibility of Persons with disabilities (Divyangjan).
- This research paper will be helpful to those who are interested in barrier free environment and metro rail.

REFERENCE:

- <https://www.ltmetro.com>
- <http://hyderabad.telangana.gov.in>

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