

Editorial

We are delighted to bring out once again an issue of “GBAMS Vidushi” with diversified papers drawn from the leading researchers and eminent academicians.

This issue consists of research papers from various perspective functional areas of management such as marketing, web advertising, agripreneurship & leadership.

Starting a present issue with the paper which discusses market opportunities for FMCG and the preference of consumers for the small packs, followed by influence of personality traits of web users on web advertising. The next paper points out how the agricultural products are sold in the market by small agripreneurs. Besides these papers, this issue includes paper on leadership style of school head masters and its influence on subordinate teachers. Another paper discusses the issues in global market place and one paper on managerial success through effective leadership. We also carry papers discussing on growth of Indian telecom industry and on Brand ambassadors' role in telecom sector.

We are very much thankful to the contributors for this issue of “GBAMS Vidushi” and all the members for their support. We wish happy reading to all our readers. We welcome the feedback from the readers that help us add value to the journal in future.



(Shivangi Shivam)
Editor

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A STUDY ON THE CREDIT RISK MANAGEMENT FRAMEWORK AT BANKS IN COIMBATORE REGION

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Abstract

This paper aims to study the implementation of the Credit Risk Management Framework by various Commercial Banks operating at Coimbatore region. A primary survey was conducted to analyse the credit risk management practises at the banks. The results show that the authority for approval of Credit Risk vests with the 'Board of Directors' and the 'Credit Policy Committee'. For Credit Risk Management, most of the banks (if not all) are found performing several activities like industry study, periodic credit calls, periodic plant visits, developing MIS, risk scoring and annual review of accounts. However, the banks are not that much efficient in the use of derivatives products as risk hedging tool. This survey has analysed the Credit Risk Management framework of banks and reports that the credit risk management framework is on the right track and it is fully based on the RBI's guidelines issued in this regard.

Keywords: Credit risk, interbank exposures, loan policy, pricing credit risk, credit policy.

Introduction

Financial System is the most important institutional and functional vehicle for economic transformation of any country. Banking sector is reckoned as a hub and barometer of the financial system. As a pillar of the economy, this sector plays a predominant role in the economic development of the country. The global financial system is still far away from a full recovery on account of a slowdown in the US economy as well as the Euro debt crisis. However, the Indian banking sector has been relatively well shielded by the central bank and has managed to sail through most of the crisis with relative ease. India's banking sector is growing rapidly and is expected to enjoy even greater growth opportunities in the future. The growth in the Indian Banking Industry has been more qualitative than quantitative and it is expected to remain the same in the coming years.

The last decade has seen many positive developments in the Indian banking sector. The policy makers, which comprise the Reserve Bank of India (RBI), Ministry of Finance and related government and financial sector regulatory entities, have made several notable efforts to improve regulation in the sector. The sector now compares favourably with banking sectors in the region on metrics like growth, profitability and non-performing assets (NPAs). A few banks have established an outstanding track record of innovation, growth and value creation. This is reflected in their market valuation. However, improved regulations, innovation, growth and value creation in the sector remain limited to a small part of it. The cost of banking intermediation in India is higher and bank penetration is far lower than in other markets. India's banking industry must strengthen itself significantly if it has to support the modern and vibrant economy which India aspires to be. While the onus for this change lies mainly with bank managements, an enabling policy and regulatory framework will also be critical to their success.

Recent time has witnessed the world economy develop serious difficulties in terms of lapse of banking & financial institutions and plunging demand. Prospects became very uncertain causing recession in major economies. However, amidst all this chaos India's banking sector has been amongst the few to maintain resilience. Several Indian banks are pursuing global strategies, as Indian companies globalise and people of Indian origin increase their investment in India. At the same time, a large number of global banks have stepped up their focus on India, keen to participate in the sector's growth.

Need for the study:

The sound financial systems serve as an important channel for achieving economic growth through the mobilization of financial savings. The failure to respond to changing market realities has stunted the development of the financial sector in many developing countries. A weak banking structure has been unable to fuel continued growth, which has harmed the long-term health of their economies. The major factors that contributed to deteriorating bank performance are stringent regulatory requirements, low interest rates charged on government bonds, directed and concessional lending. One of the problems that have been identified as a cause of the current credit crunch is the financial industry's over-reliance on complex quantitative models of financial risk and the wide use of risk management tools such as Value at Risk (VAR). The VAR has been treated as reliable even when it was evident that not all uncertainties in the risk model had been sufficiently accounted for, and this resulted in an underestimation of extreme risk. Now-a-days, a huge focus has been placed on credit risk modelling in the banking industry with the advent of Basel II. The major issue for the banks is the implementation of the new credit risk management framework as per RBI and Basel directives. This study focuses on investigating the implementation and effectiveness of credit risk management framework that is practised at banks in Coimbatore to reduce the threat of defaulters.

Objectives:

- ♣ To study the implementation of the Credit Risk Management Framework at banks in Coimbatore.
- ♣ To measure the level of risk faced by banks in their transactions.
- ♣ To identify the most frequently used approach for measuring the capital requirement for credit risk
- ♣ To study about the importance of the aspects of credit risk considered for defining the prudential limits.
- ♣ To identify the importance of factors those are considered for pricing credit risk and evaluating the interbank exposures.
- ♣ To investigate about the approving authorities for the credit risk policy and loan policy of the banks.

Review of Literature

Altman (2000), in this article he has used the Altman Z-Score model and ZETA credit risk model to examine the unique characteristics of business failures. Finally he has specified and quantified the variables that are the effective indicators and predictors of corporate distress. MonoshreeMahanta and MunindraKakati (2011) have made their attempts to analyse the various measures for effective management of credit risk that are implemented by the Indian Public sector banks to test their effectiveness. By their analyses they have concluded that all the model have weakness but the level of weakness is not the same for all the models. This weakness is coined as the major cause of accounts turning into bad loans. Mitchell and Roy (2007) have used the Altman Z-Score model to rank the firms and to design their internal rating systems. Through this article they have investigated whether some models are better in differentiating defaulting and non-defaulting firms and founded the extent to which different failure prediction models may yield significantly different rankings for the same firm. Vytautas Boguslauskas, RicardasMileris, RutaAdlyte (2011) have investigated the credit risk assessment model by using 25 variables which has the highest correlation to the possibility of default. By using the analysis of variance (ANOVA) and Logistic regression the reliability of the model was tested. Finally Mahalanobis Distances were calculated and it was concluded that the average values of Mahalanobis Distances for the most reliable companies were the lowest and these values increased with a decreased reliability of the company. Rajagopal (1996) has made an attempt to overview the bank's risk management and has suggested a model for pricing the products based on credit risk assessment of the borrowers. He has concluded that a good banking is the one having a good risk management, which will lead to the profitable survival of the institution. In the long run, the interests of the banking institution will be safeguarded only by having a proper approach to risk identification, measurement and control. Marcelo Y. Takami and Benjamin M. Tabak (2011) have proposed a methodological framework to construct an early warning system for the Banking sector. They have employed an options-based methodology to estimate default risk for six major Brazilian banks and proved that the measures have informational content. Finally the options-based indicator was compared with market-based financial fragility indicators and it was observed that the

indicators are useful for risk managers and regulators, especially during crisis. By this article they have concluded that the option-based methods are preferable for classify the banks. Froot and Stein (1998) have found that credit risk management through active loan purchase and sales activity affects the bank's investments in risky loans. Banks that purchase and sell loans hold more risky loans as a percentage of the balance sheet than other banks. It is been concluded that the banks that manage their credit risk hold more risky loans than banks that merely sell loans or banks that merely buy loans. Gabriele Sabato (2010) has analysed the history and new developments related to credit scoring models and has found that with the New Basel Capital Accord, credit scoring models have been remotivated and given unprecedented significance. He has also analysed the key steps of the credit scoring model's lifecycle highlighting the main requirements imposed by Basel II and has concluded that the banks that are willing to implement the most advanced approach to calculate their capital requirements under Basel II should increase their attention and consideration of credit scoring models in the near future. Bandyopadhyay (2006) aims at developing an early warning signal model for predicting corporate default in emerging market economy like India. He has presented the method for directly estimating probability of default using financial and non-financial variable. For predicting corporate bond default multiple discriminant analysis is used and logistic regressions model is employed for estimating Probability of Default (PD). The author concludes that by the usage of 'Z' score model, banks and investors in emerging markets like India can get early warning signals about the firm's solvency status and reassess the magnitude of default premium that is required for a low grade securities. Duffee and Zhou (1999) have modelled the effects on banks due to the introduction of a market for credit derivatives; particularly, credit-default swaps. Their paper examined that a bank can use swaps to temporarily transfer credit risks of their loans to others, reducing the likelihood that defaulting loans trigger the bank's financial distress. They have concluded that the introduction of a credit derivatives market is not desirable because it can cause other markets to break down because of loan risk-sharing. Jayanta Kishore Nandi and Navin Kumar Choudhary (2011) has developed an internal credit rating model for the banks to improve their current predictive power of financial risk factors. He also has studied banks technique of assessing the creditworthiness of their borrowers and how can they identify the potential defaulters so as to improve their credit evaluation. He has used the Altman Z-Score model to arrive at an equation for helping the banks in predicting the future defaulters and taking necessary action. The authors have concluded by developing a model which is an application of multivariate discriminant analysis in credit risk modelling. Treacy and Carey (1998) have examined the credit risk rating mechanism at US Banks and highlighted the architecture of the Bank's Internal Rating System and Operating Design of rating system to compare the bank system relative to the rating agency system. Finally they have concluded that the bank's internal rating system helps in their credit risk management, profitability analysis and product pricing. Han-Hsing Lee, Ren-Raw Chen and Cheng-Few Lee (2009) have reviewed the empirical evidence and estimation methods of structural credit risk models and have provided the investigation of the performance of default prediction under the down-and-out barrier option framework. Through their analyses they have concluded that the simple Merton model outperforms the Brockman and Turtle model in default prediction and the inferior performance of the Brockman and Turtle model may be due to its unreasonable assumption of the flat barrier.

Suresh N, Anil Kumar S. and Gowda D. M (2009), have analysed the relationship of diversified portfolio of credit advances and NPAs of private banks. The portfolios of all credit advances in all regions were considered for the study. It has been found that the relationship between overall NPAs of private sector banks had no correlation with that of individual Bank and portfolios of occupations plays significant role towards contribution of NPAs. Personal loans are inversely proportional to the NPAs and are significant in all regions. Thus they conclude that the banks need to diversify their portfolio to achieve a better credit equilibrium and establish Risk Management Information System. Muninarayanappa and Nirmala (2004) have outlined the concept of credit risk management in banks and they have highlighted the objectives and factors that determine the direction of bank's policies on credit risk management. The challenges related to internal and external factors in credit risk management are also examined and concluded that the success of credit risk management require maintenance of proper credit risk environment, credit strategy and policies. Thus the ultimate aim should be to protect and improve the loan quality. Robert Edelstein's (1977) examines the role of banks in financing the development of Black-owned businesses. The key issue discussed in this article was "how does a bank differentiate between potentially good and potentially bad credit risks". Through the empirical analysis he has suggested some variables that may be useful for screening the credit worthiness of loan applications from Black

entrepreneurs. He has concluded by interpreting the loan size as an indicator of loan soundness. Sébastien Deschênes, examines the loan loss estimation management by bank managers by analysing the potential opportunistic behaviours exhibited by the commercial loan officers at the time of loan. He has concluded that the role of the commercial loan officers in files involving businesses in financial difficulty can be explored by the usage of loan loss estimation management.

Methodology

The research involved in this study is a descriptive research. Descriptive research design is involved for observing and describing the behavior of a subject without influencing it in any way. This study aims at identifying the variables influencing the credit risk management framework and its effectiveness in reducing the default risk. There are two types of data involved in this project viz. primary and secondary data. Primary data refers to the information collected from various banks by means of the questionnaire. Conversely, secondary data refers to the information gathered from the existing sources like the report, literature articles etc. This study includes both types of data. Initially, the information was gathered from the literature articles to gain knowledge about the research area. The research articles were taken from the full text databases such as EBSCO Host and ProQuest that are highly reliable. By analysing these articles sufficient knowledge about the banking industry, credit risk management and the variables influencing its effectiveness were gained. The sample size is 35. This sample size consists of the 21 public sector banks, 12 private banks and 2 foreign banks. Percentage Analysis, One way Anova Analysis were used

Analysis and Discussion

Level of Risk:

The first question raised to bankers was about the relative importance of various transactions, which cause credit risk in their bank. The average value of the risk levels are given below

Transactions	Public Sector Banks		Private Sector Banks		Overall risk of bank	
	Score	Level	Score	Level	Score	Level
Direct lending	4.3	Normal	3.67	Normal	4	Normal
Guarantees/ LOC	4	Normal	2.92	Very low	3.41	low
Cross border exposure	4.2	Normal	3.92	Normal	4.09	Normal

From the above table, it is seen that at public sector banks 'direct lending' has the highest risk level (with mean score 4.3) followed by 'Cross border exposure' (mean score 4.2) and 'guarantees/letter of credit' (mean score 4). In private sector banks, 'Cross border exposure' has the highest risk level (with mean score 3.92) followed by 'direct lending' (mean score 3.67) and 'guarantees/letter of credit' (mean score 2.92). As a whole, 'Cross border exposure' has the highest risk level (with mean score 4.09) followed by 'direct lending' (mean score 4) and 'guarantees/letter of credit' (mean score 3.41).

Effectiveness of Securitization Ordinance Act 2002:

Next the effectiveness of 'Securitization Ordinance Act, 2002' was analysed because it was introduced for the effective credit risk management at banks in India.

Table 1.2: Effectiveness of Securitization Ordinance Act 2002

Levels of effectiveness	Public Sector Banks	Private Sector Banks	Overall
Very much	16 (76%)	13 (93%)	29 (83%)
Somewhat	5 (24%)	1 (7%)	6 (17%)
Not at all	0 (0%)	0 (0%)	0 (0%)
Total	21	12	35

The survey resulted that the 83% (29 out of 35) of the banks view that 'Securitization Ordinance' is very important for banks in their credit risk management and 17% (6 out of 35) view that, the act will be of 'somewhat' helpful in dealing with credit risk. None of the banks responded that the act was not at all helpful for managing their credit risk.

Responsibility of approval of Credit risk policy:

Next, the delegation of authority to approve the credit risk policy was analysed to identify the authority to approve the credit risk policies in the banks.

Table 1.3: Responsibility of approval of Credit risk policy

Authority	Public Sector Banks	Private Sector Banks	Overall
Board of Directors	12 (57%)	5 (36%)	17 (49%)
Senior Management	4 (19%)	2 (14%)	6 (17%)
Credit policy committee	5 (24%)	7 (50%)	12 (34%)
Total	21	12	35

From the above it can be witnessed that mostly 'board of directors' were allotted to approve the credit risk policies, followed by the 'credit policy committee' and the 'senior management'.

Credit limit for seeking approval from credit approval committee:

This analysis is to find the limits at which the approval is required from the Credit Approval Authority.

Table 1.4 Credit limit for seeking approval from credit approval committee

Credit limit	Public Sector Banks	Private Sector Banks	Overall
Above 20 lakhs	6 (29%)	1 (7%)	7 (20%)
Above 50 lakhs	7 (33%)	5 (36%)	12 (34%)
Above 1 crore	8 (38%)	7 (50%)	15 (43%)
Total	21	12	35

The above table shows that about 43% of the banks have implemented 'Above 1 crore' as their credit limit and then 34% of the banks have implemented 'Above 50 lakhs' as their credit limit and 20% of the banks have implemented 'Above 20 lakhs' as their credit limit.

Level at which the approval committees are set-up:

Banks can have credit approving committees at various operating levels. Hence the analysis was made to find the levels at which these committees were functioning.

Table 1.5 Level at which the approval committees are set-up

Level	Public Sector Banks		Private Sector Banks		Overall	
Branch level	5	24%	3	21%	8	23%
Regional level	5	24%	2	14%	7	20%
Zonal level	4	19%	4	29%	8	23%
Head office level	7	33%	5	36%	12	34%
Total	21	100%	12	100%	35	100%

From the above table, it is seen that majority (34%) of the banks have set-up their approving committees at the head office level. 23% of the banks have set-up their approving committees at the branch level, 23% at the Zonal level and 20% has set-up their approving committees at the regional level

Aspects of credit risk considered for prudential limits:

Table 1.6: Aspects of credit risk considered for defining prudential limits

Aspects	Score	App Score	Status
Stipulate Benchmark	6.35	6	Important
Single/Group borrower limits	6.03	6	Important
Exposure limits	6.18	6	Important
Max exposure limits	6.06	6	Important
Maturity profile	5.41	5	Moderate

From the above table it is seen that 'Stipulated benchmark for ratios' is considered as the most important aspect and the second most important aspect is the 'Exposure limits'. Next important one is the 'Maximum exposure limit' aspect followed by 'Single/Group borrower limit' and the 'Maturity profile for loanbook' aspect.

Metrics for Bank's rating:

'Risk rating' is given the maximum importance as a credit risk management activities amongst the commercial banks, irrespective of their sector or size.

Table 1.7: Metrics for Bank's rating

Metrics for rating	Public Sector Banks		Private Sector Banks		Overall	
Number	5	24%	5	36%	10	29%
Alphabets	1	5%	1	7%	2	6%
Alpha-Numeric	13	62%	6	43%	19	54%
Symbol	0	0%	0	0%	0	0%
Descriptive terms	2	10%	2	14%	4	11%
Total	21	100%	14	100%	35	100%

From the above table, at the overall level it is seen that the highest percentage of banks use alpha-numeric (54%) followed by those uses numbers (29%), descriptive terms (11%) and alphabets (6%).

Factors considered for pricing credit risks:

Table 1.8: Factors considered for pricing credit risks

Factors	Score	App Score	Status
Portfolio quality	5.91	6	Important
Value of Collateral	6.00	6	Important
Market forces	5.35	5	Moderate
Perceived value of accounts	5.24	5	Moderate
Future Business Potential	5.59	6	Important
Portfolio Industry Exposure	5.56	6	Important
Strategic reasons	5.47	5	Moderate

From the above table, it is seen that the factor 'value of collateral' with the mean of 6 holds the first position in terms of importance in pricing credit risk. Portfolio quality with the mean of 5.91, holds the second importance position followed by Future business potential (with mean of 5.59), Portfolio industry exposure (with mean of 5.56), strategic reasons (with mean of 5.47), Market forces (with mean of 5.35) and Perceived value of accounts (with mean of 5.24).

Responsibility for reviewing the loan policy:

Table 1.9: Responsibility for reviewing the loan policy

Authority	Public Sector Banks		Private Sector Banks		Overall	
Board of Directors	16	76%	6	43%	22	63%
Credit Administration Department	4	19%	4	29%	8	23%
Loan Review Officer	1	5%	0	0%	1	3%
Any Other	0	0%	4	29%	4	11%
Total	21	100%	12	100%	35	100%

From the above table, it can be witnessed that mostly 'board of directors' (63%) were authorised to review the loan policies, followed by the 'credit administration department' and the 'Loan officer'. Some the banks (11%) allow other officials to involve in reviewing the loan policy based on their experience and designation.

Aspects considered for studying interbank exposures:

Table 1.10: Aspects considered for studying interbank exposures

Factors	Score	App Score	Status
Study of financial performance	6.38	6	Important
Operating efficiency	6.15	6	Important
Management quality	5.94	6	Important
Past experience	5.94	6	Important
Bank rating on credit quality	6.21	6	Important
Internal matrix for counterparty risk	5.32	5	Moderate

From the above table, it is seen that the factor 'Study of financial performance' with the mean of 6.38 holds the first position in terms of importance in studying interbank exposures. Bank rating on credit quality with the mean of 6.21, holds the second importance position followed by operating efficiency (with mean of 6.15), Management quality and past experience (with the same mean of 5.94) and the internal matrix for counterparty risk (with mean of 5.32).

Approach for capital charge collection:

Table 1.11: Approach for capital charge collection

Approach	Public Sector Banks		Private Sector Banks		Overall	
Standardized Approach	11	52%	7	50%	18	51%
Foundation Internal Rating Based Approach	3	14%	1	7%	4	11%
Advanced Internal Rating Based Approach	7	33%	6	43%	13	37%
Total	21	100%	12	100%	35	100%

From the above table, it is seen that the 'Standardised approach' is the most frequently used (51%) approach for calculating the capital charge. The second most frequently used approach is the Advanced internal rating approach (37%) followed by the foundation internal rating based approach (11%).

Analysis: One-Way Anova

Level of credit risk vs responsibility for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, the level of approval committee and the activities of credit risk management.

H0: Level of credit risk does not influence the responsibility for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, level of approval committee and the activities of credit risk management.

H1: Level of credit risk influences the responsibility for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, level of approval committee and the activities of credit risk management.

Table 2.1: Level of credit risk and the responsibility for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, level of approval committee and the activities of credit risk management

	Responsibility for approval of CRP		Technique used for CRM		Credit limit		Level of approval committee		Activities of CRM	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Direct Lending	.555	.697	.668	.789	.1867	.171	.448	.863	.702	.725
Guarantees/ LOC	1.37	.268	1.832	.108	.191	.827	1.004	.4501	.904	.551
Cross border exposure	.882	.486	1.534	.190	.085	.919	.335	.273	.894	.559

*Level of Significance is 5%

From the table showing the level of risk, it is seen that the significant values of Direct lending, Guarantees/Letter of credit, Cross border exposure against the metrics used for rating in the bank are 0.981, 0.868 & 0.253, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Direct lending, Guarantees/Letter of credit, Cross border exposure against the interval for credit risk assessment are 0.125, 0.238 & 0.747, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Direct lending, Guarantees/Letter of credit, Cross border exposure against the preparation for credit quality reports are 0.438, 0.105 & 0.429, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Direct lending, Guarantees/Letter of credit, Cross border exposure against RAROC are 0.872, 0.983 & 0.355, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Direct lending, Guarantees/Letter of credit, Cross border exposure against credit risk model for the evaluation of credit portfolio are 0.435, 0.971 & 0.62, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Direct lending, Guarantees/Letter of credit, Cross border exposure against the interval for loan policy are 0.855, 0.389 & 0.498, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. Hence, there is no significant association between the metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy and the level of credit risk measuring variables.

Level of credit risk vs metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy.

H0: Level of credit risk does not influence the metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy.

H1: Level of credit risk influences the metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy.

Table 2.2: Level of credit risk and the metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy

	Metrics for rating		Interval for CRA		Credit quality reports		RAROC		Credit risk model		Interval for loan policy	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Direct Lending	.101	.981	2.217	.1251	.616	.4382	.026	.872	1.027	.435	.331	.8551
Guarantees /LOC	.311	.8681	.503	.238	.776	.105	.000	.983	.240	.971	.069	.389
Cross border exposure	.416	.253	.294	.747	.642	.429	.880	.355	.767	.620	.862	.498

*Level of Significance is 5%

From the table showing the level of risk, it is seen that the significant values of Direct lending, Guarantees/Letter of credit, Cross border exposure against the metrics used for rating in the bank are 0.981, 0.868 & 0.253, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Direct lending, Guarantees/Letter of credit, Cross border exposure against the interval for credit risk assessment are 0.125, 0.238 & 0.747, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Direct lending, Guarantees/Letter of credit, Cross border exposure against the preparation for credit quality reports are 0.438, 0.105 & 0.429, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Direct lending, Guarantees/Letter of credit, Cross border exposure against RAROC are 0.872, 0.983 & 0.355, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Direct lending, Guarantees/Letter of credit, Cross border exposure against credit risk model for the evaluation of credit portfolio are 0.435, 0.971 & 0.62,

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Level of credit risk vs the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives and the approach for measuring capital requirement for credit risk.

HO: Level of credit risk does not influence the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives and the approach for measuring capital requirement for credit risk.

H1: Level of credit risk influences the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives and the approach for measuring capital requirement for credit risk.

Table 2.3: Level of credit risk and the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives and the approach for measuring capital requirement for credit risk

	Reviewer of loan policy		Defined exposure		Interbank exposure		Use of derivatives		Approach for measuring capital	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Direct Lending	.996	.407	.032	.859	1.416	.2573	.153	.858	3.278	.0241
Guarantees/ LOC	.307	.8201	.561	.459	.575	.040	.521	.599	.313	.2881
Cross border exposure	.051	.384	.052	.822	.545	.585	.422	.659	.042	.402

*Level of Significance is 5%

From the table showing the level of risk, it is seen that the significant values of Direct lending, Guarantees/Letter of credit, Cross border exposure against the reviewer of loan policy are 0.407, 0.82 & 0.384, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Direct lending, Guarantees/Letter of credit, Cross border exposure against defined exposure for managing off-balance sheet exposure are 0.859, 0.459 & 0.822, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Direct lending, Cross border exposure against interbank exposure framework are 0.257 & 0.585, which is greater than 0.05 (5% level of significance), but the variable Guarantees/Letter of credit has a significant value of 0.04 which is less than 0.05 (5% level of significance), so the null hypothesis is rejected. The significant values of Direct lending, Guarantees/Letter of credit, Cross border exposure against the use of derivatives are 0.858, 0.599 & 0.659, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Guarantees/Letter of credit, Cross border exposure against the approach for measuring capital requirement for credit risk are 0.288 & 0.402, which is greater than 0.05 (5% level of significance), but the variable Direct lending has a significant value of 0.024 which is less than 0.05 (5% level of significance), so the null hypothesis is rejected. Hence, there is significant association between the interbank exposure framework, approach for measuring capital requirement for credit risk and the level of credit risk measuring variables.

Effectiveness of Securitization Ordinance Act 2002 Vs Responsibility for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, the level of approval committee and the activities of credit risk management.

HO: Effectiveness of Securitization Ordinance Act 2002 does not influence the responsibility for approval of credit risk policy,

technique/instrument used for credit risk management, credit limit for seeking credit approval committee, level of approval committee and the activities of credit risk management.

H1: Effectiveness of Securitization Ordinance Act 2002 influences the responsibility for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, level of approval committee and the activities of credit risk management.

Table 2.4: Effectiveness of Securitization Ordinance Act 2002 and the responsibility for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, level of approval committee and the activities of credit risk management

	Responsibility for approval of CRP		Technique used for CRM		Credit limit		Level of approval committee		Activities of CRM	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Effectiveness of Securitization Ordinance Act 2002	1.697	.177	.532	.895	1.829	.177	.963	.477	.984	.488

*Level of Significance is 5%

From the above table, it is seen that the significant values of the responsibility for approval of credit risk policy, the technique/instrument used for credit risk management, credit limit for seeking credit approval committee, the level of approval committee and activities of credit risk management are 0.171, 0.895, 0.177, 0.477 & 0.488, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. Hence, there is no significant association between the responsibilities for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, the level of approval committee, the activities of credit risk management and effectiveness of Securitization Ordinance Act 2002.

Effectiveness of Securitization Ordinance Act 2002 Vs Metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy.

H0: Effectiveness of Securitization Ordinance Act 2002 does not influence the metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy.

H1: Effectiveness of Securitization Ordinance Act 2002 influences the metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy.

Table 2.5: Effectiveness of Securitization Ordinance Act 2002 and the metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy.

	Metrics for rating		Interval for CRA		Credit quality reports		RAROC		Credit risk model		Interval for loan policy	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Effectiveness of Securitization Ordinance Act 2002	1.411	.254	1.068	.356	.776	.385	.011	.915	.228	.975	3.443	.020

*Level of Significance is 5%

From the above table, it is seen that the significant values of Effectiveness of Securitization Ordinance Act 2002 against the metrics used for rating in the bank, the interval for credit risk assessment, the preparation for credit quality reports, credit risk model for the evaluation of credit portfolio are 0.254, 0.356, 0.385, 0.915 & 0.975 which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Effectiveness of Securitization Ordinance Act 2002 against the interval for loan policy is 0.020, which is lesser than 0.05 (5% level of significance), the null hypothesis is rejected. Hence, there is significant association between the interval for loan policy and the effectiveness of Securitization Ordinance Act 2002.

Effectiveness of Securitization Ordinance Act 2002 Vs the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives and the approach for measuring capital requirement for credit risk.

H0: Effectiveness of Securitization Ordinance Act 2002 does not influence the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives and the approach for measuring capital requirement for credit risk.

H1: Effectiveness of Securitization Ordinance Act 2002 influences the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives and the approach for measuring capital requirement for credit risk.

Table 2.6: Effectiveness of Securitization Ordinance Act 2002 and the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives and the approach for measuring capital requirement for credit risk

	Reviewer of loan policy		Defined exposure		Interbank exposure		Use of derivatives		Approach for measuring capital	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Effectiveness of Securitization Ordinance Act 2002	1.852	.158	.776	.385	.284	.754	.303	.741	.542	.706

*Level of Significance is 5%

From the above table, it is seen that the significant values of Effectiveness of Securitization Ordinance Act 2002 against the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives, approach for measuring capital requirement for credit risk are 0.158, 0.385, 0.754, 0.741 & 0.706, which is greater than 0.05 (5% level of significance), so the alternate hypothesis is rejected. Hence, there is significant association between the interbank exposure framework, approach for measuring capital requirement for credit risk and the effectiveness of Securitization Ordinance Act 2002.

Aspects of credit risk Vs Responsibility for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, the level of approval committee and the activities of credit risk management.

H0: Aspects of credit risk does not influence the responsibility for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, level of approval committee and the activities of credit risk management.

H1: Aspects of credit risk influences the responsibility for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, level of approval committee and the activities of credit risk management.

Table 2.7: Aspects of credit risk and the responsibility for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, level of approval committee and the activities of credit risk management

	Responsibility for approval of CRP		Technique used for CRM		Credit limit		Level of approval committee		Activities of CRM	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Stipulate Benchmark	.237	.915	.688	.772	.018	.982	.341	.928	1.394	.2411
Single/Group borrower limits	.320	.862	.454	.941	.665	.5212	.302	.9471	.500	.198
Exposure limits	.162	.956	.409	.961	.425	.105	.720	.1461	.850	.596
Max exposure limits	.537	.710	.926	.558	.696	.5062	.555	.1921	.871	.5781
Maturity profile	.368	.829	.662	.794	.299	.117	.033	.431	.291	.290

*Level of Significance is 5%

From the table showing the level of risk, it is seen that the significant values of Stipulated benchmark for ratios, Single/Group borrower limits, Exposure limits, Maximum exposure limits to industry and Maturity profile of loan book against the responsibility for approval of credit risk policy are 0.915, 0.862, 0.956, 0.71 & 0.829, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Stipulated benchmark for ratios, Single/Group borrower limits, Exposure limits, Maximum exposure limits to industry and Maturity profile of loan book against the technique/instrument used for credit risk management are 0.772, 0.941, 0.961, 0.558 & 0.794, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Stipulated benchmark for ratios, Single/Group borrower limits, Exposure limits, Maximum exposure limits to industry and Maturity profile of loan book against the credit limit for seeking credit approval committee are 0.982, 0.521, 0.105, 0.506 & 0.117, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Stipulated benchmark for ratios, Single/Group borrower limits, Exposure limits, Maximum exposure limits to industry and Maturity profile of loan book against the level of approval committee are 0.928, 0.947, 0.146, 0.192 & 0.431, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Stipulated benchmark for ratios, Single/Group borrower limits, Exposure limits, Maximum exposure limits to industry and Maturity profile of loan book against the activities of credit risk management are 0.241, 0.198, 0.596, 0.578 & 0.29, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. Hence, there is no significant association between the responsibilities for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, the level of approval committee, the activities of credit risk management, aspects of credit risk measuring variables and the aspects of credit risk.

Aspects of credit risk Vs Metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy.

HO: Aspects of credit risk does not influence the metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy.

H1: Aspects of credit risk influences the metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy.

Table 2.8: Aspects of credit risk and the metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy.

	Metrics for rating		Interval for CRA		Credit quality reports		RAROC		Credit risk model		Interval for loan policy	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Stipulate Benchmark	1.642	.1902	.759	.477	1.178	.286	1.752	.195	.870	.542	.244	.911
Single/Group borrower limits	.559	.0591	.308	.737	.166	.686	1.398	.246	1.283	.296	.246	.910
Exposure limits	.078	.385	.085	.919	1.509	.228	.058	.811	.904	.518	.633	.643
Max exposure limits	.946	.451	1.632	.211	.038	.846	2.547	.120	2.059	.084	.801	.534
Maturity profile	.231	.919	.397	.676	.587	.449	1.092	.304	1.301	.287	.533	.713

*Level of Significance is 5%

From the table showing the level of risk, it is seen that the significant values of Stipulated benchmark for ratios, Single/Group borrower limits, Exposure limits, Maximum exposure limits to industry and Maturity profile of loan book against the metrics used for rating in the bank are 0.19, 0.059, 0.385, 0.451 & 0.919, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Stipulated benchmark for ratios, Single/Group borrower limits, Exposure limits, Maximum exposure limits to industry and Maturity profile of loan book against the interval for credit risk assessment are 0.477, 0.737, 0.919, 0.211 & 0.676, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Stipulated benchmark for ratios, Single/Group borrower limits, Exposure limits, Maximum exposure limits to industry and Maturity profile of loan book against the preparation for credit quality reports are 0.195, 0.246, 0.811, 0.12 & 0.304, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Stipulated benchmark for ratios, Single/Group borrower limits, Exposure limits, Maximum exposure limits to industry and Maturity profile of loan book against RAROC are 0.286, 0.686, 0.228, 0.846 & 0.449, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Stipulated benchmark for ratios, Single/Group borrower limits, Exposure limits, Maximum exposure limits to industry and Maturity profile of loan book against credit risk model for the evaluation of credit portfolio are 0.542, 0.296, 0.518, 0.084 & 0.533, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Stipulated benchmark for ratios, Single/Group borrower limits, Exposure limits, Maximum exposure limits to industry and Maturity profile of loan book against the interval for loan policy are 0.911, 0.91, 0.643, 0.534 & 0.713, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. Hence, there is no significant association between the metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy and the Aspects of credit risk measuring variables.

Aspects of credit risk vs the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives and the approach for measuring capital requirement for credit risk.

HO: Aspects of credit risk does not influence the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives and the approach for measuring capital requirement for credit risk.

H1: Aspects of credit risk influences the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives and the approach for measuring capital requirement for credit risk.

Table 2.9: Aspects of credit risk and the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives and the approach for measuring capital requirement for credit risk

	Reviewer of loan policy		Defined exposure		Interbank exposure		Use of derivatives		Approach for measuring capital	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Stipulate Benchmark	.567	.641	.2022	.1647	.135	.874	.474	.627	8.699	.000
Single/Group borrower limits	.372	.773	.258	.011	.625	.542	1.008	.376	6.144	.001
Exposure limits	.330	.804	.491	.4881	.257	.775	3.582	.039	1.439	.245
Max exposure limits	1.359	.273	.693	.2024	.159	.854	3.117	.058	3.816	.013
Maturity profile	4.198	.013	.275	.047	.881	.424	.611	.549	.877	.489

*Level of Significance is 5%

From the table showing the level of risk, it is seen that the significant values of Stipulated benchmark for ratios, Single/Group borrower limits, Exposure limits and Maximum exposure limits to industry against the reviewer of loan policy are 0.641, 0.773, 0.804 & 0.273, which is greater than 0.05 (5% level of significance), but the maturity profile of loan book has a significant value of 0.013 which is lesser than 0.05 (5% level of significance), the null hypothesis is rejected. The significant values of Stipulated benchmark for ratios, Single/Group borrower limits, Exposure limits, Maximum exposure limits to industry against defined exposure for managing off-balance sheet exposure are 0.164, 0.488 & 0.202, which is greater than 0.05 (5% level of significance), but the variables Single/Group borrower limit and the maturity profile of loan book has a significant value of 0.011 & 0.047 which is lesser than 0.05 (5% level of significance), the null hypothesis is rejected. The significant values of Stipulated benchmark for ratios, Single/Group borrower limits, Exposure limits, Maximum exposure limits to industry and Maturity profile of loan book against interbank exposure framework are 0.874, 0.542, 0.775, 0.854 & 0.424, which is greater than 0.05 (5% level of significance), so the alternate hypothesis is rejected. The significant values of Stipulated benchmark for ratios, Single/Group borrower limits, Maximum exposure limits to industry and Maturity profile of loan book against the use of derivatives are 0.627, 0.376, 0.058 & 0.549, which is greater than 0.05 (5% level of significance), but the variable Exposure limits has a significant value of 0.039 which is less than 0.05 (5% level of significance), so the null hypothesis is rejected. The significant values of Exposure limits and Maturity profile of loan book against the approach for measuring capital requirement for credit risk are 0.245 & 0.489, which is greater than 0.05 (5% level of significance), but the variables Stipulated benchmark for ratios, Single/Group borrower limits, Maximum exposure limits to industry has a significant value of 0.00, 0.001 & 0.013, which is less than 0.05 (5% level of significance), so the null hypothesis is rejected. Hence, there is significant association between the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, use of derivatives, the approach for measuring capital requirement for credit risk and the aspects of credit risk measuring variables.

Factors for pricing credit risk vs responsibility for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, the level of approval committee and the activities of credit risk management.

HO: Factors for pricing credit risk does not influence the responsibility for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, level of approval committee and the activities of credit risk management.

H1: Factors for pricing credit risk influences the responsibility for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, level of approval committee and the activities of credit risk management.

Table 2.10: Factors for pricing credit risk and the responsibility for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, level of approval committee and the activities of credit risk management

	Responsibility for approval of CRP		Technique used for CRM		Credit limit		Level of approval committee		Activities of CRM	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Portfolio quality	2.166	.097	1.301	.293	.969	.391	.334	.931	2.652	.023
Value of Collateral	.229	.920	3.552	.006	.515	.602	1.040	.427	.437	.922
Market forces	.297	.878	.820	.653	.674	.517	1.612	.175	1.958	.084
Perceived value of accounts	.468	.758	1.023	.478	.313	.733	.708	.665	1.396	.240
Future Business Potential	1.161	.348	.663	.793	.018	.982	.400	.894	1.050	.438
Portfolio Industry	.667	.620	1.035	.468	1.054	.360	.705	.668	1.934	.088
Exposure Strategic reasons	.861	.499	.571	.867	.791	.462	.721	.655	.856	.592

*Level of Significance is 5%

From the table showing the level of risk, it is seen that the significant values of Portfolio quality, Value of collateral, Market forces, Perceived value of accounts, Future Business Potential, Portfolio industry exposure and strategic reasons against the responsibility for approval of credit risk policy are 0.097, 0.92, 0.878, 0.758, 0.348, 0.62 & 0.499, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Portfolio quality, Market forces, Perceived value of accounts, Future Business Potential, Portfolio industry exposure and strategic reasons against the technique/instrument used for credit risk management are 0.293, 0.653, 0.478, 0.793, 0.468 & 0.867, which is greater than 0.05 (5% level of significance), but Value of collateral has a significant value of 0.006 which is less than 0.05 (5% level of significance), the null hypothesis is rejected. The significant values of Portfolio quality, Value of collateral, Market forces, Perceived value of accounts, Future Business Potential, Portfolio industry exposure and strategic reasons against the credit limit for seeking credit approval committee are 0.391, 0.602, 0.517, 0.733, 0.982, 0.36 & 0.462, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Portfolio quality, Value of collateral, Market forces, Perceived value of accounts, Future Business Potential, Portfolio industry exposure and strategic reasons against the level of approval committee are 0.931, 0.427, 0.175, 0.665, 0.894, 0.668 & 0.655, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Portfolio quality, Value of collateral, Market forces, Perceived value of accounts, Future Business Potential, Portfolio industry exposure and strategic reasons against the activities of credit risk management are 0.922, 0.084, 0.24, 0.438, 0.088 & 0.592, which is greater than 0.05 (5% level of significance), but the variable stipulated benchmark for ratios has a significant value of 0.023 which is less than 0.05 (5% level of significance), the null hypothesis is rejected. Hence, there is significant association between the technique/instrument used for credit risk management, activities of credit risk management and factors for pricing credit risk.

Factors for pricing credit risk vs metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy.

H0: Factors for pricing credit risk does not influence the metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy.

H1: Factors for pricing credit risk influences the metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy.

Table 2.11: Factors for pricing credit risk and the metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy.

	Metrics for rating		Interval for CRA		Credit quality reports		RAROC		Credit risk model		Interval for loan policy	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Portfolio quality	.795	.538	1.328	.279	2.788	.104	4.898	.034	.717	.658	.933	.458
Value of Collateral	1.076	.386	1.045	.363	.776	.385	1.004	.324	.469	.848	1.343	.277
Market forces	.757	.561	1.865	.171	3.238	.081	17.021	.000	1.704	.150	.935	.457
Perceived value of accounts	1.200	.331	1.687	.201	.255	.617	1.873	.180	1.904	.108	.323	.860
Future Business Potential	1.715	.173	.902	.416	1.999	.167	.055	.815	.654	.708	.283	.887
Portfolio Industry Exposure	1.685	.180	1.148	.330	4.231	.048	6.395	.016	1.868	.115	.787	.543
Strategic reasons	3.337	.023	.613	.548	.026	.874	7.341	.011	.739	.642	.666	.620

*Level of Significance is 5%

From the table showing the level of risk, it is seen that the significant values of Portfolio quality, Value of collateral, Market forces, Perceived value of accounts, Future Business Potential and Portfolio industry exposure against the metrics used for rating in the bank are 0.538, 0.386, 0.561, 0.331, 0.173 & 0.180, which is greater than 0.05 (5% level of significance), but the variable strategic reasons has a significant value of 0.023, which is lesser than 0.05 (5% level of significance), the null hypothesis is rejected. The significant values of Portfolio quality, Value of collateral, Market forces, Perceived value of accounts, Future Business Potential, Portfolio industry exposure and strategic reasons against the interval for credit risk assessment are 0.279, 0.363, 0.171, 0.201, 0.416, 0.330 & 0.548, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Portfolio quality, Value of collateral, Market forces, Perceived value of accounts, Future Business Potential, and strategic reasons against the preparation for credit quality reports are 0.104, 0.385, 0.081, 0.617, 0.167 & 0.874, which is greater than 0.05 (5% level of significance), but the variable Portfolio industry exposure has a significant value of 0.048, which is less than 0.05 (5% level of significance), the null hypothesis is rejected. The significant values of Value of collateral, Perceived value of accounts, Future Business Potential against RAROC are 0.324, 0.18 & 0.815, which is greater than 0.05 (5% level of significance), but the variables Portfolio quality, Market forces, Portfolio industry exposure and strategic reasons has a significant value of 0.034, 0.00, 0.016 & 0.011, which is less than 0.05 (5% level of significance), the null hypothesis is rejected. The significant values of Portfolio quality, Value of collateral, Market forces, Perceived value of accounts, Future Business Potential, Portfolio industry exposure and strategic reasons against credit risk model for the evaluation of credit portfolio are 0.658, 0.848, 0.15, 0.108, 0.708, 0.115 & 0.642, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Portfolio quality, Value of collateral, Market forces, Perceived value of accounts, Future Business Potential, Portfolio industry exposure and strategic reasons against the interval for loan policy are 0.458, 0.277, 0.457, 0.86, 0.887, 0.543 & 0.62, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. Hence, there is significant association between the metrics used for rating, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), the interval for loan policy and the factors for pricing credit risk.

Factors for pricing credit risk vs the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives and the approach for measuring capital requirement for credit risk.

H0: Factors for pricing credit risk does not influence the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives and the approach for measuring capital requirement for credit risk.

H1: Factors for pricing credit risk influences the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives and the approach for measuring capital requirement for credit risk.

Table 2.12: Factors for pricing credit risk and the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives and the approach for measuring capital requirement for credit risk

	Reviewer of loan policy		Defined exposure		Interbank exposure		Use of derivatives		Approach for measuring capital	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Portfolio quality	4.297	.012	7.428	.010	.460	.635	.393	.678	1.194	.334
Value of Collateral	.680	.571	.316	.578	1.000	.379	.569	.572	1.306	.290
Market forces	5.155	.005	4.397	.044	1.198	.315	.620	.544	1.700	.176
Perceived value of accounts	1.437	.251	.063	.803	.538	.589	.370	.694	1.763	.162
Future Business Potential	.773	.518	.032	.859	.950	.397	.110	.897	4.342	.007
Portfolio Industry Exposure	4.228	.0131	.141	.710	.654	.527	.099	.906	.582	.678
Strategic reasons	.425	.254	2.396	.131	.557	.579	.139	.871	3.415	.020

*Level of Significance is 5%

From the table showing the level of risk, it is seen that the significant values of the variables Value of collateral, Perceived value of accounts, Future Business Potential and strategic reasons against the reviewer of loan policy are 0.571, 0.251, 0.518 & 0.254, which is greater than 0.05 (5% level of significance), but Portfolio quality, Market forces, Portfolio industry exposure has a significant value of 0.012, 0.005 & 0.013, which is lesser than 0.05 (5% level of significance), the null hypothesis is rejected. The significant values of Value of collateral, Perceived value of accounts, Future Business Potential, Portfolio industry exposure and strategic reasons against defined exposure for managing off-balance sheet exposure are 0.578, 0.803, 0.859, 0.71 & 0.131, which is greater than 0.05 (5% level of significance), but Portfolio quality, Market forces has a significant value of 0.01 & 0.044, which is lesser than 0.05 (5% level of significance), the null hypothesis is rejected. The significant values of Portfolio quality, Value of collateral, Market forces, Perceived value of accounts, Future Business Potential, Portfolio industry exposure and strategic reasons against interbank exposure framework are 0.635, 0.379, 0.315, 0.589, 0.397, 0.527 & 0.579, which is greater than 0.05 (5% level of significance), so the alternate hypothesis is rejected. The significant values of Portfolio quality, Value of collateral, Market forces, Perceived value of accounts, Future Business Potential, Portfolio industry exposure and strategic reasons against the use of derivatives are 0.678, 0.572, 0.544, 0.694, 0.897, 0.906 & 0.871, which is greater than 0.05 (5% level of significance), so the alternate hypothesis is rejected. The significant values of Portfolio quality, Value of collateral, Market forces, Perceived value of accounts and Portfolio industry exposure against the approach for measuring capital requirement for credit risk are 0.334, 0.29, 0.176, 0.162 & 0.678, which is greater than 0.05 (5% level of significance), but the variables future business potential and strategic reasons has a significant value of 0.007 & 0.02, which is less than 0.05 (5% level of significance), so the null hypothesis is rejected. Hence, there is significant association between the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, the approach for measuring capital requirement for credit risk and the factors for pricing credit risk.

Aspects for evaluating bank wise exposure Vs Responsibility for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, the level of approval committee and the activities of credit risk management.

H0: Aspects for evaluating bank wise exposure does not influence the responsibility for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, level of approval committee and the activities of credit risk management.

H1: Aspects for evaluating bank wise exposure influences the responsibility for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, level of approval committee and the activities of credit risk management.

Table 2.13: Aspects for evaluating bank wise exposure and the responsibility for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, level of approval committee and the activities of credit risk management

	Responsibility for approval of CRP		Technique used for CRM		Credit limit		Level of approval committee		Activities of CRM	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Study of financial performance	.109	.979	.689	.771	.134	.875	.512	.817	.426	.928
Operating efficiency	.086	.986	1.733	.131	.303	.740	.695	.675	.520	.870
Management quality	.261	.900	1.333	.276	1.306	.285	.606	.745	1.394	.241
Past experience	.247	.909	1.287	.301	.614	.547	1.004	.450	1.026	.456
Bank rating on credit quality	.510	.729	.976	.516	.334	.718	.752	.631	.385	.949
Internal matrix	.579	.680	1.109	.413	1.371	.268	1.107	.387	.821	.621

*Level of Significance is 5%

From the table showing the level of risk, it is seen that the significant values of Study of financial performance, operating efficiency, management quality, past experience, bank rating on credit quality and internal matrix for counter party risk against the responsibility for approval of credit risk policy are 0.979, 0.986, 0.90, 0.909, 0.729 & 0.68, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Study of financial performance, operating efficiency, management quality, past experience, bank rating on credit quality and internal matrix for counter party risk against the technique/instrument used for credit risk management are 0.771, 0.131, 0.276, 0.301, 0.516 & 0.413, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Study of financial performance, operating efficiency, management quality, past experience, bank rating on credit quality and internal matrix for counter party risk against the credit limit for seeking credit approval committee are 0.875, 0.740, 0.285, 0.547, 0.718 & 0.268, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Study of financial performance, operating efficiency, management quality, past experience, bank rating on credit quality and internal matrix for counter party risk against the level of approval committee are 0.817, 0.675, 0.745, 0.45, 0.631, 0.387, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Study of financial performance, operating efficiency, management quality, past experience, bank rating on credit quality and internal matrix for counter party risk against the activities of credit risk management are 0.928, 0.87, 0.241, 0.456, 0.949 & 0.621, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. Hence, there is no significant association between responsibility for approval of credit risk policy, technique/instrument used for credit risk management, credit limit for seeking credit approval committee, level of approval committee, activities of credit risk management and the aspects for evaluating bank wise exposures.

Aspects for evaluating bank wise exposure Vs Metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy.

H0: Aspects for evaluating bank wise exposure does not influence the metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy.

H1: Aspects for evaluating bank wise exposure influences the metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy.

Table 2.14: Aspects for evaluating bank wise exposure and the metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio and the interval for loan policy.

	Metrics for rating		Interval for CRA		Credit quality reports		RAROC		Credit risk model		Interval for loan policy	
	F	sig.	F	Sig.	F	sig.	F	sig.	F	sig.	F	sig.
Study of financial performance	.254	.905	.214	.808	.004	.947	1.342	.255	.322	.937	.262	.900
Operating efficiency	.864	.497	1.089	.349	.003	.957	2.565	.119	.367	.914	.301	.875
Management quality	.793	.539	1.152	.329	5.028	.032	.027	.870	1.848	.119	.413	.798
Past experience	.327	.857	.107	.899	.033	.856	.047	.830	.404	.892	.782	.546
Bank rating on credit quality	.338	.850	.789	.463	.036	.851	1.970	.170	.515	.815	1.194	.334
Internal matrix	.414	.797	.041	.960	.098	.756			1.069	.410	.419	.793

*Level of Significance is 5%

From the table showing the level of risk, it is seen that the significant values of Study of financial performance, operating efficiency, management quality, past experience, bank rating on credit quality and internal matrix for counter party risk against the metrics used for rating in the bank are 0.905, 0.497, 0.539, 0.857, 0.85 & 0.797, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Study of financial performance, operating efficiency, management quality, past experience, bank rating on credit quality and internal matrix for counter party risk against the interval for credit risk assessment are 0.808, 0.349, 0.329, 0.899, 0.463 & 0.96, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Study of financial performance, operating efficiency, past experience, bank rating on credit quality and internal matrix for counter party risk against the preparation for credit quality reports are 0.947, 0.957, 0.856, 0.851 & 0.756, which is greater than 0.05 (5% level of significance), but the variable management quality has a significant value of 0.032, which is less than 0.05 (5% level of significance), the null hypothesis is rejected. The significant values of Study of financial performance, operating efficiency, management quality, past experience, bank rating on credit quality and internal matrix for counter party risk are 0.454, 0.255, 0.119, 0.87, 0.83 & 0.17, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Study of financial performance, operating efficiency, management quality, past experience, bank rating on credit quality and internal matrix for counter party risk against credit risk model for the evaluation of credit portfolio are 0.937, 0.914, 0.119, 0.892, 0.815 & 0.41, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. The significant values of Study of financial performance, operating efficiency, management quality, past experience, bank rating on credit quality and internal matrix for counter party risk against the interval for loan policy are 0.90, 0.875, 0.798, 0.546, 0.334 & 0.793, which is greater than 0.05 (5% level of significance), the alternate hypothesis is rejected. Hence, there is no significant association between the metrics used for rating, interval for credit risk assessment, preparation of credit quality reports, Risk Adjusted Return on Capital (RAROC), credit risk model for the evaluation of credit portfolio, interval for loan policy and the Aspects for evaluating bank wise exposure.

Aspects for evaluating bank wise exposure Vs the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives and the approach for measuring capital requirement for credit risk.

H0: Aspects for evaluating bank wise exposure does not influence the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives and the approach for measuring capital requirement for credit risk.

HI: Aspects for evaluating bank wise exposure influences the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives and the approach for measuring capital requirement for credit risk.

Table 2.15: Aspects for evaluating bank wise exposure and the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, interbank exposure framework, use of derivatives and the approach for measuring capital requirement for credit risk

	Reviewer of loan policy		Defined exposure		Interbank exposure		Use of derivatives		Approach for measuring capital	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Study of financial performance	1.452	.247	.004	.947	.159	.854	.766	.473	.938	.455
Operating efficiency	1.395	.263	.762	.389	.251	.780	.171	.844	5.825	.001
Management quality	7.386	.001	.116	.736	.200	.820	.213	.809	.314	.866
Past experience	1.520	.229	.540	.468	.297	.745	1.109	.342	1.193	.334
Bank rating on credit quality	2.748	.060	.682	.415	.293	.748	.662	.523	.988	.429
Internal matrix	3.187	.037	8.423	.007	1.451	.249	.035	.965	4.502	.006

*Level of Significance is 5%

From the table showing the level of risk, it is seen that the significant values of Study of financial performance, operating efficiency, past experience and bank rating on credit quality against the reviewer of loan policy are 0.247, 0.263, 0.229 & 0.06, which is greater than 0.05 (5% level of significance), but of management quality and internal matrix for counter party risk has a significant value of 0.01 & 0.037, which is lesser than 0.05 (5% level of significance), the null hypothesis is rejected. The significant values of Study of financial performance, operating efficiency, management quality, past experience and bank rating on credit quality against defined exposure for managing off-balance sheet exposure are 0.947, 0.389, 0.736, 0.468 & 0.415, which is greater than 0.05 (5% level of significance), but the internal matrix for counter party risk has a significant value of 0.007, which is lesser than 0.05 (5% level of significance), the null hypothesis is rejected. The significant values of Study of financial performance, operating efficiency, management quality, past experience, bank rating on credit quality and internal matrix for counter party risk against interbank exposure framework are 0.854, 0.78, 0.82, 0.745, 0.748 & 0.249, which is greater than 0.05 (5% level of significance), so the alternate hypothesis is rejected. The significant values of Study of financial performance, operating efficiency, management quality, past experience, bank rating on credit quality and internal matrix for counter party risk against the use of derivatives are 0.473, 0.844, 0.809, 0.342, 0.523 & 0.965, which is greater than 0.05 (5% level of significance), so the alternate hypothesis is rejected. The significant values of Study of financial performance, management quality, past experience and bank rating on credit quality against the approach for measuring capital requirement for credit risk are 0.455, 0.866, 0.334 & 0.429, which is greater than 0.05 (5% level of significance), but the variables operating efficiency and internal matrix for counter party risk has a significant value of 0.001 & 0.006, which is less than 0.05 (5% level of significance), so the null hypothesis is rejected. Hence, there is significant association between the reviewer of loan policy, defined exposure for managing off-balance sheet exposure, the approach for measuring capital requirement for credit risk and the Aspects for evaluating bank wise exposure.

Findings

In this research paper, an attempt has been made to study the 'Credit Risk Management Framework' of banks operating in Coimbatore. The findings are presented below:

- In public sector banks, 'direct lending' transaction has the highest risk and in private sector banks the 'cross border exposures' have the highest risk. While considering the overall banking sector 'cross border exposure' transactions of the banks have the highest risk.
- To manage and control the credit risk, all the banks are following the 'Securitization Ordinance Act, 2002' which is very much effective for them.

- Regarding the authority for approval of the Credit Risk Policy, it was found that in most of the banks, the same is approved either by the Board of Directors or the Credit approval committee.
- The authority of credit risk management is set up at 'Head Office' level in most of the banks. The credit sanction of the authority is obtained for exposures of more than Rs. 1 cr.
- For management of credit risk, RBI has suggested various prudential limits like clear definition of exposure limits and single/group borrower limits. Amongst these limits, 'stipulated benchmark for ratios' is considered as the most important and the 'maturity profile for loan book' is considered as the least.
- The risk rating is the most important activity performed by banks for credit risk management. More than 50% of the banks use the 'Alpha-Numeric scale in their rating mechanism.
- The next important technique for credit risk management, as suggested by RBI, is 'Risk adjusted pricing of the portfolio'. Through the survey it was found that the 'Value of collateral' is the most important factor considered for pricing credit risk in banks.
- Regarding model for evaluation of their credit portfolio, it was found that most of the banks use CRISIL's model and their own internally designed models for the effective credit portfolio evaluation.
- Regarding the responsibility for reviewing the loan Policy, it was found that in more than 60% of the banks, the Board of Directors were responsible for the review.
- In order to evaluate the interbank exposures, the aspect 'Study of Financial performance' is considered as more important and the aspect 'Internal matrix about the counter party risk' is given the least importance.
- For calculating the capital charge, most of the banks prefer either the standardized approach or the advanced internal rating based approach of credit risk.

Suggestions:

From the above findings, the following suggestions are recommended.

- Through the effective use of RAROC and interbank exposure framework the credit risk level of the banks can be reduced.
- The appropriate selection of the approach for measuring capital requirement will reduce the risk level of the banks by improving the credit risk measures that are followed.
- Having a reliable interbank exposure framework the effectiveness of the risk rating process can be improved.
- The interval for credit risk assessment should be in correspondence with the interval for loan policy review.
- By defining the exposure for managing the off-balance sheet exposures there will be consistency in the efficiency of the credit risk management activities.
- To generate an effective credit quality report, the banks should consider the effectiveness of both the Risk Adjusted Return on Capital measurement and the interbank exposure framework.
- Proper training/education program towards the implementation of the credit risk management activities will make the managers more efficient

Conclusion:

Thus the study has analysed the broad dimensions associated with credit risk management practises at banks in Coimbatore. Irrespective of the sector differences Credit Risk Management framework at banks in the Coimbatore region are on the right track and it is fully based on the RBI's guidelines issued. During the transaction activities like direct lending, guarantees and cross border exposures, the interbank exposure framework, RAROC and the approach for measuring capital requirement plays a major role in reducing the credit risk level. While the 'risk rating' is considered as the most important instrument and the other instruments like proper credit administration, prudential limits and loan review are also used as very highly important instruments of credit risk management. The efficient loan policy, defined exposure for managing off-balance sheet exposure, use of derivatives and the approach for measuring capital requirement for credit risk have a major impact on the effectiveness of the credit risk measuring variables, pricing credit risk and bank-wise exposure evaluation. Stipulated benchmark and exposure limits are major prudential limits for the credit risk management. Risk pricing is a modern tool for pricing credit risk in banks. However, the banks are not very effective in using the derivatives products as risk hedging tools because many banks have not adapted to it. The risk managers were of the opinion that the implementation of credit risk related guidelines was not a problem for them, but lack of the understanding of the methodologies/instruments was a cumbersome task for many of them. Hence, steps to organize high training programs on risk management at some institute of high credibility. To conclude the appropriate selection of the approach for measuring capital requirement and the consistency in its evaluation will make the banks to operate safely at a low risk level.

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A CONCEPTUAL STUDY ON WOMEN ENTREPRENEURSHIP IN SMALL SCALE INDUSTRY WITH SPECIAL REFERENCE TO HAZARIBAG CITY (JHARKHAND).



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ABSTRACT

Economic development of any country will be lop-sided without involving women who constitute half of the world population. Evidence has unequivocally established that entrepreneurial spirit is not a male prerogative. An entrepreneur is a person who has an enterprising quality with an eye on opportunities and an uncanny vision, commercial acumen and above all, a person who is willing to take risks because of the adventurous skill within, same holds good for women also. For women entrepreneurs, "starting and operating a business involves considerable risks and difficulties regarding obtaining lines on credit, problems in marketing management, production, advertising and packaging and other socio-personal, managerial, technical, Raw-material, Inventory, Financial and governmental assistance problems. This paper proposes to identify the major problems of women entrepreneurs in Hazaribag city with the objectives of analyzing the various problems faced by them and by suggesting the remedial measure which will help in the acceleration of women entrepreneurship in the city.

Keywords: Entrepreneurship, women entrepreneurs Raw-material, Inventory.

INTRODUCTION: --

The emergence of women entrepreneurs and their contribution to the national economy is quit visible in India. The no. of women entrepreneurs has grown over a period of time especially in the 1990 s women entrepreneur need to be lauded for their increased utilization of modern technology, increased investment, finding niche in the export market, creating a sizable employment for other and setting the trend for other women entrepreneur in the organized sector. In modern era, when women are showing their capabilities in various walks of life, the entrepreneurial classes of women are playing an increasingly prominent role in various sectors of Industrial growth and economic development. Entrepreneurship amongst women is a relatively recent phenomenon, which is gradually changing with the growing sensitivity of the roles, responsibilities and economic status of women in the society in general and family in particular. At the same time, it is also recognized that their challenges are immense and complex. For women entrepreneurs, starting and operating a business involves considerable risks and difficulties, because in the Indian social environment women has always lived as subordinate to men. There have been noticeable changes in the socio-psycho-cultural and economic norms of our society due to liberalized policy of the government of India, increase in the education levels of women and increased social awareness in respect of the role women plays in the society. It has now been recognized that to promote self-employment and to reduce the incidence of poverty, some drastic efforts have to be made to accelerate self-employment of women in various sectors.

OBJECTIVE FOR THE STUDY:-

Till now very few efforts have been made in exploring the women Entrepreneurship in India. The data available on these aspects are scattered and not very authentic and doesn't help in accurate decision-making. However, it is also a fact that more and more women are getting into the domain of entrepreneurial activities. The efforts of Government of India through various welfare organizations, non-Governmental agencies, Ministry of Commerce and Industry and hosts of other agencies have started looking after and helping the efforts of women entrepreneurs. Encouraged with the efforts made by different agencies, this study on, " Problems of women entrepreneurs in Hazaribag City(Jharkhand) with the following objectives have been

Undertaken.

1. To examine the awareness about women entrepreneurship.
2. To critically examine the problems faced by women entrepreneurs
3. To suggest different remedial measures in helping and accelerating women entrepreneurs.
4. To examine managerial problem faced by women entrepreneurs
5. To analyze the raw material and market problem.
6. To analyze the problem factors as well as problem of govt assistance

RESEARCH METHODOLOGY:

For conducting this research a sample of 25 women entrepreneurs in hazaribag city was selected out of total population 120 women entrepreneurs. and for analysis of table no 8 , researcher collected data of 20 male and 22 women entrepreneurs in Hazaribag city of Jharkhand. Design of the study was exploratory type and data was exploratory type and data is collected from primary and secondary sources. Primary data was collected through questionnaire/schedule/ personal interview method and secondary data collected through magazines ,journals and news paper (local news paper)

ANALYSIS OF DATA;--

The data contained were analyzed as per the objectives of the study. The salient features of the Studies are as follows:

1. Age of women entrepreneurs

Sl no	Age	No of respondent	Percentage
1	20-30	14	56%
2	31-40	08	32%
3	41-50	03	12%
	Total	25	100 %

Sources; Primary Data.

Thus on the basis of collected data it can be concluded that a good majority of women

Entrepreneur falls in the age-group of 21-30 years.

1. Marital Status: 80% of the respondent was married.
2. Family Background: Majority of 72% belongs to the Upper Middle class.
3. Educational Qualifications: Most of the respondents' i.e. 64% are either Graduates or PG.

2. Problem Faced by women entrepreneurs

SI no	Particular	No of respondent	Percentage
1	Weak collateral position	10	40%
2	Affected family life	05	20%
3	Overcoming the belief that women are not serious as men	05	20%
4	Lack of confidence to start	03	12%
5	No support by family	02	08%
	Total	25	100%

Sources; primary Data

Thus on the basis of collected data it can be concluded that, most of the respondents stated that they have weak collateral positions followed by the problems that their family life is affected, overcoming the belief that women are not serious as men, lack of confidence to start business and no support by family.

3. Managerial problem ;-

SI no	Particular	No of respondent	Percentage
1	Labour Absentism	10	40%
2	Transportation	07	28%
3	Labour turnover	04	16%
4	Lack of skilled worker	03	12%
5	Lack of managerial skill	01	04%
	Total	25	100%

Sources; primary Data

Thus on the basis of collected data it can be concluded that, Majority of the respondents faced the problems of labour absenteeism, followed by Transportation problem, problem of labour turnover, and of skilled labour and lack of knowledge of general management.

4. Technical Problem –

SI no	Particular	No of respondent	Percentage
1	Poor record keeping	09	36%
2	Lack of management experience	07	28%
3	Inadequate availability of land	05	20%
4	Lack of guide agency	03	12%
5	Inadequate facility	01	04%
	Total	25	100%

Sources; primary Data

Thus on the basis of collected data it can be concluded that, the problem of poor record keeping and control was ranked highest in technical problems followed by lack of management experience, inadequate availability of land, plots and premises and non availability of agency to guide.

5. Raw material and market problem :-

SI no	Particular	No of respondent	Percentage
1	Poor Knowledge of market and competition	10	40%
2	Poor inventory management	08	32%
3	Inadequate sales promotion avenues	05	20%
4	General difficulties	02	08%
	Total	25	100%

Sources; primary Data

Thus on the basis of collected data it can be concluded that, Majority of the entrepreneurs stated That they had poor knowledge of market, followed by problem of Inventory Management and Inadequate sales promotion avenues.

6. Financial Problem :-

SI no	Particular	No of respondent	Percentage
1	Price fluctuation in raw material	12	48%
2	Lack of working capital	07	28%
3	Lack of loan facility	04	16%
4	Price fluctuation of finished product	02	08%
	Total	25	100%

Sources; primary Data

Thus on the basis of collected data it can be concluded that, Most of the respondents faced the Problems of price fluctuations and lack of availability of loan and subsidies facility.

7. Problems of government Assistance

SI no	Particular	No of respondent	Percentage
1	Advisory organization become exploitative	10	40%
2	Red tapism at various level	06	24%
3	Lack of govt Help in technical matter	05	20%
4	Poor govt support	04	16%
	Total	25	100%

Sources –primary data

Thus on the basis of collected data it can be concluded that, majority of entrepreneurs stated that advisory organs became Dishonest and exploitative, there was poor government support.

08. Status of problem factor with respect to men as

Problem factor	Mean	S.Deviation	Mean	S.Deviation	Calculated value of t	Tabulated value of t
Managerial problem	3.62	0.723	3.88	0.745	1.146	2.021
Technical problem	4.03	0.623	3.17	0.773	3.944	2.021
Raw material	2.54	0.692	2.32	0.712	1.014	2.021
Financial problem	4.13	0.691	3.71	0.719	1.9248	2.021
Government assistance	3.11	0.767	3.96	0.721	3.7018	2.021

There are 20 male and 22 females an entrepreneur has been taken as sample for the entrepreneurial development problem. This data obtained on the basis of likert scale (H.S, S., D.S, H.D) . In such case t-test being used by researcher for this purpose.

The hypothesis developed as:-

Ho ; there is no significant difference between male and women entrepreneurs with respect to all problem factors independently.

H1; Otherwise.

t statistic is defined as :

$$t = \frac{[x_1 - x_2]}{\sqrt{6_p^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

where

$$6_p^2 = \frac{(n_1 - 1)6_1^2 + (n_2 - 1)6_2^2}{n_1 + n_2 - 2}$$

x_1 = mean problem factor of male

n_1 = 20

and

x_2 = mean problem factor of women

n_2 = 22

6_1 = S.D. of problem factor of male

6_2 = S.D. of problem factor of women

Thus on the basis of analysis of data obtained it can be calculated that two factors i.e. technical problem and government assistance are quite different (calculated value is greater than tabulated value) .while male and women are employing her business in hazaribag city of Jharkhand .as indicated that men's are technically sound rather than women and secondly the government policy help to women where they are employing her business. Moreover, all other factors are quit same for both men or women.

CONCLUSION –

Entrepreneurship amongst women is a relatively recent phenomenon, which is gradually changing with the growing sensitivity of the roles, responsibilities and economic status of women in the society in general and family in particular. At the same time, it is also recognized that their challenges are immense and complex. Today there is a greater awakening among women, given an opportunity, they will deliver the results. In education, they have not only excellent but also become top achievers. Likewise in office and industry, may have shown brilliant results. Even In rural India with education, women have shown better performance. Educating women is absolutely essential in strengthening her personality. The need of the hour is to provide an opportunity in a constructive atmosphere free from gender differences. The need for awareness motivation to be an active member of the society and courage to correct the faults of male counterparts are great challenges today. it is , therefore , encouragement of the growing intensity of motivation amongst educated young women for coming in the entrepreneurial stream and extend support with scientifically designed package of the technical and financial assistance . the non government organizations have a bigger role in stimulating and nurturing the spirit of entrepreneurship amongst women .towards this end , an integrated approach is necessary for making the movement of women entrepreneurship a success . for this purpose , both the government and non government agencies have to play a vital role.

SUGGESTIONS/RECOMMENDATIONS:--

- (1). the women an entrepreneur have felt necessity of, "proper sheds and plots", financial subsidies and "availability of raw materials and adequate and proper transport facilities etc. It is Assumed that these factors are needed to be considered mostly by the government and funding agencies for various purposes. But it also tells upon the efforts of the entrepreneurs in accelerating and making available various items of interest, which they could do with the help Of agencies working keenly with them. However, it is recommended that necessary programmes For establishing and strengthening of these facilities may be given at proper time and place.

- (2) There are many problems in relation to guidance as stated by the respondents. The Concentration of managerial problems and Socio-personal problems were found to be of serious Nature, which may also be rectified by using the parameters associated to this study.
- (3) Respondents have also communicated several financial problems in relation to price-fluctuations, non-availability of loan and funds and their release in time. Attention of the government as well as the voluntary organizations should be drawn in rectifying these problems By making liberal assistance and gearing up the various facilities for enhancement of the status of enterprises.
- (4) Finally on the basis of the study, several problems were faced with government assistance, which involves proper policy to help small entrepreneurs, red-tapism, non availability of guidance and advisory service in time, etc.
- (5) Obviously, these factors need to be considered in re-framing and re-organizing Entrepreneurial Development Programmes (EDPs) in the country, which will not only benefit The entrepreneurs but will be in the largest interest of the region and country, in achieving higher Productivity and prosperity.

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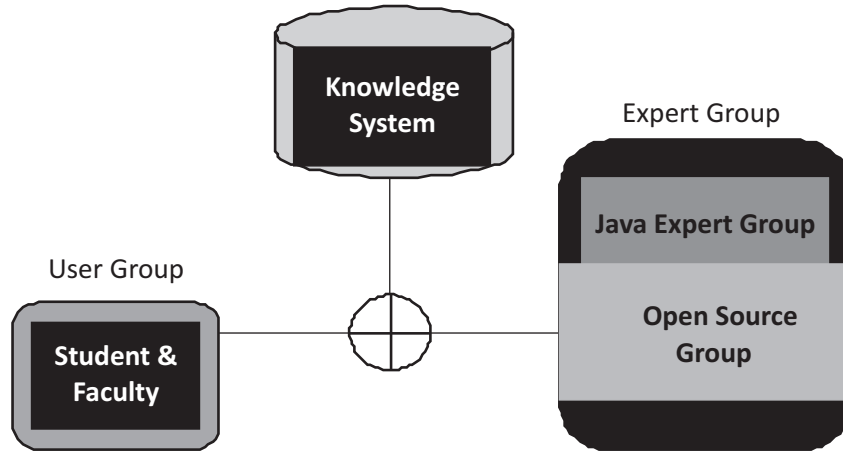


Fig 1: Components of Knowledge Base System.

Educational system now exists in such a way that it provides an environment for students/faculty/researcher/industry experts will drive us to make up an online knowledge centre for education and research. Also enhance their technical skills and to share their knowledge with their fellow students or faculty/researchers/industrial experts. It also aims to provide a platform for mutual cooperation between different kinds of users, learning by mining

Conceptual Framework & Knowledge Base

The conceptual framework contains four core concepts, as shown in figure 2, given below that include:

- Interculturalism
- Interrelatedness
- Inquiry
- Pedagogical Leadership

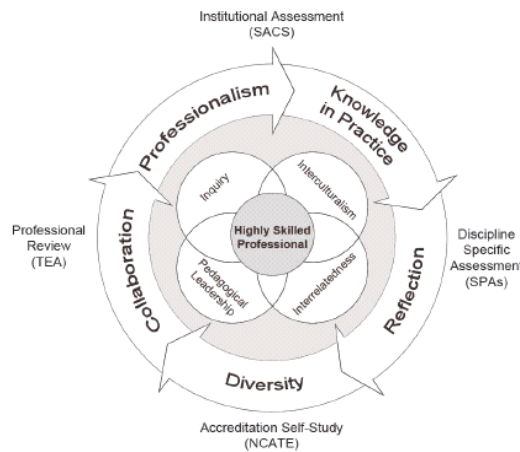


Fig 2: Conceptual Framework (source Univ. of Texas, Brownsville)

Knowledge Based Quality Education: Exploring the Uses of ICT



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Abstract

In the prospective growth of the society education as an essential activity has seen major transformations, from which the new methods and models of the modern educational system have been resulted with proper involvement of ICT (Information communication & technology). The relationship between the individual and society becomes more complex via education, as the individual gains the capability to make his contribution that would balance the benefits of his living among other individuals. In this context, education represents the basis of a society oriented towards the future; knowledge becomes the main component of the economic and social growth. Therefore, the development of the knowledge based society is dependent on the creation of knowledge, on its spreading via education and on its dissemination via communication techniques and on its involvement in technological innovation. This paper is intended to explain how ICT is the enabler for both innovation and education with its existing dimensions.

Keywords: Knowledge-based society, education, ICT.

Introduction

We are living in a society dominated by change. The technical, economical and social evolution has shaped people's way of living and thinking. The globalized markets, the technical and technological revolutions are transforming the modern economy into a "knowledge based society" in which new ways of organizing the work are governing the world, demanding a perpetual build up of competences, a rapid spread of high performance technologies, solid knowledge and increasing responsibilities. Within the current research, the authors start off from the assumption that the role of education is fundamental in the knowledge based society. Also, the authors share the observation that the educational system is responsible for the state of the nation, and this state is conditioned by the quality of the educational system, as well as the obvious truth that the apex of high quality education today is more demanding than just forming the capacity to generate new competences. In knowledge-based educational systems, the key concept is that information and procedures are represented in the same data structure. These structures can search for each other in flexible and, consequently, very robust ways. Artificial intelligence researchers participated in AFHRL's Research Planning Forum for Intelligent Tutorial Systems (ITS). This essay reviews the state of the philosophy, art, and science of artificial intelligence (AI) approaches to education. Advances in artificial intelligence, emergence of information communication technology cognitive science, and instructional discourse have provided a means for investigating human learning, for representing an individual's own "knowledge processing." Research and development in knowledge-based educational systems seems promising, not only for helping people learn how to perform complex tasks, but also for explicitly expressing how people learn to learn. Such a system is shown in the figure 1 (components of knowledge base system) given below. Therefore, would it not be wise to establish a scientific legacy for the development of effective knowledge-based tutorial systems which is informed by the best studies of mind and meaning, language and thought, purpose and paradox.

ICT Dimensions

The role of technology infrastructure in enabling ICT in education has been recognized internationally. But, equipping schools and universities and keeping them up to date with ICT equipment is very expensive due to hardware and software purchases, as well as the recurrent costs associated with maintenance and support. A general observation is that, despite huge investments, ICT is hardly integrated in daily classroom practices, even in countries that were forerunners. Trends indicate that wireless technology is becoming more pervasive and cost-effective, and telecommunications liberalization is occurring globally, although at a slow pace. Mobile Internet centers are also being deployed as a way to reach rural areas. Community telecasters (sometimes based in schools) are also regarded as important tools to provide access to learners (including teachers engaged in personal enrichment and professional development opportunities) to ICT outside of formal school settings. ICT is an enabling requirement to support the interrelated pillars of education, and innovation for socio-economic development in a knowledge society. The above trends, challenges, and country responses reveal that ICT interventions are not uni-dimensional. Rather ICT itself as a concept comprises several interrelated ideas, each of which requires consideration in by policy makers.

ICT for education and development encompasses several dimensions; See the figure 3 given below, which have been elaborated upon above. In summary, these are:

- ♣ Policy development;
- ♣ ICT infrastructure including ICT equipment and connectivity;
- ♣ Professional development (for leaders, educators, public servants, and employers);
- ♣ Materials development; and
- ♣ Research monitoring and evaluation.

ICT, Education & Knowledge

The real knowledge based society, as an expression of the globalized society, tries to connect the needs of human nature, ever growing and more and more diversified, with its own regeneration, coming up with ways of developing the inexhaustible resources – the human intelligence, the innovative spirit, the associative creativeness. ICT and education are critical for development and for securing employment in a knowledge society. However, the potential of ICT in education can only be realized when it is embedded in a social context that is open to innovation and supported by a favorable policy environment. Government policy has a real impact on strategic initiatives, and often determines the parameters of such initiatives through laws, regulations, and the allocation of funds. The potential educational power of Web 2.0 platforms is significant in contributing to education and the knowledge society, where content is important primarily as a tool to be used by learners to construct their own knowledge building on what they already know. For this potential to be realized, however, two key criteria need to be met.

- ♣ First, to participate in such online learning communities and to tap into the massively expanding base of content that is increasingly accessible on the Internet, learners need to be able to participate fully. This cannot be done if they cannot be connected to those communities via broadband Internet connections.
- ♣ Second, it becomes critical to open access to content, so that it can legitimately be used and manipulated by learners to support their learning. This will require a significant shift in thinking, as most educational content generated for use in education systems is protected by inflexible laws of copyright, which explicitly prevent this kind of use and manipulation

ICT is an enabler and important foundation from which education and innovation can accelerate socio-economic development in a knowledge society. In this regard, key trends are listed below.

- ♣ ICT is expanding the range of options available to education planners, in terms of both the teaching and learning strategies, and the managerial and administrative operations they choose to use.
- ♣ ICT is allowing for exponential increases in the transfer of data through increasingly globalized communication systems and networks

- ♣ ICT networks have significantly increased the potential for organizations to expand their sphere of operations and influence beyond their traditional geographical boundaries.
- ♣ ICT is reducing barriers to entry of potential competitors to traditional education institutions.
- ♣ Collective intelligence and mass amateurization are pushing the boundaries of scholarship, while dynamic knowledge creation and social computing tools and processes are becoming more widespread and accepted.
- ♣ Copyright regimes, and their associated business models, that worked effectively prior to the development of ICT are increasingly under threat, and in some cases rapidly becoming redundant.
- ♣ Systemically, ICT is tending to accentuate social disparities between rich and poor. The emergence of technological innovations has tremendous potential to accentuate the digital divide within education, conferring benefit on those with access to ICT and further marginalizing those without such access.
- ♣ Mobile and personal technology is increasingly seen as a delivery platform for services of all kinds.
- ♣ Security and privacy issues are likely to continue to be an area of contention throughout the world over the next few decades.
- ♣ Rather than the value being in the content itself, value is seen in the service provided in packaging and rapidly publishing content that is both current and tailored for a myriad of audiences and purposes.

In Knowledge Societies, these trends are being driven by access to technology with high quality, stable broadband Internet connections. However the digital divide n which includes consideration for access to broadband high speed internet connections, not just access to hardware continues to widen

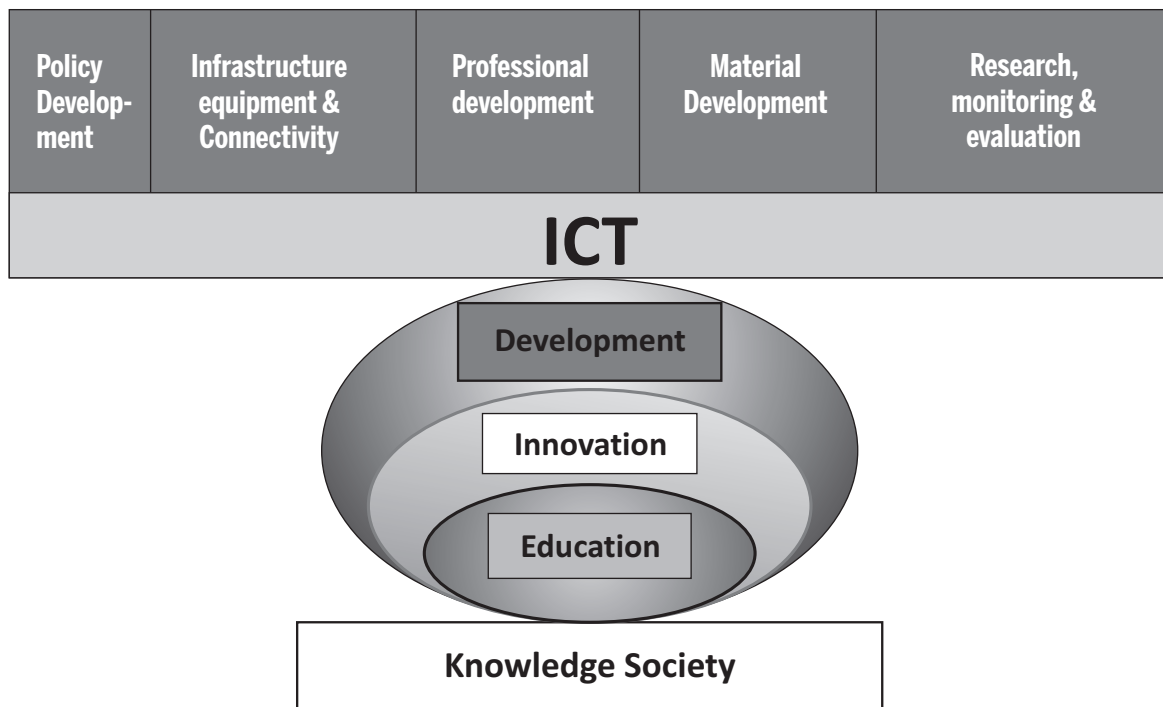


Fig 3: Framework of Knowledge Society (Source ^{[13][6]})

Conclusion

In the society of the future, education will play the key part in the way of life specific to this education and knowledge-based society. It is a society that creates shares and uses knowledge for socio-economic development. As such the education and skill levels of the people in these societies are the key indicator of its wealth. High proportions of its populations are employed as knowledge workers. This sees shifts in the way knowledge is accessed, created and used in the society and traditional barriers between the workplace and the formal places of learning are eroded. This is not just about the availability of information, but its effective selection, evaluation and use to solve societal and economic problems. Everyone is a learner and reflective practitioner: employers, employees, students and academics or teachers. A necessary requirement, although not a sufficient condition for such a society is ICT. ICT is used to ensure rapid, cost effective and reliable communication, networking and access to and publication of information which, in turn, is used to enhance productivity, education and development for a knowledge society to be realized.

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“RURANOMICS”: NEW DESTINATION OF SHIFTING PARADIGM

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ABSTRACT

Due to the vastness and changing faces of the rural economics the marketers are trying to tap this market. Because of its uniqueness this market forces the marketers to adopt a different mindset as well as a different marketing program for being successful in this market. In this paper which is a part of my unpublished thesis we have discussed the three dimensions of the rural economics which we have given a name “RURANOMICS”, emphasizes each and every aspects of the rural market and provide a frame work for formulating the intent and content of the rural marketing. We have also tried to discover the Ten “P” commandments of rural marketing which will be able to fulfil the intent of the rural market along with containing the distinctive capabilities required for the success in the hinterland.

KEYWORDS: RURANOMICS, BLUE OCEAN, DEVELOPMENTAL MARKETING, RURAL MARKETING, TEN “P” COMMANDMENTS.

1.1 INTRODUCTION:

Go rural' is the slogan of marketing gurus after analyzing the socio-economic changes that is happening in the village which comprises almost 70% of the population, involved in the agriculture and accounting half of the national income where the rural asset also amounts to more than 50% of the country's tangible wealth. The increasing literacy level and media explosion, have made people more conscious about their lifestyles and about their rights to live a better life as it leads increments in brand consciousness while the disposable incomes has made the rural consumer more demanding and choosier in his purchase. Despite it in the reality challenges of Indian rural market are unique and multifold in the nature but at the same time it representing the largest potential market in the country. The main challenge lies in having the basic insights of the rural consumer who is very different from his urban counterpart. Thus, the rural market cannot be tapped successfully with the urban mindset forcing us to adopt a different approach towards the rural markets and which must be distinct from the adopted for urban markets and this gave the birth of **RURANOMICS**.

1.2 RURANOMICS:

It is a combination of rural and economics and created by the author in a view of understanding the dimensions of rural market in a better perspective and reacting accordingly not only for the encashment of opportunities but also handling the challenges.

1.2.1 RURAL:

According to the census of India village with clear surveyed boundaries not having a municipality, corporation or board, with density of population not more than 400sq.km and with at least 75 per cent of the male working population engaged in agriculture and allied activities would qualify as rural. According to this definition, there are 6.38,000 villages in the country. Of these, only 0.5 cent has a population above 10,000 and 2 per cent have population between 5,000 and 10,000. Around 50 per cent has a population less than 200. The term rural, as defined by the Government of India, may not satisfy all, especially the marketers because it defines the rural not on account of what it is, but what is not urban. That's why for the marketers need to take into consideration all parameters relevant to their product categories to define rural as per the expectation and aspiration of the rural people. In terms of marketing rural India can be defined in terms of absolute numbers of customers which varies from company to company and the sector in which they are operating i.e. for FMCG and consumer durables is 20000 and 50000 respectively.1.

Therefore, Definition of rural area for marketing, purposes varies from company to company and is also based on the demand backed up by the purchasing capacity which may be termed as Market Potential Value (MPV) of a particular area.

1.2.2 ECONOMICS:

- ♣ Economics is the social science that analyzes the production, distribution, and consumption of goods and services. The term economics comes from the Ancient Greek "oikonomia" which means the management of a household, administration.**2.**
- ♣ Economics is a study of man in the ordinary business of life. It enquires how he gets his income and how he uses it. Thus, it is on the one side, the study of wealth and on the other and more important side, a part of the study of man.**3.**
- ♣ Economics is a science which studies human behavior as a relationship between ends and scarce means which have alternative uses.**4.**

As Economics is a study of man in the ordinary business of life dealing with the enquires about getting his income and using it with certain kinds of rule and regulation for managing his household with certain kinds of behavior shown by him in the market place. The same is also true for the rural market i.e. RURANOMICS.

1.3 DIMENSION OF RURANOMICS:

The RURANOMICS as per it definition comprises the wide mosaic of rural areas which includes the following dimensions discussed below one by one

Fig:1.1 DIMENSION OF RURANOMICS
<p>Rural Horizontal Dimension</p> <ul style="list-style-type: none"> ♣ Rural Market Structure
<p>Rural Vertical Dimension</p> <ul style="list-style-type: none"> ♣ Rural Market Segmentation ♣ Classification of rural consumers ♣ Rural infrastructure
<p>Rural Third Dimension</p> <ul style="list-style-type: none"> ♣ The Profile of Rural Consumer ♣ Lifestyle of Rural Consumer ♣ Shopping Habits of Rural Consumer

1.3.1 RURAL HORIZONTAL DIMENSION:

Rural Market Structure; (As per the census 2001) Villages are the heart of India. Almost 73% of India's population (equally 12.2% of the world population) lives in 638,691 villages spreading over 32 lakh square kilometers with an average of 1161 people. On all India bases the rural women constitute a very large portion as it is clear from the above mentioned table the other half is almost fifty percent of the total population. Young adults of the age group between 20 and 34 years constitutes almost one-fourth of India's consumption base and the potential of 48 percent of the rural population which is below the age of 20 years can be assessed by the rural marketers. Where the literacy rate is 59% on all India basis along with the 42% percent of people involved in the cultivation followed by the labor in agricultural field. Almost the 83.3 percent of total villages are below the population category of up to 2000 population. Rural

households have grown by 26 million from (112 to 138) during the last decade but at the same period the average size of the rural family has decreased due to movement of more families from the joint to the nuclear structure. The types of houses in rural areas indicate the economic growth. Today, 40 per cent of rural houses, i.e. 50 million, are pucca, which is growing at a rate of almost 5 per cent annually and the owners of such houses possess sufficient disposable income. Rural India accounts for 92 lakh middle-income households which have annual income in the range of Rs. 30,001 to Rs 1,25,000, and their consumption follows the urban pattern. The importance of rural market can be understood from the fact that if India's rural income grows by 1%, there will be a corresponding increase of about Rs 10,000 crore in the villagers' buying power. The percentage of destitute is coming down on 11.1 %, at the same time 18% growth in the climbers section of consumers' class provides ample opportunities for the marketers. Per capita consumption expenditure in rural has increased four times over last twenty years from Rs 281 to Rs 486 in 2001. At the same time rural spending in non-food items is increasing; out of a total per capita spending of Rs. 486, approximately 40 per cent is spent on non-food items showing an encouraging trend for consumer durables and non-durables (non-food items particularly for the FMCG companies).

1.3.2 RURAL HORIZONTAL DIMENSION:

- ♣ **Rural Market Segmentation;** ORG-MARG has also classified the rural market like class-I villages with population over 5000, class-II villages with population between 1000-5000 and class-III villages with the population of less than 1000.
- ♣ NCAER has also classified the Indian consumers in to the following categories on the basis of their inclination towards the consumption which is totally dominated by the income level of the consumers.
- ♣ **Classification of Rural Consumers;** The rural consumers are classified in to the following groups based on their economic status. The affluent group they are cash rich farmers and a very few in the numbers. They have affordability but not form a demand base large enough for marketing firms to depend on. The middle class this is one of the largest segments for manufactured goods and in fast expanding. The poor which is in huge numbers and the purchasing power is less but strength is more.
- ♣ **Rural Infrastructure;** Good road connectivity is the primary means of supplementing public efforts directed at providing basic health educational services, as well as infrastructural support for production and commerce at the local village level. Road connectivity is therefore, indicator of the "inclusionary" aspect of the development process and perhaps the reach of the market as well.
- ♣ **Telecom & mobile service;** By 2004, over 80 percent of villages had been connected through 5.4 lakh village public telephone. Similarly the total number of telephone connections in rural areas in 2004 was 1.23 crore and in 2005 it is 1.42 crore, increase of almost 15 percent as per the information from the Department of telecommunication. **Shops:** As per the census 2001, out of 1.33 crore shops in India, 55 Lakh are in rural areas. The types of out lets found in villages include the grocery store, paan shops, flour mills & tailor, cycles shops are some of the types of shops find in the rural market. Television has been the largest reach in rural India which can be used as a communication tool for reaching to rural consumers

1.3.3 RURAL THIRD DIMENSION:

- ♣ **Profile of Rural Consumer;** Not only it is important to profile the rural consumer but also it is difficult to confine them in a single personification, which can represent the whole market accurately because of their heterogeneity in their educational background, income level, socio-cultural outlooks etc.
- ♣ **Lifestyle of Rural Consumer;** Lifestyle and daily routine of rural consumers determines to a great extent, their needs so for any organization it is very necessary to understand the life style and daily routine of rural consumers.
- ♣ **Shopping Habits of Rural Consumer;** It is important to understand the shopping habits of the rural consumers apart from the knowledge of the lifestyle and the potential of the rural consumer will help the strategists to develop effective marketing strategies around them to target the rural consumers.

1.4 BHARAT NIRMAN- ADDING DYNAMISM IN RURANOMICS:

Prime Minister Manmohan Singh recently talked about his vision for rural India: "My vision of rural India is of a modern agrarian, industrial and services economy co-existing side by side, where people can live in well-equipped villages and commute easily to work, be it on the farm or in the non-farm economy. There is much that modern science and technology can do to realize this vision. Rural incomes have to be increased. Rural infrastructure has to be improved. Rural health and education needs have to be met. Employment opportunities have to be created in rural areas." **6.**

Bharat Nirman; is a business plan for rural infrastructure which was implemented by the Government of India in order to provide some basic amenities to the rural India. The objectives of the plan are as the followings. **7.**

- ♣ It aims at providing safe drinking water to all the under developed areas in India by 2012.
- ♣ It also aims to develop housing facilities for the poor. Initially the scheme targeted 60 lakh additional houses to be constructed for the poor within the year 2009, but now the plan has been extended to 2014 and the targeted house to be constructed has been increased to 1.2 crore.
- ♣ The plan also includes to cover 40% of the rural area with telecommunication facilities by the year 2014 and provide broadband coverage to all the 2.5 lakh Panchayats by the year 2012.
- ♣ The plans suggests to construct all weather roads by the year 2012 in order to connect all the villages of India having a minimum population of 1000 (500 in case of hilly or tribal areas).
- ♣ The plan aims to provide electricity to every village by the year 2012.
- ♣ The plan aims to provide an additional one crore hector of irrigational land by the year 2012.

Table : 1.1 BHARAT NIRMAN- SUPPLEMENTING INDIA'S GROWTH AND NAREGA ALLOCATION			
Year	Amount (Rs.cr) BHARAT NIRMAN	Year	Amount (Rs.cr) NAREGA ALLOCATION
2007	18696	2007	11300
2008	24603	2008	12000
2009	31280	2009	16000
2010	45300	2010	39100

Source: Budget Documents, Angel Research

Table : 1.2 CHANGING LANDSCAPE, IMPROVING INFRASTRUCTURE		
Infrastructure	2001(figures in %)	2010 (figures in%)
Teledensity	0.7	21
Road	40	70
Connectivity in villages		
Electrified households	44	60
Permanent houses	41	56

Source: IRS 2008, Economic survey, FY11, Census 2001

The above mentioned tables depicts that the specific challenges of rural marketing is coming down due to the initiatives of Government. The rural landscape is changing along with the improvement in infrastructural facilities. Thus this dynamism in the rural through the government initiatives is creating the rural market as a new Paradise for Marketers.

1.4 NEED FOR UNDERSTANDING THE RURANOMICS:

In the time of changing dynamism it becomes necessary to understand the ruronomics as it helps in understanding the myths of rural market, the opportunities and challenges of rural market and suggest the right approach towards deciding and designing the intent and content of the rural marketing in context with the attraction and distraction of rural market.

1.4.1The Intent-Rural India as a Blue Ocean:

Figure: 1.2 Rural Market As A Blue Ocean	
Myths	As discussed earlier due to the unique characteristics there are certain myths we have regarding the rural market.
Vastness	Almost three-fourth of the total 1.2 billion Indian population resided in the rural areas creating a huge demand
Deeper	Living in 6,38,365 villages across the India with different set of mosaic.
Neap & Tides	With full of opportunities and challenges.
Changing Facets	Due to the joint efforts of Government and marketers initiatives the face of rural India is changing.
All these require for creating and implementing the distinct capabilities which can help in sailing the boat in this blue ocean.	

Differentiating Factors	Transactional Marketing	Development Marketing
Market structure	Based on the consumer orientated marketing concept by performing the role of stimulation and conversional marketing for commercial/ profit-motive business ideology, creating customer satisfaction and brand image through innovations.	Based on the Society orientated Societal concept by perform the role of catalytic and transformational agent for service-motivated business ideology for market development and corporate Image through social innovation.
Infrastructure		
Consumer behavior		
Common myth about market		
Challenges of the market		
Because of considering the rural market as a blue ocean it is necessary to understand what short of role the marketing needs to play is very important. In the above figure the difference between the transactional and the developmental marketing is discussed on the basis of certain differentiating factors. These suggest that the rural marketing must be a developmental in its approach. Developmental Aspects of Rural Marketing is discussed below in the figure(1.4).		

1.4.2 The content- Developmental aspects of rural marketing

Figure: 1.4 Developmental Aspects of Rural Marketing		
Market focus & position select the rural market that can unlock the long term value.		
Develop the distinctive capabilities that the customer find value and competitor find difficult to copy.		
Create shape and develop the market	Adopt and optimize the supply chain	Create values through the innovative use of technology
Create new consumer categories, develop new source of data, customize and innovate products	Build a sourcing process, cutting down upon various transactions cost and find innovative ways of reaching the rural customers cost effectively.	Focus on utilizing the technological platform.
Framework factor Be a part of local fabrics.		
Framework factor Build social network through local participation.		
Framework factor Develop the right capabilities and act on them.		
Organization culture Integrate rural market in organization's core strategy, secure top down commitment, reshapes your operating model and mind set		
Source: Accenture Research Report Masters of rural markets: The Hallmarks of High Performance		

Integrating the rural marketing in organization's core strategy, securing the top down commitment, reshaping the operating model and mind set by focusing and selecting the rural market that can unlock the long term value. Developing the right capabilities that the customer find value and competitor find difficult to copy with the help of defining and designing the role of innovations and acting on them while associating her with the local fabrics, and building social network through local participation.

The overall aspects of developmental marketing may be narrated as:

- ♣ Development of the mindset in terms of rural market.
- ♣ Development of the mindset in terms of rural marketing.
- ♣ Making strategy to build winning attitude through utilizing the branding as a strategic weapon, making brand as a living thing and providing the brand relevance to the rural customer as per their expectation and aspiration.
- ♣ Designing and defining the role of Innovation as a boat which sails in to the rural market while overcoming the challenges.

Rural marketing has become the latest marketing mantras for most of the FMCG companies. Truly rural India is vast with unlimited opportunities, waiting to be tapped. To gain competitive advantages of this the Indian FMCG sector is busy, putting parallel rural marketing strategy, which is a comprehensive marketing plans, programs and actions directed towards the rural market with best match of their Ps and the expected Cs of rural consumer. Therefore there is a need for redefining the rural marketing which must be capable of fulfilling the intent of the rural market along with the desired content for the developmental purpose.

1.5 Redefining the rural marketing the “P” concepts:

Let see the Ten Commandments that will helpful in understanding the role of rural marketing.

Figure :1.5 Ten “P” Commandments of Rural Marketing	
1. Perception	The rural people also have the desire and demand may also be the target customer so perception should be free from any prejudices.
2. People	Involving each and every one in the organization with a strong commitment of serving the rural people well.
3. Process and performing	Adopting the process as per the expectation and aspiration of rural customers by designing and defining the role of innovations for performing well in the context of local framework and social fibers.
4. Personalized Policy	Policy must be able to match the 4ps of marketers with the 4c of rural customer an 4as of rural market in best fitted manner.
5. Partnership	The engagement of rural customer for building the relationship for achieving the long term value.
6. Patience	Having a patience is must for making a road in to the hinterland
7. Profit & Prosperity	Retention of the customers with long term value for the marketers as well as adding vitality in their life will bring the profit and prosperity to both the parties.
8. Progress	The profit and prosperity will take everyone on the path of progress.
9. Parity	It will bridge the gap between the urban and rural and bring the parity among them.
10. Pride	It will bring the pride to the customer, to the marketers and to the nation.

It starts with the perception that the rural people also have the desire and demand may also be the target customer. If involving each and every one in the organization with a strong commitment of serving the rural people well, adopting the process as per the expectation and aspiration of rural customers through designing and defining the role of innovations for performing well in the context of local framework and social fibers, best matching of 4P's of marketers with the 4C's of rural customer and 4A's of rural market, engaging the rural customer for building the relationship, having a patience Profit & Prosperity will follow and lead on the path of progress by removing the disparity and ultimately pride for the customer, for the marketers for the nation will come.

In the last but not at the least access, awareness, affluence, attitude and a common echo with a sound network and a thorough understanding of the rural areas psyche are SINE QUO NON, for making roads in to the hinterland of rural areas.

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Micro finance and Income Generating Activities of Women: Understanding Motivations by developing Skill, Knowledge and Capabilities



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Abstract

With controversial results, both supporting and not the assumption that microfinance can promote income generating activities, this paper attempts to demonstrate that the livelihood framework can be useful in such assessment. The paper proposes this framework given its scope for exploring and drawing attention to women's strategies, their motivations, skill, knowledge and capabilities. Using qualitative data (life experiences of six women) from two villages in Kerala, South India, the paper demonstrates the significance of paying attention to socio-economic dynamics through this approach.

Key words: livelihood, motivations, capabilities, caste, women.

Introduction

One of the key assumptions of microfinance programmes is that it can help the poor, especially women, to develop new income generating activities (IGA) or at least strengthen existing IGA. Available empirical studies give controversial results. While some studies give positive results (Kevane and Wydick, 2001), other studies emphasize the very limited effects in terms of IGA and some time the drawbacks of microfinance: loans mainly used for "non productive purpose" or appropriated by males, women confined into the least profitable sectors, market saturation and displacement effects, etc. (Kalpana, 2008; Rahman, 1999, 2004; Rankin, 2002). In-depth analyses report a diversity of women profiles and therefore a diversity of effects and results. For instance, Kabeer (2001) shows that in Bangladesh, the effects of microcredit depend in part on caste and class.

From Gambia, Della-Giusta and Phillips (2006) highlight the differences between rural and urban women entrepreneurs. The two contexts are characterized by strong differences in terms of education, entrepreneurial experience, social norms, and exposure, dependence on men and opportunities and size of local markets. In urban areas one finds "real" women entrepreneurs: through microcredit and other services they manage to upgrade their activities from petty trading to market-stall holders. By contrast, rural women seek merely to supplement the family budget. They operate mainly through imitation. Their main objective is to mitigate risk and diversify rather than upgrade pre-existing activities. The justification for diversification often stems from the seasonality of available livelihood opportunities (Fernandez, 2008). They depend heavily on NGOs for any new idea. From Guatemala, Kevane and Wydick (2001) report differences between women according to their position in the life cycle. Older women are much more "aggressive" in generating employment than the young generation than and just as productive as male entrepreneurs. The authors make the assumption that younger women are forced by domestic charges, high marginal value of home time during certain periods of their time. From Cameroon, Mayoux (2001) finds large disparities in the success and sustainability of women enterprises financed by microcredit. Rather than class background - success also exists for women from very poor milieu - the difference seems to come from women's ability to mobilize and activate social networks.

In India, recent studies (Basu, 2008; Fernandez, 2008; Karmakar, 2008)² advocate that microcredit for entrepreneurship is only possible beyond the 'minimalist approach' of mere financial intervention. They are of the opinion that credit for enterprise development is important but can be achieved only with the provision of support services preferable by other development promoters (government

agencies, Non Governmental organizations (NGOs), insurance companies, etc.) and not by the credit provider itself. Contrary to the minimalist approach, support services for livelihood promotion do have a long history in India promoted by the government, by the people's movement; by the NGOs and the Corporate sector (Mahajan et al., 2008). Referring to the Government of India, Mahajan et al. state, "the unhappy summary of nearly 60 years of government-run livelihood programmes is that they were well-conceived but poorly implemented" (2008:31).

Providing support services can be a challenge and there is more to successful enterprise development than provision of microcredit and support services together. Such efforts need to take some caution in their planning without undermining socio-economic dynamics. This is well demonstrated in Leach and Sitaram's (2002) study on an NGO's effort to empower scheduled caste women in the silk-reeling industry in South India by transforming them from wage labourers to independent entrepreneurs. The biggest fallout of this project was its concentration on women to the total neglect of men; the decision 'authorities' of the household. This led to women shouldering more labour and further subjected to intense ridicule from their husband's when things went wrong in this highly volatile and seasonal silk industry. The significance of socio-economic dynamics is much broader than pertaining to gender roles. This is explored in Nair's (2005) study on attitudes to income generation and work among fishermen. She discusses here how the introduction of microcredit financed fishing nets, "increased the productivity of fishing activity technically" but "the average income and consumption levels of many of the households" did not increase "to any significant extent" (2005: 1696). She explains how this is linked to many fishermen cutting down on the number of fishing days. This reminds us not to forget that planning is not just done at the policy level but also at the beneficiary level where local social dynamics play a key role.

Drawing on these lines, the paper suggests that further attention should be given to the socioeconomic dynamics and embeddedness of women's activities. Why women decide to involve themselves into such or such activity? What are their motivations? What are their aspirations? How do they take decisions and how far are they free to take decisions? What are the constraints and the barriers they face? How can we explain the sustainability or the failure of such or such activity?

The livelihood framework is well suited to explore these questions. As summarized by Parrott et al,

The livelihood framework focuses on people's capabilities, based on their resource base and their capacities to act within specific social, economic, political, ecological and cultural contexts. The livelihoods framework begins by looking in detail at the local resources and skills available to people for constructing their livelihood activities. The main ideas of the livelihood framework is that 1) livelihood depends on people's capabilities 2) these capabilities are based on their resource base, their skills and their capacities to act 3) this within specific social, economic, political, ecological and cultural contexts, 4) and access to resources is related to political, economic and socio-cultural circumstances. Drawing on a socioeconomic and comprehensive approach (with primary data of a qualitative nature collected in rural areas of Kerala), this paper explores the livelihood of women microfinance clients. Four main results, highly linked to the livelihood theoretical framework can be put forward:

- 1) To understand why women develop (or don't develop) such or such activity and then the sustainability (or the failure) of these activities, we should take into account first and above all their skills, knowledge and capabilities.
- 2) Skills, knowledge and capabilities result from a permanent dialectic between institutions – especially social norms related to caste and gender - and individual behaviors. Broadly, we define skill as that gained either through formal training provided by an external institution as in a tailoring unit or schooling that facilitates literacy and those acquired through practice often through the internal institution as in learning household chores and agricultural labor. The concept of knowledge here is in a way opposed to skill. In simplistic terms this implies that an individual can have knowledge of a skill he/she does not possess. Further this means that knowledge is acquired both through practice and observation. An individual's capability is related to how they put their skill and knowledge together in maneuvering themselves in the social fabric. These three characteristics are interrelated and not static. They change with day-to-day experiences in the individual's life. This then makes it mandatory to explore an individual's life experiences in assessing his/her skill, knowledge and capabilities.
- 3) Motivations underlying women's involvement into income generating activities also vary and are often multiple: it is a matter of meeting ends and sometime making money but it is also a matter of preserving or reinforcing their dignity and their social status;
- 4) Last, and not least, the analysis reveals the heterogeneity of 'women' as a category: behaviors, constraints and opportunities vary depending on age, position within the life cycle, kinship relations, caste and finally personal experience

Methodology

The paper takes a close look into the life experiences of a few women to explore the pressing question of, what makes 'poor' women entrepreneurs? Is it support from their husbands; their parents and siblings or extended kin; their education; their work experience; their health; natural and other infrastructural resource availability and access; what combination of these factors work as motivating factors? What pushes her to participate in income generation; to withstand shocks in it and to continue with it or what factors lead to failure?

The diversity in the combination of factors that contribute to women's experiences in income generation is high and beyond the scope of this paper or any research for that matter. Nevertheless, this paper attempts through six case studies to show some of the pointers. These six cases have been selected from a total of thirty that was carried out in 2008 and/ again in 2011 in Idukki and Kollam districts of Kerala, India. The case studies equally represent one village from each of the two districts chosen for this study. The six cases are also representative of the different class/caste categories, with one Forward Class (FC), two Scheduled Caste (SCs) and two Most Backward Class (MBCs) of which one claim Scheduled Tribe (ST) status. Interviews with each of these women were carried out over three consecutive days so as to avoid taking too much time from their daily routines.

Such extended interviews had other advantages, especially the changing temperament of the women with their growing familiarity with the researcher. This was an important aspect of the methodology as all the women interviewed were members of SHGs and had many interactions with members of external organizations. This resulted in standardized responses on the usefulness of the SHG and the changes it had brought in their life. They failed initially to understand that the researcher can be interested in their life in general and not just in them as members of SHGs. As they gradually understood this dimension, the interviews became informal and unstructured.

Through these informal and unstructured interviews the paper intends to provide a platform to voice the concern of the informants, as entrepreneurs. The interviews have been steered to address the issues that are of concern to them in their choice of participating in an income generating activity. It is clear through these case studies that their life experiences and their skills, knowledge and capabilities acquired through this process are linked to their natural, social, physical and financial environments. For this reason the study has adapted the livelihood framework (Scoones, 1998) to highlight the different resources at their disposal and in turn voice through this why they are motivated for a particular income generating activity as opposed to others.

This method of exposing their life experiences in order to understand the significance of skill, knowledge and capabilities and thereby understand their motivations for IGA is also linked to Sen's (1987) elaboration of 'well-being' and 'advantage'. According to Sen, "a person's motivations behind choice ... may or may not coincide with the pursuit of self-interest" and "a person's interests and their fulfillment" called "respectively 'well-being' and 'advantage'", is, with the former "concerned with a person's achievement" and the later "refers to the real opportunities that the person has, especially compared to others" (1987: 3). Sen further explains that, "opportunities are not judged only by the results achieved, and therefore not just by the level of well-being achieved. It is possible for a person to have a genuine advantage and still to 'muff' them or to sacrifice one's own well-being for other goals, and not to make full use of one's freedom to achieve a high level of well-being" (1987: 3). Going by Sen's elaboration and from the experience of this study there seems to be many possibilities for motivation towards a choice or specifically IGA here. What one has and what one does though logically linked is not

always true. One possibility to understand this dynamics is to look at individual's life experiences.

In tune with this, the two main sections of this paper follow. The first section provides the setting for the interviews, the background information of the two villages and an introduction of the six women. In the second section, the experiences of the different women are compared in understanding the motivating factors that lead to their participation in a particular IGA. The purpose is to highlight the skill, knowledge and capabilities of women acquired as a consequence to the resources available to them in turn offering pointers to their motivation. These two sections are interdependent and will be useful to reflect on the first while reading the second section. Finally, the paper offers a conclusion by highlighting the approach of this paper with its limitations.

3. Background to interviews and an introduction to the six women

The six women belong to Self-Help-Groups (SHG). In the Indian microfinance landscape, SHG is the dominant practice (Ghate, 2007). SHGs are like micro banks of fifteen to twenty people who manage two types of loans; internal and external. Internal loans are based on the savings of members, whilst the external loans are of various origins. Banks are the most frequent sources, generally via an NGO or a federation of SHGs which act as social intermediaries. Some MFIs, however, also use the SHG model. External loans are collective and the group decides on the allocations (selecting the recipients and amounts to be loaned). In the two areas under study, the microfinance supply is similar to what is observed at the national level: loan amounts vary from Rs.500 - 20,000 with an average amount of

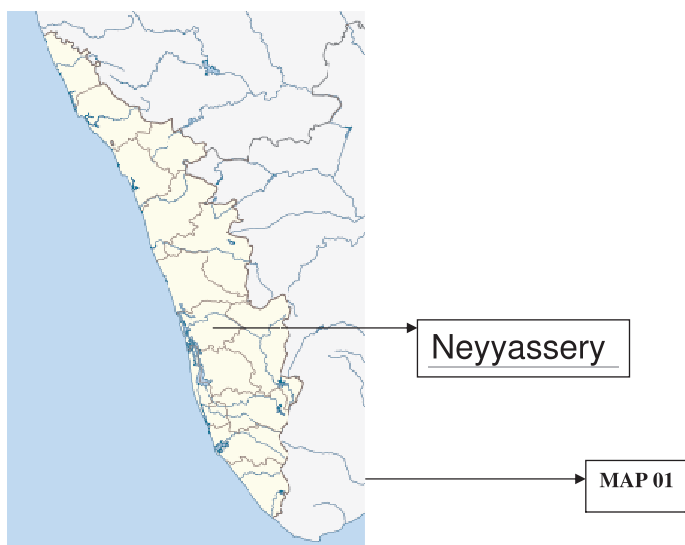
approximately Rs.5,000 loaned over relatively short durations (seldom more than one year). Every SHG has a group elected president, secretary and treasurer and it is these three women who share the responsibility of depositing and withdrawing money from the group savings account in the bank. It also implies that the demands of mobility and time spent on SHG activities by these three women are more than other members of the group. SHG usually meet every week to collect weekly savings and repayments and deposit this collection fortnightly in the banks. They document the minutes of these meetings and are aware of the actual savings and credit practices of each other. Older SHG (eight years and more) followed the then rule of having different caste members of a village (commonly SC with BC) in each group. This rule has been relaxed later leading to exclusive scheduled caste SHG.

The hold of caste remains powerful, both economically (with a strong segmentation of labor markets according to caste) and socially (with caste-based identities and social hierarchy) (Harriss-White, 2003). However, it is worthwhile noting increasing class stratification within castes, with a growing differentiation of education and access to job (Kapadia, 1996, 2002). Labor markets are also highly segmented along gender lines. Over the last decades in Kerala, one has observed an increasing feminization of agriculture labour going along with the casualisation and the proletarianisation of women labour, especially for the lower castes (Harriss-White, 2003). Non-farm occupations, since they usually require migration or commuting, are limited to men. Last, and not least, women are considered inferior to men in all the castes. But it is in better-off castes that male domination is more prevalent and more insisted upon, especially as regards male control on women's spatial mobility (Kapadia, 1996).

As we'll see below and more especially in the next section, the cases studies illustrate powerfully the various trends described here.

In Idukki district

The three women introduced below are from the same village i.e. Neyyassery in Idukki district of Kerala (Map 1). Neyyassery is well connected with roads to neighboring places. But this village is not well accessible by public transport. Majority of the population uses private vehicle. The private vehicles give the accessibility to outside world. People of this village believe that this structure gives a less polluted environment. So people are reluctant to accept radical changes in this village that may lead to economic growth of this place. All three women are from SHGs promoted by BWDA, an NGO-MFI. Interestingly BWDA is not rigid in its control of the purpose for which credit is sought. The village, like elsewhere in south India, is divided into two settlements, one inhabited jointly by the FC, BC and MBC communities and the other, referred to as colony, inhabited by the SC community all belonging to the same caste. The three women introduced below have been chosen to be as representative as possible of this heterogeneity. Majority of people are farmers. Rubber cultivation and foreign remittances are the major sources of income. However, status differences are determined whether one is a land owner, the size of the land owned, whether the land has its own inputs, importantly borewell with electric motor and what crop is cultivated. But these parameters are not free of bias and traditional caste hierarchy continues to determine status. There is a dynamics between the two; the determining parameters mentioned above and traditional caste hierarchy (this is in tune with the FC, BC, MBC and SC classification).



My introduction to **Lakshmi** is from September 2009. As the head of her SHG, Lakshmi has been the key informant giving details of her group formation, savings and credit transactions of her group and her widening social interaction with people and spaces as a result of her position in the SHG. Lakshmi's familiarity with the research team helped my introduction to her and facilitated in her sharing her experiences. The interview was conducted in Lakshmi's courtyard, breaking when Lakshmi needed to attend to her day to day chores. These breaks complemented the interview as Lakshmi resumed the interview each time with growing familiarity and casualness. Below is a summary of this extended case study. Lakshmi belongs to the upper caste. She is in her early forties, living with her husband and two children. She underwent schooling till standard eight in the government school in her natal village. Her son, now eighteen, has since a year been working in a private company in Chennai living with her younger sister. Her daughter, now twenty-one, lives with her and is about to finish her teacher training course. Lakshmi until ten years ago lived as a joint family with parents-in-law and brother-in-law, his spouse and daughter. Her husband has two and a half acres of agricultural land. Her main concern now is to find a loan to redo the well in her agricultural land which has been dry for some years. Managing day-to-day household activities as in cooking, cleaning and fetching water has been Lakshmi's routine over the years. She is not an active participant in agricultural activities. Her husband manages this. Lakshmi's other entrepreneurial experiences are funded through her savings in the SHG of which she has been a member for the past eleven years. Her first loan was used to buy a sewing machine. Eight years ago Lakshmi and her neighbour, also a member of a SHG got together to make snacks during weekends and sell in the village. But as her partner backed out in a few months it was too much work for her to carry out individually. Lakshmi has been running a petty shop in her front yard for the last two years. Two other of Lakshmi's experiences show how she manages to participate in activities demanding 'hard' labour that she is not able to do. This includes a fifty per cent subsidised agricultural loan given to her SHG five years ago. Twenty members of her group together leased one-and-half acre of land for three years and cultivated paddy and groundnut in it. Though Lakshmi did not participate in weeding and other activities that demand collective work, she managed to coordinate her group members in this activity for three years, profiting from the harvest and subsidy. She has also worked in the village pond de-silting for the past three years, 'thanks' to the cooperation of her group members. Lakshmi's present concern goes back to her agricultural land; first to make irrigation accessible in her land and secondly to decide on what commercial crop she would cultivate in it, taking cue from other members of her caste in this village. **Meenakshi** lives two houses away from Lakshmi and my introduction to her is similar to Lakshmi. However, Meenakshi is from a different SHG which is only four years old. Meenakshi does not own any land and has never been involved in agricultural labour. My choice to interview Meenakshi was by accident. Meenakshi usually spent her time between household routines chatting with Lakshmi in the later's courtyard. It was on one such occasion that I was also there and as she listened to my conversations with Lakshmi she became interested in this discussion and spontaneously narrated her story in one of the breaks that Lakshmi provided. Meenakshi's interview took place in Lakshmi's courtyard while Lakshmi was busy with her household chores.

Meenakshi is forty years now and has two sons. She underwent schooling in Pinavu till the eighth standard and was married at sixteen. She lived as a joint family with her parents-in-law until a few years ago, when they passed away. Her husband worked in a store in Pinavu. A year ago he gave up his employment due to failing health at which time his salary was Rs. 500 per month. Belonging to high caste, Meenakshi's mobility outside her home was restricted. Household chores were her sole responsibility. Her own education was useful in helping her two sons with their schooling. Though SHGs were first started in her village eleven years ago she was not able to participate in them for the above reasons. It was only after the death of her parents-in-law that she became a member of a SHG. Importantly, Meenakshi acknowledges that her involvement in SHG is also linked to her eldest son's employment in Trivandrum (through his remittances). Her very first IGA of saree sales facilitated through a SHG loan of ten thousand rupees was deliberately chosen by her, given the resources at her disposal; with her siblings and son in Chennai.

Kali belongs to the same SHG as Lakshmi. But there are a few important contrasts in the modus operandi of the two interviews. Though I met Kali on three consecutive days, the interview took place only in one session of two hours; late evening of the third day. This was linked to Kali's daily routine. Given her busy schedule I arranged for an interview with her at a time and day convenient to her. With a couple of postponements I finally met her on the evening of the third day. Interestingly even during this time I was not able to fully motivate Kali to participate in the interview. This was not because she was shy, but instead was rather preoccupied leading to her husband answering most of my questions and Kali butting in only when his facts were wrong. At the end of my interview Kali rushed to her neighbour to find out if last week's National Rural Employment Guarantee Scheme (NREGS) payment had been paid that afternoon, this in fact was her preoccupation. In contrast to Lakshmi and Meenakshi whose daily routine was tied to the kitchen, Kali's was tied to her agricultural land.

Married at the age of sixteen to her maternal cross cousin, Kali is now thirty years old and a mother of three (two sons, twelve and eight years old and a daughter whose six). Her three children attend the government school in the neighboring town. She had never worked as an agricultural coolie before marriage. Once married she started to work full-time in agriculture besides household chores. Her husband owns

one acre of agriculture land that has a well and an electric motor. Her mother-in-law helps with the household work and milks their cows. Presently, the couples have three cows. The youngest of their three cows was bought three years ago through a SHG loan.

In the last three years the couples have been focusing their agricultural labor on their own land. Prior to this, they also worked as agricultural coolies in the lands of households belonging to other castes in this village. Kali belongs to the lower caste living in the village colony. Kali has also been working in de-silting village ponds sponsored by the NREGS Programme for the last three years.

In Kollam district

The village studied i.e. Sooranad or Sooranadu is located in the northern part of Kollam district in Kerala. Sooranad North and Sooranad South are collectively known as Sooranad. Both are under separate local panchayats. The village is accessed from both MC (Main Central) Road and NH 47. (Map2). The village has five settlements; two SC colonies, two MBC settlements classified as ST status and finally the fifth settlement which is largest numerically is inhabited by (BC) members are both numerically and economically dominant.

Since a decade and a half this system is given up as most of these households preferred to sell the ground water from their agricultural land to the Metro water department of Kerala. They found this IGA less risky and more profitable given the labor investment, fertilizer and pesticide inputs and fluctuating market prices for agriculture.



Source of both maps are survey of India and population census 2001

As regards SC daily agricultural work represents the main portion of the family income. Some combine this with working on their own small land or leased land (rice and cashew nut processing are the most common crops) or various other agricultural activities (livestock rearing, fishing, collection and sale of wood). Here too, there is growing participation in non-farm labour activities. Some of this takes place locally (brick moulding, rice drying), but most of the time such non-agricultural use implies migration: pendular migration, seasonal or sometimes permanent migration (although this is rarer). Unqualified manual labors in markets, in restaurants or construction work are the most frequent activities.

Though agriculture and non-farm activities of the BC are similar to the SC in this village there are important differences between the two. The difference in literacy between the two castes is an indicator to why the popular 'company jobs' preferred by young BC girls (18-30 years) has not been opted by the SC girls. These generations of girls among the BC have largely attended schooling till high school and do not want to participate in agricultural work or any other that demands them to work exposed to the elements of nature. The company job that they prefer allows them to work in closed air-conditioned office space and such opportunities are on the rise with growing rate of production and packaging companies set up in the state. On the other hand the few young SC girls leave the village for non-farm activities work as house-maids in other parts of state.

Of the three women interviewed two, Nagammal and Bhupati, belong to the BC caste of the same colony and the third, Amutha belongs to one of the SC colonies. My introduction to Nagammal and Bhupati goes back to 2008 when I was involved in assessing the impact of the ILO sponsored savings and credit groups (SCG) in their settlement (Roesch et al., 2005). My prior work was useful as I had spent significant time in this settlement collecting data on livelihood opportunities available and practiced by its members. This helped my re-entry and selection of informants. I decided on Nagammal as she was in her early phase of marital life, the only literate in the settlement and as a result shouldering the responsibility of maintaining the accounting of the two SCGs. On the other hand, Bhupati was older with all her children married and used most if not all her time in the collection and sale of a particular leaf and grass used for festivals and making garlands. She was the only women in this settlement carrying out this IGA and it demanded a good deal of mobility (from her settlement to main market by bus and from her household to the marshes on the edge of settlement by foot). In 2008 it was impossible for me to get more than a few minutes with her at a time. This was consciously achieved in 2009. Amudha is the third women interviewed. She is the president of the Panchayat Level Federation (PLF) of SHGs. It is this position which Amudha held that motivated me to look into her life experiences.

Nagammal is twenty-five years now; married at seventeen she has two children, one six and the other four. She has enrolled both her children in the same private school which costs seven thousand rupees per annum. Nagammal grew up under the care of her grandmother as her mother died when she was a year old. After her schooling Nagammal learnt all household chores but was not allowed by her grandmother to seek employment outside, even to work as an agricultural coolie in their village. After her marriage she joined the women of her husband's village and learnt to work as an agricultural coolie. Presently, Nagammal works in de-silting the village pond, part of the NREGS. Nagammal is the only literate person of her generation (and above) in this village. Six years back an NGO facilitated the start of two savings and credit groups (SCG). Nagammal is in charge of maintaining the accounts of both groups for which she is paid fifty rupees per month by each group. Both groups have received just one loan of twenty-five thousand rupees, a rotating fund that was shared among five members initially to buy livestock. This was five years ago and most of the livestock are now dead. Nagammal managed to save a calf of her cow which is now providing milk. Presently, her main IGA is through the sale of milk from this cow.

Bhupati is around fifty years, born and married in the same village. Bhupati and her husband worked as a labour until a decade ago. This pattern of employment besides providing cooked food, grain and clothes also offered a ready source of cash loans. She managed to marry off her three daughters with these loans paid back through her labour. With the collapse of this employment Bhupati worked as an agricultural coolie in neighbouring villages but this employment was irregular. At this time Bhupati fell very ill and was cared for by her younger brother. On recovery Bhupati's brother suggested that she accompany a group of women from his village who were involved in the sale of dry fish and fruits. Inspired by these women Bhupati returned to her village with her first purchase of fruits and dry-fish. She sold this to households in the main village and to children at the village school. In course of time she realised that she could collect a particular leaf that grew wild in the marshes on the edge of her settlement and sell it to the garland makers in the market. Her daily routine was then split in collecting leaves and grass from the marshes post lunch, tying them in bundles in the evening and early next day to take them to the market. After selling her produce of collection, she would use this money in buying fruits and return home. She will then have her morning meal at home and go around the village selling the fruits. She made a profit of around hundred rupees a day.

Five years ago she started a petty shop in her settlement through the SCG loan but in a few months closed it down. This was because she was not able to maintain accounts of people buying on credit and so failed to recover her money. Given this experience she returned to the collection and sale of leaves. She sees less risk financially in this.

Amutha is in her early forties. The first day I met her she was working in de-silting the village pond, an employment provided through the NREGS. She explained that as the head of the Panchayat Level Federation (PLF) of SHGs it was mandatory for her to participate and monitor the work and payment of the labourers' in this employment. Her health, since she met with an accident a decade ago, did not allow her to carry out strenuous physical work. She considered agricultural coolie and employment provided through NREGS in this category. Prior to this accident and since her marriage twenty-six years ago she was working as an agricultural coolie. Her husband also worked as an agricultural coolie as he did not own land and never leased one. Her husband now works as a contractor (organizing a group of labourers) for construction work.

Amutha's dad was working for the Indian Defense Services and posted close to Delhi when she was born. Living in north India in her early years has taught Amudha to speak Hindi. It was her Hindi speaking skill that encouraged a government official to select her as the PLF leader in 2008. In fact Amudha was not the first to join the SHG in her colony. The first two SHGs in her colony were started in 2003; she joined the third group started in 2005. She claims not to have understood clearly the purpose of SHGs in 2003 and also as she lacked

financial capacity to save fifty rupees a month then. She later joined the SHG motivated by the scholarship given to high school going children. Amutha has two children; her daughter is now twenty-one and son twenty years old. Both children studied till high school (tenth standard) and then opted for employment. Her daughter attended a tailoring course and is currently working in the packaging section of a foot cream manufacturing company. Amutha's son had (in September 2008) just started working as a car driver for an individual. As PLF leader Amudha has been attending many meetings and travelling consequently, exposed to many SHG enterprise experiences. Acknowledging through this that success of group enterprise is closely linked to the scope of sales of the products. SHG members in her colony have recently applied for group loans for enterprise. She has applied for developing a mushroom production unit for her group.

Understanding Motivations

The six women introduced above show how women have access to different resources and how they interact with it. The diversity among these six women is instructive in not looking at 'poor' women as a homogenous category. In this section I intend to highlight this diversity by comparing and contrasting the above life experiences. This exercise provides some pointers to understanding women's motivations for and against activities they are familiar with through the course of their life experience.

The case of Lakshmi shows her attachment to her agricultural land. This is the role she has been socialized to in her paternal household. Though her mother's daily routine was dominated by household chores, she significantly contributed to the management of agricultural production. Lakshmi is physically and psychologically prepared to carry out household routines of collecting water, cooking, cleaning and child rearing. She now wants to devote the time she has gained from child care (as both her children are now young adults) into a profitable economic activity. She has been participating in various income generating activities in the past given the resources at her disposal. These include tailoring, snack shop, petty shop, leasing and cultivating agricultural land with her SHG members. Her motivation for bringing her land under commercial cultivation of palm oil trees is not only because she lacks the skill of agricultural labour but more so under social pressure. The social pressure is self imposed, wanting to gain recognition from and belong to the social network she values. This network narrowly, includes her parents, siblings, in-laws and their respective spouses and children and broadly, households of her village which is numerically dominated by members of her caste. Lakshmi has been conscious of the increasing levels of literacy and salaried jobs within this social network and the diversification in agricultural crops from traditional groundnut and paddy to flowers, vegetables and more recently casuarina trees and palm oil trees; all together contributing to the rise in income and asset building of the respective households. Though she acknowledges her petty shop enterprise as beneficial for cash circulation, she does not see scope in it contributing to her economic growth, at least not to the scale of her expectations. She strongly believes that the only way to reach her expectation set in tune with her social network is to invest in her land with a commercially viable crop.

Lakshmi and Meenakshi spend most of their time, between household obligations, together. They seem to be good friends and Meenakshi seeks advice from Lakshmi on SHG loans and in dealing with bank officials. This closeness does not lead to similar aspirations of income generation. Though living in the same village and only a couple of houses away from each other, they do not consider each other to be part of the same social network which in Lakshmi's case is synonymous to her caste. Meenakshi in fact belongs to a caste ranked 'higher' than Lakshmi's, but is both numerically and economically dominated by households of Lakshmi's caste. Meenakshi's motivation in choosing saree sales is mainly linked to not owning any natural resource, commonly land that she could invest in, for economic pursuits. Not opting for agricultural coolie work was more due to her high caste restrictions (that considered this employment as pertaining to low castes) than due to the lack of skill and practice. But caste barriers were crossed with respect to NREGS sponsored daily wage work. Here Meenakshi was forced to participate not motivated by the wages but for gaining government recognition as a household below poverty line, so as to be eligible for other forthcoming subsidies from the government. IGA that Meenakshi was motivated towards needed financial capital. In the past with her husband's meager salary, child care responsibilities and caring for her aged parents-in-law it was beyond Meenakshi to think of IGA except to use her enterprising skills in managing household needs on a small budget. With parents-in-law dead, husband unemployed, elder son contributing to household economy and no daughters, Meenakshi now is conscious of her advantageous position. Advantageous because she is now free from the control of her parents-in-law and husband with respect to her physical mobility and economic participation. She has now graduated from being a young bride to the woman of the household with authority as the primary income for her household comes from her son helped in getting a job by her kin. She is now (since four years) a member of a SHG capable of regular saving and in turn eligible for group loan. This has provided her with the financial capital to start the business of saree sales. The choice of this IGA is linked to her social network; her siblings living in a large city, a place also familiar to Meenakshi as she spent her schooling years there. Siblings living in the city forms Meenakshi's resource base as they provide easy access between her house and the market where she buys her sarees. She has a place to stay and break journey. Her siblings and son living in proximity to the shops are

familiar with products and prices and can also substitute for her in the purchase of the sarees. It means that Meenakshi can have access to her stock even if she does not travel to city to buy it herself. Meenakshi has given these operational details a thorough consideration and this has motivated her in undertaking this IGA.

Kali's livelihood strategy is a contrast to both Lakshmi and Meenakshi. She owns agricultural land and engages in daily wage employment be it in agriculture or NREGS for income. Another important contrast is that she and her husband together participate in the same IGA. Kali is also much younger, in her early thirties, with three children to attend to. Nevertheless, Kali's devotes the major part of her day in IGA. This is made possible with the help of her mother-in-law who contributes significantly to household chores, child care and tending to the cows. Kali has been following this routine since she got married at sixteen. Both her mother and mother-in-law had a similar routine when they were Kali's age. Membership in the SHG has provided the couple an opportunity for regular small savings and the possibility of loans to realize their repayment capacity. Only two households, including Kali's, own cultivable land in this colony. Though the household has been continuously putting their agricultural land to production, the investment in flower cultivation is motivated by a number of intertwined reasons. Firstly, the couple has gained the skill, knowledge and capacity for flower cultivation by working for a MBC household in their village. Secondly, there seems to be an aspiration for 'social mobility', an emerging friction and distrust on the consciousness that they have invested their labour to a household of a different and 'higher' caste than them, who did not treat them as equal. This is expressed by Kali's husband, "we worked for this household for many years and our labour was most useful for them when they introduced flower cultivation. We had a better working knowledge of the cultivation as we spent more labour on it than they, who were concerned more with capital investment and marketing. They were friendly with us and were well aware of the land we owned and cultivated with traditional crops of paddy and groundnut which was much less profitable than flowers. We saw that they made good profit with flowers but they never suggested us to take this up. After a few years we realized that it was purposeful and they did not want us to reap the same profit and also because they would lose out on our labour. When this became clear to us we started flower cultivation in our land without their support".

Amudha belongs to the same caste as Kali but from a different village. Amudha does not own cultivable land and has worked as an agricultural coolie since her marriage and till an accident at work that damaged her health. Though she has recovered from this, she believes that she lacks the stamina for this work. But here it is not just a question of health but the lack of compulsion or need to invest in this type of labour for household income. With the same health status she has participated in the employment provided by NREGS obliged by her position as PLF leader and not so much for income. Her aspirations for IGA are out of the fold of traditional daily wages. This is motivated by both her exposure as PLF leader and the changing IGA of her extended kin network. As PLF leader she has gained knowledge of the group enterprises carried out by SHG members in other villages near and far from her village. She is also now aware of different governmental schemes and scope for getting group loans for enterprise. On the other hand, with respect to changing IGA, she has seen her husband move from being an agricultural coolie to a construction worker with higher daily wages; her brother works as a watchman in a local college; most young girls from her colony including her daughter work in companies on contract basis motivated by work atmosphere (indoors with air-conditioners, with pick up and drop to and fro from home to work place) and her son opting to be a driver. Given the experiences of herself and others close to her, she aspires to be an entrepreneur starting a mushroom production unit. She has however, not chosen this enterprise in haste; her exposures have taught her the importance of group labour management and marketing. Though she does not want to participate in traditional daily wages, she is aware that it is the main livelihood opportunity for most members of her group and so needs to choose an IGA that can complement this IGA and yet be satisfying for her managerial skills. Her motivation for starting a mushroom production unit through a SHG group loan is linked to her exposure to mushroom cultivation carried out by her brother. She has a good knowledge of what infrastructure is needed, the fact that her backyard can be used for this, the time scale for preparation and harvest, and a plan for division of labour among the group members for the different stages of production including marketing. Importantly, she proposed this activity as it will allow enough time for each group member to carry out their regular livelihood activities.

Though Amudha, Nagammal and Bhupati live in physical proximity (different colonies of the same village) and have access to the same livelihood opportunities their motivations are different. Though age is not the only reason, the fact that the three belong to different stages of the life cycle does direct their motivations. Nagammal is the mother of two young children living as a nuclear family with her husband's irregular daily wages being the main income for the family. Amudha is in mid-stage; just out of the burden of day to day child care but anticipating and saving for the marriages of her children. Bhupati is in the next stage to Amudha; with all her children married, she is conscious of running out of time with her age and corresponding health and wants to make most of it now.

For this reason Bhupati has invested heavily on her house. She started this house construction a year ago with the thirty-five thousand rupees sanctioned under the housing loan of the government. The actual expense of this house has reached three lakhs. This money was

mobilised from Bhupati's savings, a loan from the flower shop she supplies to and another loan arranged by her son, besides the labour cost was free contributed by her sons-in-law and son. She sees her house as an important and only asset and the security for her future. She is conscious of the risk to her health in the collection activity as the marshes have snakes and also the milk that oozes from the sap of the plant while plucking the leaves is harmful for her eyes. She has damaged the vision in one of her eyes in this process. In spite of this risk she continues with collection and sales of the garland leaves and grasses. Her sustenance in this IGA is motivated by the ownership of income which in turn is linked to the feasibility of individually carrying out this IGA. With all her children married and living independently her household is reduced to just herself and her husband. She detests her husband's alcoholism and irresponsibility in contributing to the household income and so prefers this IGA that gives her the space to own and manage her time, labour and income.

Looking back at her experiences, Bhupati recollects that taking fruits for sale to the different households in the village compliments her childhood experience of carrying fish for sale to these households. Her father was skilled in inland fishing and Bhupati and her sisters would take the fish to the different households. She also feels that the adult literacy programme organised in her village (around two decades ago) helped her in reading the bus numbers and destination names. This provided confidence to her mobility from her village to main city market and back. Two of Bhupati's three daughters live in neighbouring villages and her only son lives next door to her. All have been very supportive in her gaining assets. The confidence in carrying out this IGA is linked to both her childhood experiences and the support and guidance of her brother. But Bhupati does not aspire to carry on with this IGA for long. She sees herself doing this till she manages to repay the debt incurred for her house construction. She then hopes to get a loan to start a petty shop or snack shop; something that is not as demanding of her mobility as her present IGA. Though her past experience of managing a petty shop was financially damaging, she feels she has now gained enough experience in accounting and should be able to manage it more successfully in the future.

Nagammal being much younger to Bhupati is in contrast to her, looking for companionship in carrying out an IGA. Though her health does not withstand the labour demand of traditional daily wages, she participates in it not only because it is the common IGA opportunity available in the vicinity of her settlement but also because of the security of having older women with her at work and travelling from work to home given her inexperience in the IGA. Similarly, her motivation for rearing milch cattle is related to carrying this out mainly in the household space and when grazing within the village boundary. She is enthusiastic in carrying out new IGA that can be done within the household space like candle making that she saw during one of her exposure visits facilitated by the NGO that started the SCG in her settlement. But is determined that such new IGA is only possible with training and continuous support (moral) and assistance (technical and financial) from the NGO. Her present difficulties in managing the SCG accounts in the absence of NGO assistance has made her skeptical of their support and in turn on the possibility of starting such new IGA.

The spatial restriction that Nagammal is in with respect to IGA is not related to caste norms but by the fact that she lives as a nuclear family with two very young children. This implies that the burden of all household chores and child care lies on her. Besides the milch cattle also adds to her choice of spacial restriction. Kali is in the same life stage as Nagammal but their daily routines and corresponding motivations for IGA are different. This difference is related to two important factors. Firstly, Kali has her mother-in-law to help with household responsibilities and therefore finds more time to stay away from her household.

Secondly, Kali owns cultivable land that provides the security and regularity of IGA. She therefore has her hands full and does not look for new IGA activities and support as Nagammal.

We see through the above cases the different strategies women have in negotiating between the institutions and their livelihood. Referring to institutions I mean, their

1. Social resource which includes their household extended kin network and caste but also the multi-caste village and work environments; the support they draw from them but also the norms that they have to comply with, how this institution influences their ideas. The case of Bhupati, for instance, her ideas for choosing the grasses for sale comes from her work environment. Though Meenakshi and Lakshmi are from different castes and very much influenced by caste trends of what is good IGA and not, they also do influence each other on how to get SHG loan and what to do with it.
2. Human resource relates to their labour power; at what stage in the life-cycle are they. The choice of IGA is very much linked to this. The above case studies show how child care, household domestic responsibilities, control of husband and parents-in-law and health is related to the age of the women.
3. Physical resources refer to the infrastructure available. The emerging changes in livelihood especially in the non-farm sector is related to better roads and transport and expanding business sectors in state and its periphery. Kali's husband has recently started to work in construction sites; he also has the experience of working in a chemical packaging company. Meenakshi's son

and siblings work in Trivandrum and her choice of saree business is partly facilitated by easy access to Trivandrum. Similarly, Lakshmi's son and siblings and Amudha's daughter work in Trivandrum.

4. Natural resource is linked closely to agricultural land, its ownership and access to leasing but also to agricultural wage labour. In Bhupati's case to the marshes for collecting leaves and grasses. Also grazing land for livestock. The possibility of desalting village ponds through NREGS.
5. Financial resource provided by kin networks, microcredit and linkage to banks through SHG, loans and advances from buyers of their produce, be it milk from livestock, flowers and vegetables from cultivation, or the market stall that Bhupati supplies her products of collection.

5. Conclusion

Dichter, in a book entitled, *What's Wrong with Microcredit*, says that it is unrealistic to "expect microfinance to noticeably affect growth or successful business development". Most people, he writes, "poor or otherwise, are not entrepreneurs, so there is little reason to think that mass credit would in general lead to viable business start-ups" (Dichter, 2007: 1). Commenting on Dichter, Fernandez (2008) attributes this problematic as one arising from "definitional confusions" where "enterprises are distinguished by these experts from livelihood activities" (2008: 236).

Fernandez (2008) argues that this 'minimalist approach' of mere financial intervention for enterprise development is not particular to microcredit provided by NGOs and Microfinance Institutions (MFIs) but also to large banks, where the former often follows this approach under pressure of achieving financial sustainability. Further, the failure of this approach in promoting enterprise is attributed to some MFIs retaining control of the size and purpose of the loans disbursed by them, a control regulated by a misconception of what is 'productive' investment and not. In an in-depth and detailed analysis of SHG in Kerala, Kalpana (2008) shows the diversity of bypass strategies implemented by women (arrangements with the staff and with bankers, use of intermediaries, etc.) to do "as if" they were using microcredit for "productive use". The motivation here was to access credit rather than to redefine the uses to which it was put as 'productive'. But definitely this is a reflection of women's capacity to negotiate access to resources and use them for their livelihood promotion.

It is thus, more meaningful to look at women's participation in IGA and explore their motivations for and against an IGA through the livelihood framework. The case studies discussed in this paper is an attempt in this line. The case studies show that women do not isolate their participation in one institution from the other. They are individuals carrying in them composite identities and responsibilities prioritising one from another at different contexts. We need to acknowledge that livelihoods are controlled by many factors as in the five 'capitals' or resource base of the livelihood framework and not narrowly judge the impact of microfinance on enterprise development, all the more as women and their participation in IGA shown through the above case studies did not start with them becoming SHG members.

Suggestion:

It is suggested that a better understanding of the diversity of women's livelihood and a better understanding of the range of constraints, motivations, skills and capabilities of women through the livelihood framework might help to understand the impact of microfinance. The limitation, however, lies in the broad scope of this framework making it difficult to operationalise. This paper is a narrow demonstration of this difficult possibility.

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Stress and Burnout in corporate Managers –Paying the Price of Success

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Abstract

21st Century is the Era of Stress and burnout. The technological advancements, social, economical and political upheavals present multiple demands and challenges before a Corporate Manager. A manager is required to meet these demands with the meager resources. Many researchers have identified managerial job as stressful occupation, due to the negative aspects of job such as multiple responsibilities, disciplinary problems, workers' apathy, involuntary transfers, inadequate pay and perks and lack of administrative support etc. As a result of these, managers are likely to suffer from stress may experience a sense of tiredness, frustration. When prolonged stress continues and it is not effectively managed, it can even lead to symptoms of **Burnout**, a state of emotional exhaustion, depersonalization and diminished personal accomplishment in the job. The managers' state of mental health has a direct influence on the productive process and burnout can seriously affect the mental well-being of managers. Thus, burnout is not a trivial problem but a major dysfunction of the 21st century, which has far reaching impact on quality and quantity of productivity. The present paper explores the concept of Stress and Burnout, the factors leading to the genesis of the problem, the various symptoms of it and how it's a serious quality concern in the managerial profession. The appropriate interventions for prevention of stress and Burnout are also suggested.

INTRODUCTION

Managers are the key personnel in the corporate building process. That's why It is extremely important that manager is committed towards his profession. Nation's economical progress depends on the quality of the managers. It is rightly said good managers are those who can fill the joy and energy in his team, who can motivate his team for achieving the corporate as well as individual goal. The job of manager does not end with mere target achievement but a manager is expected to perform the role of a mentor, guide, counselor, facilitator, social worker. A manager is the person who imbibes, interprets and disseminates the culture and traditions of the past, and as the maker of one and all, his position is unique and second to none. A manager is the person who brings changes in the organization. He is a change agent. He is the father for his team. Manager influences the team by what he says, and even more by what he does. His attitude toward his team, toward his world of work and life in general, his philosophy of productivity put into practice, his interests, ideals and aptitude condition learning and are therefore important for team growth. (Adaval, 1979).

A manager is needed to have various competencies such as:

- Proper planning- a manager has to be a meticulous planner about the objectives and learning experiences to deliver.
- Organizing – a manager must be a very good in allocating task and providing resources.
- Staffing – a manager must be very good in managing men
- Leading – a manager must be able to influence, motivate and direct his team.
- Controlling – the most important tool to monitor the progress of team that they are moving in the right direction within stipulated time or not.
- Communication skills- effective communication skills are the prime requisite for effective manager.
- Interpersonal relations – needs to have rapport with the employees and have empathetic attitude towards them.
- Administrative abilities- A manager is assigned various administrative works.
- Community participation – a manager has to a role model for the community and is expected to be sensitive to its demands.

There is no doubt, a manager in the quest to prove one in all these competencies, over exerts oneself and remains susceptible to **stress and burnout**. Many researches have established managerial position as stressful occupation. Various stressors of the managerial profession have been identified as follows:

- ♣ Multiple roles and inability to reconcile different roles.
- ♣ Strict standards of accountability upon Managers.
- ♣ Excessive workload and long working hours
- ♣ Extensive tour and away from Family.
- ♣ Discipline problems among employees.
- ♣ Workers apathy- lack of co-operation, disrespect by them.
- ♣ Lack of authority- manager has little authority and decision making powers.
- ♣ Financial constraints- Managerial profession remains one of the low paid jobs.
- ♣ Intensive verbal and written communication.
- ♣ Lack of administrative support.
- ♣ Providing substitution for employee shortages and absences.
- ♣ Declining status of the managers in current consumerist culture.
- ♣ Frequent transfers.

As a result of these, managers may remain in **stress** and whenever **stress** continues for a prolonged period, one may feel overwhelmed and unable to cope with it. One may start experiencing a sense of tiredness, frustration, helplessness, exhaustion and/or hopelessness which are perceived as symptoms of **burnout**. **Stress** is a non specific response of the body to any demand made on it. It is a force of sufficient magnitude to distort or deform when applied to a system. Two major types of stress are : the stress involved in loss of a loved one or of a job or self-esteem that comes when a person's level of attachment is considerable. Such stress can generate symptoms of depression or anxiety, ill health and the like.

Everybody knows what **stress** is all about. It is part of life and perhaps, to some extent, necessary at work and outside work. Some people are even more productive and creative when they work under stress. But if stress is intense and continuous, then it becomes a negative phenomenon leading to physical illness and psychological disorders. The European Union has done some valuable research work on stress which shows that there seems to be differences between north and south. Whereas the labour force in southern Europe reports more extensive problems in the physical and ergonomic work environment, the countries in northern Europe report far higher stress levels. It is true that the way work is organised changes a great deal when one moves from north to south and there is a less hierarchical tradition of work organisation in the North. There are also different welfare systems, different types of legislation and health care. This being said, there are also a number of common threads which link the high prevalence of stress and burnout to changes taking place in the managers, due partly to the effects of economic globalisation. And economic globalisation affects all workers alike. The globalisation of economies has prompted significant modifications in the nature of work and brought managers (workers) under ever-increasing pressure. People in a wide range of occupations have to cope with greater uncertainty, more intense demands for increased productivity, flexibility and employability. Restructuring, lean production, subcontracting and outsourcing reduce the number of jobs and put higher requirements on individual workers, in terms of both quality and quantity of production. Workers have to produce more, faster and at any time. With their competitive requirements, companies today have become real stress-producing factories. It is no longer machines which break down. It is the workers themselves. So far, stress at work has been mostly considered in the context of the industrialised countries. But there is growing evidence, although scattered and incomplete, that stress is affecting workers in developing countries as well. Stress is certainly not an exclusively white-collar workers' issue. Today it affects all professions and all categories of managers.

Burnout is a psychological syndrome having three distinct components:

- a) Emotional exhaustion- dying of passion for job, showing numb and passive feelings.
- b) Cynicism and detachment from the job- negative attitude and disinterest in people around.
- c) Sense of inefficiency and reduced personal accomplishment. (Maslach, Schaufeli, Leiter, 2009)

Fraudenberger, 1974 has described burnout as a demon born of the society and times we live in and our ongoing struggle to invest our lives with meaning. Kahn, 1980 has explained burnout as a syndrome of inappropriate attitudes towards clients and towards self, associated with uncomfortable physical and emotional symptoms as well as deterioration of performance.

The History of the Concept of Stress and Burnout

There is increasing evidence which suggests that today more than ever before, employees are working in an atmosphere of anxiety and stress. A fundamental and dynamic shift is taking place in the world of work. Many have called this change the third revolution or 'tidal wave'. Most experts have agreed, however, that the situation is a transformation from an industrial economy to an information or knowledge based economy. Structural changes (downsizing, mergers, acquisitions and restructuring), changing social and working contexts and the introduction of new technology are all implicated in the stress process. The negative impact of stress can be observed in the wide range of conditions that are associated with it. Stress has been associated not only with a variety of psychological conditions including anxiety and depression, but also with a number of important physical conditions including heart attack, ulcers and stroke. It is also considered to be a contributing factor to low back pain and repetitive stress injuries.

The World Health Organization (2001) predicts that by 2020, mental illness will be the second leading cause of disability worldwide, after heart disease. The International Labour Organization (ILO), (2000) says mental illness affects more human lives and gives rise to a greater waste of human resources than all other forms of disability. Mental disorders are one of the three leading causes of disability. In the EU, for example, mental health disorders are a major reason for granting disability pensions. Five of the 10 leading causes of disability worldwide are mental health problems – major depression, schizophrenia, bipolar disorders, alcohol use and obsessive-compulsive disorders – and account for 25-35% of all disability (Cameron, 2000). Employers are greatly affected by their employees' mental health, and employers affect – positively or negatively – their employees' mental health.

The United Kingdom Department of Health and the Confederation of British Industry have estimated that 15 to 30 percent of workers will experience some form of mental health problems during their working lives. The most recent research from the HSE (2002) suggests that since 1995 the number of working days lost to stress, anxiety and depression in the UK has more than doubled. In 2001, more than 13 million days were lost because of stress, which affects one in five of all employees at a cost of up to £3.8 billion.

In the USA in 2000, on any given day 3.9% of employees in US workforce are absent from work (Bureau of Labour Statistics, 2002). In 1998 costs associated with 8.3 million work related injuries and 5,100 work deaths resulted in 125 million lost work days and cost American business \$125 billion in wage and productivity losses, health care costs and administrative expenses (Di Guida, 1995). These are the direct quantifiable costs; however, they represent only a portion of the costs. The indirect costs, which include the cost of hiring and training replacement employees, lost profits, loss of customers, decreased employee morale and efficiency, time lost by supervisors and other employees at the accident; are estimated to be about 5 to 15 times higher (Kalina, 1998). Estimates of the national cost of depression (USA 1990) range from \$30-\$44 billion of which close to \$12 billion is in lost work days each year. A further \$11 billion in costs accrue from decreased productivity due to problems with concentration, memory, and decision-making.

The use of the term 'Burnout first appears in Graham Greene's 1960 Novel, A Burnt out case in which a spiritually tormented architect quits his job and withdraws in African Jungle. Earlier Writings such as the Protagonist in Mann's "Buddenbrooks" also display the core features of Burnout. Research on burnout has undergone distinct phases of development. At the pioneering stage, the works done were exploratory and tried to articulate the phenomena of burnout. Fraudenberger, a psychiatrist in his book entitled "Burnout : The high cost of High achievement" 1974 provided the direct account of emotional depletion, loss of motivation and commitment and labeled it with term Burnout. Maslach, a social psychologist, studying emotions in the workplace (interviewed a wide range of human services workers about the emotional stress of their job) and her book "Burnout: The cost of caring" 1982 describes burnout with precision. Thus, the two are credited for pioneer studies on Burnout. The earlier researches had clinical and social psychological perspectives. On the clinical sides, the focus was on symptoms of burnout and issues of mental health whereas social perspective by Maslach had focus on relationship between provider and recipient, in the context of service occupations. The initial researches were descriptive, non empirical and qualitative in nature using techniques like interviews, Case Studies and on site observations.

The second phase of burnout research in 1980's was systematic and quantitative in nature. Questionnaire, survey methodology were used in which Maslach and Jackson (MBI Inventory) has been used in 90% of the research studies. In the 1990's the empirical phase continued but the concept extended to other occupations beyond human services. The complex relationships, among organizational factors and components of burnout were established and Burnout models were developed (Neil, J.S., Paul, B.B.2000).

Factors attributing to stress and burnout

Recent works on stress and burnout indicates that both the individual and environment play important role in contributing to stress and burnout. The climate of the educational institution remains the prime factors which help in aggravating it. Apart from work related stress, lifestyle and personality factors are equally important.

Factors related to work

Occupational or job stress has been widely studied in relation to burnout. Variables of job stress i.e. role ambiguity, group of political pressure, under participation, powerlessness, low status, poor interpersonal relationship, and lack of social and administrative support has been found to be significant co relate of burnout. (Raedeke and Smith 2004; Rupart and Morgan, 2005). Thus, the work related factors can be categorized as:

- a) Excessive work load
- b) Lack of personal control and little autonomy to decide in their jobs.
- c) Lack of recognition and acknowledgement in the job
- d) Role ambiguity i.e. unclear of what is expected from them
- e) Reduced career advancements i.e. limited options to advance within the organization.
- f) Conflict with managers/supervisors or colleagues.
- g) Poor leadership from one's supervisor
- h) Monotonous or unchallenging job.

Factors related to lifestyle and Personality Factors

Organizational dysfunctions are not the sole causes, Lifestyle of a person and personality characteristics can also help in aggravating burnout. Many studies have focused on relationship between personality characteristics and burnout (Mills and Huebner, 1998; Grundy, 2000). Burnout scores tend to higher for those who have:

- ♣ Personality with more external locus of control
- ♣ Personality with more neurotic score on the five factor model of Personality
- ♣ Personalities who exhibit Type A behavior and are high achieving.
- ♣ Perfectionist tendencies.
- ♣ Working too much without enough time for relaxing and socializing.
- ♣ Not getting enough sleep and rest.
- ♣ Lack of close supportive relationships personally and professionally.

There is wide disagreement among experts on what causes burnout? Is it years after years of too much stress? Is it lack of challenge? Or is it an inability to maintain a healthy balance. Burnout can be caused by Combination or all of these factors.

Indications of onset of burnout

Burnout can slowly set in due any of these factors or stressors and may slowly extinguish the zeal and motivation. Onset of burnout can be indicated when one starts feeling any of these (Aronson, 2009):

- ♣ Does work activity that you once enjoyed now feel like drudgery?
- ♣ Have you become more cynical or bitter about job and co-workers?
- ♣ Are non work relations affected by feelings about work?
- ♣ Do you find yourself dreaded going to work.
- ♣ Experiencing regular fatigue, low energy, and easy irritation with co workers
- ♣ Depressed on Sunday afternoon thinking about Monday.

Symptoms of burnout

Person experiencing burnout becomes increasingly ineffective, his sense of personal accomplishment plummets. He realizes he is becoming cold and indifferent, that he is just not himself, his sense of fulfilment in the work is gone (Alan Shelton, 2007). The symptoms can be categorized into physical, emotional and behavioural signs (Melinda, S., Segal, J., Segal, R., 2011) as follows:

1) Physical signs and symptoms of burnout

- ♣ Feeling tired and drained most of the time
- ♣ Lowered immunity, falling sick a lot
- ♣ Frequent headaches, back pain and muscle ache
- ♣ Change in appetite or sleep habits.

2) Emotional signs and symptoms of burnout

- ♣ Sense of failure about oneself.
- ♣ Lack of motivation in one's work
- ♣ Increasing cynical towards oneself, job and colleagues
- ♣ Detachment-feeling alone in the world
- ♣ Decreased satisfaction in life
- ♣ Low sense of accomplishment, feeling helpless, trapped and defeated

3) Behavioral signs and symptoms of burnout

- ♣ Use of excessive food, drugs or alcohol
- ♣ Isolating from others
- ♣ Withdrawing from responsibility
- ♣ Skipping work or coming in late and leaving early from job.
- ♣ Taking out frustration on others

Burnout as a major Corporate Hurdle

The managers' state of mental health has a direct influence on the marketing process. Managers suffering from burnout symptoms can have serious consequences on their health and happiness, and also the employees, professionals and families they interact on daily basis. The important parameter of managing is to work intimately and becoming involved with customers. But a burnout manager is unable to fulfil these. They are unable to maintain the enthusiasm, care and commitment in the job which result in poor performance. Burnout managers no longer consider themselves professionals, rather just paid individuals. They perceive their work as futile and inconsistent with the ideals or goals they had set as beginning managers (Bullough and Baughman, 1997). A manager who is low on morale, high on frustration and is detached from customers is not able to be effective in the field. How a manager instructs is much more important than what he does, burnout managers who have negative feelings about themselves and customers are not able to interact properly. Thus the quality and continuity of management are directly concerned with the manager burnout. It is not a trivial problem but a major social dysfunction in the managerial process, which has far reaching impact on the society. It necessitates the need for proper interventions for prevention of it.

Prevention of burnout

It is better that the roots of manager burnout are identified and eliminated before the syndrome develops rather than treating it after it has already occurred. Researches too have pointed that it is easier to prevent managerial burnout than it is to reverse it once burnout has developed. Prevention of burnout can be done at three levels (Wood, T., McCarthy, C., (2002):

- ♣ Primary level: goal is to reduce the incidence of new cases. Primary interventions are generally to allow teachers to have some control over their daily challenges. These can be accomplished by involving teachers in curriculum and instructional planning, by providing them clear job descriptions and expectations. The proper provision for professional development of teachers and maintaining the open lines of communication between teachers and administrators.
- ♣ Secondary level: focuses on early detection of problems before they enlarge as full blown disorders. The most important step in early recovery from burnout is to recognize the problem and objectively survey the situation. One has to take steps to get life back into balance so that burnout does not cause full blown breakdown.
- ♣ Tertiary level: amelioration of burnout symptoms needs one to slow down or take a break. It is important that one is asked to cut back whatever commitments and activities one is pursuing and takes rest, reflect and get support from friends and family. One needs to reevaluate one's goals and priorities. It can be an opportunity to rediscover what really makes one happy and to change course accordingly.

Interventionist strategies both at individual and organizational level have to be adopted for preventing burnout from inflicting the quality management. At the individual level, following strategies can be adopted for prevention:

- ♣ Stress management
- ♣ Time management
- ♣ Proper nutrition, relaxation, exercise and meditation
- ♣ Developing clear boundaries between work and personal life
- ♣ Warm relationships professionally and personally
- ♣ Continuing educational activities
- ♣ Time for hobbies.

Following Organizational interventions need to be adopted for ameliorating the onset of stress and burnout:

- ♣ Improvement in working conditions.
- ♣ Improvement in Classroom environment.
- ♣ Increase in Salary and other benefits.
- ♣ Open lines of communication.
- ♣ Holidays benefits.
- ♣ Offer professional development activities.
- ♣ Training for relaxation, stress management, coping strategies etc.
- ♣ Involving teachers in curriculum and instructional planning.

CONCLUSION:

Many factors contribute to feelings of burnout in the workplace, including organizational change, demanding workloads, competing priorities, poor communication, and interpersonal conflicts among individuals or in the group. Burnout may also result from personal issues or family problems that can make workplace pressures worse. Whatever the cause, burnout can have a negative effect on job performance, safety, retention, morale, commitment, health, and absenteeism. At some point, almost all managers face the risk of Stress and burnout. Burnout can have more serious effects on Managers and company than everyday stress does, so it's important to recognize (as earliest possible) and try to avoid this common problem otherwise Employee will have to pay the price of it, at the same time company will also suffer. Hence it is better to follow the path suggested above to avoid the stress and burnout in corporate managers.

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