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From the Desk of the Editor-in-Chief

The last thing Snapdeal expected when their brand ambassador spoke about the growing intolerance was to deal with a consumer backlash. Almost 91,000 customers have downgraded the Snapdeal application to one on a scale of five as per the news headlines of the various National newspapers and News channels. Businesses have long used celebrities to attract the attention of the potential customers, who are constantly being bombarded with commercials. Endorsement is a channel of Brand Communication in which a celebrity acts as the Brand's spokesperson and certifies the Brand's claim and position by extending his/her personality popularity or stature in the society. Several Brands have been extremely successful on account of the Brand endorsers. However, success is not an outcome every-time. Golfer Tiger Woods lost a bevy of brands after facing allegations of adultery a few years ago.

Now, when Snapdeal sidelined itself by saying that the remarks of Amir Khan were "in his personal Capacity", it becomes mandatory to think that any remark made in public needs to be evaluated for it is impacting millions. Actor Amir khan's revelation that his wife Kiran Rao had suggested moving out of the country because of the rising levels of intolerance ripped open sentiments and became the biggest talking point on social media. It has led to a 'Hate' campaign across all social media platforms. So, how would this controversy impact the actor's brand equity? The major question which was looming in the minds of teeming Indians was…if adorable Khan is not safe then who is? How does he define safety? A nation which installed him as a hero and adorned him with admiration and respect was appalled at his statement. Khan, over the years has painstakingly projected himself as a sensitive and ethical entertainment brand through films like 3 Idiots and PK etc. Was it a farce? Education is growth of wisdom and a wise man is one who thinks about the outcome and implications of his/her words.

From time immemorial, this so called 'intolerance' has been in practice. 'Intolerance' is unwillingness to accept the existence of others. It has got nothing to do with religion, cast or creed. A person can be unwilling to tolerate the views, behavior or attitude of others without any rationale or logic. It is a mental block which has been into existence since the evolution of human life. If we screen the historic and religious scriptures, be it Hindu or any other, we find numerous instances where intolerance existed, such as between Duryodhan and the Pandavas; Bali and Sugreev; Aurangzeb and Dara Shikoh to name a few. However, the outcome of such intolerance gave sound lessons to humanity.

Celebrities should be selfless, secular and judicious as they carry the expectations of millions of people. A smart and occasional statement can save millions while an irresponsible statement which is biased and politically motivated can adversely impact and break the hearts of many.

The often quoted lines of the Great Poet, Rabindra Nath Tagore "Where the mind is without Fear and the Head is held high, where Knowledge is Free, where the world has not been broken up into Fragments of .... Let my Country Awake." have immense depth and meaning and cannot be quoted lightly. Freedom of Expression no doubt is a Fundamental Right but accompanied with the duty of not making any such irresponsible controversial statements that they may trigger a storm of feelings of hatred or creates irreparable feelings of hurt amongst countrymen who have earlier looked upon celebrities with passion to an extent of hero worship and incarnation.

I have an ardent hope that you will enjoy reading all the articles in the current issue and will revert with your valuable comments.

Happy reading!

Sanjeev Bansal

Impact of Corporate Social Responsibility on Firms' Profitability: Evidence from Nigeria and Sierra Leone

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Since the beginning of the 21st century, companies' main motive of owners' wealth maximisation is gradually metamorphosing into all-inclusive stakeholders' reporting because of intense agitations for corporations to be socially responsible. However, the impact of such activities on firms' profitability has produced mix results especially in the developing countries because such activities involve cost which lowers profits and simultaneously reduces operational disruption (cost reduction). Thus, this study seeks to close the gap by examining the impact of such Corporate Social Responsibility (CSR) activities/disclosures on profitability of Nigerian and Sierra Leonean firm between (2004-2013). It also establishes the effect of financial leverage and firms; profitability in the two countries with a view to clear the air on such unresolved relationship. Ten (10) firms but Five (5) firms from five(5) sectors were selected from each country while secondary data used were profitability (proxy by profit after tax) and CSR (proxy by dummies (1) and (0) respectively for disclosure and non-disclosure of CSR variables: Environmental Costs (EC), Human Resources Costs (HRC), Product Quality (PQ), Consumer Relation (CI) and Community Involvement (CI) while financial leverage was proxy by (ratio of total debt to total assets). A trend analysis of the relationship between profitability and (CSR & leverage) was presented descriptively while Pearson Product Moment Correlation Coefficient and Multiple Regressions (OLS methods) were used to analyse the data after non-existence of serial/auto correlation was established. The study finds that the correlation between firm size and CSR disclosure is 0.80 in Nigeria while in Sierra Leone the correlation between firm size and CSR disclosure is 0.78. Furthermore, a negative correlation of -0.71 exists between Leverage and CSR disclosure in Nigeria with Sierra Leonean firms having -0.69 correlation between Leverage and CSR disclosure. The study concludes that Nigerian firms' profitability are impacted more by their community involvement activity (3.09%) while environmental cost disclosure accounts for greater effect on Sierra Leonean firms' profits (2.3%). Finally, 82.3% and 79.4% of changes in profits of Sierra Leonean firms and Nigerian firms respectively are accounted by their CSR disclosure. The study therefore recommends that companies should invest and disclose CSR expenditure in their accounts with a view to improve their profit performance while highly geared firms should reduce their debt ratio to raise their involvement in CSR so that their profit can also be raised.

Key words: *CSR, Profitability, Leverage, Corporate Social Responsibility*

INTRODUCTION

Business organizations until recently were established with the main aim of creating economic values for their owners through profitable business activities and as such, profit is seen both as the means of fulfilling the financial satisfaction of the business owners and as compensation for the owners' risk to invest their capital in business enterprise. Over time, this profit motive created a wider gap between business owners and the society in which they operate resulting in agitation by pressure groups and even government for a fair play.

Tremendous economic and social changes that occurred in developing countries particularly over the past decades had made business environment to be more complex and demanding. Given that the contract between the firm and its host community typically does not define such expanded responsibility, justification for this added burden, at best, remains arguable (Babbie, 1990). This is so especially in view of the fact that actions taken to protect the environment and/or promote the interest of host communities expectedly come with substantial underlying costs and for most firms, cost are decisive in corporate performance. Therefore, as pressure to behave in a socially responsible way heightens, its effect on the financial performance of firms continues to generate intense debate.

The big corporate scandals of Enron, British Petroleum, and Parmalat was a worldwide shock as they revealed lack of social, ethical and environmental corporate concern. Subsequently, business organizations according to (Babalola, 2012) were compelled to develop a variety of strategies for dealing with this interaction of societal needs, the natural environment and corresponding business imperatives with respect to how deeply and how well they are integrating social responsibility approaches into both strategy and daily operations worldwide. This approach is called corporate social responsibility (CSR) and it helps firms to extend aid to societies needs, use business resources to promote the interests of all stakeholders affected by a company's operations and to respond to changing public needs and expectations while it helps in the correction of some problems caused by the business,(environmental degradation and pollution (water, air or land pollutions). All these have adversely affected agriculture and environment leading to shortage of food, unemployment and reduction in standard of living and per capital income. Lack of Petroleum Company's sensitivity to these CSR concepts led to crisis in the Niger Delta areas of Nigeria with resultant effect of loss of lives, properties, disruption of petroleum operations as well as kidnapping of oil sector staff and negative consequences on the economy. The economic implication is a form of revenue loss and diversion of government attention from developmental objectives (For instance, government of Nigeria had spent billions of naira in intervention scheme such as establishment of Niger Delta Development Commission (NDDC), Ministry of Niger Delta as well as granting of amnesty to the militants that were involved in the kidnapping and economic disturbances. More so, a number of money have been spent on oversees training of these militants with the sole aim of rehabilitating them and make them economically useful instead of disrupting the developmental activities.

The experience was not different in Sierra Leone as the country derives over 50% of its revenue in form of taxation from multinational companies which carry out mining of minerals such as Diamond, Rutile, Bauxite, Iron ore and fishing. This made the government to heavily protect these firms since 1932 when diamond was first discovered in Kono District, Eastern Sierra Leone. Invariably, over time their activities made the host communities vulnerable to water borne and air borne diseases and their farmlands have been flooded by abandoned trenches. Many people have relocated with little or no incentive resulting in so many vices in these host communities.

All these troubles could have been averted if the oil companies have been environmentally responsible and practice some levels of CSR. They were only concerned with profit generation and repatriation with the notion that spending on CSR will reduce their returns/ profit. This believe is not at variance with theoretical and accounting translation, which generally held that CSR could reduce firms' profits the same way other expenditures would. However, in the literature, there seem to be no agreement as to the effect of CSR on corporate performance. For instance, (Ajide and Aderemi, 2014) pointed out that CSR could promote respect for firms in the market place which can result in higher sales, enhance employees' loyalty and attract better personnel to the firms. Also, CSR activities focusing on sustainability issues may lower costs and improve efficiencies and serves as an added advantage for public companies who wish to gain a possible listing on the Stock Exchange or other similar listing (Robins, 2011). This may enhance the firm's stock price, making executives stock and stock options more profitable and shareholders happier (Chek, Mohamed, Yunus and Norwani, 2013). Going by these expositions, one may be tempted to say that being CSR compliant might enhance corporate performance, but then, why are firms running away from CSR activities?. Investigating into such relationship is a worthy academic exercise which untaken in this study.

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This supposition of ours is also in line with Jo and Harjoto (2011) who find a strongly positive impact for firms that engage in CSR activities on their values but contrast with that of Nelling and Webb (2009) which concludes that CSR is driven more by unobservable firm characteristic than by financial performance. At the extreme, Mulyadi and Anwar (2011); Apria (2011) conclude that there is no significant impact of CSR on firm's value. Other studies with contradictory conclusions on the relationship between CSR and corporate performance include Friedman (2008); Babalola (2012); Eragbhe and Oshodin (2014).

The observable inconclusive results call for a more recent, an academic ingenuity in establishing the relationship between CSR and profitability. This study answer the call and is distinct from other ones as it examines the impact of CSR activities and their disclosure on firm's profitability in Nigeria and Sierra Leone, (being countries that are oil and mineral dependent respectively and have suffered from CSR failure) considering differences in their legal and reporting environment since firms cannot ignore the problems of the environment in which they operate. In addition to resolving this heating conflict among researchers, this study comparatively analyzes the effect of CSR disclosure on firms' profitability in Nigeria and Sierra Leone in order to establish whether there is any similarity and/or difference between Nigerian and Sierra Leonean firms operational impact on their host communities.

This effort is closer to non-existent and it will serve as a useful source of information for: managers for making prudent and financial decision, business stakeholders in their relations with firms, government agencies and some other interested bodies (like NGOs and International agencies) for knowledge expansion and policy direction.

The above scenarios led to the following research questions:

(i) Does firm involvement in CSR reduces or increase their profit level?

(ii) Is there any difference in the effect of CSR on firms' performance among sectors in Nigeria and in Sierra Leone?

(iii) What is the effect of the major components of CSR activities undertaken by the selected firms in Nigeria and Sierra Leone on their profitability?

To achieve these objectives and address the research questions raised, the study hypothesized as:

Ho_1: effect of CSR on firms' performance do not differ significantly among company sectors in Nigeria and in Sierra Leone

Ho_1: There is no significant relationship between CSR activities/ disclosure among sector in Nigeria and Sierra Leone.

Ho_2: There is no significant effect of CSR activities on profitability of sampled firms in Nigeria and Sierra Leone.

LITERATURE REVIEW

Conceptual Framework

In 1953 Howard Bowen coined the concept of CSR in its modern form and is thus recognized as the father of CSR. Since the 1950s different academics and institutions all around the world have tried to define CSR. For instance, Carroll (1989) states that the social responsibility of business encompasses the economic, legal, ethical and discretionary expectations placed by society at a given point in time while Balza and Radojicic, (2004) revealed that these four part models are still use as a reference in almost every CSR discussion.

Gray, Owen and Adams (1996) define corporate social responsibility disclosure (CSRD) as the process of communicating the social and environmental effects of organization economic actions to particular interest groups within the society and to the society at large. (Dowhings and Pferrer, 1975) pointed out that (CSRD) assists to evaluate the congruence between the social value implied by corporate activities and social norms.

The European Foundation for Quality Management (EFQM) presents some common characteristics of CSR which are:

i. Meeting the need of current stakeholders without compromising the ability of future generations to meet their own demand;

ii. Adopting CSR voluntarily, rather than as legal requirement because it is seen to be in the long-term interests of the organization;

iii. Integrating social, environmental and economic policies in day to day business; and

iv. Accepting CSR as a core activity that is embedded into an organization's management strategy.

However, the membership Organization, EFQM (The EFQM Framework for Corporate Social Responsibility, 2004) presents a number of direct benefits for the organizations for engaging in CSR activities diligently to include: increased brand value, greater access to finance, a healthier and safer workforce, stronger risk management and corporate governance, motivated people, customer loyalty, enhanced confidence and trust of stakeholders and an enhanced public image. Consequently Solihin (2009) presents five key benefits of CSR a firm achieve for being socially responsible to stakeholders and the environment in general. These benefits are: increase in sales and market share, strengthen brand position, increase image of corporation, decrease in operation cost and increase appeal of corporation for investors and finance analysts.

Summarily therefore, social responsibility of firms is necessary for the following reasons: it helps firms to extend aid to societies need; it helps firms to use business resources to promote the interests of all stakeholders affected by a company's operations; social responsibility helps the firm to respond to changing public needs and expectations; it helps the firm or business to recognize its moral obligations; and social responsibility facilitates a firm's correction of some problems caused by the business, for example, pollution of the environment.

Corporate Social Responsibility and Profitability Measurement

Developing countries which have been greatly affected by the hazardous activities of firms especially multinationals have not benefited immensely from their profits. This is due to the fact that while regulations guiding their operations exist in their developed countries of origin, such are normally not available and even if they exist they are inadequate, vague and incomplete in the developing countries where they carry out their operations. As a result, these firms circumvent these structures for their personal gains. At the wake of 1990s, pressure groups canvassed and was able to draw the attention of the international community to these unprecedented operations. For instance, the Movement for the Survival of Ogoni People was able to launch a massive campaign against Shell in the early 1990s forcing Shell to close operations in the Niger Delta area of Nigeria. Similarly, in Sierra Leone was the 2012 uprising of Labour Union against African Minerals for their bad labour policy.

The history of formalized corporate social responsibility in Nigeria can be traced back to the corporate social responsibility practices in the oil and gas multinationals with the focus on remedying the effects of their extraction activities on the local communities. The companies were forced to provide pipe-borne waters, hospitals and schools but these initiatives were ad hoc and not always sustained. However, firms have realised that operating in an environmentally friendly society yields favourable results. Nevertheless, many executives are not aware of these benefits while some are even unwilling since it comes with costs and for many firms costs are decisive in major decisions. In response, the

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Governments of Nigeria and Sierra Leone signed and enacted the Extractive Industry Transparency Initiative (EITI) in 2006 which mandate firms and governments to respectively publish amounts incurred or received on CSR and taxes and royalties.

Corporate Social Responsibility Issues in Nigeria and Sierra Leone

Nigeria CSR experience is the common story that happened in many newly independent African nations. Almost all of them have been transformed into corrupted and ineffective dictatorships that usually heavily rely on Western or Soviet subsidies and that are often plagued in guerrilla fighting and civil wars whenever the changes of governments happen. These changes of governments are usually done by means of a coup d'état (Manby, 2002). For instance, Nigeria produces around 2 million barrels daily of crude oil and has estimated huge reserves of oil (over 22 billion barrels), mostly found in the coastal areas of Niger Delta (the land of Ogoni people with over 500,000 natives and their habitants that include fishing, hunting, and farming) have been destroyed by extraction of oil. Unfortunately, Ogoni received no compensation for the environmental damage done by oil companies (Johansen, 2002).

Unfortunately, going by Nigeria's constitution all minerals, gas and oil belong entirely to the federal government who negotiate the exploitation contracts with international oil companies. However, oil exploration by Shell, Mobil, Texaco, Chevron, Elf and Agip which started in 1956 resulted to an average of 190 oil spills per year happened in this Ogoni area with resultant pollution of the lakes, rivers and ponds. Consequently, almost all of the land became unusable for agriculture, canals and the fragile ecosystem have been permanently damaged. Moreover, polluted water has brought cholera and death. Severe respiratory problems and other kinds of illness are related with the constantly gas flaring that Ogonis have been exposed to (Johansen, 2002).

In 1990 Ogonis' protests of such conditions were met with an atrocious and brutal repression by Nigerian authorities. According to Gedicks (2002), more than 2000 people were killed and 37 villages were substantially destroyed. About 30,000 Ogonis were displaced from their homes forced by troops that have secured the area in order to protect Shell's assets. In 1993 nongovernmental organization "The Movement for the Survival of the Ogonis People" (MOSOP) was founded in order to protest the violation of Ogonis human rights. This organization demanded that the local control should be established regarding the political and environmental issues and its activists blamed Shell for full responsibility in the Ogonis genocide. However, their leaders, Ken Saro-Wiwa (the most notable leader) and eight prominent leaders were hung in the 1990s. While the group continued their operations, the government never took measures to protect them until recently when President Mohammadu Buhari ordered all participating parties in oil business to contribute $10million to CSR fund.

Conversely, in Sierra Leone in 1955, the monopoly that allows only the Imperial Sierra Leone Selection Trust Ltd (SLST) to mine in Sierra Leone was broken and in 1956 the Alluvial Diamond Mining Scheme (ADMS) was enacted which gave provision for Sierra Leoneans to mine and sell diamonds. In the case of gold, practically the entire production from 1930-1951 came from artisanal miners. However, these multinationals through government agencies acquired almost all the mining areas leaving little for artisanal miners by 1980s. Consequently, severally border conflicts ensued between the large scale miners and the local poor artisanal miners who were already out of work.

Adverse environmental impacts of unsustainable mining activity in Sierra Leone include deforestation, land degradation, and water and air pollution from waste dumps and tailings disposal. In many cases, environmental problems are a legacy of past mining operations that require funds to restore degraded lands or compensate affected communities. Artisanal and small-scale mining (ASM) activity, an important source of livelihood for around 200,000 local miners, is characterized by poor technological practices, with adverse environmental and social impacts. 80,000 to 120,000 hectares of land have been mined out in different parts of the country, with almost no efforts of reclamation. This kind of diamond mining has caused massive deforestation, health problems and significant loss of bio-diversity (FIAS, 2006).

In localized areas, large pieces arable land have also been destroyed by miners. In another case Koidu Holdings (KH), a joint venture of Branch Energy Ltd and Magma Diamond Resources Ltd opened their Kimberlite mine in Kono in 2003. They have another Kimberlite mine in Koidu as well as three additional exploration properties elsewhere in Sierra Leone the operation of which led to destruction of several houses and use of harmful dynamite in their operation with its consequences on human life.

Profitability according to Hackston and Milne (1996), is the company's ability to produce a profit that would sustain long term and short term growth. The higher the level of corporate profitability, all things being equal the greater should be the level of social disclosure, he concluded.

Poddi and Vergali (2009) classified profitability in the context of CSR into three (3):

i. Market variables market capitalization (MKTCAP);

ii. Accounting Variables- Profit After Tax, Return on Capital Employed (ROCE), Return on Assets (ROA), Return on investment (ROI), Return on Equity (ROE); and

iii. Mixed variables- Market Value Added (MVA).

Although one might have expected a certain diversity of measures of corporate social responsibility disclosures, Uwuigbe and Egbide (2012) opined that there is no real consensus on the proper measures of corporate financial performance either. However, most of the measures of firms' financial performance fall into the three broad categories: (i). Investor based; (ii). Accounting based; and (iii). Market based. The literature in this study area including (Johnson and Greening, 1999; Mahoney and Thorne, 2005; Orlitzky, Schmidt and Rynes, 2003; Wu, 2006; Babalola, 2012; Kanwal, Khanam, Nasreen and Hameed (2013), Poddi and Vergali (2009) and Uwuigbe and Egbide (2012) reveal that the accounting based variables are often used as proxies for profitability due to the following advantages:

i. It enjoys popularity among researchers and academia over considerable period of time due to its simplicity;

ii. Accounting data are easily available from published annual reports of companies; and

iii. There is little effect of personal judgment leading to its reliability to some extent.

Each of these variables however provides a credible measure and as such most research preferred accounting variables as proxy for firm's profitability. For profitability testing, many studies used the following accounting indicators: ROCE, ROE, ROA, and Profit after Tax and Net Profit Margin (Mulyadi et al., 2014; Ventila, 2013; Cyrus and Oyenje, 2013).

Theoretical Background

Should companies seek only to maximize shareholders value or strive to serve the often conflicting interest of all stakeholders?. Guidance can be found in exploring exactly what theory does and does not say (Smith, 2003). Thus, the Shareholders, Stakeholders, Social Contract and legitimacy theories are relevant to the concept of CSR and profitability.

Shareholder Theory purports that corporations are established to make profit for their shareholders such that the only exclusive social responsibility of

business is to make profits by using the companies' resources in legal activities. Thus, profit was considered as the reward to the people that take the risk of investing their capital necessary to run the company. However, the theory according to Smith (2003) has been criticized by adversaries on three grounds: (i) shareholder view encourages management executives to do anything in order to achieve profits (ii) it promotes short-term goals for businesses and (iii) it forbids spending money in charitable projects or investing in improvement of employee's self-confidence. Smiths conclusion however was that although shareholder theory supports the idea of profitability as the company's only goal, it has to be achieved by performing legal activities, thus, it encourage firms to engage their goals both in short and long term.

Stakeholder Theory believes that beyond the shareholders, a firm has a number of stakeholders such as employees, customers, suppliers, creditors, host communities and the government and the performance and success of the firm depends on how well is able to manage its relationship with these stakeholders (Freeman and Philips, 2012). Generating a positive relationship with these group naturally include the provision of social projects and other actions that are normally costly for the firm at least in the short run. Profits may however be the assumed outcome of this association once value is created. The positive association between CSR and financial performance by Orlitzky, et al (2003); Preston and O'Bannon (1997); Spencer and Taylor (1987); Babalola (2012); Eragbhe and Oshodin (2014) partly reinforce and justify the logic of the stakeholder theory.

Social Contract Theory underpins the fact that extant societal law forms the basis of the social contract between the firm and the society. In the absence of express or clear requirement for firms to act in socially responsible ways, the social contract therefore becomes the basis upon which the relationship is anchored. Mathew (1993) states that voluntary disclosure is indicative of firm's commitment to this relationship and it represents a credible way to subtly pressuring firms to act in socially responsible way. Social reporting has been the main driver of firm's recent social responsible act and it continued emphasis will lead to practice that facilitate sustainable development of better accountability and stakeholder democracy (Hess, 2008). Consequently failure to report such activities leads to costs like fines and penalties, increased regulatory sanctions, negative publicity and unfavorable corporate image, customers' loss and boycott (Adams, 2002; Deegan and Godor, 1996).

Legitimacy Theory proposes that in order to survive, the firm must perform those socially desirable actions which the society imposes on the firm as an obligation. By doing this credibly, the firm becomes requited with favorable outcomes such as acceptance and approval and by extension patronage and loyalty to the firm's products and even attraction of high quality staff (Duke and Kankpang, 2013). However the firm must disclose these critical information needed to rate or assess its social performance if it is to succeed.

Empirical Evidence

The apparent conflict between corporate social responsibility and firm objectives was noticed early by the Nobel Laureate Milton Friedman who averred that any effort to use corporate resources for purely altruistic purposes would constitute socialism. In fact Friedman recommended that corporation law should be modified to discourage corporate social responsibility (Babalola, 2012). Yet, more than thirty years after Friedman made his declaration, CSR has become the norm.

Surprisingly empirical evidences have indicated positive, neutral and even negative impacts of CSR on firms' financial performance. Among such studies is Griffin and Mahons (1997) that examine the relationship between CSR and Corporate Financial Performance (CFP). They mapped studies on the relationship between CSR and CFP for the periods of 1970s (16 studies), 1980s (27 studies) and 1990s (8 studies) totaling around 51 articles. In the 1970s, out of the 16 studies, 12 revealed a positive direction of the relationship between CSR and CFP. Similarly in 1980s and 1990s the positive association had been accounted for 14 out of 27 studies and 7 out of the 8 studies respectively. Negative results were supported by 1 study in the 1970s, 17 studies in the 1980s and 3 studies in the 1990s while 4 and 5 studies in the 1970s and 1980s respectively provided inconclusive (neutral) findings.

Furthermore, Babalola (2012) examines the relationship between CSR and Firms' profitability in Nigeria with the use of secondary data sourced from ten (10) randomly selected firms' annual reports and financial summary from 1999-2008. The study make use of ordinary least square method of analysis and finds that the sampled firms invested less than 10% of their annual profit on CSR. The coefficient of determination of the result obtained shows changes in the selected firms financial performance (PAT) are caused by changes in CSR in Nigeria and recommends that laws and regulations that will obligate firms to recognize and pay adequate attention to social accounting should be enacted.

FIAS (2006) looks at CSR of mining and tourism firms in Sierra Leone as industry based solutions. Using a descriptive analysis, FIAS observed a trend in Sierra Leone referred to as an emerging “clash of expectations” about the benefits that will accrue to the government, local communities and business respectively, following the reactivation and expansion of Large Scale Industrial Mining (LSM) operations. It is also this clash of expectations that provides the rationale for corporate social responsibility and explains why it should be considered as a factor that will help promote and sustain foreign investment in the mining sector. Simply stated, CSR practices such as stakeholder identification and engagement, adequate community relations, capacity building, sustainable community development and measurement of social and environmental impacts can help prevent or minimize such clashes. Creating awareness of CSR among local businesses and international investors by including CSR issues in SLEDIC strategy, information-sharing, and stakeholder engagement with strong private sector participation were recommended.

Although a large body of literature generally exists on the concept of CSR, there is observably scanty empirical evidence emanating from countries in sub-Saharan Africa that have become most vulnerable to ecological degradation problems as a result of environment related business activities (Duke II and Kankpang, 2013). This study therefore seeks to contribute to closure of this gap with its examination on a comparative basis of the impact of CSR activities on selected firms' profitability in Nigeria and Sierra Leone. This type of study is novel, nonexistent and appropriate due to similarities of environment such as high poverty rate, high illiteracy rate, high interest rate, poor governance system, inadequate infrastructure, energy crises among others of these two countries.

METHODOLOGY

Analytical Technique

The relationship between CSR activities/disclosures and profitability is such that profitability is the dependent variable while CSR activities/disclosures are the explanatory/independent variable and is represented by:

PAT= f (ENV, HR, PQC, CI) .... (i)

When specified, it becomes:

$Y_{PAT} = \beta_o + \beta_1 ENV + \beta_2 HR + \beta_3 PQC + \beta_4 CI + \mu$ .... (ii)

Where:

Y_{PAT} = Profit after Tax and total assets as proxy of firm's profitability;

β_o = Intercept parameter (constant);

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ENV = Environmental Costs;

HR = Human Resources Costs;

PQC = Product Quality and Consumer Relation;

CI = Community Involvement;

β_1-β_4 = Parameters of the Estimate; and

μ = Error term, representing factors other than those specified in the model.

The import of this relationship is that the amount of expenditures on ENV, HR, PQC and CI is represented or proxy by the CSR activities / disclosure and it determines the magnitude and direction of firms' profitability.

Ability of firms to be Socially responsible depends on the magnitude of its total assets and its gearing structure such that theoretically, the higher the firms' asset base (firm size) the higher is its strength in generating profits and thereby ability to commit fund to societal demands/needs. Conversely, firms that are highly geared all things being equal are expected to spends more in their debt servicing and less on CSR and vice versa for firms that are lowly geared. Thus, with respect to the determinants of CSR expenditure/activities, the relationship is expressed as:

CSRDLS = f(TOASS+FINLV) .... (iii)

Where:

CSRDLS = Involvement or Expenditure on CSR Activities

TOASS = Total Assets of the Firms

FINLV = Financial Leverage of the Firms (total debt)

Data type and Sources

Five sectors: banking, manufacturing, construction, mining and oil and gas that mostly impact on the environment are covered in this study. Using panel data methodology, ten firms in all (five each) from Nigeria and Sierra Leone were judgmentally selected from industries whose activities impact mostly on the host communities (Table1). This study model is amenable to secondary data which on firms CSR disclosure and financial performance were sourced for ten (10) years 2004-2013 from the selected firms' annual audited accounts and reports. Branco and Rodrigues (2006) CSR Disclosure Scoring System (Appendix II & III) was adopted to measure CSR activities /disclosure by the selected firms (1 for disclosure of a particular component of the scoring system by a firm and 0 for non-disclosure) while total assets and profit after tax are measures of firm size and profitability respectively. Total asset, which measures firm size is used to test the assertion that bigger firms participate more in CSR activities than smaller ones.

Pearson Product Moment Correlation was used to test hypothesis one and three while hypothesis two was tested using Multiple Regression of OLS method.

Data Presentation and Analysis

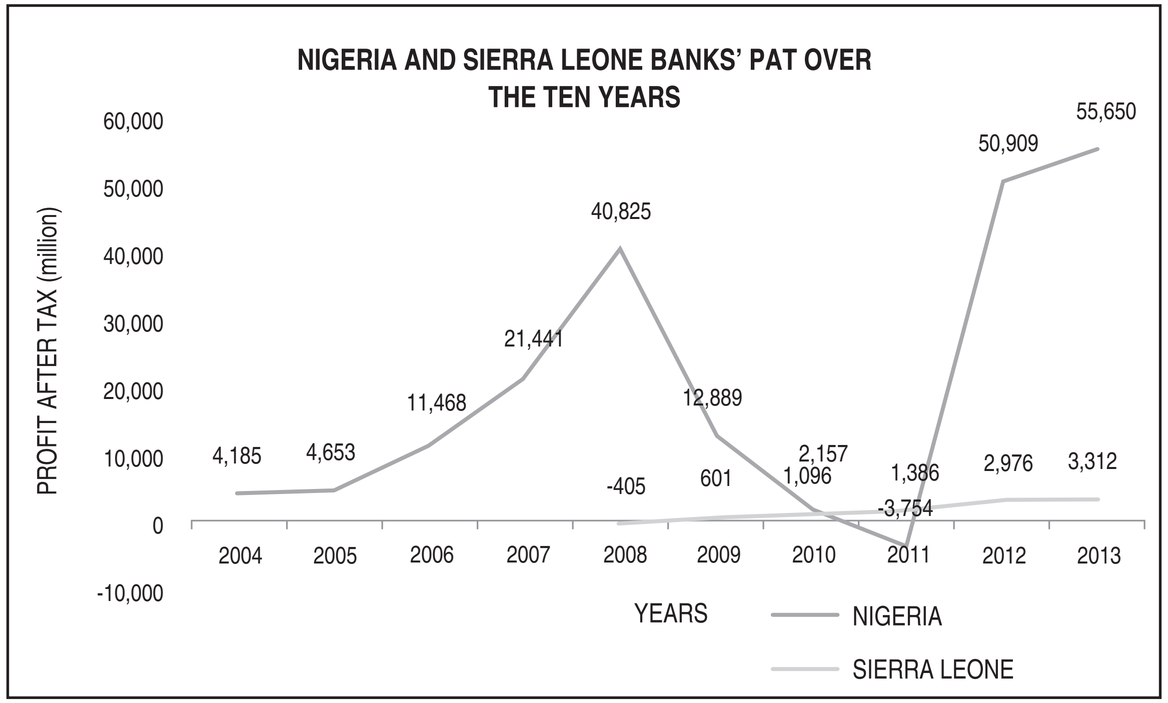
The first segment of this analysis explains the behavior of the variables used in the study as to whether the trend or movements differ significantly or are in similar pattern between Nigeria and Sierra Leone.

Table 1 Selected Companies in each sector for Nigeria and Sierra Leone

Sectors	Banking	Manufacturing	Construction	Mining	Oil and Gas
Nigeria	UBA Nig. Plc.	Nestle Nig. Plc.	Julius Berger Plc.	Oando Plc.	Total Nig.Plc.
Sierra Leone	UBA Sierra Leone	Sierra Bottling Co.	Jinreimond SL	Sierra Ruttle	Unipetrol (SL)

Figure a: Profit after Tax (PAT) by Sectors for Nigeria and Sierra Leone (2004-2013)

Figure a

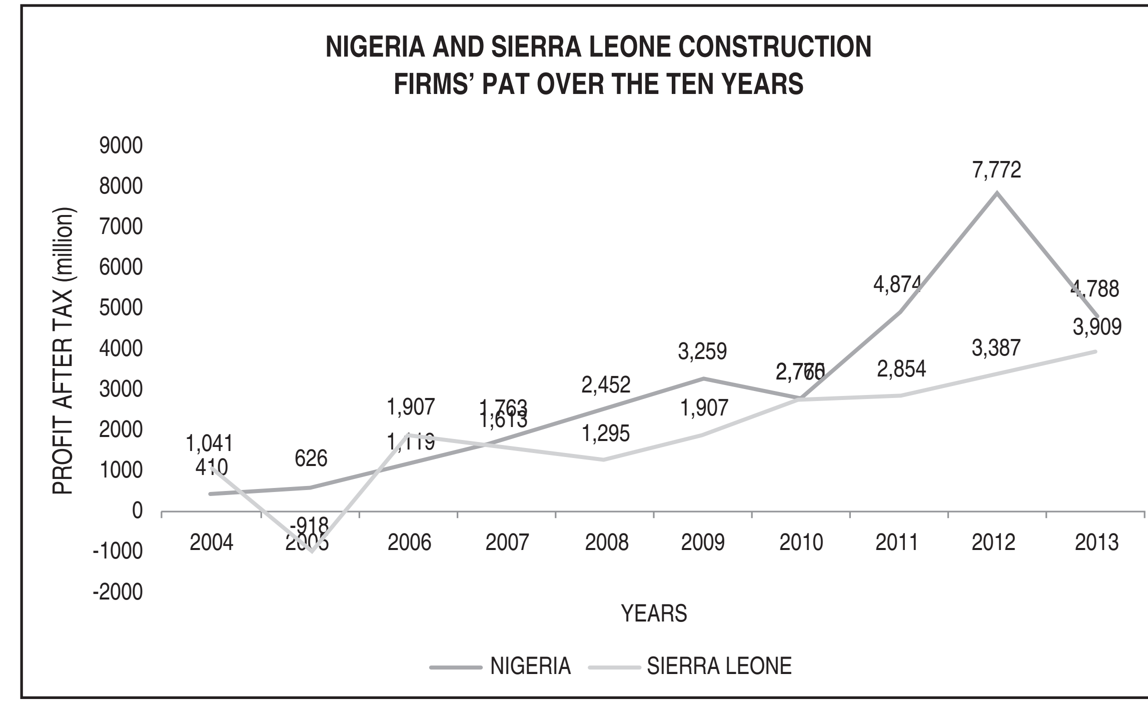


Source: Author's Analysis, (2015).

Figure b

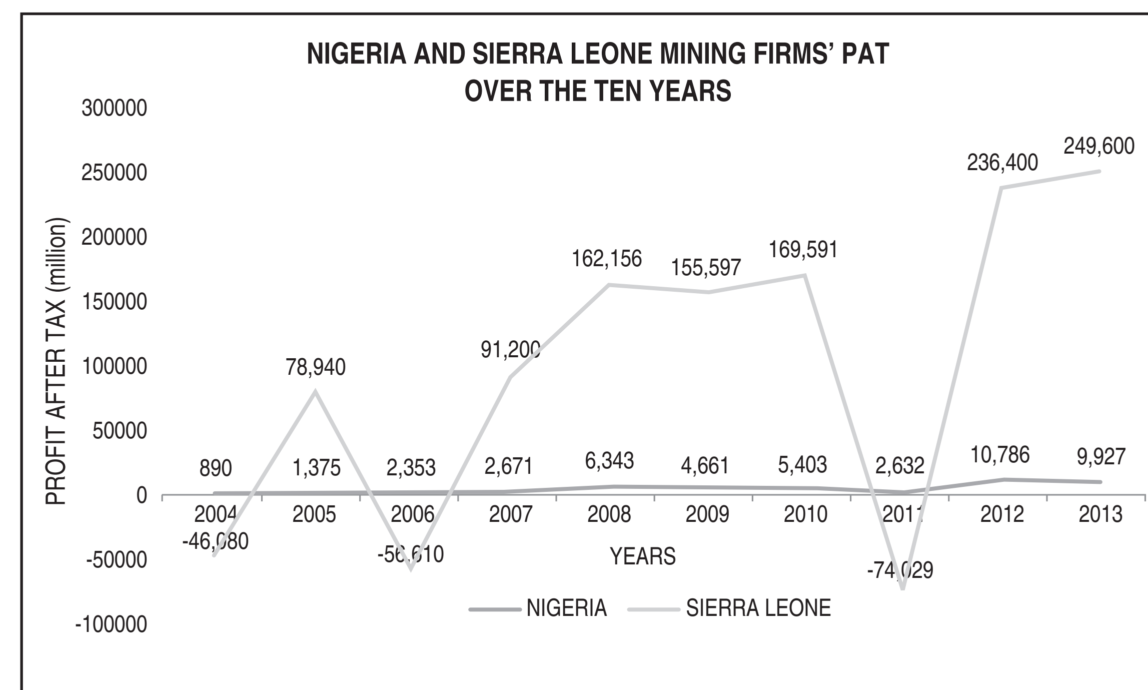
Impact of Corporate Social Responsibility
on Firms' Profitability: Evidence from Nigeria and Sierra Leone

Figure c



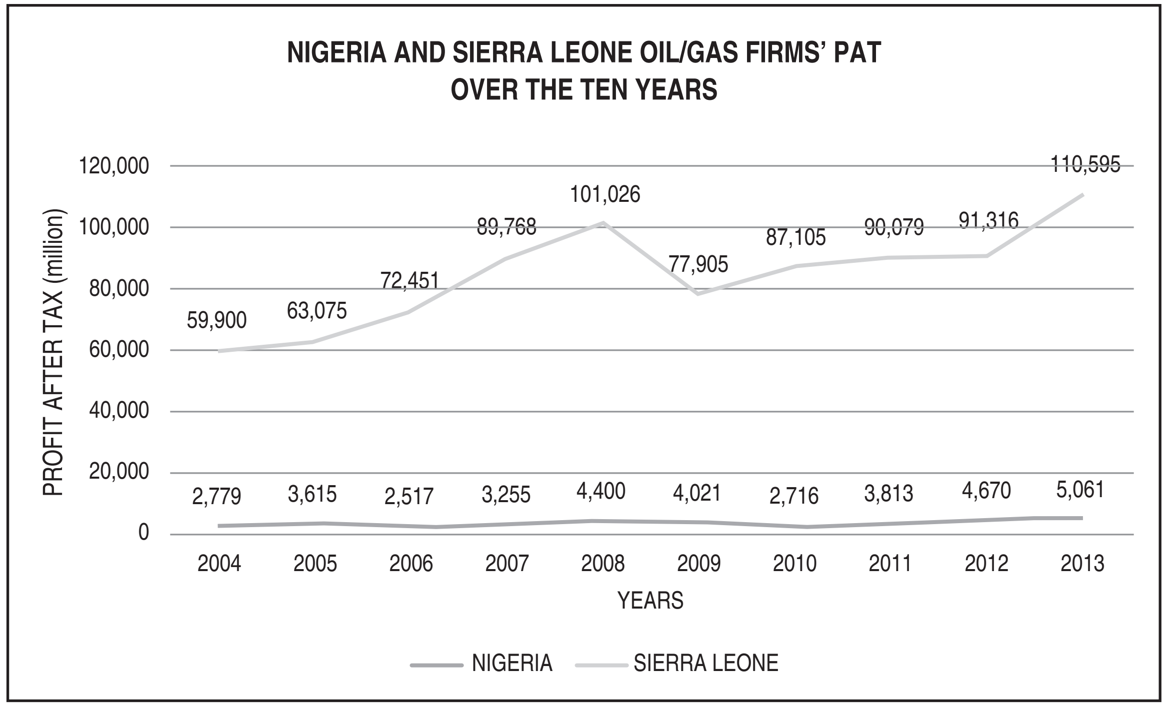
Source: Author's Analysis, (2015).

Figure d



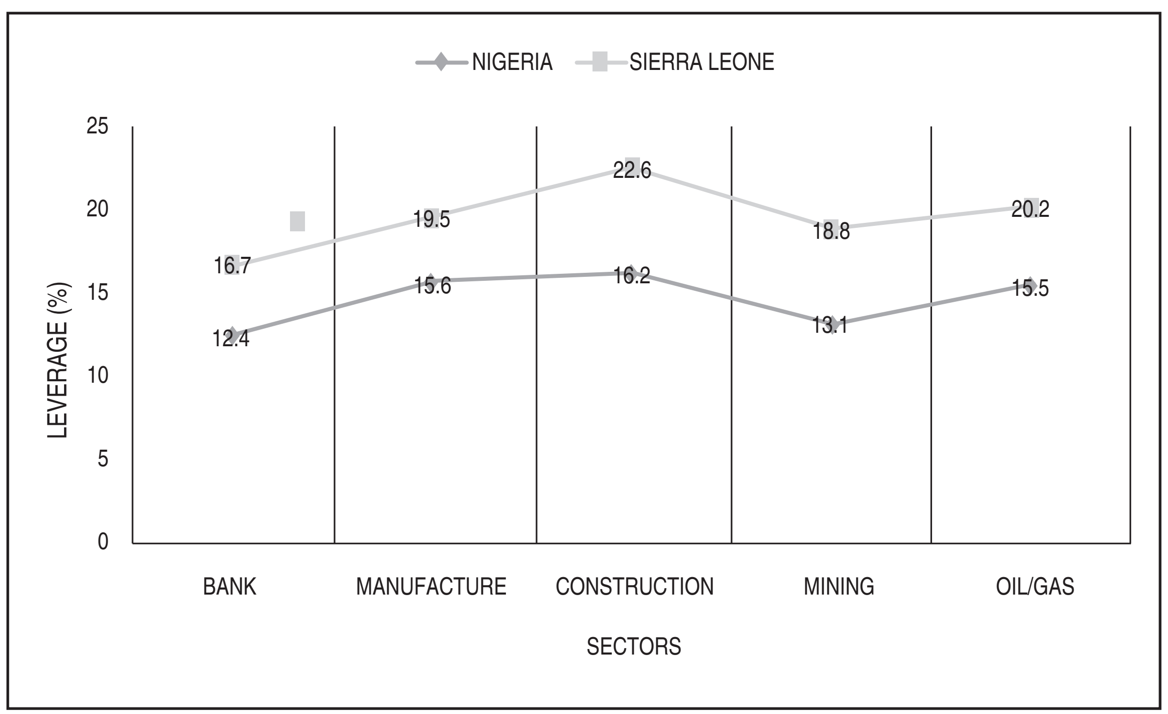
Source: Author's Analysis, (2015).

Figure e



Source: Author's Analysis (2015).

Figure f: Financial Leverage by Sectors in Nigeria and Sierra Leone (2004-2013)



Source: Author's Analysis, (2015).

While holding differences in value of money constant, as evident from (Figure a) in Nigeria, banking sector tends to be more profitable than in Sierra Leone whose commercial banking services revitalized in 2004 after the civil war ended in 2002. Similarly, as shown in (figures b and c), Nigerian manufacturing and construction firms outperformed the Sierra Leonean counterpart. However, the situation is quite different in the mining and oil/gas industries where Sierra Leonean firms tend to be more profitable than the Nigerian firms as reflected in (figure d and e) respectively. This is due to the diversion of the little infrastructure to these sectors by government of Sierra Leone as the country is mineral dependent.

Conversely, in Nigeria the banks' consolidation in 2005 led to emergence of mega banks enabling them avert risks in interests, exchange and market rates that affect other sectors in the economy. At the other extreme, the construction firm reported the lowest profits since its profits are mainly from one-off contracts.

It can be seen from (figure f) that on the average, the construction sector in Nigeria and Sierra Leone, is highly geared though in different magnitudes. This is followed by oil and gas, manufacturing and banking sectors respectively. The banking sector has to be lowly geared at least in the long run so as to easily sustain the market shocks mainly from external markets and also for meeting the strict regulations by the apex banks in both countries. Specifically, the banking sector (UBA Nig Plc.) in Nigeria has been able to diversified operations to 17 other countries since 2005 banking consolidation exercise enabling it to easily absorb any risks posed in one or few of its operating markets. Comparatively, firms in Nigeria appears to be more risky (highly geared) than Sierra Leonean firms.,

Presentation of Regression Results

The result of the multiple regression analysis for Nigerian and Sierra Leonean firms between CSR disclosure variables (CSR Activities) and profitability is shown in (tables 1 and 2) respectively.

Table 1: Multiple Regression Result for Nigerian Firms

$PAT = \beta_0 + \beta_1*ENV + \beta_2*HR + \beta_3*PQC + \beta_4*CI$

$PAT = 41.05417 + 0.111512ENV + 1.576338HR + 0.423327PQC + 3.092606CI$

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	41.05417	186.1128	0.220588	0.8341
ENV	0.111512	0.103275	1.079756	0.3296
HR	1.576338	1.843778	0.854950	0.4316
PQC	0.423327	2.289282	0.184917	0.8606
CI	3.092606	4.700384	0.657948	0.5397
R-squared	0.793952	Mean dependent var		8.391970
Adjusted R-squared	0.580887	S.D. dependent var		6.752134
S.E. of regression	7.052303	Akaike info criterion		7.051438
Sum squared resid	248.6749	Schwarz criterion		7.202731
Log likelihood	30.25719	Hannan-Quinn criter.		6.885471
F-statistic	4.812542	Durbin-Watson stat		2.158397
Prob(F-statistic)	0.045747			

Source: Author's Analysis, (2015).

Table 2: Multiple Regression Result for Sierra Leonean Firms

PAT= $\beta_0 + \beta_1$*ENV + β_2*HR + β_3*PQC + β_4*CI

PAT = 40.40060+2.296883ENV + 1.226462HR + 2.041818PQC + 0.270278CI

Dependent Variable: PAT

Method: Least Squares

Sample: 1 10

The result of the regression analysis as shown in tables 1 and 2 led the following equation:

PAT= $\beta_0 + \beta_1$*ENV + β_2*HR + β_3*PQC + β_4*CI

PAT = 41.05417 + 0.111512ENV + 1.576338HR + 0.423327PQC + 3.092606CI

The coefficients of 0.11, 1.57, 0.42 and 3.09 suggest that there are positive impact of corporate social responsibility disclosure in terms of environment, human resource, product quality and consumer relation and community involvement on firms' financial performance (PAT) in Nigeria as shown in table 1. This suggest that, a unit (1N) increase in environmental cost by firms will lead to 0.11% increase in firms' profitability, a unit (1N) increase in community involvement in form of scholarships, donation to charities etc. will lead to firm profit increase by 3.09%. Conversely, if no CSR activity/ disclosure is undertaken, profit rises by 41.05%.

The coefficient of determination (R2) of 79.4% depicting that the explanatory variables of CSR activities accounted for about the changes in the financial performance of profit after tax. The remaining 20.6% accounted for the other variables (Stochastic error) not measured in this study. The study further reveals that there is no serial /autocorrelation for the regressed model under study as indicated by Durbin Watson value of 2.158397. Finally, the F-calculated of 4.812542 is a clear indication that the model passes the test of overall significance at 5% level of significance.

Sierra Leone results

PAT= $\beta_0 + \beta_1$*ENV + β_2*HR + β_3*PQC + β_4*CI

PAT = 40.40060+2.296883ENV + 1.226462HR + 2.041818PQC + 0.270278CI

The model above emanate from table 2. The coefficients of 2.296, 1.226, 2.041 and 0.270 indicate positive relationships between CSR disclosure activities of environment, human resource, product quality and consumer relation and community

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	40.40060	13.74210	2.939916	0.0323
ENV	2.296883	0.646897	3.550615	0.0164
HR	1.226462	0.690802	1.775417	0.1360
PQC	2.041818	0.818118	2.495750	0.0548
CI	0.270278	1.284484	0.210417	0.8416
R-squared	0.825342	Mean dependent var	15.84530	
Adjusted R-squared	0.685615	S.D. dependent var	9.325267	
S.E. of regression	5.228677	Akaike info criterion	6.453047	
Sum squared resid	136.6953	Schwarz criterion	6.604339	
F-statistic	5.906841	Durbin-Watson stat	1.715718	
Prob(F-statistic)	0.039054			

Source: Author's Analysis, (2015).

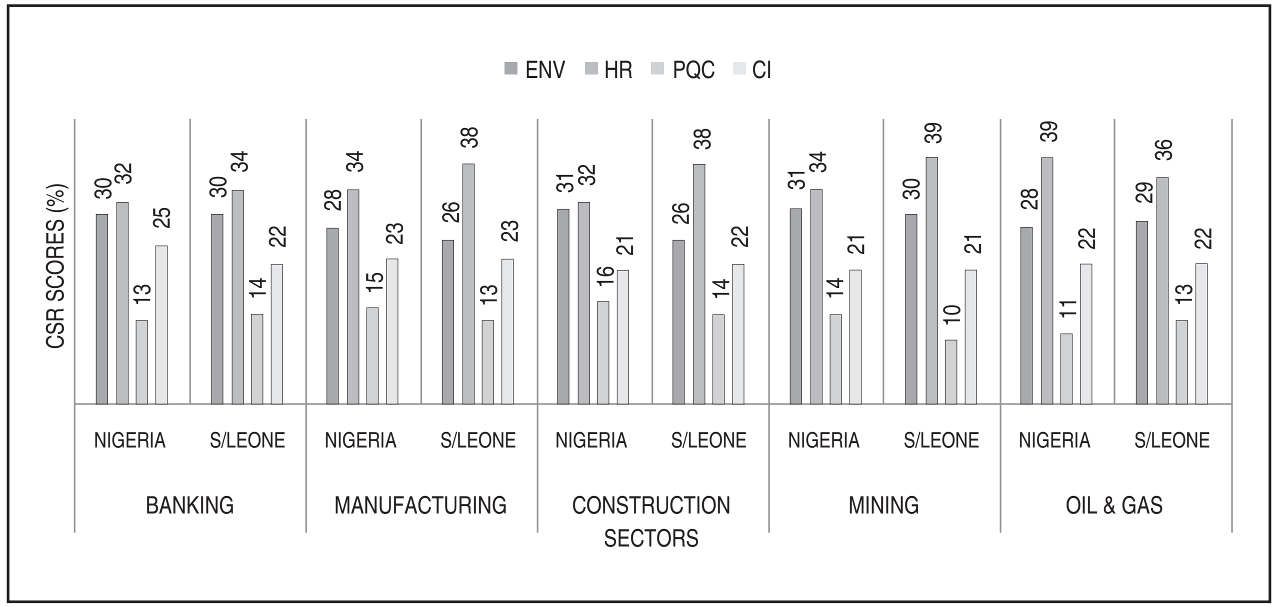
involvement of Sierra Leonean firms' profitability leading to the rejection of the null hypothesis. This implies that a unit (1N) change in environmental cost, human resource, product quality and community involvement will lead to increase in profit by 2.29%, 1.22%, 2.04% and 0.27% respectively. When pooled together, the impact of CSR activities/ disclosures on profitability amounted to 5.82% which can be translated to be significant. However, if firms do not engage in any CSR activities, their profits will increase by 40.4%.

The R2 of 82.5% shows how much change in profit is accounted for by the independent variables (CSR disclosure variables). The remaining 17.5% was not accounted for by the model and therefore was represented by the stochastic error term. This high value of R2 did not occurred by chance as F- statistic of 5.9068 was on the high level too. This therefore confirms that the model has high predictive power and as such can be used to forecast financial performance fairly.

In a nutshell, the two models depict that there is an significant effect of CSR activities /disclosure on firms' annual audited reports in Nigeria and Sierra Leone on the profitability of these firms. Hence, the null hypothesis is rejected in favor of the alternative hypothesis. By extension, this implies that the more CSR activities Nigerian firms undertook, the more profits were earned. This suggests that these organisations' survival and growth in the long run could be threatened by various stakeholders particularly host communities if they do not undertake one form of CSR activities or the other and disclose same in their annual audited accounts. The results of earlier empirical studies of Cochran and Wood (1984), Spencer and Taylor (1987), Freeman (2012), Bodi (2009), Babalola (2012), Duke II and Kankpang (2013), Kanwal, Khanam, Nasreen and Hameed (2013) that found positive association between CSR and the financial performance of firms as well as stakeholders theory corroborate this finding.

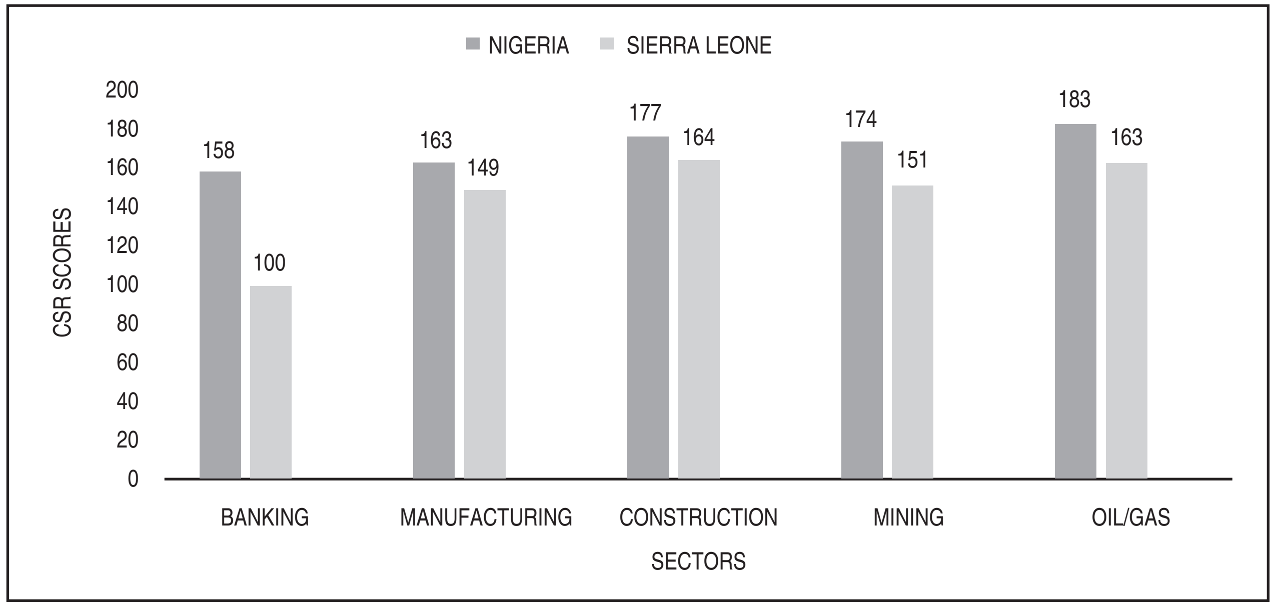
Other analysis in form of CSR disclosure by the two countries (Nigeria and Sierra Leone) are presented in figure (g and h) on a comparative basis for easy understanding as follows:

Figure g: Sectorial Composition of CSR Disclosure by Nigeria and Sierra Leone (2004-2013)



Source: Author's Analysis, (2015).

Figure h : Total CSR Disclosure by Sectors for Nigeria and Sierra Leone (2004-2013)



Source: Author's Analysis, (2015).

As shown in (figure g), in Nigeria 30%,32%, 13% and 25% of the CSR disclosure of the bank relate to environment, human resource, product quality and community costs respectively. Similarly 30%, 34%, 14% and 22% of CSR disclosure of Sierra Leonean banks relate to environment, human resource, product quality and community costs respectively. For the Nigerian manufacturing companies, 28%, 34%, 15% and 23% of their CSR disclosure relate to environment, human resource, product quality and community costs respectively. The other results for the other sectors are as shown in the figure.

Summarily therefore, it can be deduced from the figure g that in Nigeria and Sierra Leone, companies CSR disclosure or expenditure are highest on human resource followed by environment, community involvement and lowest and maybe none on product quality/consumer relation.

From (figure h), on the average, oil and gas, mining and construction firms in both Nigeria and Sierra Leone disclosed more CSR activities in their audited financial statements than other companies/sectors. The implication of this is that stakeholders are more concerned about the impact of these companies on their host companies as non-disclosure is often met with increased fines and penalties as enshrined in the various regulatory laws (e.g. Sierra Leone Mining Act 1994).

The sharp fall in CSR disclosure and expenditure in the Sierra Leone banking sector compared to Nigeria is due partly to the hostile and immature nature of the industry followed by inefficient management. Suffice to say that on several occasions the apex bank in Sierra Leone, (Bank of Sierra Leone) has to take over the management of highly indebted banks (E.g. Sierra Leone Commercial Bank) with the latest takeover being Rokel Commercial bank after consecutive three years' massive loss reporting.

Test of Hypotheses

Here, the hypotheses of the study are subjected to validation and testing using Pearson Product Moment Correlation of ordinary least square techniques in tables 3 and 4 for the two countries respectively.

Ho_1 There is no significant relationship between firm size and CSR Activities/ disclosures in Nigeria and Sierra Leone.

Table 3: Correlation between Firms' Total Assets (Size) and CRS Disclosure

Nigeria	TA	CRS	p-values
TA	1.000000	0.800114	0.0002
CRS	0.800114	1.000000	0.0002
Sierra Leone			
TA	1.000000	0.778578	0.0004
CSR	0.778578	1.000000	0.0004

Source: Author's Analysis, (2015).

Ho_2 There is no significant relationship between financial Leverage (Gearing) and CSR Activities / disclosure in Nigeria and Sierra Leone.

Table 4: Correlation between Firm's Financial Leverage (Gearing) and CRS Disclosures

Nigeria	LEV	CRS	p-values
LEV	1.000000	-0.710420	0.0004
CRS	-0.710420	1.000000	0.0004
Sierra Leone			
LEV	1.000000	-0.698006	0.0005
CSR	-0.698006	1.000000	0.0005

Source: Author's Analysis, (2015).

The test of whether or not a significant relationship exist between firm size and CSR Activities/ disclosures by Nigerian and Sierra Leonean firms is shown in table 3 and is better explained in terms of p-values. As the table reveals, the associated p-value with the correlation between firm size and CSR disclosure by Nigeria firms 0.0002 which is statistically significant.. Similarly, for Sierra Leonean firms, the p-value is 0.0004 which is also statistically significant. Thus, the null hypothesis is rejected for the acceptance of alternative hypothesis. Hence, there is a statistically significant relationship between firm size and CSR Activities/ disclosures by Nigerian and Sierra Leonean firms.

However, the dimension of the relationship as measured by correlation coefficients was 0.80 and 0.78 respectively for Nigeria and Sierra Leonean firms. By reference therefore, as firm increases in size, its CSR expenditure, activities/ disclosure also increases both in Nigeria and Sierra Leonean. It can also be said that big companies are more socially responsible than small firms in Nigeria while in Sierra Leone, corporations see CSR activities and disclosure thereof as a priority due to high expectations from stakeholders than small firms, who are always scared of undertaking heavy CSR due to their small asset base.

This finding is in tandem with the legitimacy theory which states that for firms to survive; they must perform and disclose those socially desirable actions which the society imposes on them as obligation. This result is also in agreement with the findings of Chek, Mohamed, Yunus and Norwani (2013) and Ventila (2013) who assert that larger and higher income companies disclosed higher level of CSR in their reported audited financial statements than smaller companies.

Ho_2 Financial leverage does not significantly influence firm's CSR Activities/ Disclosure in Nigeria and Sierra Leone

With respect to financial leverage and CSR activity disclosure among Nigeria and Sierra Leonean firms the respective p-values are 0.0004 and 0.0005 which are statistically significant. By inference therefore, the null hypothesis is rejected for the acceptance of alternative hypothesis. However, the dimension of this relationship is negative (-0.71) and -0.698 respectively for Nierian and Sierra Leonean firms. As such, the higher the financial leverage of a firm, the lower its CSR disclosure and vice versa or as firms borrowing increases, its CSR disclosure and activities decline.

Thus, financial leverage exerts a significant influence, precisely, an opposing relationship on firms CSR activities disclosure in Nigeria and in Sierra Leonean. This result may be due to the fact that highly geared firms incur more expenses in servicing debts through finance charges leading to inadequate funds left /available to meet other commitments such as CSR activities. In other words, since firms with high debt to equity ratio tends to have difficulties in their long term solvency, inherently, they will be unwilling to devote any extra cost to CSR and their commitment and compliance level to creating a sustainable environment in which they operate is greatly hampered. These results are in tandem with the findings of Mulyadi and Anwar (2012); Uwuigbe and Egbide (2012) that a significant negative relationship exists between financial leverage and CSR disclosure.

CONCLUSION

Based on the findings of this study, it can be concluded as follows:

i. On the average, Oil and Gas, Mining and Construction companies invest in and disclosed CSR activities more than Manufacturing and Banking sectors both in Nigeria and in Sierra Leone.

ii. These companies invest more on human resource development followed by environment, community involvement but spend less on socially responsible products and consumer relation since developing countries consumers are powerless.

iii. Firm size (asset base) and financial leverage (gearing) are important determinants of CSR such that big firms (multinationals) invest and disclosed more CSR activities than smaller companies while highly geared companies spend most of their funds servicing their debts leaving with little to invest in CSR activities than lowly geared companies.

iv. Undertaking and disclosing CSR activities by firms in their audited financial statements may enhance their profitability greatly partly due to positive association between CSR and profitability and partly due to savings of such costs like fines, penalties, sanctions, closure threats, loss of goodwill associated with non-disclosure. Compliance also reduces the clash of expectations among interest groups and cost of resolving such clashes in Nigeria and Sierra Leone.

v. While community involvement disclosure impacts more on Nigeria firms' profitability, environmental cost has the least effect on profitability. However, the opposite is the case for Sierra Leone. This implies that the profits of Sierra Leonean firms are influenced more by their environmental expenditure while community involvement has the least impact.

RECOMMENDATIONS

The following recommendations are put forward as policy guide for all the stakeholders in firms profitability and CSR movement:

i. Firms should invest more on CSR as they will get more financial benefits(profitability enhancement) and reputation enhancement by creating good image in the mind of customers, suppliers and other stakeholders than what is invested in CSR since CSR is now considered as an investment not as expenditure. It will also help firms in retaining their stakeholders and protect firms from complaints, objections, and lawsuits which occur if the environment is destroyed and employees are injured as a result of firms' hazardous operating activities.

ii. Additionally, companies should not only invest on CSR but also disclose its spending on CSR to all stakeholders as to how, where and what amount they have invested in CSR. Companies invest a lot of money on advert to create a good image in the mind of customers but if they also invest a little portion of this amount on CSR, this

can build better image

iii. Policy framework should be designed for corporate social responsibilities in Nigeria and Sierra Leone by the governments and ensure compliance by setting mechanisms and institutions for their implementation. This may be achieved by entrenching social accounting and social costs in their listing and registration requirements to enlist voluntary compliance.

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Impact of Corporate Social Responsibility
on Firms' Profitability: Evidence from Nigeria and Sierra Leone

APPENDIX I: The Corporate Social Responsibility Disclosure Scores

Theme	Indices
Environmental Factors	1. Environmental policies of the bank
	2. Environmental management system and audit
	3. Environmental awards
	4. Lending and investment policies
	5. Conversion of natural resources and recycle
	6. Disclosure concerning energy and efficiency
	7. Sustainability `
	8. Employee numbers
	9. Employment remuneration
	10. Employee share ownership
	11. Employee consultation
	12. Employee training and education
	13. Disable employee
	14. Trade union activity information
	15. Employee health and safety
	16. Employee assistance benefit
Product Quality and Consumer Relation	17. Third party attestation
	18. Customer feedback on product and services channels
	19. Customer satisfaction of the quality of the product
	20. Customer complaint channels
Community Involvement Factors	21. Charitable activities and donation
	22. Support for education
	23. Support for art and culture
	24. Support for public health
	25. Support for sporting or recreation project

Source: Branco & Rodrigues, (2006).

APPENDIX II : NIGERIAN FIRMS CRS SCORES

NIGERIA FIRMS CSR SCORES

INDUSTRY	FIRM	CSR FACTORS	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
BANKING	UBA NIG PLC	ENV	3	6	4	4	5	3	6	5	6	6
		HR	2	2	5	6	7	5	6	3	7	8
		PQC	1	1	1	2	3	2	3	2	2	3
		CI	4	4	4	4	3	4	4	4	4	4
		TOTAL	10	13	14	16	18	14	19	14	19	21
		PAT(Nm)	4.185	4,653	11,468	21,441	40,825	12,889	2,157	-3.754	50,909	55,650
		TA(Nm)	208,806	248,928	851,241	1,102,348	1,520,093	1,400,879	1,432.632	1,656,465	1,933,065	2,217,417
		Lev(%)	10,6	13.1	16.9	15.7	17.2	14.6	12.8	8.7	7.8	7.5
MANUFACTURING	NESTLE NIG PLC	ENV	2	2	2	3	4	5	4	8	7	8
		HR	4	4	6	6	5	5	7	5	6	8
		PQC	1	1	2	3	3	3	3	3	3	3
		CI	3	2	4	4	4	4	4	4	4	4
		TOTAL	10	9	14	16	16	17	18	20	20	23
		PAT(Nm)	3,835	5,303	5,660	5,442	8,332	9,783	12,602	16,808	21,137	22,258
		TA(Nm)	13,399	16,875	18,908	21,252	29,159	47,251	60,347	77,728	88,963	108,207
		Lev(%)	17.8	18.7	19.2	16.5	16.1	15.8	14.8	12.9	12.3	1.6
CONSTRUCTION	JULIUS BERGER PLC	ENV	5	4	4	6	6	6	6	6	6	6
		HR	4	5	3	4	5	6	7	7	8	8
		PQC	2	2	3	3	3	3	3	3	3	3
		CI	2	3	4	4	4	4	4	4	4	4
		TOTAL	13	14	14	17	18	19	20	20	21	21
		PAT(Nm)	410	626	1,119	1.763	2,452	3,259	2,775	4,874	7,772	4,788
		TA(Nm)	17,303	20,087	22,660	24,213	28,770	49,472	71,075	68,379	175,478	220,244
		Lev(%)	20.3	18.7	16.9	14.9	19.2	18.2	17.5	14.1	11.8	10.5
MINING	OANDO OLC	ENV	3	4	5	5	6	6	6	6	6	6
		HR	3	4	4	5	7	5	7	8	8	8
		PQC	1	2	2	2	3	2	3	3	3	4
		CI	2	2	3	23	4	4	4	5	5	5
		TOTAL	9	12	14	15	20	17	20	22	22	23
		PAT(Nm)	89	1,375	2,353	2,671	6,343	4,661	5,403	2,632	10,789	9,927
		TA(Nm)	23,348	26.989	29,341	49,082	148,176	356,381	366,958	405,644	515,063	620,321
		Lev(%)	13.2	15.8	17.6	12.6	11.5	14.7	13.3	12.8	10.2	9.7
OIL & GAS	TOTAL NIG PLC	ENV	3	6	4	5	6	6	5	5	6	6
		HR	6	8	6	7	8	8	6	7	8	8
		PQC	1	1	1	1	2	3	2	3	3	3
		CI	4	4	3	4	4	4	4	4	4	4
		TOTAL	14	19	14	17	20	21	17	19	21	21
		PAT(Nm)	2,779	3,615	2,517	3,255	4,440	4,021	2,716	3,813	4,670	5,061
		TA(Nm)	9,765	9,204	15,855	24,008	32,570	48,472	54,601	58,719	76,067	80,027
		Lev(%)	21.6	23.4	14.9	15.8	14.8	13.2	15.1	12.9	12.5	11.1

APPENDIX III : SIERRALEONEAN FIRMS CSR SCORES

SIERRA LEONE FIRMS CSR SCORES

INDUSTRY	FIRM	CSR FACTORS	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
BANKING	UBA SIERRA LEONE	ENV					3	5	4	4	6	8
		HR					5	3	5	7	7	7
		PQC					1	2	3	2	3	3
		CI					3	4	3	4	4	4
		TOTAL					12	14	15	17	20	22
		PAT(Lem)					-405	601	1,096	1,386	2,976	3,312
		TA(Lem)					7,580	7,620	10,140	10,389	10,530	12,196
		Lev(%)					39.1	42.6	27.5	21.9	19.3	17
MANUFACTURING	SIERRA BOTTLING CO.	ENV	4	4	4	3	3	3	4	4	4	6
		HR	4	5	4	4	5	5	6	7	8	8
		PQC	1	1	1	1	2	2	2	3	3	3
		CI	3	3	3	3	3	4	4	4	4	4
		TOTAL	12	13	12	11	13	14	16	18	19	21
		PAT(Lem)	960	1,031	823	-109	520	715	1,091	1,200	1,793	2,106
		TA(Lem)	9,090	11,290	12,500	12,111	12,120	12,009	14,893	14,921	16,460	17,303
		Lev(%)	21.9	20.7	19.3	24.2	22.5	20.1	18.8	17.5	16	14.7
CONSTRUCTION	JINREIMOND (SL)	ENV	2	2	4	3	3	6	5	5	6	6
		HR	6	5	3	6	8	7	8	6	6	8
		PQC	1	1	2	2	3	2	2	3	3	4
		CI	3	2	4	4	4	3	4	4	4	4
		TOTAL	12	10	13	15	18	18	19	18	19	22
		PAT(Lem)	1,041	-918	1,907	1,615	1,295	1,907	2,760	2,854	3,387	3,909
		TA(Lem)	220,066	250,783	240,098	270,765	300,480	320,199	330,001	360,009	410,920	420,211
		Lev(%)	29.7	32.1	27.6	26.1	21.4	20.2	18.2	16.7	15.9	17.8
MINING	SIERRA RUTILE	ENV	3	4	2	3	5	6	6	4	6	6
		HR	5	5	5	6	6	8	5	4	7	8
		PQC	1	1	2	1	2	1	2	1	2	2
		CI	2	3	2	4	4	4	4	2	3	4
		TOTAL	11	13	11	14	17	19	17	11	18	20
		PAT(Lem)	-46,080	78,940	-56,610	91,200	162,156	155,597	169,591	-74,029	236,400	249,600
		TA(Lem)	1,290,400	1,311,076	1,410,020	1,400,820	1,450,820	1,460,800	1,490,250	1,341,673	1,657,460	1,646,940
		Lev(%)	28.2	29.9	27.4	19.6	14.8	15.3	13.3	14.5	12.9	12.2
OIL & GAS	UNIPETROL (SL)	ENV	3	4	6	6	5	3	6	4	5	6
		HR	3	3	3	4	8	6	7	8	8	8
		PQC	1	2	1	2	3	2	2	2	3	3
		CI	3	3	3	4	4	3	4	4	4	4
		TOTAL	10	12	13	16	20	14	19	18	20	21
		PAT(Lem)	59,900	63,075	72,451	89,768	101,026	77,905	87,105	90,079	91,316	110,595
		TA(Lem)	140,040	107,829	172,038	221,752	371,378	401,279	411,455	392,063	412,120	512,400
		Lev(%)	25.9	23.1	24.2	24.3	22.4	19.5	17.8	16.1	15	14.6

Defence Expenditure and Economic Growth in Malaysia: An Application of Toda-Yamamoto Dynamic Granger Causality Test 1980-2014

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Using Toda-Yamamoto augmented causality approach, this paper examines the causal relationship between defence expenditure and economic growth in Malaysia. The study takes into account the recent development in econometric techniques. The dynamic Granger causality test is based on the Vector Autoregressive VAR framework, it is simple at the same time interesting procedure in estimation of augmented VAR. The framework guarantees asymptotic distribution, because the process is more robust to cointegration and integration. The purpose of this paper is to verify the relevance of the Keynesian and Wagner's Law of a long-run relationship between defence expenditure and economic growth in Malaysia between 1980-2014. The empirical findings reveal bidirectional causality between defence expenditure and economic growth. By implication both Wagner`s and Keynesian hypothesis hold in the case of Malaysia and that any policy formulated on any of the variables will influence the other variable.

Keywords: *Toda-Yamamoto, Defence expenditure, Economic growth Arms importations.*

INTRODUCTION

Defence expenditure can affect economic growth either negatively, through a crowding out of investment or positively through an expansion of aggregate demand. In a case defence expenditure precedes growth, the simplest interpretations are: for the positive causal relationship, the aggregate demand impact is dominant. On the other hand, if the impact is negative, the crowding out is the main effect. Moreover, if causation runs from economic growth to defence expenditures and it is found positive, the country is trying to protect itself against internal and external aggressions. It can also be perceived that a country is at a stage of development where defence expenditure is seen as a positive social good. The early work on defence expenditure and economic growth by Benoit's (1973,1978) which establishes positive impact of defence expenditure on economic growth attracts questions. The study led to critisisms and interests among researchers. Subsequently large number of studies are being conducted employing range of advance econometric models and diversified theories. The previous works use different specifications, estimators, samples of cross-sections, panel and time-series analyses. The diversitity in the previous results steered also the arguments for case studies of individual country Dunne (1996). The economic impact and relationship of defence expenditures on economic

growth has been a subject of empirical and theoretical revision. There is no clear-cut regarding the direction of causation between defence expenditures and economic growth. It has been established in the literature that defence spending may retards economic growth via what is called "crowding-out"phenomenon (a diversion of equal amount from the productive sector to the unproductive sector). On the contrary, it has been established that defence spending may also stimulate economic growth through what is called Keynesian multiplier effects. Like other public expenditures, if there is spare capacity utilization, an increase in defence expenditure may leads to an increase in capacity utilisation, which will reduce unemployment of resouces. In the same vein, defence expenditure may result to spin-off effects as a result externality effects. Such as the creation of socioeconomic structures conducive to economic growth (Deger, 1986).

According to In Masih, et al. (2004), using Granger causality, the relationship between defence expenditure and economic growth cannot be generalised across nations. The actual relationship differs between countries as a result of a variety of factors. The importance of determining the causality between defence expenditure and growth is that because policy inferences can be derived from the understanding of the direction and the magnitude of the causation.

However, when examining the methodology used in testing a long-term cointegration among series. The cointegration tests performed by Engle-Granger (1987), Johansen (1988) and, Johansen and Juselius (1990) are widely used. The condition required is, series should not be stationary at a level, but rather they should become stationary when the same difference is taken. When one or more of the series becomes stationary at the level I (0), the cointegration relationship cannot be examined with these tests. Further, Bound Test approach developed by Pesaran et al. (2001) eliminates this problem. Base on this approach, the existence of causal relationship can be examined regardless of whether the series are integrated at level or first difference (I(0) or I(1)).

The aim of this paper is to re-examine the causal relationship between defence expenditure and economic growth in Malaysia, using a more advance technique. The paper is divided into five sections. Section 2 of this paper deals with the literature review, it comprises both the theoretical and the empirical literature. Section 3 discusses the model specification. Section 4 presents the results and finally section 5, concludes the paper.

LITERATURE REVIEW

This paper discusses the relationship between defence expenditure and economic growth in Malaysia. It has been argued that defence expenditure like other public expenditure can stimulate economic activities. On the other hand, it is also argued that defence expenditure is a non-productive activity, it, therefore, drains economic resources from the productive sector of the economy such as education and health. After the works of Benoit 1973, and 1978, many researchers get involved in defence expenditure and economic growth relationship. Despite the enormous efforts, this relationship is still inconclusive. The relationship between defence expenditure and economic growth established in the literature is in three folds: First, bi-directional (feedback), Second, unidirectional (one-way causality) and third non causation at all.

The studies that establish bi-directional causation between defence and economic growth in Malaysia and elsewhere include; (Chowdhury: 1991; Chor Foon 2008; Tsangyao et al., 2001; Ozun 2014; Al-jarrah; 2005; Tiwari et al. 2012; Ayea;2014; Hou & Chen 2014;). These studies applied cointegration test Granger cusality on using different models.

However, Tsangyo et al.(2001) examined the causal relationship between defence expenditure and economic growth in Taiwan and Mainland China.

Using cointegration analysis and a VAR model, the Granger-causality tests confirmed bidirectional Granger causality (feedback) between defence expenditure and economic group in the two countries. Bidirectional causality was also found in Ozun (2014), on NATO countries. Using the TodaYamamoto approach to Granger causality, Bidirectional relationship was confirmed in Turkey. In Al-jarrah, (2005) causal relationship between economic growths in oil-rich countries and non-oil rich countries was examined with defence expenditure in Saudi Arabia from 1970-2003. The study used real growth rate as a proxy for economic growth while defence expenditure as independent variables. The result revealed the presence of the cointegration between defence expenditure and real growth. It also shows the existence of bidirectional causality between growth and defence expenditure. Tiwari et al. (2012) also examined the relationship between defence expenditure and economic growth in India, using Granger-causality test framework. The study found bi-directional causality between GDP and defence expenditure. Moreover Ayea (2014) found evidence of bidirectional Granger causality in South Africa, when he re-examined previous literature on the milex-growth nexus, on South Africa.

On the contrary (Masoud et al. 2014) revisited the relationship between military expenditure and economic growth in China, using ARDL approach Granger causality techniques. The study shows unidirectional relationship running from GDP to military spending in China. Similarly, Tsangyao et al. (2001) uses Vector Autoregressive (VAR) model in the study conducted in China and Taiwan. The Granger causality result suggests unidirectional causality running from economic growth to defence expenditure. Aligned with the above finding is the study carried out by Masih et al. (2004), in the mainland China. Using VAR modelling. The study revealed a unidirectional causality from defence spending to economic growth. Moreover, Frederickson (1991) in his study observes that a causal relationship between defence expenditure and economic growth runs from economic growth to defence expenditure in Malaysia. Tang (2008) in his study while reassessing the causal relationship between defence expenditure and economic growth in Malaysia using Wald test confirmed unidirectional causality in Malaysia.

Another way, of viewing the relationship between defence expenditure and economic growth, is seeing it as the inconclusive relationship. In Oriavwote & Eshenake, (2013) using a VAR model the result shows that shocks in expenditure on defence did not significantly clarify changes in the level of economic growth. The same result was found in Masoud et al. (2014) in China using ARDL approach to cointegration; the result shows that the long-run relationship is inconclusive between defence expenditure and economic growth in China. Lastly, in Paul, (2007), using a VAR model and Granger causality test shows that the relationship between the unemployment rate, defence and non-defence spending is not uniform across countries. Chowdhury (1991) analyses of 55 developing countries, found that conclusion cannot be made regarding causality between defence expenditure and economic growth across countries. The study concluded that the actual relationship varies from country to country as a result of the sample period, social structure and types of government. Regarding Malaysia specifically the study confirms the absence of causality between defence expenditure and economic growth. Same is confirmed in Himassa et al. (2009) that no well-established or meaningful relationship was established between defence expenditure and economic growth in Malaysia.

Joerding (1986) maintained that growth may be causally prior to defence expenditure. For example, a country with high growth rates may wish to strengthen itself against foreign or domestic threats by increasing defence expenditure. On contrast, it is equally conceivable that countries with high economic growth rates may divert resources from defence to other productive uses (Kollias, 1997).

Theoretical Framework

Defence expenditure constitutes a large share of world resources, but in spite its significant size, it impact is just recently been a topic of discussion in economic theory. The theoretical analysis of defence expenditure becomes difficult because it is not purely economic but a mixture of economic and political activity. Economic theories do not provide an explicit role for defence expenditure as a unique economic activity. Not withstanding, there exist two basic theoretical approaches used in explaining causations between defence expenditure and economic growth from different points of view, these are Keynesian and Wagners approaches (Dunne & Nikolaidou 2012).

In the Keynesians view, the state appears to be proactive and interventionist. It uses defence expenditure to increase output through multiplier effects if aggregate demand is not sufficient (Dunne, 1996). If aggregate demand is inadequate to supply, an increases in defence expenditure can stimulate capacity utilisation, profit, investment and economic growth (Faini, Annez and Taylor 1984). By implication therefore defence expenditure like other government expenditures can be used to stimulate economic activities. The causality is expected from defence spending to economic growth.

On the other hand, Adolph Wagner's (1890) Law of increasing state activities has been use in the literature in establishing causation between economic growth and defence expenditure. Wagner`s law is based on the historical facts from Germany. According to Wagner`s there is a functional relationship between economic growth and government expenditure. According to this law, there is a long-run propensity for the public expenditure to increase with higher levels of economic growth (Lindhauer and Velenchik, 1992). Therefore, it hypothesised, public spending to increase over time with the increase in economic growth. It expects causations running from economic growth to defence expenditure.

METHODOLOGY

Data

The three variables used in this paper are: gross domestic product (GDP) a proxy for economic growth, defence expenditure and arms import expenditure. The study employ time-series data for the period 19802014. The data are obtained from different sources. The data on the GDP is collected from World Development Indicator (WID). The data on Military expenditures and arms importation is retrieved from Stockholm International Peace Research Institute (SIPRI).

Test Procedure

The paper starts with an examination of the unit root test for the variables employed. This is essential to avoid spurious regression in a case the data is not stationary. These models include the Augmented DickeyFuller (ADF) (Dickey and Fuller, 1979, and the PhillipsPeron (PP) (Phillips and Peron, 1988) unit root tests.

The causality analysis

The traditional path of testing causality between two series is by using Granger Causality as proposed by Granger (1969). The process is done using simple vector autoregressive (VAR) model as shown below:

$$Z_t = \sum_{i=1}^{n} \alpha_i Z_{t-i} + \sum_{j=1}^{n} \alpha_i K_{t-i} + \varepsilon_{1t} \qquad [1]$$

$$K_t = \sum_{i=1}^{n} \lambda_i K_{t-i} + \sum_{j=1}^{n} \lambda_i Z_{t-i} + \varepsilon_{1t} \qquad [2]$$

In the above Equations 1&2 β_{1t} and β_{2t} represent uncorrelated error terms. Equation 1 shows that variable Z is influenced by the lag of variable K and Z. The same thing does the Equation 2. By Granger-Causality, it means the Z variables is influenced by the lag of significantly in equation 1 and lagged K significantly in equation 1 and lagged K influence Y in Equation 2. If the test jointly reject the null hypothesis that the errors are not different from zero, then causality between Z and K are confirmed. The Granger-Causality itself has its limitations. The test of granger causality without considering the other variables due to their effect has been considered a source of possible specification bias. It has been established in the literature that causality test is very sensitive to model specification and lags Gujarati (1995). Toda-Yamamoto (1995) employed simple at the same time interesting procedure in estimation of augmented VAR that guarantees the asymptotic distribution, because the process is more robust to cointegration and integration.

Toda-Yamamoto Causality Test

For the causal relationship between defence expenditure and economic growth in Malaysia, this paper employs Toda and Yamamoto (1995) dynamic Granger causality test. It is based on the Vector Autoregressive VAR (p+dmax) framework.

It has been established in the literature that if cointegration occurs between series after taken the same difference, the Vector error correction (VEC) model by Engle and Granger (1987) is used. In VEC limited WALD model, F test is used for testing the causality. Moreover, if the variables are cointegrated, traditional F test statistics used for testing the Granger causality might not be valid since it does not fit into the standard distribution (Toda and Yamamoto, 1995). The issue of cointegration between series in the causality test to be performed with modified WALD method by Toda-Yamamoto (1995), is not that vital. The approach is enough to determine the right model and to know the maximum cointegration level of the variables in the model Ozun (2014).

In the Toda and Yamamoto (1995) it is specified that WALD hypothesis test can be performed by counting the extra lag to WALD model. In line with this the maximum cointegrating variables should have chi-square () distribution. This approach fits into a standard WALD test model at level variable are first difference for Granger causality tests. Accordingly it reduces the risks resulting from the possibility of wrong detection of cointegration among the series (Mavrotas and Kelly, 2001).

The study employs the following Toda-Yamamoto (1995) statistics based on the augmented Vector Autoregressive VAR (p+d max) framework as shown in equation 3.

$$y_t = \alpha_0 + \alpha_1 + \ldots + \alpha_q t^q + \eta_t \qquad [3]$$

Where β is k^{th} order of VAR further define as I (d) is the lag length in the equation. Then

$$y_t = \gamma_0 + \gamma_1 t + \ldots.. y_q t^q + j_k y_{t-k} + \varepsilon \qquad [4]$$

Where Y_t and β_t are vectors of variables and error terms respectively. The hypothesis will be tested based on the estimated equation:

$$y_t = \widehat{\gamma}_0 + \widehat{\gamma}_1 t + \ldots + \widehat{\gamma}_q t^q + \widehat{j}_k y_{t-k} + \widehat{j}_p y_{t-p} + \widehat{\varepsilon}_t \qquad [5]$$

Where Y_t is a vector for defence expenditure, economic growth, while d denotes the Lag length more than the exact lag length k. The additional lag parameters are spared unrestricted in the null hypothesis. This is to maintain the asymptotic chi-square values for the fulfilment of the VAR model (Toda & Yamamoto, 1995). From now on, the equation is given as:

$$y_t = \widehat{\Gamma}\tau^t + \vartheta x^t + \widehat{\varpi} z_t + \widehat{\varepsilon}_t \qquad [6]$$

From the above equation, unrestricted regression is estimated to get estimated vector of residual out of which variance-covariance matrix for the residual is calculated. Equally, the null hypothesis is tested using the constructed Wald statistics for the Granger causality test.

This study used WALD test with three variables which comprise of Gross Domestic Product (as proxy for economic growth), Military Expenditures (as defence expenditure) and arms importation have been formed as follows:

$$DE_t = \alpha + \sum_{i=1}^{k+d}\beta_1 DE_{t-i} + \sum_{k+d}^{k+d}\beta_2 GDP_{t-i} + \sum_{i=1}^{k+d}\beta_3 AI_{t-i} + \varepsilon_t \qquad [7]$$

$$GDP_t = \alpha + \sum_{i=1}^{k+d}\beta_1 GDP_{t-i} + \sum_{k+d}^{k+d}\beta_2 DE_{t-i} + \sum_{i=1}^{k+d}\beta_3 AI_{t-i} + \varepsilon_t \qquad [8]$$

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Here, DE = defence expenditure/Military expenditure. GDP= Gross Domestic Product. Where d = maximum order of integration of the system series. k = is the optimal lag length of GDP, DE, and Arms importation β_t = denotes error term, which is assumed to be white noise, having zero mean, constant variance with no autocorrelation.

EMPIRICAL RESULT

The Unit root test result of the series is investigated using Augmented Dickey Fuller (ADF) and Phillip Perron (PP).The result is shown below:

Table 1: Unit root Analysis

Series	ADP		PP	
	Level	First difference	Level	First difference
LGDP	-3.084 (0.116)	-7.274*** (0.000)	-2.018 (0.585)	-7.124*** (0.000)
LDE	-3.070 (0.119)	-3.685*** (0.028)	-2.156 (0.509)	-7.136*** (0.000)
LARM	-3.333** (0.016)	-	-3172** (0.025)	-

*Values above are the t statistics used in testing the null hypothesis that the series is nonstationary. The figures in parenthesis represent the probability values. While ** & *** denotes significance at 5% and 01% levels.*

Source: Eviews 8.0

Table 1 indicates that the economic growth and defence expenditure variables only stationary after 1st difference whereas, the log of Arm importation variables was stationary at level. The pp test also confirmed the ADF test results. The table indicates that the maximum order of the integration in determining to be one. Therefore, the lag augmentation in the VAR framework is estimated as one.

Table 2: Lag Length Selection Criteria

VAR Lag selection based on lag AICC		
Lag	0	13295.0685
"	1	12373.9325
"	2	12330.7836*
"	3	12346.8620
Lag	4	12354.7850

Source: RATs 8.0

**Denotes lag order selected by the appropriate criterion*

From table 2 above the paper reports the optimal lag length to be employed in the study. The lag length is selected based on the Akaike Information criterion. The optimal lag length selected by the AICC is shown as 2. This shows that the lag length prior to augmentation is determined as 2 where used the appropriate lag of the model in three due to the condition of VAR (P+dmax)

Table 3: Toda-Yamamoto/Granger causality (modified WALD) Test Result

Null hypothesis	Granger Causality	MWALD test statistics	MWALD P. value
MEX β > GDP	0.75494 (0.6856)	3.27374	0.0704
GDP β > MEX	1.53084 (0.4651)	13.18916	0.00028

Source: RATs 8.0 & Eviews 8.0

*1. *, ** & *** represent a rejection of the null hypothesis at 1%, 55 and 10 % level of significance respectively with reference to MWALD p. value.*

2. Symbol ≠> represent non-Granger causality.

3. The numbers in parenthesis represent the p. values of Granger non-causality hypothesis.

The above Table 3 depicts the estimated Toda-Yamamoto result of the Granger Causality with MWALD test statistics. The results of non-Granger causality hypothesis between MEX to GDP and GDP to MEX are rejected at 10% & 1% respectively. By implication, the alternative hypothesis of the existence of causality between MEX to GDP and from GDP to MEX in Malaysia is established. The established causality tests indicate bidirectional causality (feedback) between defence expenditure and economic growth in Malaysia. It implies defence expenditure like all other public expenditure can be used as a policy instrument for regulating economic growth. As observed in Tsangyo et al.(2001), Ozun, & Erbaykal, (2011) and Tiwari et al. (2012) that defence expenditure can be used to stimulate market activities, hence facilitates market through multiplier effects, this is in line with the Keynesian demand-side argument. On the other hand, economic growth is a cause of defence expenditure in Malaysia, which can be interpreted as the Malaysian economy progresses government spends more to provide security both internally and externally. This is in line with the Wagner's prepositions that as an economy develops more, the government need to spend more to ensure security, law and order and to deter any internal and external aggression against a state. However the ordinary, Granger causality in the second column does not establish causality between the two variables. Therefore, the previous studies conducted using only two variables with no control variables might have suffered the same problems of size distortion and nuisance parameters estimates. As argued by Dunne 2004 analysis for the defence expenditure and economic growth need to be done with a more robust econometric model to achieve much-desired and reliable result. The use of more robust econometric methods of estimations in economics and another field of studies have paved way for establishing more reliable results in various research.

CONCLUSIONS

This study re-examined the relationship between defence expenditure and economic growth to test the relevance of Keynesian and Wagner's hypotheses in Malaysia. The study examines if defence expenditure causes economic growth or economic growth causes defence expenditure in Malaysia. The findings confirm the existence of bidirectional causality between defence expenditure and economic growth in Malaysia. It is comforting to say that defence expenditure in Malaysia has been used as a policy instrument in stimulating economic activities, just like all other public expenditure. In the same vein, the study also establishes that the Malaysian government has been financing it defence to secure it economy, territory against internal and external threats. Therefore, both Wagner's and Keynesian hypotheses are valid and applicable in Malaysia. By and large, any policy formulated on the variables will influence the other variable.

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Impact of Social Media Expressions on Value Perceptions and Purchase Intentions

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Organizations, worldwide, have wholesomely embraced social media to create additional connect with existing and prospective customers. Still, organizations are experiencing difficulties as this connect is presently acting as medium for existing customers to vent ire for dissatisfaction regarding products / services / brands / organizations.

This, in turn, is turning prospective customers away due to negative perceptions about products/services/brands/ organizations. This research paper aims to understand the value perceptions and purchase intentions of existing and prospective customers when they access the social media expressions.

Keywords: *Social Media, Social Media Marketing, Advertising, Customer Relationship Management, Branding, Small Medium Enterprises, Value Perceptions, Purchase Intentions*

INTRODUCTION

With advent of World Wide Web (WWW) and inclusion of engaging social media platforms, organizations have found new ways and means to involve existing and prospective customers and to rationalize their investments through creation of values in the minds of customers.

At the same time, organizations are using social media platforms to involve customers in establishing direct dialog bypassing the traditional "customer care" channels. This access also allows organizations to generate substantial intelligence regarding necessary Research & Development (R&D) impetus while benchmarking their products and services against their competitors.

The researcher started surveying social media platforms (facebook.com and twitter.com) and accessed accounts of nearly a dozen organizations to understand the types of comments being posted there.Majority of comments belonged to fault in purchased product, non handling of complaints within a stipulated time period, delay in shipments, delivery of second hand or faulty products, non receivables of refund money and cussing as well. The researcher also looked at non interactive medium (Television, Newspapers, Magazines, etc.) and realized that all is glorified in this category as attractive advertisements are inviting prospective customers with promises of betterment.

Definitely, non interactive medium is generating

awareness while creating demand for products and services but interactive medium like social media is creating lots of question marks on how existing customers are being handled and are driving away prospective customers.

REVIEW OF LITERATURE

Customers are increasingly taking to social media and forming opinions regarding unfamiliar brands (Baird & Parasnis, 2011). Their growing usage of social media is causing great influence on peers as there are multiple opinions and positive as well as negative experiences, which are helping others in associating value with brand / product / organization and making purchase decisions (Gupta, 2013).

A preliminary framework facilitating usage of social media in creating value and suggesting complementary role of social media towards sales objectives has been proposed with strategy, tools, and challenges (Agnihotri, Kothandaraman, Kashyap, & Singh, 2012).The emergence of social media has opened up new opportunities and has increased communication between consumers and marketers (Wang, Yu, & Wei, 2012). A global survey of sales people reported that nearly 50% buyers witnessed an increase in the buying process through the role of social media (Featherstonebaugh, 2014).The expressions or comments by the peers on the social media regarding products and services impact purchase behaviors (Sin, Nor, & Al-Agaga, 2012).

Organizations are leveraging the social media platforms to engage prospective customers and build relationships with them (Mersey, Malthouse, & Calder, 2010).Organizations after witnessing higher efficiency of social media over traditional media decided to take to social media to achieve success in online environment (Kaplan & Haenlein, 2010). Another research study confirmed strong influence of social media on customer equity and purchase intentions of customers of luxury brands (Kim & Ko, 2012). The presence of online supporters being passively experienced influences brand evaluations and purchase decisions among prospective customers (Naylor, Lamberton, & West, 2012).

Organizations still have to learn on how to deploy social media to reap maximum benefits. A number of factors such as cost, time, lack of senior management knowledge, unproven success metrics and perceived loss of control have been attributed to this unachieved objective (Gupta, Armstrong, & Clayton, 2010). Interactive customer experiences through social media are involved in service relationships aim to create value leading to customer engagement (Brodie, Hollebeek, Juric, & Ilic, 2011).

The opportunities to seek, give, and pass opinions about products and services in online environment can lead to increase in customer engagement. This co-created value serves as knowledge for existing and prospective customers leading to increase in buyer involvement and trust (Chu & Yoojung, 2011).Prospective customers create a favorable or otherwise image of a brand/company by reading posts of others and use this for information and purchase (Shin, 2008). Negative information available in social media postings can have substantial impact on customers' attitudes (Schlosser, 2005). Prospective customers use social media as a public forum to voice their opinions while accessing product information to facilitate their purchase decisions (Kozinets, Wojnicki, Wilner, & Valck, 2010).

Value Perceptions

Customer perceived benefits have been categorized into three categories product, service, and relationship. Service-related benefits are driven by responsiveness, flexibility, reliability, and technical competence. Relationship-related benefits are driven by image, trust, and solidarity with the customer (Lapierre, 2000). Sustained joint efforts are needed for value creation process and the relational value as an outcome of these efforts should be assessed from the perspective of seller as well. Sales people derive value from direct relationship in terms of profits, volumes, and guaranteed business. Whereas, values from indirect relationships are governed by innovations, referrals and access to network participants (Möller & Törrönen, 2003).

With growing access, the buyers are seeking high values from brands, products, and services through direct interventions of sales people. Customer oriented sales people are able to create greater values for customers and create higher value perceptions of customers leading to harmonious relationships (Singh & Koshy, 2011). Service behaviors and customer relationship performance are linked through sales service behavior perspective forms basis of value creation (Ahearne, Hughes, & Schillewaert, 2007). The customer value is created during consumption and not embedded in the product itself (Vargo & Lusch, 2004).

These service behaviors suffice criteria for value creation as they are performed by salespeople during the consumption process (Plouffe & Donald, 2007). The sellers with prevalence of social media have easily enabled, organized, and facilitated the value creation process (Michel, Vargo, & Lusch, 2008). The customers use market relationships to understand competencies of products and services. Therefore, salespeople aim to enhance buyer competencies by furnishing relevant and useful information regarding the product. These efforts can be realized as a social content enabler by using social media (Anderson & Dubinsky, 2004).

The objective assessment of the utility of a brand and perception of returns against investments determine the value equity (Vogel, Evanschitzky, & Ramaseshan, 2008). Factors such as quality, price, and convenience are key influencers on value equity (Lemon, Rust, & Zeithaml, 2001).

Social Media Expressions

With growing usage of social media, customers are becoming even more assertive in lodging complaints and seeking resolutions. Dealing with complaints/negative comments effectively will prompt dissatisfied customers to promote the brand/organization among peers generating more confidence and brand loyalty (Billingsley, 2014). Social media engages positively with existing customers and prospective customers. Unlike offline world, the organizations should be prepared to deal with dissatisfied customers regularly. Organizations can turn them into long term supporters through fulfillment of stated promises (Ormazabal, 2014).

Social media has empowered customers to messages instantly about brand interactions and spread these messages universally. Deleting negative comments/expressions from social media is not advisable. Deleting negative comments / expressions from social media pose a risk of turning away customers. As customers view removal of negative comments/expressions as an attempt to hide shortcomings in the brand/organization. The brands look forward to engage with consumers in a new medium through unfiltered social comments. The sellers leverage content generated through customers comments as tools for improving brand relationships and refining the customer experience (Warren, 2013).

Customer complaints/negative comments on social media platforms are rising still nearly half of the brands don't have strategies in place to manage potential damage due to such social expressions. Reputations of 26.1% of brands have been tarnished as a result of negative social expressions. 15.2% of the brands have lost customers and 11.4% of the brands have lost revenue.

23.4% of brands neither have a strategy to manage negative social expressions, nor do they have plans to have one. 24.5% of brands are developing a strategy and 7.6% of brands already have strategies in place but with ineffective contribution. The organizations want benefits through social media but lack awareness of the efforts required for tangible returns. This scenario is hardly producing

desired results and leading to alienation of customers. Further, it is contributing in escalating to a backlash of negativity (Warren, 2013).

A research revealed 68% of customers posting negative comments on the social media received replies from the sellers. As a result, 18% of these customers became loyal buyers and indulged in more purchases. Another 33% customers posted a positive and 34% deleted the originally posted negative comments (Moyers, 2014).A majority of the customers posting negative comments on social media do not want to hurt prospects of the brand/organization. They need to get their message across and seek solutions to their problems. Organizations/brands paying attention to this characteristic can create base of loyal and repeat customers for them (Collier, 2013).

Negative comments/expressions can be used as positive tool to transform customers into loyal customers by enhancing their experiences as well as the perceptions of prospective customers who are following these social expressions (Moyers, 2014). Negative feedback will be driven by subjective opinions. These feedbacks should be used in improving customer relations and demonstrating compassion/concern for dissatisfied customers (Strella, 2014).

The prospective customers watch the interactions that a brand/organization is having with existing customers. When these prospective customers see that a brand/organization is conducting itself in unapologetic or indifferent manner, they resort to even more negative comments/expressions about brand/organization causing loss of image or dent in reputations on social media platform (Collier, 2013).

If prospective customers realize that a brand / organization is handling negative expressions of existing customers with concern, they have positive reinforcement regarding image of the concerned brand/organization that ultimately reflects in higher value associations (Collier, 2013).

OBJECTIVES AND HYPOTHESIS

Based on the review of literature in social media and social media expressions, the research was undertaken to assess the impact of social media expressions on value perceptions and purchase intentions of existing and prospective customers.

More specifically, the present research aims to achieve the following objectives:

1. To assess the impact of social media expressions on value perceptions of existing and prospective customers.
2. To assess the impact of social media expressions on purchase intentions of existing and prospective customers.

The following hypotheses were framed in the light of the above mentioned objective:

H_1: Expressions on social media significantly influence the value perceptions of existing and prospective customers.

H_{10}: Expressions on social media do not significantly influence the value perceptions of existing and prospective customers.

H^2: Expressions on social media significantly influence the purchase intentions of existing and prospective customers.

H_{20}: Expressions on social media do not significantly influence the purchase intentions of existing and prospective customers.

RESEARCH METHODOLOGY

The research uses a structured questionnaire to assess the impact of social media expressions on value perceptions of existing and prospective customers. The respondents were first explained the concept of social media expressions through a small introductory note and were then asked to rate the impact of social media expressions on their individual value perceptions and purchase intentions regarding brand / product / service / organization. The respondents were also requested to not to answer the survey, if they didn't use social media for the above objectives.

A majority of respondents were in the age group of 18 to 25. Mainly, National Capital Region (NCR) of India was targeted for data collection purposes. The Primary data was collected through purposive sampling method as only the respondents who were equipped with access to Internet and were using social media for value perceptions and purchase intentions regarding brand / product / service / organization were asked to give responses. Out of 200 questionnaires issued, 131 filled in responses were received. Out of 131 responses received, 97 responses were found to be duly filled in and were included in data analysis.

However, 17 responses were collected through eSurv.org, out of which only 4 responses were again from NCR and remaining 13 responses were from rest of India. In totality, 114 responses were analyzed through Reliability Test, Chi Square Test and Regression Analysis. Structured questionnaire used five-point Likert scale ranging from Very High (5) to Very Low (1) to obtain the responses from respondents. Reliability of the data was checked through Cronbach Alpha Score and Spearman-Brown Prophecy Score. After testing the reliability, significance of data was checked through Chi Square Test and finally Regression Analysis was performed to check the dependence of purchase intentions on value perceptions.

ANALYSIS

Suitable variation is indicated in the demographic profile of 114 respondents, with most of the respondents being male (71.9%). Out of 114 respondents, 15.4% were married. Among the respondents, 38.59% respondents were with annual income of Rs 2-5 Lacs, 34.21% respondents were with annual income of Rs 5-10 Lacs and 26.31% respondents were with annual income of Rs 10-15 Lacs. Out of 114 respondents, 11.40% respondents represented rest of India.

Both items were rated on five point Likert scale (1-5) with responses ranging from "Very High" to "Very Low" by the respondents. Demographic question (fixed alternative) pertaining to the respondent's age, location, occupation, etc. were asked in the first section. Besides the demographic questions, 2 items (impact factors) were asked in the second section.

Table 1: Reliability Test

Cronbach's Alpha Score	Spearman-Brown Prophecy
0.787566503	0.78792557

Reliability of these factors and consistency of the scale were tested through reliability tools Cronbach's Alpha and Spearman-Brown Prophecy. High values (>0.5) for all measures indicate good reliability.

Table 2(a): Value Perceptions

Responses	Observed N	Expected N	Residual
Very High	34	22.8	11.2
High	38	22.8	15.2
Moderate	13	22.8	-9.8
Low	18	22.8	-4.8
Very Low	11	22.8	-11.8
Total	114		

Table 2(b): Purchase Intentions

Responses	Observed N	Expected N	Residual
Very High	12	22.8	-10.8
High	27	22.8	4.2
Moderate	29	22.8	6.2
Low	25	22.8	2.2
Very Low	21	22.8	-1.8
Total	114		

Table 2(c): Chi Square Test Result

	Value Perceptions	Purchase Intentions
Chi-Square	26.965	7.93
df	4	4
Asymp. Sig.	.000	.094

The value of $\chi2$ test for value perceptions is 26.965 at four degrees of freedom. Since, the value of p is less than 0.05 i.e. (0.000), we can infer that expressions on social media significantly influence value perceptions of existing and prospective customers. The value of $\chi2$ test for purchase intentions is 7.93 at four degrees of freedom. Since, the value of p is greater than 0.05 i.e. (0.094), we can infer that expressions on social media do not significantly influence purchase intentions of existing and prospective customers.

We have defined value perceptions as an independent variable (henceforth known as X) and purchase intentions as a dependent variable (henceforth known as Y). We have tried to ascertain whether purchase intentions are dependent on value perceptions through regression analysis. We have obtained regression coefficient as .322, which is not satisfactory and, therefore, it can be inferred that purchase intentions of customers do not depend on value perceptions.

We have also explored the non linear options to identify the best fit equation. The regression coefficient in non linear option was found to be .276, which is lower than the regression coefficient in linear regression analysis. Therefore, it is safe to predict that linear regression is the best fit to demonstrate relationship between purchase intentions and value perceptions.

Regression equation thus obtained is:

Table 3(a): Regression Analysis

Measure	R	R Square	Adjusted R Square	Std. Error of the Estimate
Value Perceptions	0.322	0.103	-1.667	7.351

Table 3(b): Interactive Effect of Value Perceptions on Purchase Intentions

Model	Unstandardized Coefficients		Standardized Coefficients	t Stat	P-value
	B	Std. Error	Beta		
(Constant)					
Value Perceptions	26.776	7.516		3.562	0.038
	-0.174	0.296	0.322	-0.588	0.598

Figure 1: Regression Equation Chart

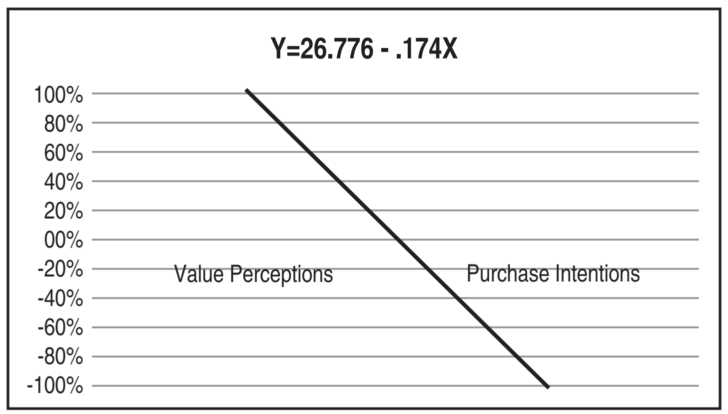
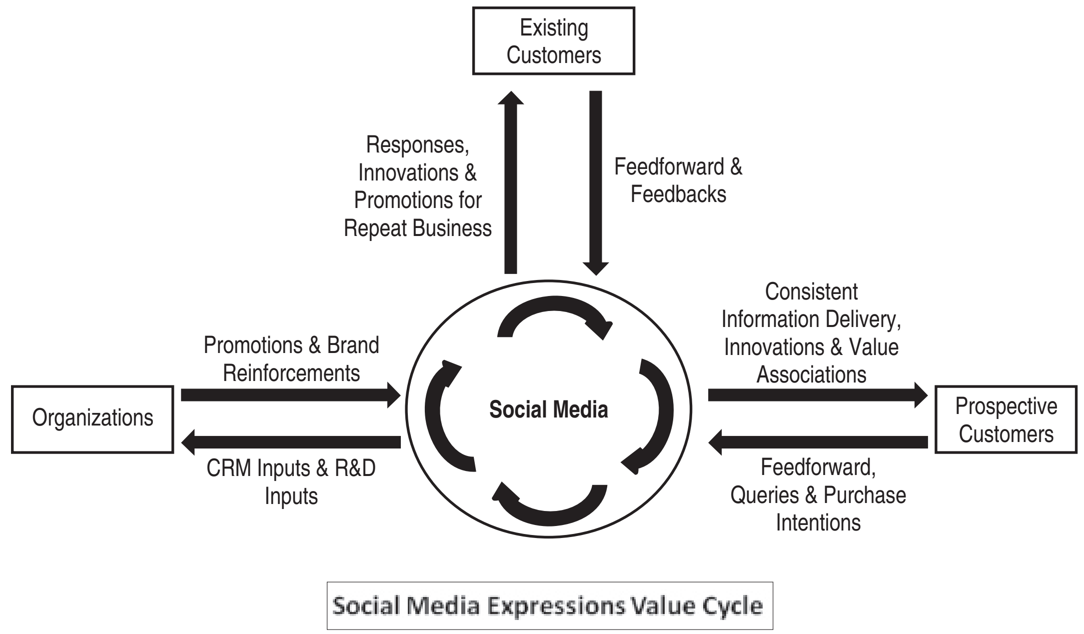


Figure 2: Social Media Relationships



Graph of the equation (Y=26.776 - 0.174X) plotted also indicates that value perceptions are negatively related to purchase intentions.

PROPOSED MODEL

The researcher has proposed the following model to demonstrate the relationship of social media with organizations, prospective customers, and existing customers. The Prospective customers post feedforward, queries and purchase intentions on social media and receive information, innovations and value associations in return.

The Existing customers post feedforward and feedbacks on social media and receive responses, innovations and promotions for repeat business with organizations.

Organizations stimulate promotions and brand reinforcements on social media affecting value perceptions and purchase intentions of customers.

Organizations also receive valuable information regarding customer relationship management and R&D to bring about necessary changes in managing relationships and product design & development.

The researcher proposes that organizations carefully handling inputs from existing and prospective customers on social media can generate substantial intelligence to manage the existing customers well while attracting prospective customers and focus on improvement in products and services through valuable R&D inputs.

CONCLUSION

This research established the significant impact of social media expressions on value perceptions of brand/product/organization. As social media offers engagement to existing and prospective customers and provides them opportunities to voice their positive and negative opinions, this offers tremendous potential to organizations to work towards enhancing perceived value of their products and services and purchase intentions.

With small and skewed nature of sample of the users of social media, the results of the present work can help organizations in putting systems in place to carefully monitor the expressions on social media and ensure that value perceptions remain in positive domain while there is genuine enhancement in purchase intentions of customers.

LIMITATIONS

This research had limitations such as small sample size, localization (NCR), and bias. Therefore, generalizing the results for a larger domain remains questionable for the time being. Futures researches with larger and diverse samples may certainly help in deriving concrete conclusions.

Also, the contribution of value perceptions in realization of revenues through increased sales needs to be ascertained that would definitely act as motivation for organizations to put systems in place to harness true potential of social media expressions.

Finally, the findings of present research work need to benchmark against any future framework pertaining to social media expressions and their respective contributions to enhancement in perceived values.

RECOMMENDATIONS

The researcher after the data analysis in this research paper can conclude that social media expressions significantly impact value perceptions.

Furthermore, purchase intentions are not dependent on value perceptions implying no impact on purchases based on positive value perceptions.

The researcher recommends that organizations should use social media to analyze the value perceptions of their brands/products/services rigorously and use social media platform for generating favorable value perceptions from prospective and existing customers while driving up their purchase intentions.

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He has earned 12 International Awards and Distinctions have been conferred including 2 Gold Medals, 1 Silver Medal, and Other Distinctions. He is the Editor-in-Chief of DBR and was conferred by ICA, Best Business Academic of the Year (BBAY) Award-2011, Gold Medal and MMSM Research Award 2011 & 2012 GOLD MEDAL. 23 Scholars have been awarded Ph. D. degree, two have submitted, and 8 are pursuing Ph. D. under his supervision.

He is a certified trainer and healer from ESOCEN, USA, done blessing course of Art of Living, Angel Healing from Prithvi Gurukool, ACMOS healing of Paris, etc.He is Fellow and Managing Trustee of Indian Commerce Association, Executive Vice President of Indian Association for Management Development, District Literacy Committee Chair for Rotary International District (RID) 3012, Member of Apex Body of Art of Living, Hony. President of Governing Body of Divine Group of Institutions, DSPSR, and many NGOs.

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An Empirical Investigation of Ethical Orientation of Pakistani Managers

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This study aims to examine the ethical orientations, perceptions, and values of managers in Pakistan, an Asian country. The study used the factor structure of Forsyth's (1980) Ethics Position Questionnaire to examine the ethical orientation of a sample of 201 Pakistani managers. According to Forsyth, the individual differences in moral judgments are influenced by individual differences in Relativism and Idealism. Results show that two constructs similar to those described by Forsyth's (1980) Ethics Position Questionnaire do exist in the sample of Pakistani managers. However, there exist differences in significance and interpretations of these constructs in Pakistani context. Results are presented and implications for future research are discussed.

Keywords: *Pakistan, ethical ideology, idealism, relativism, Ethics Position Questionnaire*

INTRODUCTION

Ethical orientation is the individual tendency of an individual towards and ethical perspective (e.g. deontology) (Sullivan, 2007). Individuals can form different opinions about what is ethical or not and pass different ethical judgments due to their different ethical orientations. Ethics Position Questionnaire (EPQ) is a research instrument developed by Forsyth, (1980) to determine ethical orientation of individuals.

According to Deering (1998), EPQ has been used and validated in ethics research under multiple contexts and disciplines such as education, accounting, academic research, and marketing research (Forsyth 1980; Vitell et al., 1991; Shaub & Munter 1993; Barnett et al. 1994; Barnett et al. 1998; Bass, Barnett & Brown 1999; Douglas et al. 2001; Henle et al. 2005; Chan & Leung 2006;Singh et al., 2007;Marques and Pireira 2009). All the previous studies attest to the EPQ validity and reliability. Available empirical evidence attest to the usefulness of EPQ to explain differences in moral judgments and differences in individuals' decisions.

EPQ has been successfully applied in western research studies. Therefore, the aim of the current study is to apply EPQ in a non-western context to examine the various constructs to classify the ethical orientation scale. An additional objective of the study is to understand relevancy of various items of EPQ in a non-western context by analyzing the correlations among different measured constructs of EPQ.

LITERATURE REVIEW

Ethics Position Questionnaire

Individual systems of morality can influence the ethical behavior and decision making. In this context, personality and social psychology researches have conducted may studies to describe and measure the moral difference among individuals (Rest et al., 1974; Hogan, 1970; Kohlberg, 1968). Ample empirical support is available to support the notion that individual's ethical beliefs influences his/her approach to ethical judgment & decision making (Whitcomb et al., 1998; Barnett, Bass et al., 1998; Barnett et al., 1994; Davis et al., 1998; Forsyth and Burger, 1982;Forsyth, 1980, 1981). There exists studies that examine the impact of personal ethical beliefs on ethical decision making in business issues in developed countries (Singhapakdi et al. 2013; Loe et al., 2013; Bateman et al., 2013; Bray et al., 2011; Rogerson et al., 2011; Bageac et al., 2011 ;Redfern, 2004; Barnett et al., 1998). However few such studies exist in the context of developing countries (Hernandez & McGee, 2014 ; Ardichvili et al., 2012; Alam, G. M. et al.,2010; Lu & Lu, 2010; Eckhardt et al., 2010). Available literature on cross-cultural business ethics suggests that there may exist some difference in crosscountry or crosscultural ethical ideology of individuals (Marques and Pereira 2009; Fernando et al., 2008; Henle et al., 2005; Jackson et al., 2000; Singhapakdi et al., 1999; Lee and Sirgy, 1999; McDonald & Pak, 1996; Singhapakdi et al., 1994).

In their cross-cultural study of selected countries, Forsyth, O'Boyle and McDaniel (2008) found predictable variation of the degree of idealism and relativism across regions. The westerners dominantly followed exceptionist ethics while easterners followed subjectivity and situation-based ethics. They argued that a nation's ethical position is predicted by its cultural dimensions, such as individualism and avoidance of uncertainty (Hofstede ,1980).

According to Schlenker and Forsyth (1977), individual differences in moral judgment involve two principal factors or dimensions: Relativism & Idealism. Both factors are derived from fundamental theories of moral philosophy i.e. deontological approach and teleological approach. Both factors represent the extent to which the individual accepts or rejects universal moral rules. Universal moral rules are rules that govern right & wrong behavior in all situations. Individuals high on each item seek different approach when faced with ethical decision making. An individual high on relativism is more likely to reject the universal moral rules when making ethical judgments. While an individual high on idealism seek humanitarian consideration when making ethical judgments. Individuals following relativistic approach are compassionate and while judging a decision give more preference to circumstances than the outcome of a decision. (Elias, 2002). (Schlenker & Forsyth, 1977) argues that the two dimensions of relativism & idealism exist independently of one another. The dimension of relativism relates to deontological theory of moral philosophy that focuses on universal rules and individual behaviors and actions that are influenced by them. The dimension of Idealism is related to teleological theory of moral philosophy which focuses on the consequences of individual behavior. Ethics position questionnaire (EPQ) is a scale developed by Forsyth (1980) to measure individual difference in ethical perspective along the dimensions of idealism & relativism described by Schlenker and Forsyth, (1977). The scale consists of twenty short statements, ten measuring each dimension of relativism & idealism. Each statement is judged by using a likert scale to represent respondents' level of agreement or disagreement against each statement. Ethics position questionnaire (EPQ) has also been used in business contexts to examine the influence of personal ethical ideology on ethical decision making (Barnett et. al., 1994). (Barnett et al., 1994) found significant relationship of idealism with individual's ethical judgments but no such relationship was found for

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realism. (Davis et al., 2001; Davis et al., 1998; Forsyth's, 1980) found a positive relationship of idealism and negative relationship of relativism with individual ethical judgments. In most studies the impact of idealism on ethical judgment was comparatively stronger than the impact of relativism (Davis et al., 2001). In the study of business students, (Davis et al., 2001) reported that the two factor structure proposed by (Forsyth's, 1980) was not validated. Consequently (Davis et al., 2001) proposed a three factor structure adding a new factor called veracity. However the dimension of veracity had no impact on ethical judgments. In a study of US and Korean managers, (Lee & Sirgy, 1999) validated the two factor structure proposed by (Forsyth's, 1980). (Davis et al., 2001) found a negative correlation between respondent score on relativism dimension and their score on Hogan's survey of ethics attitudes (Lee & Sirgy, 1999). (Leary et al., 1986) found a negative relation between dimension of idealism & scale of Machiavellianism (Christie, 1968). Individuals high on Machiavellianism can reject conventional morality in favor of situation based ethics (Christie, 1970). (Davis et al., 2001) suggested that individuals who were highly relativistic were likely to have flexible beliefs. (Forsyth, 1988; Gilligan, 1982; Lyons, 1983) suggested that idealists my promote welfare of others. A study of Portuguese accounting professionals revealed that age was the major factor behind the relativistic ethical judgment. Older respondents exhibited significantly more relativistic judgment than the younger respondents. The study further found that the individual ethical ideology had no significant bearing on the individual ethical judgment. However, another study found that individual's ethical orientation and ethical decision making were significantly related to each other (Greenfield et al., 2008). Another study revealed that relativist individuals didn't differ significantly with respect to their assessment of fraud (Achilles, 2006). Another study used EPQ and found that in situations of high moral intensity, the ethical orientation of individuals was related to their ethical judgments (Douglas et al., 2001). The study of Shaub et al. (1993) found that the probability of recognizing ethical issues as lower in case of individuals with high relativistic ethical orientation. On the other hand, respondents high on idealism showed higher level of professional commitment. In their study of the relationship between spiritual well-being and ethical orientation in decision making, Fernando and Chowdhury (2010) found that spiritual well-being was correlated with and predictive of idealism but there exist a weak relationship between spiritual well-being and relativism. Singh et al. (2007) study of marketing professionals in United States and China found that individual's moral philosophies and moral intensities were related to each other. The study further discovered that the moral philosophies and moral intensities of individuals varied in the two nations and while relativism appeared to be a significant predictor of moral intensity of Chinese professionals the same was not true for American professionals. Idealism was a significant predictor of moral intensity of both Chinese and American professionals. Henle et al. (2005) found that people having low idealism orientation behave less ethically.

Ethics Position Questionnaire (EPQ) and National Culture

There exist studies in business ethics literature on cross-country and cross-cultural differences in ethical philosophers and the way they are applied in ethical decision making (Jackson et al., 2000; McDonald and Pak, 1996). These studies suggest that individual moral philosophies do vary across cultures and countries and individuals in different cultures vary in their degree of idealism (Singhapakdi et al., 1999). Similar results were achieved by Attia et al., (1999) that found Middle Eastern marketers more idealistic than their American counterparts. Although the two groups didn't differ significantly on relativism dimension. (Lee & Sirgy, 1999) obtained similar results in their study of Korean & American managers and Davis et al. (1998) found that degree of relativism varied significantly among study participants in Indonesia and America.

Such differences in moral ideologies exists in Asia as well (Redfern, 2004). The culture within this region is very diverse and the values within any given region are very dynamic. Researchers suggest that the values in Asia region shouldn't be generalized in the context of business ethics (Koehn, 1999; Lu, 1997; Sen, 1997). Koehn (1999) suggest that it is very hard to ascertain common values shared across Arian cultures. Therefore a more appropriate approach is to analyze the Asian values of a country within its own national and regional context.

RESEARCH OBJECTIVES

According to Davis et al. (1998) and Lee and Sirgy (1999), various studies including within Asia studies, have found factor structure of EPQ reliable and stable. However no stidy has attempted to examine the applicability and reliability of EPQ in a Pakistani context. Given that the factor dimensions of EPQ have been found to vary among individuals belonging to different countries (Attia et al., 1999; Lee & Sirgy, 1999; Singhapakdi et al., 1994; Davis et al., 1998) and the significant impact of their dimensions on business decisions (Barnett et al., 1994, 1996; Davis et al., 1998, 2001) it is pertinent to examine these dimensions in a developing country perspective, in this case Pakistan.

Given no previous study examining ethical ideology in Pakistan, the nature of the present study is exploratory. The study will attempt to offer some preliminary finding to provide avenues for further research. The main objective of this study is to examine the factor structure of EPQ (Forsyth, 1980) in a sample of managers from Pakistan.

This study will provide an addition to the knowledgebase of the applicability of western research scales in non-western context. It is a widely popular area of discussion on the subject of values and ethics (Adler et al., 1989; Chinese Culture Connection, 1987). Other studies have incorporated assumptions regarding the appropriateness of EPQ in the context studies were done. However this study makes no such assumption in line with (Redfern, 2004)). As such, this study makes no hypothesis regarding the relative scores on the idealism and relativism dimensions. Instead, the responses to EPQ will be analyzed determine the appropriate dimensions in Pakistan context.

RESEARCH METHODOLOGY

In general, factor analysis technique is used to analyze the patterns of complex, Multi-dimensional relationships to orderly simplify, summarize and reduce data (Hair et al. 2010; Child 1970). This study used factor analysis technique to generalize the key dimensions of ethical orientation of Pakistani managers.

Sample and data collection

For this study, convenience sampling strategy was used and the data was collected from 201 Pakistani professionals working at mid-level (5-8 years of experience) managerial positions. The researcher sought help from his friends to seek suitable study respondents from their social circle. The self-administrated questionnaire was distributed to and collected by study respondents in both in hard and soft copy formats. Pakistani culture strongly emphasis on connections and relations. Conducting a research in Pakistan using mail surveys is faced with similar types of problems when conducting research in mail survey research in China and is well documented in the literature (Roy et al., 2001).

Measures

The main research instrument used in this study was EPQ and all questions were rated on a 9-point Likert-scale (1 = strongly disagree, 9 = strongly agree). Relativism and Idealism are two distinct dimensions of individual's ethical ideology as identified by EPQ. In addition to EPQ, the survey administered also contained questions about respondents demographic and organization information.

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Analysis

The data was analyzed using SPSS software (version 20.0) and included descriptive statistics and factor analysis.

RESULTS AND DISCUSSIONS

Data Screening

Pallant (2007) suggests checking the data for errors before analysis. The checking involves e.g. checking of outlier values for variables and missing values of variables. The results of descriptive analysis showed that there were neither any missing data nor any outlier values out of the 201 total numbers of valid cases. According to (Hair et al., 2010), the dataset is acceptable if the proportion of total missing data is less than 10 percent. Therefore the dataset was acceptable for analysis.

Descriptive statistics

Table 1 shows the distribution of managers by gender. There is a reasonable distribution of both males and females. In terms of age distribution, the mean ages for the male and female groups were 31.2 and 35.6 years respectively. As indicated in Table 2, the majority of respondents in both gender groups ranged in age from 26 to 45, with a slightly higher proportion of younger managers in male group. Table 3 indicates the highest level of education completed by managers. There appears to be no major differences in the level of education attained by male and female managers with a majority of managers having attained a Master's degree or above. Respondents worked in all types of organizations (see Table 4). Given the still dominant influence of the private sector in Pakistan, the majority of respondents belonged to this sector.

Table 1 Respondents Distribution by Gender (%)

Male	56
Female	44

Table 2 Respondents Distribution by Age (%)

	22-25	26-35	36-45	45+
Male	14.9	61.8	16.5	5.2
Female	5.5	46.9	39	8.5

Table 3 Respondents Distribution by highest level of education completed (%)

	High School	College	Bachelors	Master	PhD
Male	4.9	23	21.1	51	0
Female	6	27	18	49	0

Table 4 Respondents Distribution by type of organizations (%)

	Private Organization	Joint Venture	State-owned Enterprise	Direct Investment	Other
Male	56	14	18	10.8	1.2
Female	52	18	17.5	12	0.5

Reliability Test

Reliability of constructs was estimated using Cronbach's coefficient (alpha). Higher values of Cronbach's alpha represent the higher internal consistency of the construct. Values of alpha greater than 0.9 represents very high consistency while the values between 0.5 and 0.7 represent moderate consistency (Hinton, Brownlow, McMurray, & Cozens, 2004).

It was found that the Cronbach's alpha of 10 items of Idealism construct was 0.75. Table 5 shows the Item-Total Statistics of 10 items of Idealism construct. In addition, looking at Table 6 se can see that the values of item-total correlation are high indicating that all items measuring the scale as a whole.

Table 5: Item-Total Statistics of Items of Idealism

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q1	30.33	31.643	.552	.712
Q2	30.81	30.934	.525	.713
Q3	30.71	30.388	.583	.704
Q4	30.05	33.478	.353	.738
Q5	30.37	29.275	.685	.688
Q6	30.26	29.305	.598	.700
Q7	31.68	39.398	-.116	.798
Q8	30.43	31.377	.543	.712
Q9	31.21	30.739	.510	.715
Q10	30.94	38.136	-.025	.787

Item 4 and 7 had very low values of item-total correlation and therefore dropped from analysis. A re-test of reliability showed Cronbach's alpha of 8 items of Idealism was 0.842. Table 6 shows the Item-Total Statistics of the 8 items of Idealism.

Similarly, Cronbach's alpha of 10 items of Relativism construct was 0.684. Table 7 shows the Item-Total Statistics of 10 items of Relativism construct.

Item 11 and 19 had very low values of item-total correlation and therefore dropped from analysis. A re-test of reliability showed Cronbach's alpha of 8 items of Idealism was 0.74. Table 8 shows the Item-Total Statistics of the 8 items of Relativism.

Table 6: Item-Total Statistics of 8 Items of Idealism

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q1	24.78	30.915	.627	.818
Q2	25.25	30.340	.580	.823
Q3	25.15	30.348	.589	.822
Q4	24.49	34.341	.283	.857
Q5	24.82	28.761	.736	.803
Q6	24.71	28.188	.696	.807
Q8	24.88	30.809	.599	.821
Q9	25.66	30.807	.508	.833

Table 7: Item-Total Statistics of 10 Items of Relativism

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q11	29.24	33.823	.009	.712
Q12	28.43	27.776	.409	.648
Q13	27.97	28.409	.458	.641
Q14	28.36	28.441	.426	.646
Q15	28.65	25.500	.573	.611
Q16	28.60	29.892	.285	.672
Q17	28.75	28.038	.519	.631
Q18	28.62	29.978	.338	.662
Q19	28.76	31.935	.117	.702
Q20	28.89	29.208	.326	.665

Table 8: Item-Total Statistics of 8 Items of Relativism

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q12	22.81	23.184	.513	.697
Q13	22.35	24.680	.486	.704
Q14	22.74	24.713	.452	.710
Q15	23.03	21.599	.632	.669
Q16	22.98	26.810	.243	.749
Q17	23.13	24.317	.551	.693
Q18	23.00	26.130	.368	.725
Q20	23.27	26.530	.254	.748

The values obtained suggest that all constructs were internally consistent and each dimension of Relativism and Idealism has sufficient internal

consistency. For both constructs i.e. Idealism and Relativism, there are eight items that measured each construct.

Factor Analysis

Value of KMO and Bartlett's Test (See Table 9) shows that the sample is adequate for analysis. Initially, the factorability of the 16-item of EPQ was examined. Firstly, Table 10 suggests that 86 of the 190 correlations (45%) exceeding .30 are significant at 0.1 level. item, suggesting reasonable factorability (Tabachnick & Fidell, 2007).

There were no independent variables that had condition indexes above 30 coupled with two variance proportions greater than .50 (See Table 10). Hence, based on these basic assumptions of the multivariate model, it implies that there were no statistically significant violations (Tabachnick & Fidell, 2007).

Then, the Principal Component Analysis (PCA) method with oblimin rotation was used. According to Hair et al. (2010) a factor loading of .50 and above should be considered as a significant loading on a particular factor and factors with an eigenvalue of 1.0 or more should be used for further analysis. As a result 4 factors were retained that explained 58.04% of the total cumulative variance (See Table 11).

Table 9: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.861
Bartlett's Test of Sohericity	Approx. Chi-Square	1075.947
	Df	120
	Sig.	.000

Table 10: Correlation Matrix

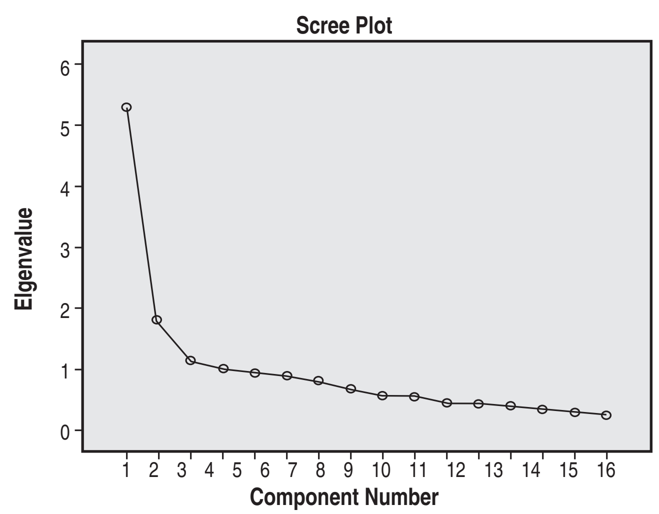
		Q1	Q2	Q3	Q5	Q6	Q8	Q9	Q10	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q20
Correlation	Q1	1	0.505	0.383	0.571	0.562	0.476	0.322	-0.156	0.274	0.076	0.3	0.41	-0.053	0.371	0.26	0.145
	Q2	0.505	1	0.47	0.529	0.514	0.379	0.288	-0.057	0.297	0.199	0.291	0.392	0.071	0.357	0.267	0.103
	Q3	0.383	0.47	1	0.428	0.477	0.348	0.461	-0.042	0.178	0.051	0.255	0.273	-0.026	0.22	0.124	0.063
	Q5	0.571	0.529	0.428	1	0.68	0.529	0.416	-0.062	0.386	0.155	0.252	0.493	-0.03	0.242	0.255	0.135
	Q6	0.562	0.514	0.477	0.68	1	0.546	0.396	-0.178	0.513	0.223	0.347	0.584	0.021	0.423	0.338	0.178
	Q8	0.476	0.379	0.348	0.529	0.546	1	0.438	-0.072	0.399	0.127	0.229	0.364	-0.002	0.141	0.229	0.155
	Q9	0.322	0.288	0.461	0.416	0.396	0.438	1	0.033	0.196	0.011	0.084	0.206	0.05	0.143	0.074	0.106
	Q10	-0.156	-0.057	-0.042	-0.062	-0.178	-0.072	0.033	1	-0.179	-0.121	-0.165	-0.219	-0.067	-0.081	-0.086	-0.104
	Q12	0.274	0.297	0.178	0.386	0.513	0.399	0.196	-0.179	1	0.408	0.405	0.469	0.077	0.314	0.379	0.098
	Q13	0.076	0.199	0.051	0.155	0.233	0.127	0.011	-0.121	0.408	1	0.363	0.52	0.209	0.272	0.075	0.144
	Q14	0.3	0.291	0.255	0.252	0.347	0.229	0.084	-0.165	0.405	0.363	1	0.44	0.075	0.332	0.221	0.064
	Q15	0.41	0.392	0.273	0.493	0.584	0.364	0.206	-0.219	0.469	0.52	0.44	1	0.164	0.465	0.263	0.251
	Q16	-0.053	0.071	-0.026	-0.03	0.021	-0.002	0.05	-0.067	0.077	0.209	0.075	0.164	1	0.333	0.114	0.132
	Q17	0.371	0.357	0.22	0.242	0.423	0.141	0.143	-0.081	0.314	0.272	0.332	0.465	0.333	1	0.321	0.242
	Q18	0.26	0.267	0.124	0.255	0.338	0.229	0.074	-0.086	0.379	0.075	0.221	0.263	0.114	0.321	1	0.198
	Q20	0.145	0.103	0.063	0.135	0.178	0.155	0.106	-0.104	0.098	0.144	0.064	0.251	0.132	0.242	0.198	1

Table 11: Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.291	33.067	33.067	5.291	33.067	33.067	3.875	24.216	24.216
2	1.821	11.380	44.448	1.821	111.380	44.448	2.472	15.447	39.663
3	1.152	7.202	51.649	1.152	7.202	51.649	1.541	9.633	49.297
4.	1.025	6.405	58.055	1.025	6.405	58.055	1.401	8.758	58.055
5.	.942	5.888	63.943						
6	.902	5.637	69.580						
7.	.815	5.096	74.675						
8.	.694	4.336	79.011						
9.	.594	3.711	82.722						
10.	.561	3.506	86.228						
11.	.459	2.870	89.098						
12.	.440	2.749	91.847						
13.	.411	2.567	94.414						
14.	.351	2.195	96.609						
15.	.291	1.817	98.426						
16	.252	1.574	100.00						

Extraction Method: Principal Component Analysis.

Looking at scree plot (see Figure 1) a clear break between third and fourth factor was observed. According to Catell (1966), factors above the break in the plot should be retained for analysis. These factors are the factors that explain the most variance in the data set. Therefore, three factors were retained for further analysis that explained 52% of total cumulative variance.

Figure 1: Scree Plot



Classification of Constructs

A principle-components analysis (PCA) of the sixteen items of EPQ was performed. The PCA revealed three factor solution that explained 52% of the variance. All items had primary loadings over 0.5 (See Table 11). According to Pallant (2007), the ideal number of component loadings on each factor should be three items or more. A factor with fewer than three items is generally weak and unstable; 5 or more strongly loading items (.50 or better) are desirable and indicate a solid factor (Costello & Osborne, 2005). Therefore we dropped the third component with loading of only two factors.

Table 12 shows the factors extracted from the responses of Pakistani managers to EPQ. Table 12 identifies the two factors revealed from the responses made by the Pakistani managers on EPQ. Idealism was perceived as the most important criteria of ethical orientation. Idealism had seven items, i.e." never necessary to sacrifice the welfare of others", "existence of potential harm to others" "threaten the dignity and welfare of another individual", "harm an innocent other", "dignity and welfare of people", "intentionally harm others", and "risks to another". Compared to the original EPQ, these items belong to the ten items of Idealism scale. This lends support for the validity of this measure in the Pakistani sample. Thus we have labeled this dimension Idealism, consistent with Forsyth. However, it should be noted that not all of the Idealism items in the original questionnaire loaded strongly on this factor. Furthermore, it should be acknowledged that the Idealism factor might not represent precisely the "Idealism" construct as interpreted by Forsyth (1980). Indeed, when the items loading on the factor in the Pakistani sample are examined at face value, they appear to reflect

Table 12: Results of Factor Extraction				
	Component			
	1	2	3	4
Q9: It is never necessary to sacrifice the welfare of others.	.764			
Q3: The existence of potential harm to others is always wrong, irrespective of the benefits to be gained.	.756			
Q5: One should not perform an action which might in any way threaten the dignity and welfare of another individual.	.746			
Q6: If an action could harm an innocent other, then it should not be done.	.662			
Q8: The dignity and welfare of people should be the most important concern in any society.	.662			
Q1: People should make certain that their actions never intentionally harm others even to a small degree.	.645			
Q2: Risks to another should never be tolerated, irrespective of how small the risks might be.	.636			
Q13: Moral standards should be seen as being individualistic; what one person considers to be moral may be judged to be immoral by another person.		.853		
Q14: Different types of moralities cannot be compared as to "rightness".		.696		
Q15: Questions of what is ethical for everyone can never be resolved since what is moral or immoral is up to the individual.		.617		
Q12: What is ethical varies from one situation and society to another.		.599		
Q16: Moral standards are simply personal rules which indicate how a person should behave, and are not to be applied in making judgments of others.			.780	
Q17: Ethical considerations in interpersonal relations are so complex that individuals should be allowed to formulated their own individual codes.			.512	
Q20: Whether a lie is judged to be moral or immoral depends upon the circumstances surrounding the action.				-.677
Q18: Rigidly codifying an ethical position that prevents certain types of actions could stand in the way of better human relations and adjustment.				-.651
Q10: Moral actions are those which closely match ideals of the most "perfect" action.				

Extraction Method: Principal Component Analysis
Rotation Method: Oblimin with Kaiser Normalization.
a. Rotation converged in 24 iterations.

notions of humanity and kindness, avoidance of harm and a focus on the welfare of others, rather than a definitive description of the Western philosophical construct of Idealism as described by Forsyth (1980).

We have four items with significant loading on our second construct i.e. “moral standards should be seen as being individualistic”, “moralities cannot be compared”, “what is ethical for everyone can never be resolved”, and “what is ethical varies from one situation and society to another”. Again, compared to the original EPQ, these items belong to the ten items of Relativism scale. This lends support for the validity of this measure in the Pakistani sample. Thus we have labeled this dimension Relativism, consistent with Forsyth. However, it should be noted that not all of the Relativism items in the original questionnaire loaded strongly on this factor. The second factor contains items which emphasize an individualistic interpretation of the situation (Q12, 13, 14, 15). These items overlap significantly with Forsyth's (1980) “Relativism” construct. This seems to suggest that the individual assessment of the situation reflected in this construct, relies on something other than a black and white, rational consideration of the consequences. It seems Pakistani managers does not emphasize any ethical theory of hypothetical choices to determine action in each situation, but relies on situational intuitions which are harmonious with nature. That in turn shows that Forsyth's (1980) “Relativism” construct (eigenvalue = 1.82, variance explained= 11.4%, Cronbach's Alpha = 0.74) is applicable in the Pakistani sample.

The results seem to support those of other authors who have suggested that Idealism has a stronger prevalence in more Westernized or industrialized economies (Lin, 1999; McDonald & Pak, 1996; Whitcomb et al., 1998). Thus, it is possible that there may be a convergence of values in the Pakistani managers toward that more consistent with individuals from Western countries.

CONCLUSION

This is the first study on analysis of ethical orientation of Pakistani managers using EPQ ethical orientation scale developed by Forsyth (1980). The overall results established that 11 items of the original EPQ were found suitable for measuring the ethical orientation of the Pakistani managers. Due to insufficient loading or insufficient number of items loading, five items were dropped. Four items were excluded from Relativism scale and one item was dropped from Idealism scale.

The issue of the applications of western-origin research scales to measure psychological constructs in non- Western environments is important that has been investigated by many researchers of cross-cultural psychology and management (Adler, 1989; Chinese Culture Connection, 1987, etc.). Still there exists few empirical studies that examine the appropriateness of western-origin research scales (such as EPQ) for developing countries cultures. There exist studies that have attempted to analyze ethical ideologies in Eastern cultures using Forsyth's (1980) Ethics Position Questionnaire. EPQ is a well cited measure of ethical ideology in the psychology and management literature. However, we see little evidence of analyzing the appropriateness of two major items while applying EPQ in developing countries. These two major items include appropriateness of the items within EPQ and the labeling of the EPQ constructs themselves (Redfern, 2004)).

The present study has attempted to provide a preliminary investigation of the issues surrounding application of EPQ in a non- Western context of the Pakistan. The factor analysis performed in the study revealed two factors or dimensions which were essentially orthogonal. These two dimensions significantly overlapped with the two dimensions provided by the original EPQ developed by Forsyth (1980) i.e. Idealism and Relativism. The findings of the study are consistent with the findings of previous studies (Barnett et al., 1994; Davis et al., 2001; Forsyth, 1980, (Redfern, 2004)). Thus, the results of this study attest to the reliability of the dimensions of EPQ in a Pakistani context.

However, the item loadings on factors in this study showed that themes within Pakistani context were different from themes of original EPQ. It was also found that Pakistani managers were high on “Idealism”. This observation may be suggestive of the higher levels of exposure to Western lifestyle practices and ideology enjoyed by Pakistani managers. With respect to the dimension of Idealism, these themes are consistent notions of benevolence, and the importance of harmony in human relationships. With respect to the dimension of Relativism, these themes suggest that Pakistani version of Relativism reject the utilitarian approach of decision making in a given situation and the decision making approaches of Pakistani managers may be quite different from those proposed by Forsyth (1980) as Relativist.

The findings of this study are expected to provide some “food for thought” for researchers of values and ethics to gain a deeper understanding of methodological and ideological issues in cross-cultural settings. The findings suggests a new scale with two dimensions of ethical orientation having different constructs than the original EPQ. It is hoped that this new scale would provide insight into the appropriate items for the constructs of EPQ and contribute to a more meaningful application of EPQ in Pakistani and other Asian contexts.

LIMITATIONS OF THE STUDY

One limitation of this study is the use of convenience sample. As such, there are limitations on the findings of this study with respect to their generalizability to the population of Pakistani managers. Future studies should verify the new scale developed in this study on Pakistani and other Asian managers to further enhance the reliability of the scale. This study provides a snapshot of Pakistani culture at a given time and place. Every culture has certain values. It should also be noted that values are dynamic and change over time under the influence of a variety of factors such as economic and societal factors and geo-political situation.

AREAS OF FURTHER RESEARCH

While this study provides the dimensions and item loadings of EPQ in Pakistani context, future research can further analyze and test the constructs and their items to establish precise nature of the relationships among the moral dimensions. In addition,

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A Study of Profitability Analysis of Banking Industry in Post Reform Era

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Profitability is a measure of efficiency and control. It indicates the efficiency or effectiveness with which the operations of the business are carried on, whether it is, recording profitability for the past period or projecting profitability for the coming period. Measuring profitability is the most important measure of the success of the business. The economic reforms totally have changed the banking sector.

This paper attempts to study the performance of public, private and foreign banks in terms of Profitability in the post reform era. The objective of this study was overall profitability analysis of different banks groups based on the performances of profitability ratios like Ratio of operating costs to total assets, Ratio of net interest margin to total assets, Return on assets and Return on equity. In this study various statistical tools are used (i.e.,) Mean, Standard deviation, ANOVA test and post hoc tests have been used for data analysis. The results found that bank group wise performance depicts, that in case of Return on total asset foreign banks are ahead followed by new private banks , in case of operating cost to total asset ratio new private banks are the most efficient followed by old private banks .

Key words: *Public banks, Private banks, Foreign Banks, Return on Assets, Return on Equity, Ratio of Net Interest Margin , Ratio of Operating Cost to Total Assets.*

INTRODUCTION

The Indian financial landscape is dominated by the banking sector with banking flows accounting for over half of the total financial flows in the economy. Banks play a major role in not just purveying credit to the productive sectors of the economy but also as facilitators of financial inclusion. Although the Indian banking sector exhibited considerable resilience in the immediate aftermath of the global financial crisis, it has been impacted by the global and domestic economic slowdown over the last two years.

Sustained improvements in efficiency of the banking sector are desirable as they contribute towards (a) higher economic growth an efficient banking sector can render its basic function of mobilisation and allocation of resources more effectively aiding economic growth (Mohan, 2005); (b) mitigation of risks the more efficient the banking system, the more is the likelihood that it can withstand and absorb shocks. This link essentially stems from the ability of the banking sector to channel improvements in efficiency towards creating more capital buffers. In fact, studies find a negative and significant relationship between cost efficiency and the risk of a bank failure (Podpiera and Podpiera, 2005); (c) improved financial inclusion the more efficient the banking system, the more it can aid financial inclusion, particularly because it can make the delivery of banking services cost-effective and can thereby ensure that improved access to banking services results in improved usage (Chakrabarty, 2013).

One of the major objectives of banking sector reforms initiated since the early 1990s has been to improve the operating efficiency and profitability of banks .As per the Basel II norms, banks should strive to achieve a cost to income ratio of 40 per cent, while of banks should be more than 1 per cent (RBI, 2008).

Profitability based measurement on the other hand can serve as a more robust and inclusive means to measure the performance by gauging the extent of operational efficiency as well as capturing the nuances of banks diversifying earnings through non-interest income activities and management of their costs.

The recent decline in economic growth has presented significant challenges to banks through rising impairment of assets, pressure on margins and volatility in noninterest income. In this demanding business environment, improved operational efficiency will help banks in standing up to the challenges and enable them to maintain their health and profitability.

A well developed banking system is a necessary precondition for economic development in a modern economy. The amount of earnings indicates the efficiency of the organization. The larger the profits, the more efficient and profitable the organization becomes. That is why profitability is considered, to a large extent, one of the main criteria to adjudge the extent to which the management has been successful in the effective utilization of the funds available with the enterprise.

REVIEW OF LITERATURE

In the financial literature also, several studies have addressed the question of bank efficiency and profitability. P N Joshi (1986) in his paper Profitibility and Profit Planning in Banks analyzed the performance of Indian banks using Operating Profit as a measure of their efficiency. He concluded that profit alone in absolute terms could not be the criterion of better performance and hence must be expressed as ratios. Buch (1997) asserted that foreign-owned banks used modern technology from and rely on the human capital of their parent banks, so that they would be expected to perform better than government-owned or domestic private banks in transitional economies. On similar lines, private banks would be expected to perform better than government-owned banks.

Bhattacharya (1997) studied the impact of increased competition due to the limited liberalization initiated before the deregulation of the nineties on the performance of the different categories of banks, using Data Envelopment Analysis. He found PSBs had the highest efficiency among the three categories, with foreign and private banks having much lower efficiencies. However, PSBs started showing a decline in efficiency after 1987, private banks showed no change and foreign banks showed a sharp rise in efficiency.

Narendra D. Jadhav (2003) in his article Perspective on Banking calculated important commercial bank parameters like net profits to total assets ratio, spread to total assets ratio, etc., from 1996-97 to 2003-04 on the lines of CAMEL Model and found that profitability of the banking system in India was accompanied by enhancement in asset quality.

Rammohan (2002, 2003) also used financial measures for comparing operational performance of different categories of banks over a period of time. However, most of the studies which look at the efficiency of Indian commercial banks concentrate on cost, profit, income or revenue efficiencies, using DEA as a technique of analysis.

Sarkar (1998), Kumbhakar and Sarkar (2003), Rammohan and Ray (2004) compared the revenue maximizing efficiency of public, private and foreign banks in India. They found that public sector banks were significantly better than private sector banks on revenue maximization efficiency, but between public sector banks and foreign banks the difference in efficiency was not significant.

Mittal and Dhade (2007) in their paper Profitability and Productivity in Indian Banks: A Comparative Study compared various categories of banks on their productivity and profitability using the tool of ratio analysis. They found that while there was no remarkable difference in the spread ratio, there was a significant difference in Burden ratio among the public sector and private sector & foreign banks and the key to profitability for the public sector banks was increased productivity.

OBJECTIVES OF THE STUDY

1) To highlight the various profitability analysis of public sector banks, private sector banks, foreign banks and different bank groups in post reforms era..

2) To analyze the overall profitability of banks (i.e.,) Ratio of operating costs to total assets, Ratio of net interest margin to total assets, Return on assets and Return on equity.

Period of the study

The study covers a period of 22 years from 1991-92 to 2012-2013 is taken for the study.

Sources of Data

The study relies on secondary data published by institutions and organizations concerned with commercial banks. The publications of the Reserve Bank of India Report on Trend and Progress of Banking in India (Annual), Report on Currency and Finance (Annual), RBI Bulletins(Monthly) and Hand Book of Statistics on Indian Economy , Statistical Tables Relating to Banks in India

Statistical Tools

In this study various statistical tools are used (i.e.,) Mean, Standard deviation, ANOVA test and Post Hoc test have been used for data analysis.

Scope of the study

The study is about the role of profitability analysis of different banks groups. It is mainly dealt with the Profitability ratios show a company's overall efficiency and performance. A variety of Profitability Ratios (Decision Tool) can be used to assess the financial health of a business.

Ratios taken for analysis:

1. **Ratio of Operating Costs to Total Assets (ROCTA)** $= \dfrac{\text{Operating Cost}}{\text{Total Assets}} * 100$

   This ratio indicates the amount of operating costs expended per unit of assets. Lower the ratio, better it is.

2. **Ratio of Net Interest Margin (NIM) to Total Asset** $= \dfrac{\text{NIM}}{\text{Total Assets}} \times 100$

   It is defined as the difference between the total interest earned (including from such items as investments) and total interest expended (included from such items as inter-bank borrowings) normalized by assets. The benchmark for this ratio is more than 3 per cent.

3. **Return on Assets (ROA)** $= \dfrac{\text{Net Profit}}{\text{Total Assets}} \times 100$

   It indicates as to how much profits a business unit (bank is able to generate per unit of its assets. Higher value of this ratio is indicative of higher profitability. The benchmark for return on asset is more than 1 per cent.

4. **Return on Equity (ROE)** $= \dfrac{\text{Net Profit}}{\text{Total Equity}} \times 100$

   It is defined as net profit after tax to total equity capital. It is an indicator of efficiency with which capital is used by banking institution. This ratio is widely used by equity investors in their decision making. Higher value of the ratio is indicative of higher profitability. Its benchmark is more than 18 per cent.

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LIMITATIONS OF THE STUDY

1) As the data are only secondary, i.e., they are collected from the published annual reports.

2) Due to limited span of time only profitability ratio is taken for the study.

Profitability Analysis

Table 1 shows the mean and standard deviation of the different ratios i.e NIM, ROPTA, ROA, ROE taken under study according to the different bank groups.

Table 1 Descriptive Analysis

Ratios	NIM		ROPTA		ROA		ROE	
Bank Group	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation
All public sector banks	2.7505	.28606	2.23273	.51477	.54045	.59794	9.03545	13.649764
Old private sector banks	2.7581	.39281	2.16095	.34372	.83810	.30691	15.1519	6.018690
New private sector banks	2.3988	.58729	1.92889	.29622	1.20889	.40960	14.1561	2.854341
All private sector banks	2.6433	.54390	2.13548	.32132	.98364	.32697	9.05182	12.368419
Foreign banks	3.7914	.30241	2.78545	.28997	1.32000	.94855	11.8268	14.968303
All commercial banks	2.8141	.23002	2.29409	.40099	.64682	.58833	15.4695	4.162398

Different bank groups were compared on Net interest margin by making use of one-way analysis of variance. The results obtained as a consequence of the application of one-way analysis of variance are shown in Table 2

Table 2 Annova Results

NIM	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	23.109	5	4.622	25.583	.000
Within Groups	19.403	122	.162		
Total	42.512	127			

An examination of table 2 reveals that the main effect of bank groups was found to be significant at .001 level of significant difference in the net interest margin of five bank groups. As a consequence of significant F valuing 25.583 the mean net interest margin ratio of different bank groups was computed.

Table 3 Results of Post Hoc(Mean Differences)

NIM	all public sector banks	old private sector banks	new private sector banks	all private sector banks	foreign banks	all commercial banks
old private sector banks	-.00764					
new private sector banks	.35163*	.35927*				
all private sector banks	.10712	.11476	-.24451			
foreign banks	-1.04097*	-1.03333*	-1.39261*	-1.14810*		
all commercial banks	-.06364	-.05600	-.41527*	-.17076	.97734*	

**. The mean difference is significant at the 0.05 level.*

The mean NIM values of different group of banks were compared by making use of Post-Hoc comparison method. An examination of above mentioned mean difference between NIM scores of different banks revealed that new private banks are the most efficient from the viewpoint of ratio of NIM to total asset while foreign banks have the highest spread from the viewpoint of ratio of NIM total assets. The other three banks fall in between the two extremes referring to new private banks and foreign banks.

Table 4 Annova Results

ROCTA	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9.469	5	1.894	10.893	.000
Within Groups	21.210	122	.174		
Total	30.679	127			

An examination of the values of F value (10.893) reported in the above Table 4 shows that it is significant at .000 level of significance. The higher level of significance of F value suggests that there is significant difference in mean ROCTA scores of different banks.

Table 5 Results of Post Hoc (Mean Differences)

ROCTA	all public sector banks	old private sector banks	new private sector banks	all private sector banks	foreign banks	all commercial banks
old private sector banks	.071775					
new private sector banks	.303838*	.232063				
all private sector banks	.097251	.025476	-.206587			
foreign banks	-.552727*	-.624502*	-.856566*	-.649978*		
all commercial banks	-.061364	-.133139	-.365202*	-.158615	.491364*	

**. The mean difference is significant at the 0.05 level.*

Interestingly, the new private bank revealed most effective ROCTA in comparison to the other four banks. Moreover, foreign banks revealed the least effective ROCTA even more than the average of all commercial banks. Currently, other operating expenses of PSBs continue to remain considerably lower than new private banks and foreign banks. This is largely due to the fact that they have not paid adequate attention to the physical infrastructure and the ambience at branches. However, this ratio is also expected to converge in the future.

An examination of table referring to return on asset a measure of profitability reveals significant value of F for between bank groups. F value has been found to be significant at .005 level of significance. It implies that there is significant difference in return on asset, a measure of profitability so far as different banks are concerned. A comparison of mean ROA score by using Post-hoc comparison reveals that following information: Table 6 & 7.

An examination of mean difference and levels of significance reveals that Public sector banks had the lowest return on asset while foreign bank had the highest return on asset followed by new private bank. The public sector banks mean is less than the mean of all commercial banks.

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Table 6 Annova Results

ROA	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	10.008	5	2.002	5.982	.000
Within Groups	40.823	122	.335		
Total	50.831	127			

Table 7 Results of Post Hoc(Mean Differences)

ROA	all public sector banks	old private sector banks	new private sector banks	all private sector banks	foreign banks	all commercial banks
old private sector banks	-.297641					
new private sector banks	-.668434*	-.370794*				
all private sector banks	-.443182*	-.145541	.225253			
foreign banks	-.779545*	-.481905*	-.111111	-.336364		
all commercial banks	-.106364	.191277	.562071*	.336818	.673182*	

**. The mean difference is significant at the 0.05 level.*

Return on equity is another index of profitability in addition to Return on asset as discussed earlier. It is significant to note that the results concerning return on equity is different from return on asset in the sense that F value for return on asset was highly significant while the F value for return on equity is insignificant as shown in Table 8. The level is .159.

Table 8 Annova Results

ROE	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	860.171	5	172.034	1.621	.159
Within Groups	12944.604	122	106.103		
Total	13804.775	127			

Table 9 Results of Post Hoc(Mean Differences)

ROE	all public sector banks	old private sector banks	new private sector banks	all private sector banks	foreign banks	all commercial banks
old private sector banks	-6.116450*					
new private sector banks	-5.120657*	.995794				
all private sector banks	-.016364	6.100087*	5.104293*			
foreign banks	-2.791364	3.325087	2.329293	-2.775000		
all commercial banks	-6.434091*	-.317641	-1.313434	-6.417727*	-2.775000	

**. The mean difference is significant at the 0.05 level.*

The mean scores for return on equity reveals that there was not much difference in mean score of different bank groups in terms of effectiveness concerning return on equity.

Global Comparison

While we have made some progress on the productivity front, it is important to benchmark the Indian banking system against global productivity standards in order to get a better understanding of where we stand. While there has been a tangible improvement in our relative productivity levels on various parameters such as cost to income ratio, we still lag behind several of our peers from Asia and the developed world.

Table: 10 Indicators of Profitability and Efficiency, across Select Countries (Per cent)

Country	Cost-to-income ratio	NIM	RoA
Select advanced countries			
USA	60.59	3.64	0.83
Japan	61.65	1.01	0.28
UK	67.79	1.09	0.16
Denmark	70.32	1.12	0.07
France	75.37	0.9	0.11
Germany	83.62	0.78	0.02
Italy	89.63	1.37	-1.1
BRICS			
China	38.48	2.74	0.77
India	44.53	3.02	0.95
Brazil	57.28	4.97	1.21
South Africa	57.34	2.76	1.1
Russia	90.03	3.93	1.27

FINDINGS OF THE STUDY

Public Sector Banks had the highest mean operating cost to income ratio followed and old private sector banks, which needs to be improved, as higher cost means lower efficiency. This can be done by computerizing the branches, which have not been done so far. About 15 % branches of State bank group and 20% of nationalized banks need to be fully computerized and core-banking solution should be implemented promptly. This may increase the cost in the short run, but in the long run it will give immense benefits and reduce operating cost. As the operating cost will improve it will increase the spread, and hence profitability.

CONCLUSION

One of the major objectives of banking sector reforms initiated since the early 1990s has been to improve the operating efficiency and profitability of banks. Ratio of OPCA, NIM and ROA indicates that there has been a decline in OPCA and NIM for the system as a whole over this period, and also an improvement in ROA, albeit with some variations. As per the Basel II norms, banks should strive to achieve ROA of more than 1 per cent (RBI, 2008). In the decade of 2000s, India's performance compares favorably with these two benchmarks. Bank group wise performance depicts that in case of Return on total asset foreign banks are ahead followed by new private banks, in case of operating cost to asset ratio new private banks are the most efficient followed by old private banks. Thus, the standard accounting measures/ratios suggest a trend of improvement in the efficiency of the Indian banking sector over recent years.

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Personality and Emotional Intelligence of Teachers

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Emotional intelligence is the ability to identify, regulate and manage your own emotions and the emotions of others Teachers with different personalities having varied degrees of emotional intelligence. The present study investigated the relationship between personality type and emotional intelligence of secondary school teachers of government and private schools of Ludhiana. Keirsey temperament sorter scale was used to determine the personality type of teachers and self designed instrument, EI (Pc -SC) Scale was used to measure emotional intelligence. The findings indicated that there is positive and significant association between personality and emotional intelligence of teachers. Private school teachers were reported to be more emotionally intelligent than government school teachers. Significant association was also found between school type and emotional intelligence. The results of the study were found to be consistent with the findings of other researchers reported in the current study.

Key Words: *Emotional Intelligence, Teachers, Personality Type*

INTRODUCTION

Teachers' personality contributes to overall effectiveness in classroom teaching. The teachers who are energetic, passionate and empathetic are able to bring the best in the students and are able to create a positive milieu in the classroom. A lot of people aspire to take teaching as a career hence it is imperative for a teacher to have insights into the emotional set up of the students. An emotionally intelligent teacher may be able to establish a better connect with the students.

Emotional Intelligence

Emotional intelligence can be defined as the ability for recognizing one's own feelings and those of others, for motivating oneself, and for managing emotions well in oneself and in one's relationships (Goleman, 1998). Several researches have been done to establish the correlation between emotional and other constructs viz. academic achievement, personality, conflict handling, stress and leadership etc. indicating the significant association (as cited by Mehta and Singh 2013a)"The ability to consider one's own feelings and emotions, making distinguished between them and using the information resulted from in one's own thinking and actions". There are various models of Emotional intelligence (Mayer, Caruso & Salovey, 2002; Bar-On, 1997; Dulewicz and Higgs, 1999; Higgs ,1999).

Mehta& Singh (2013a) studied the construct of E.I. by reviewing the different models, the measures used to assess them, and the relationship between these models and other similar constructs. Their

study predicted a significant relationship between emotional intelligence and other variables like personality, leadership, teacher effectiveness, academic achievement, conflict handling, stress etc. A high score indicated higher emotional intelligence in a particular sub scale category and low score indicated low emotional intelligence in a particular sub scale category. The total of all the sub scales were added to get the total emotional intelligence score (Mehta&Singh , 2013b).

Substantial research has been undertaken on Emotional intelligence of students, teachers, executives, managers, operatives, bank employees and university faculty.(Das, 2011; Khalatbari et al. 2011; Vin, Juust and Tooman; Tolor 1973; Alhashmei and Hajee 2013; Muncherji and Pestonjee 2013; Boorer & Preston1987, Hoffman, Ineson and Stewart). Researches on school and university teachers indicated the link with emotional intelligence. (Tolor,1973 ; Bennett,1988 ; Tamblyn 2000 ; Korthagen 2004 ; Rushton et al. 2007 ; Schulte et al., 2008 ;Boorer & Preston 1987 ; Zhang 2009). On the other side some of the reseracher opined that a good teacher cannot be described in terms of isolated abilities as this notion disregards the aspects of the personality of the teachers which play an important role in effective teaching (Pantic and Wubbels, 2009). Birol et al. (2009) established that EI levels of teachers are significant in effective teacher- student communication, achieving a positive work atmosphere, academic success and in reducing stress and conflict. "An Individual's success is not only related to his IQ , but is also linked to social and emotional skills whether in education, schools, or years later after the university. Those who have high emotional quality have more stable long-term relationships ,more social skills and more abilities to deal with conflicts".(Akbarzade 2004)

Personality

Personality is the unique and relatively stable pattern of behavior, thoughts and emotions exhibited by individuals. Every individual is unique in personality from others. C.G. Jung way back in 1921 analysed the psychological types and provided a base for the concept of personality type. Large number of definitions with regard to personality have been given(Fred Luthans ,1989; Boudreau et al. 2001 b, Carmeli ,2003).

Based on Jung's theory of persoanlity , Briggs and Myers Biggs developed an instrument to differentiate individuals on the basis of their personality type. On the other hand Keirsey (1998:20) opined that personality has two facets, one temperament and the other character. For him, temperament is a configuration of inclinations and is a disposition while character is a configuration of habits and is a pre-disposition. The Keirsey temperament theory describes the personality type and therefore the individuals can be categorised by their use of words and tools.

In the last few decades , numerous studies has been undertaken on personality proving its importance and credibility in organisational settings. "Big Five" or five factor model of personality is the widely used measure to analyse the personality type of different type of respondents.(Barrick and Mount, 2001; Goldberg, 1990; Rand,1997; and Sagoe 1999). Mehta(2011)in a study on understanding personality profiles and academic achievement of management students with the help personality testing through MBTI found maximum percentage of MBA students were ESTJs whereas maximum percentage of BBA students were ENTJs. Mehta & Kaur (2011) in their study on students found that 21 % students belonged to personality type ESTJ followed by personality type ISFJ and ESTP at 10 %. Personality type ENFP found no representation.

Personality and Emotional Intelligence

There is a close knit relationship between personality and emotional intelligence. Personality type influences how we develop our emotional quotient, on the other hand, Emotional Quotient influences how we apply and develop our personality type. Personality type is a preference and innate in nature while emotional quotient is a competence and is changeable in nature. Empirical studies indicated that there is significant relationship between personality and emotional intelligence.

(Besharat ,2010; Donald H. Saklofske ,2003; Higgs,2001). Caruso, Mayer and Salovey (2002) viewed Emotional intelligence as a construct independent from personality. The research used an ability measure of emotional intelligence and 16PF as personality measure to determine the relationship between the two variables. Joseph P. (1990) undertook research on the effects of personality and goal salience on Impulsive motor behavior and indicated that impulsive subjects were neurotic extraverts and anxious subjects were neurotic-introverts.

Khalatbari et al. (2011) reported a positive and significant relationship between intrapersonal skills dimension of emotional intelligence and flexibility and neurosis. Nawi and Redzuan (2011) predicted that emotional intelligence is moderately correlated with neuroticism, psychoticism, and extraversion.

Private and Government Schools

A great deal of research has been conducted to compare private and public schools on a variety of measures such as, effectiveness, equity, student achievement, accountability, job satisfaction, and others (Bracey, 2002; Coleman, Hoffer, & Kilgore,1982; Lockheed & Jimenez, 1996). The analysis and understanding of teacher personality can provide insights to the teacher to identify his or her strengths and areas of improvement (Mehta, 2012).

The present was guided by a predisposition that there is a paucity of research on analyzing the association between emotional intelligence and personality in academic settings. Though a number of researches has been conducted on students in academic settings but a very few has been undertaken on teachers to compare the private and government school teachers on the basis of personality types and emotional intelligence.

OBJECTIVES

1. To compare the emotional intelligence of private and government school teachers
2. To compare the emotional intelligence of male and female school teachers
3. To find out the impact of marriage and experience on emotional intelligence of the school teachers.
4. To identify and understand the personality types of government and private school teachers.
5. To explore the association between personality types of school teachers and the different components of emotional intelligence.

RESEARCH METHODOLOGY

To analyze the extent to which there is association between personality type and emotional intelligence, a quantitative study method was used. The sampling frame consisted of secondary school teachers of private and government schools of Ludhiana, Punjab selected using random sampling. The total sample comprised of 300 secondary school teachers out of which 58.6 % were government teachers while 41.3 % were private teachers; again of total , 22.6 constituted male teachers while 77.3 % constituted female teachers. Since the study at hand was quantitative yet descriptive-analytic, a survey technique was chosen to collect the information. Questionnaires were delivered to the respondents having the biographical profile, aspects of emotional intelligence and personality. Data on biographical variables like age, gender, school type, marital status and experience was collected from the teachers. The questionnaire was developed in three sections: a) Biographical profile covering age, gender, experience, educational qualification, marital status and type of school etc. b) Personality type were

determined using Keirsey Temperament sorter measure. c) Each of the six components of emotional intelligence scale - Self awareness, self motivation, emotion regulation, social awareness, social skills and emotional receptivity developed by Mehta and Singh (2013). A pilot testing of questionnaire was conducted to check the clarity and lack of ambiguity in the wording. Subsequently some modifications were done to make the questions simple in wording. The data was analyzed using independent t- test and one way ANOVA.

RESEARCH HYPOTHESIS

1) H1: There would be significant difference in emotional intelligence of government and private secondary school teachers.
2) H2: There would be significant difference in emotional intelligence of male and female secondary school teachers.
3) H3: There would be significant difference in emotional intelligence of married and unmarried secondary school teachers.
4) H4: There would be significant difference in emotional intelligence and experience of secondary school teachers.
5) H5: there would be significant difference between emotional intelligence and personality types of secondary school teachers.

RESEARCH INSTRUMENTS

KEIRSEY TEMPERAMENT SORTER

The Keirsey models make use of four dichotomous pairs of preferences as the basis of the four dominant temperament types (Keirsey.com, 2008). The temperament types are sensing / intuiting (S / N), thinking / feeling (T / F), judging / perceiving (J / P), and extroversion / introversion (E / I).Each of the dominant temperaments are anchored by two of the dichotomous traits which are listed in table 1.

Table1. elaborately mentions the various personality types and their corresponding interpretation of each personality type as mentioned in Keirsey Temperament Sorter.

EI (Pc -SC) SCALE

The EI(Pc Sc)scale is a 69-item self report measure developed by Mehta and Singh (2013). The scale employs a 5-point Likert scale with the following anchors: (1) extremely low competence (2), low competence (3), not sure (4), high competence(5), extremely high competence. The scale measures personal competence and social competence as two separate dimensions. The summated scores of personal and social competence give the total emotional intelligence score. It also measures the sub

Figure 2. Theoretical framework of variables

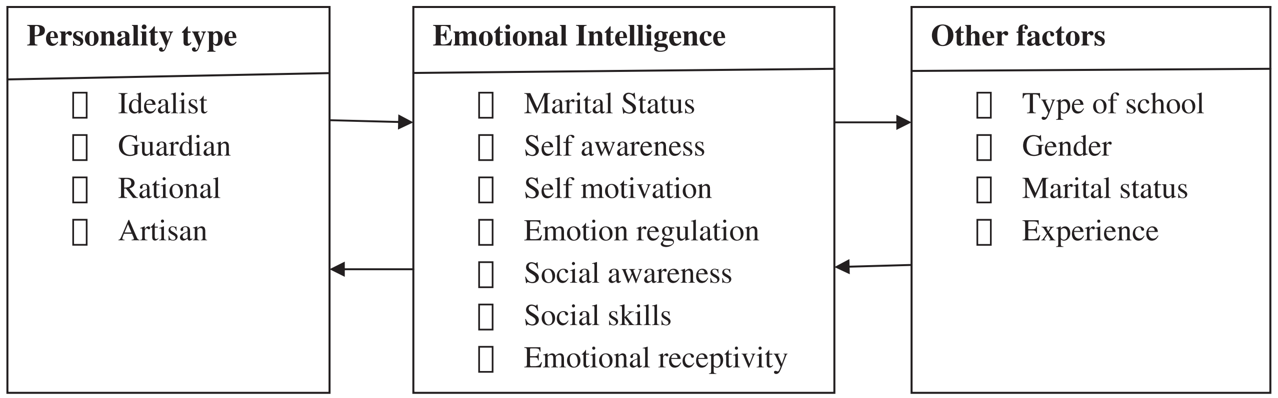

Table 1.				
Keirsey Temperaments and personality types	**Personality Types**			
Artisan	Promoter ESTP	Performer ESFP	Composer ISFP	Crafter ISTP
Idealist	Teacher ENFJ	Champion ENFP	Counselor INFJ	Healer INFP
Rational	Inventor ENTP	Field marshal ENTJ	Architect INTP	Mastermind INTJ
Guardian	Supervisor ESTJ	Provider ESFJ	Inspector ISTJ	Protector ISFJ

parts known as SSE in both the categories. In Part A, it covers the SSE for personal competence which is broadly classified as Self awareness, Self Motivation and Emotion Regulation. In Part B, it incorporates the SSE for social competence which is broadly classified as Social Awareness, Social skills and Emotional receptivity. For checking the reliability of EI (Pc -Sc) scale, coefficient of cronbach alpha was calculated. The reliability value was found to be 0.91. Since the reliability value more than 0.7 is considered good, the reliability of the emotional intelligence scale was found to be quite high.

Table 2 : Reliability Statistics	
Cronbach's Alpha	**N of Items**
0.89	300

For checking the reliability of the questionnaire, Cron bach alpha was calculated as shown in table 2. The reliability value was found to be 0.89 for EI (Pc-Sc) scale .Since the reliability value more than 0.7 was considered good. Thus, the reliability of the Emotional Intelligence scale was found to be quite high.

RESEARCH FINDINGS

Out of 300 respondents surveyed, 26 % were males while 74 % were females..Further, 18 % of the respondents were unmarried while 82 % were married. The respondents with age band of below 25 years were 4 % ; between 25-30 were 20 % ; 30-35 were 23 % ; 35-40 were 20 % and in the age band of 40 and above were 33 % .Also the respondents with less than 5 yrs experience were 25%; 5-10 yrs experience were 28% and more than 10yrs experience were 47%.

Table 3 indicated significant differences between government and private school teachers on various sub scales of emotional intelligence . As for self awareness ($t= 4.49, p<0.05$); emotion regulation ($t= 5.07, p<0.05$), self motivation ($t = 5.49, p<0.05$). and social awareness ($t = 5.63, p<0.05$),social skills($t= 4.12, p<0.05$);emotional receptivity($t= 5.07, p<0.05$)and total emotional intelligence($t= 5.42, p<0.05$)

There was a significant difference between the two groups for all factors of emotional intelligence. It showed that govt. teachers who had higher mean scores with respect to all dimensions of emotional intelligence as well as with respect to total emotional intelligence were more emotionally intelligent than the private school teachers

Table 4 indicated no significant difference between all dimensions of emotional intelligence since the calculated value of t for all the dimensions of emotional intelligence was less than the table value of t. Hence the hypothesis stating there would be significant difference in emotional intelligence of male and female secondary school teachers was not confirmed.

Table 3: Significance of differences between government and private school teachers on Emotional intelligence					
Sr. No.	**Emotional Intelligence Dimensions**	**Groups**	**Mean**	**S.D.**	**t-value**
1	Self Awareness	Private teachers (n=150)	3.60	1.06	4.49
		Govt. teachers (n=150)	4.06	0.69	
2	Emotion Regulation	Private teachers (n=150)	3.46	0.77	5.07
		Govt. teachers (n=150)	3.83	0.44	
3	Self Motivation	Private teachers (n=150)	3.45	0.72	5.49
		Govt. teachers (n=150)	3.86	0.57	
4	Social Awareness	Private teachers (n=150)	3.49	0.72	5.63
		Govt. teachers (n=150)	3.89	0.46	
5	Social Skills	Private teachers (n=150)	3.47	0.80	4.12
		Govt. teachers (n=150)	3.80	0.53	
6	Emotional receptivity	Private teachers (n=150)	3.46	0.77	5.07
		Govt. teachers (n=150)	3.83	0.44	
7	Total emotional Intelligence	Private teachers (n=150)	3.49	0.75	5.42
		Govt. teachers (n=150)	3.88	0.44	

Table 4: Significance of difference between mean scores of various sub scales of emotional intelligence and gender of teachers					
Sr. No.	**Emotional Intelligence Dimensions**	**Gender**	**Mean**	**S.D.**	**t-value**
1	Self Awareness	Male teachers (n=49	3.66	1.30	1.37
		Female teachers (n=251)	3.86	0.82	
2	Emotion Regulation	Male teachers (n=49)	3.68	0.81	0.45
		Female teachers (n=251)	3.64	0.62	
3	Self Motivation	Male teachers (n=49)	3.65	0.87	0.05
		Female teachers (n=251)	3.66	0.64	
4	Social Awareness	Male teachers (n=49)	3.56	0.82	1.55
		Female teachers (n=251)	3.72	0.60	
5	Social Skills	Male teachers (n=49)	3.66	0.82	0.28
		Female teachers (n=251)	3.63	0.67	
6	Emotional receptivity	Male teachers (n=49)	3.68	0.81	0.45
		Female teachers (n=251)	3.64	0.62	
7	Total emotional Intelligence	Male teachers (n=49)	3.65	0.86	0.41
		Female teachers (n=251)	3.69	0.59	

Table5: Significance of difference between mean scores of various dimensions of emotional intelligence and marital status of teachers					
Sr. No.	Emotional Intelligence Dimensions	Gender	Mean	S.D.	t-value
1	Self Awareness	Married teachers (n=246)	3.83	0.95	0.17
		Unmarried teachers (n=54)	3.81	0.78	
2	Emotion Regulation	Married teachers (n=246)	3.66	0.65	0.82
		Unmarried teachers (n=54)	3.58	0.66	
3	Self Motivation	Married teachers (n=246	3.66	0.69	0.14
		Unmarried teachers (n=54)	3.64	0.64	
4	Social Awareness	Married teachers (n=246)	3.69	0.64	0.00
		Unmarried teachers (n=54)	3.69	0.64	
5	Social Skills	Married teachers (n=246)	3.63	0.67	0.03
		Unmarried teachers (n=54)	3.64	0.78	
6	Emotional receptivity	Married teachers (n=246)	3.66	0.65	0.82
		Unmarried teachers (n=54)	3.58	0.66	
7	Total emotional Intelligence	Married teachers (n=246)	3.69	0.65	0.35
		Unmarried teachers (n=54)	3.66	0.62	

*p>.05

Table 6: Analysis of variance of Emotional Intelligence dimensions by Experience					
		Sum of Squares	df	Mean Square	F
Self Awareness	Between Groups	2.73	2	1.36	1.60
	Within Groups	252.12	297	0.85	
	Total	254.85	299		
Emotion Regulation	Between Groups	0.28	2	0.14	0.32
	Within Groups	129.67	297	0.43	
	Total	129.95	299		
Self Motivation	Between Groups	2.72	2	1.36	2.94
	Within Groups	137.60	297	0.46	
	Total	140.33	299		
Social Awareness	Between Groups	2.10	2	1.05	2.57
	Within Groups	121.22	297	0.40	
	Total	123.32	299		
Social Skills	Between Groups	3.13	2	1.56	3.26
	Within Groups	142.52	297	0.48	
	Total	145.66	299		
Emotional Receptivity	Between Groups	0.28	2	0.14	0.32
	Within Groups	129.67	297	0.43	
	Total	129.95	299		
Total Emotional Intelligence	Between Groups	1.50	2	0.75	1.80
	Within Groups	123.63	297	0.41	
	Total	125.14	299		

Table 5 indicated that there was no significant difference observed between married and unmarried teachers in term of emotional intelligence (t=0.13, p>0.05). Since the calculated value of 't' for all the dimensions of emotional intelligence was less than the table value of t.. There was no significant difference between the two groups in terms of self awareness, emotion regulation, self motivation, social awareness and neither on social skills and emotional receptivity. Hence the hypothesis stating that there would be significant difference in emotional intelligence of married and unmarried teachers was fully rejected.

The analysis of variance for emotional intelligence by experience is shown in Table 6. The table value of F for emotional intelligence between and within the samples (df = 2 and 147) at 5% level of significance is 1.75 . The calculated value of F is less than the table value dimensions such as self awareness, emotion regulation, &emotional receptivity hence there is no variance with respect to those dimensions. The calculated value of F is more than the table value for dimensions such as self motivation, social awareness, social skills and total emotional intelligence. hence there was significant variance with respect to those dimensions. Hence H4: stating that there would be significant difference in emotional intelligence and experience of secondary school teachers was selected with respect to subsets of emotional intelligence such as self motivation, social awareness, social skills and total emotional intelligence

Table 7. exhibited the description of personality profile of teachers. The most dominant personality type among both the categories private and government was personality type ESTP. The findings indicated that the personality type ESTP and ISFP got maximum representation followed by ESFP in a combined sample private school teachers. ESTP personality type found maximum representation among government school teachers followed by ESFP. Whereas personality type ENTP,INTP, ENFJ found no representation. Among the private only one personality type i.e. INTJ did not find any representation.

Table 7: Description of Personality Profile of teachers					
Sr. No.	Personality Type	Government school teachers		Private school teachers	
		N	%	N	%
1.	ESTP	44	30%	24	16%
2.	ISTP	13	9%	11	7%
3.	ESFP	27	18%	19	13%
4.	ISFP	8	5%	24	16%
5.	ESTJ	12	8%	6	4%
6.	ISTJ	11	7%	2	1%
7	ESFJ	3	2%	3	2%
8.	ISFJ	9	6%	5	3%
9.	ENFJ	0	0%	7	5%
10.	INFJ	7	5%	17	12%
11.	ENFP	5	3%	3	2%
12.	INFP	3	2%	11	7%
13.	ENTJ	2	1%	7	5%
14.	INTJ	6	4%	0	0%
15.	ENTP	0	0%	6	4%
16.	INTP	0	0%	5	3%
	Total	150		150	

Table 8: Analysis of variance for emotional intelligence and personality of teachers				
Sources of Variation	Sum of Squares	Degrees of Freedom	Mean Square	F
Between Groups	36.40	15	2.42	7.74
Within Groups	88.73	283	0.31	
Total	125.14	299		

Table 8. showed the analysis of variance for emotional intelligence and personality. The table value of F between and within the samples (15 and 134) at 5% level of significance is 1.75. The calculated value of F is more than the table values hence the difference in the mean values of the sample is significant. Hence the hypothesis stating that there will be significant difference between emotional intelligence and personality types of secondary school teachers of Ludhiana is accepted. The personality types which showed highest score on self awareness dimension were ESFJ and INFJ. Personality types ESFJ, ESTP and INFJ, ISTJ scored higher on emotion regulation and self motivation dimension of emotional intelligence. With respect to social awareness dimension, ISTJ and ESFJ were the most prominent personality types. On the other hand, INFJ and ESTP were the most significant personality types on emotional receptivity.INTP and ENTP scored least on self motivation, social awareness, emotion regulation and emotional receptivity dimension of emotional intelligence. The personality type ENFJ which represents 'teacher 'according to Keirsey temperament sorter found no representation.

DISCUSSION AND CONCLUSION

The type of school had a bearing on the results of emotional intelligence of teachers. The results showed that govt. teachers had higher mean scores with respect to all dimensions of emotional intelligence as well as with respect to total emotional intelligence hence were more emotionally intelligent than the private school teachers (table 4). It was corroborated by the studies conducted by (Negi, 2011; Nasir & Masrur, 2010) but contradictory to the studies conducted by (Pande, 2010; Katyal & Awasthi, 2005; Singh, 2002; Chu, 2002;. Dunn, 2002; Hans, Mubeen &Al Rabani ,2013) who found no significant difference between gender and emotional intelligence.

The hypothesis stating there would be significant difference in emotional intelligence of male and female& married and unmarried secondary school teachers was not confirmed.

The analysis of variance for emotional intelligence by experience proved no variance in emotional intelligence w.r.t dimensions such as self awareness, emotion regulation, &emotional receptivity. There was significant variance with respect to dimensions such as self motivation, social awareness, social skills and total emotional intelligence. Hence the hypothesis stating that there would be significant difference in emotional intelligence and experience of secondary school teachers was selected with respect to some dimensions only.

Table 7 exhibited the description of personality profile of teachers. The most dominant personality type among both the categories private and government was personality type ESTP. As compared to other studies nearly 55 percent of the pre service teachers had a profile of ESTJ, ISTJ, or ESFJ. (Cano&Garton, 1994).Reid (1999) sampled elementary teachers and concluded that 57.7%favoured both S and J as preferences in their teaching .Lapenz ; Lester (1997)indicated in their study that ESTJ, ISTJ, ENTJ, and ENFJ accounted for 69% of all technology professionals. Ian Ball (2000) found that amongst secondary school teachers the three most frequent types are all SJs: ISTJ, ESTJ and ISFJ..

The dominant personality group revealed by the results was guardians in both government and private school teachers followed by the SP artisans (23%) in government schools and NF idealists (25%) in private schools. According to kiersey temperament sorter the 'guardians belong to a category comprising Supervisor, Provider, Inspector and Protector. The category comprising teacher, counselor, healer and champion was to be represented by 'idealists' who accounted only 10% among the government teachers and 25% among the private school teachers. It could lead to an interpretation that private schools had more teachers with a personality type which suited the teaching profession. According to keirsey temperament sorter personality type ENFJ represents 'teacher' which means that the teacher needs to be an extrovert, intuitive, feelings oriented and judge mental. In our sample of government school teachers no teacher belonged to this category and among the private school teachers only 5% of the teachers belonged to this category.

The analysis of variance for emotional intelligence and personality of teachers proved the hypothesis that there will be significant difference between emotional intelligence and personality types of secondary school teachers of Ludhiana (table 9). Kappagoda(2013) too had concluded that emotional intelligence had strong influence on personality of teachers.

IMPLICATIONS OF THE STUDY

The study would be very useful in an educational setting in terms of identifying teachers who are emotionally weak and give some interventions for enhancing their teaching effectiveness, psychological well being and managing intra-personal and inter-personal relationships. Since the pressures on teachers are very high in terms of handling students and classroom behaviors, teachers should learn to handle all kinds of situations effectively. And this can be possible only when the schools shall organize exercises and workshops to enhance their personal and social emotional competence since teachers are the main contributors in shaping the personality and character of youth. The study would also be useful for the teachers in determining their personality types. The analysis and understanding of teacher personality can provide insights to the teacher to identify his or her strengths and areas of improvement.(Mehta,2012).

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Brand Positioning of Management Institutes - A Study of National Capital Region

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A brand in the common language is a particular name, symbol, logo, design, and concept that differentiate the services and products from one company to other company. Brand positioning has a significant impact on the process of shaping a brand. Increasing numbers of b-schools are presenting considerable challenges before the education providers. Due to intensive competition among competitors the management institutions of National Capital Region of Delhi is struggling to establish and maintain their positions within the region. This paper seeks to identify the strategies of brand positioning which can be utilized by management institutes for distinguishing and promoting their reputation in order to attract talented students and academic staff. The survey of 50 management institutes has revealed opinions of 300 students and 232 faculty members on the strategies of brand positioning of management institutes. Independent Sample T-test analysis has also compared their opinions and preferences. In addition, four tools have been explored to fill the gap of stakeholders' expectations.

Keywords: *Positioning, Strategies, Students, Faculty members, Stakeholders, NCR*

INTRODUCTION

Branding is essential when many competitors offer same services or products in the market. The marketers are responsible for highlighting the attributes of products or services to the customers. Brand positioning is a topical subject to extensive research and has become more important in today's society as many industries are characterized by fierce competition (Hem and Teslo, 2005). According to Ries and Trout (2003), "Positioning is not what you do to a product. Positioning is what you do to the mind of the prospect i.e. you position the product in the mind of the prospects. Brand positioning is a crucial decision in the attainment of a successful brand. It directs perception of consumers and choices for making purchase decision. Essentially, a well positioned brand focuses on a particular need of a customer segment, generates loyalty defines their preferences and belief about the value of a brand and also derives significant desire to search for the brand" (p.6). The management education drivers are facing greater regulatory responsibilities than in the past. In the present scenario, students have myriad options of management institutions available in the education sector. Therefore, the expectations of students and other stakeholders have increased and become a big challenge for organizations. 'Closer associations' are required for creating a brand with a compelling and authentic brand promises that would differentiate the institution from the competitors. For the purpose of present study, branding refers to those unique compelling factors that reveal the distinctive quality features of management institutes. The strategies must be

identified with a defined scope and distinctiveness that persuade the interest of stakeholders in achieving their aspirations. The marketers of the institutions have to determine targets (students and faculty) whether regional, national, or international bearing in mind the strategies of competitors in the market.

LITERATURE REVIEW

The literature gives several definitions of brand positioning which indicates that the process of brand positioning starts with consumer perception and lies on the differentiation of product or services among competitors. Chattopadhayay and Singh (2012) stated that "positioning a brand is about interaction with people, shaping their perception, style of advertising, quality of products and efficiency of after-sales service" (p.44). Branding is nothing but positioning a product successfully in the minds of the customers. If a brand is well positioned in a customers' mind, half job of directing customers to buy their products or services is done. The power of a brand is all about how customers associate their feelings with the brand. Long-term customer association can be built only through building emotional associations around a product. The act of imprinting the brand image firmly in the minds of customers is a great challenge to marketers. The act of image building has two basic components i.e. positioning and consistent delivery of quality. A customer feels motivated when his emotional or rational needs are realized with the association of a brand. Mamoria and Gankar (2001) determined that "motivation is a willingness to expend energy to achieve a goal or reward. It is a force that activates dormant energies and sets in motion the action of the people". Further, Schiffman and Kanuk (2009) stated that "motivation is a highly dynamic construct that is constantly changing in reaction to life experiences. Needs and goals change and grow in response to an individual's physical condition, environment, interactions with others and experiences. As individuals attain their present goals, they develop new ones for future. Due to certain reasons if these goals cannot be achieved, they continue to strive for old goals or develop substitute goals" (p. 109). Similarly, students and faculty members of the institutes are influenced with these factors.

Thus, planning of brand positioning should be done carefully considering all the factors which influence the decision of students and other individuals. An institute explores certain questions in relation to their brand positioning as-

1) What : It entails defining the essence of what a university "is", what it "stands for" and what it is going to be known for, requiring precision and consistency in the formulation as well as internal commitment to the brand (Waeraas and Solbakk, 2009);
2) Why: It includes tangible and intangible as well as functional and non-functional attributes and benefits which consumers (students / stakeholders) desire from the institutions;
3) For Whom: It shows the target segment of the consumers (students/stakeholders) which would be focused whether regional, national, or international;
4) Against Whom: The organizations should observe the competitors offering the same and better facilities and services in the market.

According to Keller, Parameswaran and Jacob (2008) "positioning means finding the proper 'location' in the mind of a group of consumers or market segment, so that they think about a product or service in the 'right' or desired way to maximize potential benefit to the firm" (p. 98). Moreover, Gioia et al. (2000) have revealed prominence of identity and image in the current era and introduced "process model of identity-image interdependence" in which the researchers have compared identity via questions of self-reflection and constructed external image through questions of others-reflection. There were interrelationships between identity and image in two ways first - changing organizational identity with thinking differently about organization for desired future image, second- change in transient image by changing outsiders' perception about the organization for establishing corporate identity that indicates projected image which consequently builds reputation of the organization in case of any perceived discrepancy. The strategic concern of management is no longer the preservation of a fixed identity but the ability to manage and balance a flexible identity in the light of shifting external images. Maintenance of consistency becomes the maintenance of dynamic consistency. Instability fosters adaptability. Brand associations are defined as "informational nodes linked to the brand node in memory that contains the meaning of brand for consumers" (Keller, 1998; Low and Lamb Jr., 2000) (p. 351) whereas, According to Aaker (1991) brand associations are extremely important to both the marketers and consumers. Marketers use brand associations to differentiate, position, and extend their brands, these help in creating positive attitudes and feelings toward brands and also suggest attributes or benefits of purchasing or using a specific brand. Consumers use brand associations in order to process, organize and retrieve information in memory which also aid them in making purchase decisions (Moisescu and Gica, 2007).

In 21st century, several organizations have determined the importance of intangible offers which facilitate in brand positioning of product or service. Sinclair and Keller (2014) have found one of the new approaches of business combination standards of the International Accounting Standards Board (IASB) which refer brands, as cash-generating units. The researchers reported that "brand is one of the links between the company and its customers and also assists in earning economic benefits. The value of an organization is strongly associated with its intangible assets including brands, customer retention, licenses and franchises and is closer than with physical assets" (p. 301). Hence, they favoured that brands are needed to include among intangible assets of the business which contribute in its development.

In an institution a student expects to obtain certain benefits (customer value) that would satisfy his present requirements and also secure his future. Therefore, brand positioning strategies of the institutes facilitates in selecting their future b-schools. Harsha and Shah (2011) indicated that increasing number of private institutions is strengthening the need of educational branding with change in people's attitude towards education and different scope for various courses being offered. Education was purported as an experiential and intangible service. The researchers advocated that branding strategies in education sector must not be restricted to only marketing and advertising campaigns. The challenge of building an educational brand is also based on ranking methodologies which form value propositions of the institutions. The statistical analysis of institutions which claim to be focused on quality brings forth that brand and talent acquisition is directly related to each other. Thus, institutions should aim to build its public identity. The descriptions of quality were likely to vary with the local circumstances and need to be measured differently. The researchers stressed on the fact that higher education institutions should emphasize on creating value of its brand in order to acquire highly talented faculty-members and students at both national and international level.

In this regard, Landroguez, Castro and Carrion (2013) have ascertained the possible relationship between customer perspective and firm perspective, and its likely effect on the value created for the customer service. They attempted to form an integrated vision of customer value. Furthermore, the researchers recommended that the firms should combine the value creation and the value appropriation rather than just concentrating on one of these aspects. Both values need to accomplish a sustainable competitive advantage and the organization has to decide the extent to which one or other predominates. It also facilitated in analyzing the share of firms' scarce resources between its value creation and appropriation capabilities, since firms are forced to assign a priority to resource allocation. The value creation of firms should be guided by the

value perceived by the customers in order to link value creation and customer perceived value.

OBJECTIVE

The present paper aims to identify strategies of brand positioning utilized by management institutes in the NCR and compare the preferences of students and faculty members on those strategies.

With regard to the objective following hypothesis was formulated in order to determine significant differences in the opinions of students and faculty members on brand positioning strategies which will be investigated during the research.

Hypothesis

H0: There is no significant difference in the opinions of students and faculty members regarding brand positioning strategies of management institutions.

RESEARCH METHODOLOGY

The investigation included 50 institutions of the NCR (Delhi) affiliated to Uttar Pradesh Technical University, India for the purpose of study. These institutes were successfully operating management courses in NCR. The sample for the study consisted of 232 faculty members and 300 BBA and MBA/PGDM students. The data has been collected through self developed questionnaire. The reliability of the data was tested through SPSS 17.0 software that has achieved 0.922 on Cronbach's alfa in reliability statistics. Expert validity was used to verify the significance of questionnaire before the survey. For identifying the variables having impact on students and faculty members 31 statements of brand positioning strategies were considered for study which was determined through literature review. The statements were evaluated on 3 point scale of agreement and disagreement. Factor analysis was employed to identify the major factors of brand positioning. Further, the comparison of opinions of students and faculty members has been done through Cross-tabulation for each factor. Independent sample T-test was used to explore the significant differences in the opinions of students and faculty members among factors of brand positioning.

DATA ANALYSIS AND FINDINGS

Before proceeding for Factor analysis the sample sufficiency has been tested through Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy. In addition, Barlett's test of sphericity has shown the significance of correlation matrices which supported the validity of Factor analysis of data.

Table1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.901
Bartlett's Test of Sphericity	Approx. Chi-Square	3528.262
	df	465
	Sig.	.000

In Table 1 the value of KMO was found 0.901, which signifies high correlation among variables which indicates that the data set is highly desirable for factor analysis. The analysis of Barlett's test of sphericity implies that the data is approximately multivariate normal and acceptable for factor analysis where Chi square value is 3528.26, df= 465, p= 0.000 (Mittal and Gupta, 2013). Refer Table 1 for KMO and Barlett's test of sphericity.

In Factor analysis, the method employed for extracting factors was Principal component analysis through Orthogonal rotation with Varimax method and the number of factors was finalized on the basis of 'Latent root criteria'. All variables with loadings greater than or equal to 0.40 have been interpreted. The initial eigen values of each factor was greater than 1, hence considered for the study. The analysis has revealed seven factors which reported 57.96% of total variance. Seven major factors of brand positioning have been extracted and have been given suitable names sourced from various variables present in each case. The variables with their factor loadings and percentage of variances are explained by each factor in Table 2. Refer Table 2 for Factor analysis.

Table2: Result of Factors Analysis		
Label		Factor Loadings
F_1	**Level of Collaboration** (30.81 per cent variance, eigen value= 9.550)	
	Guest lectures by professionally acclaimed	0.76
	Foreign collaborations	0.77
	Corporate house alignment	0.60
	Initiative taken by the institute for international recognition of courses	0.66
	Launching of international courses of foreign university	0.70
	Arranging foreign tours	0.59
	Arranging experts' seesions for overall personality development programmes for students	0.44
F_2	**Procedural Aspect** (6.39 per cent variance, eigen value= 1.982)	
	Admission process	0.61
	Wide choice of subjects/courses	0.62
	Campus discipline	0.71
	Screening of students	0.53
	Placement track record	0.54
F_3	**Informative Prospectus** (5.47 per cent variance, eigen value= 1.697)	
	Creating awareness brings different recognition at national and international media	0.48
	Owners Trustworthiness	0.55
	Faculty profile of institute (PhD's, Post doctoral Degrees)	0.49
	Publications (journals/ magazines)	0.68
	Infrastructure of the institute (including facilities of Campus area, Accommodations, Medical, Recreational, Internet, Wi-Fi, Library)	0.65
F_4	**Accreditation and Academic Alliances for Global Exposure** (4.127 per cent variance, eigen value= 1.279)	
	UGC Degree from NAAC accredited A grade University full time programme	0.64
	Economical fee of the programmes inclusive of laptop and study material	0.58
	Global Exposure : Foreign tours, Foreign language certification, Guest lectures by Industry experts	0.61
	Highly experienced faculty from reputed National and International institute	0.46
	Provision of internship /corporate training	0.51
	ISO certification/Six Sigma certification	0.58
F_5	**Unique Association** (3.84 per cent variance, eigen value= 1.190)	
	Matching brand name with expectations of people	0.56
	Brand distinctiveness	0.63
	Building the institute as people centric	0.69
	Focus on training and development sessions for faculty and staff	0.44
F_6	**Societal Contribution** (3.79 per cent variance, eigen value= 1.174)	
	Extra-curricular activities undertaking social causes	0.65
	Community Participation	0.71
	Corporate social responsibility undertaken by the institute	0.56
F_7	**Promotional Expenditure** (3.53 per cent variance, eigen value= 1.094)	
	High promotion expenses	0.66

Seven Factors of Brand Positioning of Management Institutes

The brand positioning strategies of the institutions considered for investigation form the ground for building the institute as a brand in this competitive edge. The factors were named as-1). National/International collaborations; 2). Procedural aspects; 3). Informative prospectus; 4). Accreditation and academic alliances for exposure; 5). Unique associations; 6). Societal contribution ; and 7). Brand promotion expenditure. Cross-tabulation for each factor has also provided the comparison of opinions of students and faculty members.

1) *National/International Collaborations*

It is the first important factor constituting seven strategies of brand positioning of the institute. The strategies for development of collaboration-culture with corporate and foreign institutions that facilitate in accomplishing international standards have substantially influenced both stakeholders (students and faculty members). The loading pattern has revealed that strategies of foreign collaboration, guest lectures by professionally acclaimed, international courses of foreign universities and corporate house alignment have created an impact on both groups. Table.3 has depicted various strategies of national/international collaboration of the institutes and revealed the responses of students and faculty members of NCR institutes on the aspects. It was found that majority of students and faculty (74.8 %) agreed on arranging experts' sessions for overall personality development programmes for students. It appears as some respondents (14.5 %) were unaware of its importance and few (10.7 %) of them denied its inclusion, whereas remaining found to be least interested in this feature. It showed that both of the stakeholders wish for professionally commended lectures in their institutions and are desired for international recognition of the courses. However, more than half (57.7 %) of the respondents favoured arrangement of foreign tours, it is worth noted that students (64.7 %) are more interested in the feature in comparison to faculty (48.7 %) possibly due to exposure, knowledge enrichment, and charm of visiting international countries. There is a need to spread awareness of foreign collaborations among the stakeholders. Launching of international courses of foreign university is quite prevalent in the management institutes and both respondents substantially agreed for it. Merely half of the respondents have agreed on corporate house alignment wherein 27.6 % faculty members have not preferred for same. However, some stakeholders have also shown unawareness of the aspect. It seems as stakeholders in NCR institutes are not equipped with proper knowledge of national/international arrangements for collaborative programmes.

A study of University of Glasgow (2012) has revealed that these arrangements offer an opportunity to institutes, make them committed strategically, and build portfolio of global partnerships through the development of sustainable and mutually beneficial alliances with highly regarded organizations that share common aims and interests. These partnerships bring many benefits to faculty and students. It will extend global reach and likewise, enhance reputation of the institutions. Therefore, NCR management institutes are needed to improve their institutes' framework. Refer Table 3 for Cross-tabulation.

2) *Procedural Aspects*

It is the second essential factor of brand positioning for the institute which comprised of five strategies positively loaded on the factor. It refers to the execution of procedure from admission till placement, and disciplined maintenance in the environment. 'Placement' was considered as the most important variable since major number (74.8 %) of the stakeholders agreed on it as shown in Table. 4. The importance given to each strategy of procedural aspect by the respondents may vary due to the variations in their need. Amazingly, Gandhi (2013) in his research stated that in Gujarat state placement was ranked first by the students while selecting B-school for higher education. It can be noted that wider choice of subjects or courses has been received nearly same response as placement. It indicates that stakeholders in NCR expect new options of subjects and courses to be introduced in the institutes. Both stakeholders are desired to promote discipline in the campus equally. More than half of the respondents agreed that admission process and screening process of students in the institute affect their decision. In this regard, Nicolescu (2009) opined that providing good educational and support services plays a major role in ensuring student satisfaction. Institutional image, reputation and brands are also based on delivering quality services towards students and other stakeholders. Refer Table 4 for Cross-tabulation.

Table 3: Cross-tabulation of Strategies of National/International Collaborations

Dimension	Agree		Disagree		Don't Know		Total	
	S	F	S	F	S	F	S	F
Guest lectures by professionally acclaimed	206	147	53	57	41	28	300	232
Per cent within group	68.7	63.4	17.7	24.6	13.7	12.1	100	100
Total	**353(66.4)**		110(20.7)		69(13.0)		532(100)	
Foreign collaborations	170	132	62	45	68	55	300	232
Per cent within group	56.7	56.9	20.7	19.4	22.7	23.7	100	100
Total	**302(56.8)**		107(20.1)		123(23.1)		532(100)	
Corporate house alignment	159	127	58	64	83	41	300	232
Per cent within group	53.0	54.7	19.3	27.6	27.7	17.7	100	100
Total	**286(53.8)**		122(22.9)		124(23.3)		532(100)	
Initiative taken by the institute for international recognition of courses	180	132	55	61	65	39	300	232
Per cent within group	60.0	56.9	18.3	26.3	21.7	16.8	100	100
Total	**312(58.6)**		116(21.8)		104(19.5)		532(100)	
Launching of international courses of foreign university	185	116	54	61	61	55	300	232
Per cent within group	61.7	50.0	18.0	26.3	20.3	23.7	100	100
Total	**301(56.6)**		115(21.6)		116(21.8)		532(100)	
Arranging foreign tours	194	113	57	57	49	62	300	232
Per cent within group	64.7	48.7	19.0	24.6	16.3	26.7	100	100
Total	**307(57.7)**		114(21.4)		111(20.9)		532(100)	
Arranging experts' sessions for overall personality development programmes for students	213	185	50	27	37	20	300	232
Per cent within group	71.0	79.7	16.7	11.6	12.3	8.6	100	100
Total	**398(74.8)**		77(14.5)		57(10.7)		532(100)	

Table 4: Cross-tabulation of Strategies of Procedural Aspects

Dimension	Agree		Disagree		Don't Know		Total	
	S	F	S	F	S	F	S	F
Admission process	194	158	53	50	53	24	300	232
Per cent within group	64.7	68.1	17.7	21.6	17.7	10.3	100	100
Total	**352(66.2)**		103(19.4)		77(14.5)		532(100)	
Wide choice of subjects/courses	237	160	26	53	37	19	300	232
Per cent within group	79.0	69.0	8.7	22.8	12.3	8.2	100	100
Total	**397(74.6)**		79(14.9)		56(10.5)		532(100)	
Campus discipline	208	162	40	54	52	16	300	232
Per cent within group	69.3	69.8	13.3	23.3	17.3	6.9	100	100
Total	**370(69.6)**		94(17.7)		68(12.8)		532(100)	
Screening of students	195	153	38	54	67	25	300	232
Per cent within group	65.0	65.9	12.7	23.3	22.3	10.8	100	100
Total	**348(65.4)**		92(17.3)		92(17.3)		532(100)	
Placement track record	213	185	38	32	49	15	300	232
Per cent within group	71.0	79.7	12.7	13.8	16.3	6.5	100	100
Total	**398(74.8)**		70(13.2)		64(12.0)		532(100)	

3). *Informative Prospectus*

The prospectus of an institute represents its framework including the vision, mission, facilities, and information of the faculties, directors, recruiting companies, academic partnerships and alliances, accreditations and co-curricular activities that would help the prospective students (investors) to form their attitude and take decision for admission. The factor analysis has extracted five strategies positively loaded on the factor and it is evident from the Table.5 that third essential brand positioning factor of the institute is its 'informative prospectus'. It is noteworthy that infrastructure of the institute plays a significant role in positioning of the institute; therefore, both group of respondents (73.3 %) majorly agreed on the aspect, while few (14.1 %) disagreed and only 12.6 % neglected the aspect. More than half (66.4 %) of stakeholders accepted the importance of faculty profile of institute (PhDs, Post doctoral degrees), while few (16.2 %) were not interested and some (17.5 %) denied it. In addition, both respondents considerably (65.8 %) believed on creating awareness of the institute at national and international recognition by using different media have an impact on positioning of the institutes. Minor differences were found between the responses for the institutes' publications (journals/ magazines), and the trustworthiness of owners. The stakeholders probably rely on the information given in the prospectus of the institute because it is one of the tangibles which facilitate in acknowledging the reputation of the institute. Refer Table 5 for Cross-tabulation.

4). *Accreditation and Academic Alliances for Exposure*

This factor has shown six strategies positively loaded in factor analysis and covered the issues in relation to importance given to obtain certification of excellence through accreditations and provisions for academic exposure to students. The strategies of fourth crucial factor depicted that students and faculty majorly (70.9 %) agreed for the requirement of highly experienced faculty from reputed national and international institutes (see Table. 5). Similarly, they have same opinion on UGC degree from NAAC accredited A grade university full time programme. The great number of responses signified the awareness of stakeholders regarding accreditation and affiliation of the institute. Interestingly, Painuly (2014) found that university affiliation matters a lot to MBA aspirants since it gives them surety that their degree is recognized. However, provision of internship corporate training has gained lower importance among the faculty members than students. It seems students and faculty members are not exposed to global exposure including foreign tours, foreign language certification, guest lectures by industry experts. Probably NCR institutes did not promote these attribute. According to the outcome stakeholders have not bothered about fee (inclusive of laptop and study material) they are ready to pay if the services of the institutes are appropriate, moreover ISO certification/Six Sigma certification of the institute has created less impact on them. Refer Table 6 for Cross-tabulation.

5). *Unique Associations*

It is the fifth imperative factor of brand positioning of the institute and constituted four strategies in factor analysis. The factor has included the strategies which have created unique impact and anticipate long term implication among students and faculty members. Table. 7 showed that faculty training and development has received large number (70.7 %) of responses from both the stakeholders. It is realized that the institutes of NCR are required to arrange training and development programmes for not merely students but for their faculty also. The faculty members should be assumed as tangible assets for the institutes, if not groomed well it could damage the reputation of the institutes. More than half of the respondents agreed that matching brand name with expectations, people centric environment of the institute and brand distinctiveness have stimulated the reputation of the institutions. It should be noted that strategies of unique association have scope for benefiting institutes' positioning. The institutes of NCR should emphasize on these aspect. Refer Table 7 for Cross-tabulation.

6). *Societal Contribution*

The sixth factor societal contribution has included strategies which have focused on expectations of society from higher education institutions. The analysis revealed (see Table. 8) that corporate social responsibility undertaken by the institute has an impact on positioning of the institute. It is noteworthy, that faculty and students have accepted its significance equally (nearly 60 %). However, few faculty members (24.1 %) have conflict in opinion and some students (21.3 %) displayed ignorance, the possible reason may be their lack of knowledge regarding the attribute. Rational numbers of stakeholders (60.7 %) have realized the value of extracurricular activities undertaken and community participation. The disapproval and unawareness from both group was also noticed. Besides, it has potential towards growth of the institute, as involvement in these activities brings confidence in execution and overall development which is essentially required for future managers. Refer Table 8 for Cross-tabulation

7). *Brand Promotion Expenditure*

This factor has its own importance since it has ascertained the importance given by respondents to high disbursement on promotional activities in relation to contribute the status of 'brand' to the institute. The outcome of Table.9 has single dimension which created an impact on students (58.7 %) in relation to faculty members (51.7 %). It has again given the impression that students are attracted to tangibility. Few students and faculty were not found thoughtful towards its importance in building institutes' reputation. Refer Table 9 for Cross-tabulation

The analysis of brand positioning factors has provided an insight of the difference in perception of students in comparison with faculty members.

Table 5: Cross-tabulation of Strategies of Informative Prospectus

Dimension	Agree		Disagree		Don't Know		Total	
	S	F	S	F	S	F	S	F
Creating awareness for national and international recognition by using different media	196	154	53	55	51	23	300	232
Per cent within group	65.3	66.4	17.7	23.7	17.0	9.9	100	100
Total	**350(65.8)**		108(20.3)		74(13.9)		532(100)	
Owners trustworthiness	197	140	48	53	55	39	300	232
Per cent within group	65.7	60.3	16.0	22.8	18.3	16.8	100	100
Total	**337(63.4)**		101(19.0)		94(17.7)		532(100)	
Faculty profile of institute (PhDs, 204 Post doctoral Degrees)	149	40	46	56	37	300	232	
Per cent within group	68.0	64.2	13.3	19.8	18.7	15.9	100	100
Total	**353(66.4)**		86(16.2)		93(17.5)		532(100)	
Publications(journals/ magazines)	193	149	49	57	58	26	300	232
Per cent within group	64.3	64.2	16.3	24.6	19.3	11.2	100	100
Total	**342(64.3)**		106(19.9)		84(15.8)		532(100)	
Infrastructure of the institute (including facilities of Campus area, Accommodations, Medical, Recreational, Internet, Wi-Fi, Library)	209	181	40	35	51	16	300	232
Per cent within group	69.7	78.0	13.3	15.1	17.0	6.9	100	100
Total	**390(73.3)**		75(14.1)		67(12.6)		532(100)	

Table 6: Cross-tabulation of Strategies of Accreditation and Academic Alliances for Global Exposure								
Dimension	Agree		Disagree		Don't Know		Total	
	S	F	S	F	S	F	S	F
UGC Degree from NAAC accredited 208 A grade University full time programme	169	43	51	49	12	300	232	
Per cent within group	69.3	72.8	14.3	22.0	16.3	5.2	100	
Total	**377(70.9)**		94(17.7)		61(11.5)		532(100)	
Economical fee of the program inclusive 192 of laptop and study material	129	55	43	53	60	300	232	
Per cent within group	64.0	55.6	18.3	18.5	17.7	25.9	100	100
Total	**321(60.3)**		98(18.4)		113(21.2)		532(100)	
Global Exposure: Foreign tours, Foreign language certification, Guest lectures by Industry experts	203	131	53	60	44	41	300	232
Per cent within group	67.7	56.5	17.7	25.9	14.7	17.7	100	100
Total	**334(62.8)**		113(21.2)		85(16.0)		532(100)	
Highly experienced faculty from reputed National and International institute	217	166	45	45	38	21	300	232
Per cent within group	72.3	71.6	15.0	19.4	12.7	9.1	100	100
Total	**383(72.0)**		90(16.9)		59(11.1)		532(100)	
Provision of internship corporate training	216	154	41	59	43	19	300	232
Per cent within group	72.0	66.4	13.7	25.4	14.3	8.2	100	100
Total	**370(69.6)**		100(18.8)		62(11.7)		532(100)	
ISO certification/Six Sigma certification	177	141	58	51	65	40	300	232
Per cent within group	59.0	60.8	19.3	22.0	21.7	17.2	100	100
Total	**318(59.8)**		109(20.5)		105(19.7)		532(100)	

Table 7: Cross-tabulation of Strategies of Unique Associations								
Dimension	Agree		Disagree		Don't Know		Total	
	S	F	S	F	S	F	S	F
Matching brand name with expectations of people	159	137	69	52	72	43	300	232
Per cent within group	53.0	59.1	23.0	22.4	24.0	18.5	100	100
Total	**296(55.6)**		121(22.7)		115(21.6)		532(100)	
Brand distinctiveness 153	130	67	67	80	35	300	232	
Per cent within group	51.0	56.0	22.3	28.9	26.7	15.1	100	100
Total	**283(53.2)**		134(25.2)		115(21.6)		532(100)	
Building the institute as people centric	163	123	64	71	73	38	300	232
Per cent within group	54.3	53.0	21.3	30.6	24.3	16.4	100	100
Total	**286(53.8)**		135(25.4)		111(20.9)		532(100)	
Focus on faculty training and development	211	165	45	48	44	19	300	232
Per cent within group	70.3	71.1	15.0	20.7	14.7	8.2	100	100
Total	**376(70.7)**		93(17.5)		63(11.8)		532(100)	

Table 8: Cross-tabulation of Strategies of Societal Contribution								
Dimension	Agree		Disagree		Don't Know		Total	
	S	F	S	F	S	F	S	F
Extracurricular activities undertaken for social causes	191	132	43	66	66	34	300	232
Per cent within group	63.7	56.9	14.3	28.4	22.0	14.7	100	100
Total	**323(60.7)**		109(20.5)		100(18.8)		532(100)	
Community Participation	197	119	46	40	57	73	300	232
Per cent within group	65.7	51.3	15.3	17.2	19.0	31.5	100	100
Total	**316(59.40)**		86(16.17)		130(24.44)		532(100)	
Corporate social responsibility undertaken by the institute	184	145	52	56	64	31	300	232
Per cent within group	61.3	62.5	17.3	24.1	21.3	13.4	100	100
Total	**329(61.8)**		108(20.3)		95(17.9)		532(100)	

Table 9: Dimension of Promotional Expenditure								
Dimension	Agree		Disagree		Don't Know		Total	
	S	F	S	F	S	F	S	F
High promotion expenses	176	120	55	45	69	67	300	232
Per cent within group	58.7	51.7	18.3	19.4	23.0	28.9	100	100
Total	**296(55.6)**		100(18.8)		136(25.6)		532(100)	

Table10: Independent Sample T-test of Factors of Brand Positioning of Institutes Students versus Faculty					
Factor	S (N=300)		F (N=232)		t-value
	Mean	S.D	Mean	S.D	
National/International Arrangements for Collaborative Programmes	2.44	0.57	2.36	0.62	1.56
Procedural Aspects	2.57	0.50	2.50	0.65	1.45
Informative Prospectus	2.51	0.52	2.45	0.60	1.19
Accreditation and Academic Alliance for Global Exposure	2.51	0.52	2.42	0.61	1.89*
Unique Association	2.37	0.57	2.34	0.68	0.48
Societal Contribution	2.48	0.58	2.33	0.74	2.50**
Promotional Expenditure	2.40	0.78	2.32	0.78	1.17

*Note- S=Students, F =Faculty *Significant at 0.05 level, **Significant at 0.01 level*

Gap Model of Expectations of Stakeholders

For meeting the gap of students and faculty expectations, the institutions are needed to equip their employees with tools that can facilitate them in acknowledging their stakeholders' expectations. It would be beneficial in building long-term relationship with both stakeholders.

Athiyaman (1997) have found an important implication for higher education and stated that service encounters should be managed to enhance consumer satisfaction. This in turn would enhance the perceived quality. Perceived service quality is described as an overall evaluation of the good or poor state of a product or service. It allows forming an attitude or opinion about the concept or object. When a student becomes interested in the class, he/she immediately acquires an attitude towards the class. Since an attitude facilitate in evaluating the product and service, so it helps in comparing one's attitude towards a product or service with one's product or service quality perceptions (an overall evaluation). Consumer satisfaction forms an attitude. "A student enrolls in the class and finds his or her expectations negatively disconfirmed, confirmed or positively disconfirmed. Note that subjective disconfirmation is the students' judgment about the discrepancy between what he/she expected (expectations) of the class and what was obtained (perceived performance). Thus, if the student believes that performance is less than expectations, then negative disconfirmation occurs; if performance matches expectations, then confirmation arises; and if performance exceeds expectations, then positive disconfirmation occurs".

This behaviour is same in the case of faculty members.

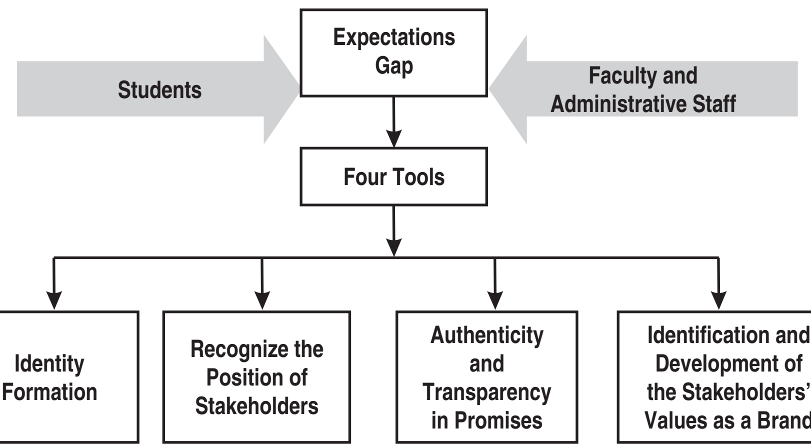
Similarly, Harris (2007) stated that "people are the main constituent in any branding effort. It is the actions of people inside an organization that feed the experience of those outside the company. The journey of providing quality customer experience is long and can be difficult. It begins at the heart of an organization. It starts with employees who are being a part of the strategy and living the brand". He also highlighted the need to supply employees with tools- as identity and guiding principles; "identity" can used as a tool which allows individuals to increase their overall understanding of the organization and to personally ingest its meaning. Workshops, training programmes and promotion of good dialogue are good methods to achieve this aim. The next step suggested was helping staff to support their understanding with appropriate behaviours as "guiding principles". Both identity and guiding principles together help to form employee behaviour and to channel employee actions and decisions in desired directions. These tools help an employee in creating a consistent and high-quality customer experience externally. Both customers and organizations can determine the overall worth of individual customer exchanges by the presence of brand values. Since faculty members are the key personnel to be in direct contact with the students. Therefore we can recognize the importance of the role of faculty in institutions' branding.

The present research has introduced gap model of expectations of stakeholders including four tools which can facilitate the management institutes in meeting the gap of students and faculty expectations. It may also help in building long and sustainable relations with their stakeholders (Refer to Figure. 1). They are-

1) *Identity Formation*

Any product or service requires an identity for marketing, which creates its recognition in the market. An identity is an essential corporate asset, which provides an internal focus for employees and an interrelated and comprehensive network of consumer perceptions (Love and Roberts, 1997; Harris and De Chernatony, 2001; Hemsley and Goonawardana, 2007). The authors found that universities are moving towards corporatization or a corporate brand approach, where all the departments and schools are

Figure. 1 Gap Model of Expectations of Stakeholders



expected to be strongly aligned with the brand identity and brand values of the university. The benefits of engendering identity could provide employees a stronger personal sense of organizational purpose. They would know what to do and why they should do it and be less affected by significant organizational changes that will occur inevitably. They would be better equipped to see how their role can make a difference to the company as a whole and further allow a spirit of involvement and responsibility in action for the company. They can, in effect, be the strategy (Harris, 2007).

2) *Recognize the Stakeholders' Position*

For discovering the expectations of stakeholders the institute requires to demonstrate the gap in internal focus. It would be helpful in ascertaining the essential efforts required and right order of events for delivering the desired experience. Sometimes the needs of different stakeholders do not completely coincide. The institutes have to make its activity more complex and satisfy more constituents. Students, as primary clients are usually segmented and treated differently, but all other stakeholders are more difficult to segment. The segmentation of other stakeholders should be done according to their priority in the institutes. Besides students, employers, and society, there are other stakeholders that have an interest in higher education- the parents, the government and other funding bodies, quality assurance agencies, and other regulating authorities, professional bodies (Chapleo, 2004; Voss, Gruber, and Szmigin, 2007; Kantanen, 2007; Nicolescu, 2009).

Authenticity and Transparency in Promises

In today's marketplace it is imperative that any promises made to stakeholders need to be entirely genuine. In addition, the services delivered by the institution should be transparent. Students and stakeholders now obtain information through the internet, mobile, and peer to peer connectivity and gather plenty of information before taking any decision. Therefore, it becomes necessary for the institutions to be authentic and transparent, as a responsible organization. This can have a far reaching effect on the reputation of institutions. Babu, Appalayya, and Jayabal (2007) stated that brand promises can be framed or shaped in the form of product or service benefits that stir up the expectations of customers. The promises made to consumers and their anticipation must be measured to monitor the success of brands. An anticipation of benefit will not stay long if it is not fulfilled consistently. Branding is the creation of a system consisting of both arousing anticipations for and providing fulfillment of brand benefits (promises).

Identification and Development of the Stakeholders' Values as a Brand

Brand values are presented as a currency to measure the worth of exchanges between organizations and their customers (Harris, 2007). It refers to identify the compelling strategies that derive the students or stakeholders towards management institutions. The scope of the services should be responsive, straightforward, truthful, and vibrant. It could be any emotional associations, innovative thoughts, and unique offerings which can be linked to be recognized as values for the stakeholders in accordance with the demand of education industry standards. Chernatony (1999) stated that managers can lever two types of knowledge in order to develop the unique cluster of functional and emotional values that characterize individual service brands. They are explicit knowledge and tacit knowledge. Explicit knowledge can be formally communicated between service staff so that they appreciate the processes involved in delivering the service brand and tacit knowledge is personal knowledge unique to each employee arising from their personal experiences with their customers and behaviour that results from their attitudes and values.

Differences in the Opinions of Students and Faculty Members

The analysis of Independent sample T-test (see Table.10) revealed that among seven factors of brand positioning 'accreditation and academic alliances for global exposure' and 'societal contribution' has created a significantly different impact on the students and faculty members. It was noted that strategies of 'accreditation and academic alliances for global exposure' (see Table. 5) including UGC degree from certified accredited university, fee, laptop and study material, global exposure, guest lectures by industry experts, highly experienced faculty from reputed national and international institute, provision of internship or corporate training, and certifications along with strategies of 'societal contribution' including extracurricular activities undertaken, community participation, and corporate social responsibility undertaken by the institutes are possibly important to students since these give a notion of branded institute which associate them virtually with the institute, as well as for faculty members, same dimensions become tools that authorize them to add meaning to their institutes framework of representation and also brings exposure to their career growth. This study has assessed the differences in the opinions of students and faculty members on brand positioning strategies of management institutes of NCR which is found significantly different among both stakeholders. Hence, the hypothesis is proven and also helped in achieving the objective of the study.

CONCLUSION AND POLICY IMPLICATIONS

Today, India is poised to become a super power; the focus is on building a knowledge society of tomorrow. The branding of education industry enables potential to develop long term relations with stakeholders for becoming competent and competitive organizations. Hence, management education assumes a crucial role. The impact of globalization is remarkably prevalent in the Western and Asian countries. It has encouraged cross-border movements of students and teachers. Thus, initiatives for international competitiveness and collaborations should be done. Several authors have realized the significance of research on b-schools and advocated faculty research work supported with training, research methods and collaboration. The stakeholders are extremely important and any actions taken by the institutions create a direct impact on them. Unique strategies are the compelling aspects that attract the attention of stakeholders. Therefore, the rationale and significance of institutions' existence has to be determined with excellent planning. The scope of key services provides range of services and facilities and its benefits which represent the institutes' competence and competitiveness. The present and potential competitors should be adjudged properly for the convenience of brand positioning. There should be transparency in moving direction to establish a strong position at regional, national and international level among the competitors. It is visible that strategies of brand positioning factors are greatly affecting students and faculty members in the NCR. Therefore, these strategies are needed to be monitored in the institutions and tailored accordingly for brand positioning. During the study it was found that all the seven factors have played significant role in brand positioning of management institutes in NCR. Among all, national/international collaboration is highly contributing. Therefore, the dimensions of first factor should be explored by the management institutes. Several students and faculty were either not interested or unaware about their institutions' foreign collaborations, corporate house alignment, and community participation. The possible reasons may be lack of efforts in gaining awareness for these aspects, fear of losing authority, or unwillingness to change. Hence, the institutes are required to up-grade knowledge and awareness for development of institutes positioning among stakeholders. . 'Placement' and 'wide choice of subjects or courses' has majorly attracted the attention of the stakeholders. The prospectus of an institute is a source through which stakeholders can get an idea of reputation of the institutes. The infrastructure of any institute can greatly affect decision of stakeholders. The students and faculty members are significantly influenced by UGC degree from NAAC accreditation and are willing to have faculty of national and international repute. Both stakeholders considerably favoured training and development programmes for faculty members. The interest of both groups in the aspects of societal contribution is rationally less. However, inclusion of these activities would be beneficial in bringing self-belief and exposure to both groups. On the other hand, there is a good scope of creating impact on students and others through promotional activities.

In order to meet the gap of expectations of students and the faculty from the institutions four tools i.e. 1) identity formation, 2) recognize the stakeholders' position, 3) authenticity and transparency in promises, 4) identification and development of the stakeholders' values as a brand, have been introduced which may be helpful in managing the brand status of the institutes. Along with the conventional media means like newspapers, magazines, hoardings, television, public relations and latest media tools such as- internet, open-house, and sponsoring events could be utilized for stakeholders' involvement. Various types of media and use of emotional appeals in advertising formulate success in brand communications. These four tools can be utilized by the management institutes of NCR for bridging the gap of expectations of students, faculty members from the institutions, if employees are empowered with these tools, it can explore the innovative ways of brand building of the institute that can lead to emotional, and rational understanding of the educational branding.

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Factors Affecting Consumer Intention to Purchase Private Labels in India

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Over the last few years, retail has become one of the fastest growing sectors in the Indian economy. With the increased growth of organized retail sector, private labels too are accepted by the retail market. There is very limited research regarding private label brand in India. This paper explores the exogenous factors affecting consumer intention to purchase private labels. A preliminary literature review identified six factors affecting private label brand purchase. These factors are: price consciousness, value consciousness, quality consciousness, store image, social status and self-confidence. A structural model that addresses the factor affecting consumer intention to purchase private labels is proposed and tested using AMOS software. The proposed model is tested using a sample of 206 respondents in Ahmedabad city of Gujarat, India. This study adds new knowledge regarding consumers' purchasing behavior towards private labels. Theoretical and managerial implications of the results of this paper are discussed.

KeyWords: *Retail, Private label brand, consumer intention to purchase, structure equation modeling, AMOS*

INTRODUCTION

Indian retail market is one of the fastest growing retail markets in the world in context of customers. It occupies fifth place in the retail markets of the world by economic value. Still in a nascent stage, the Indian retail sector offers strong growth potential. Indian retail industry is estimated to be worth of $520 billion and is expected to grow at a CAGR of 13% to reach around $950 billion by 2018. Organised retail penetration is currently estimated at 7.5% and is expected to reach to 10% in 2018 at a robust CAGR of 19-20% (Accord Fintech, August 11, 2014). Growth of the organized retail has led to growth of private labels. Indian modern shoppers spend over $100 million on private label per year and this amount is expected to reach $500 million by 2015 (Financial Express, November 29, 2011). In India, penetration of private label is only 7% of the modern retail space, it offers strong growth potential. In the literature, private labels are referred to with different names, including store brands, own brands or retail brand which are often used in an interchangeable fashion (Semeijn et al., 2004). The Private Label Manufacturers Association (PLMA) defines private labels as: products that are sold to retail outlets where the store name appears on the packaging instead of the manufacturer name or brand name (Kotler and Armstrong, 2001). Private labels are brands owned, controlled, and sold exclusively for and by retailers (Lewison and Balderson, 1999). Private labels have become an important source of profits for retailers and threat to manufactures of national brands. Patty and Fisk (1982) reported that private labels have emerged as a key weapon and have started to play an important role in the battle for control of distribution channel and consumer loyalty. Private labels are the instruments that retailers used to capture more profit out of the distribution channel (Mills, 1995). As private labels offer lower prices owing to their lower manufacturing costs, inexpensive packaging, minimal advertising and lower overhead costs, it can create competitive advantage over competitors (McGoldrick, 2002).

RESEARCH OBJECTIVES

The rise of private label market provides an alternative selection for consumers during purchasing. Despite private labels are increasingly gaining acceptance from the Indian consumers, there is very limited research investigating consumer behavior in purchasing private labels especially in the Indian context. Most prior studies in this area have been performed in the developed countries where organsied retailing is well developed. Although these studies have led to a rich literature base, the results gained from these studies may not be easily applicable to Indian retail environment. Therefore, this study is intended to close this gap in the literature. In this paper, an attempt is made to study the factor affecting consumers' intention to purchase private label.

This research paper is organized as follow. First, the theoretical background and previous research that has been conducted in the area of factor affecting consumer intention to purchase private label is discussed. Although there has been a dearth of such type of studies in the Indian Context, theoretical exploration can be based on international studies carried out in other countries. The subsequent section focuses on the development of the research model. Second, the research methodology adopted to validate model affecting consumer intention to purchase private label is discussed. Final section concludes with the discussion of the findings, as well as limitations of the study and directions for future research are discussed.

LITERATURE REVIEW

The brand has important influences in making purchase decision for consumers. Purchase intention can be defined as individual's intention to buy a specific brand customer has chosen for themselves after certain evaluation. Ghosh (1990) stated that purchase intention is an effective tool in predicting purchasing process. There are various factors that affect the purchase of the private labels. Following section discussed various factors affecting consumer intention to purchase private labels.

Price Consciousness

Price is the most important reason for purchasing private label (Jin et al., 2003). Price conscious consumers make a purchase decision focused exclusively on paying low prices (Lichtenstein et al., 1993). This occurs when the consumer is unwilling to pay for a higher price for the distinguishing features of a product (Lichtenstein et al., 1993; Monroe and Petroshius, 1981; Sinha and Batra, 1999). Low price is often one of the characteristics of the private label and often becomes the predictor of the private label purchase (Burger and Schott, 1972; Lichtenstein et al., 1993; Moore and Carpenter, 2006). Burton et al. (1998) found a positive relationship between price consciousness and private label attitude for the grocery items. Batra and Sinha (2000) also found that price consciousness has significant effect on private label purchase.

Quality Consciousness

Consumers' intention to purchase private label is explained by their perceptions of private label quality. Baltas and Argouslidis (2007) showed that quality has the most significant role when evaluating store brands. Previous research has shown than customers who are reluctant to buy private labels are more inclined to believe that private labels offer lower quality compared to national brands (Bushman, 1993; Dick et al. 1995; Quelch and Harding, 1996; Batra and Sinha, 2000; Baltas and

Argouslidis, 2007). Batra and Sinha (2000) found that perceived quality variation indirectly impacts on private label purchase. Sethuraman and Cole (1997) found that a perceived quality difference is an important reason for consumers to pay more for the manufacturer brands.

Value Consciousness

Value consciousness can be defined as consumers' concern for price paid relative to quality received in a purchase transaction (Lichtenstein et al. 1993, Burton et al., 1998). In other words, it is consumers' judgment of what they are receiving for the value of money that they are giving up. Consumers' perception of the relationship between price and quality appears to be a key factor when consumers compare private labels and national brands (Dunne and Narasimhan, 1999). Previous academic researches have found a positive relationship between value consciousness and private label attitude (Dick et al., 1995; Burton et al. 1998, Garretson et al. 2002, Jin and Suh, 2005). Consumers consider private labels are valuable (i.e., comparatively good quality at much lower price) (Bao and Mandrik, 2004). Dick et al. (1995) found that private label prone consumers perceived higher value of money for private label. Garretson et al., 2003 also found that consumers have favorable attitude towards private label when they compare price and quality.

Social Image

Consumers' perceived social image is considered as one of the important factors that influence the purchase of private labels (Baltas, 2003). Consumers will avoid using private label brand because they believe that this can convey the negative impression of appearing cheap. Dick et al. (1995) also find that low private label prone shoppers are more included to believe that the purchase of private labels may results in the perception that the individuals is cheap.

Store Image

Store image is an important factor predicting the consumer intention to purchase private label. Consumers speculate the private label image from the image of the retail store (Agrawal et al. 1996, Dhar and Hock, 1997 and Vahie and Paswan, 2006). When consumers have a high perception of a store image, it creates a positive effect on the brands carried by the store (Dhar and Hock, 1997; Pettijohn et al., 1992, Lau and lee, 1997). When consumers are unfamiliar with the brand, the store image is often one of the biggest cues for quickly judging the private label. This is because many people can view the private label as an extension of the brand name of the store itself (Paul et al., 2011). The more positive a store image, the higher the consumers' purchase intention would be (Dodds et al., 1991; Grewal et al., 1998).

Self confidence

Consumer self-confidence is defined as the extent to which an individual feels capable and assured with respect to his or her market place decisions and behaviors. Self-confidence is an important variable affecting consumer intention to purchase label. Baily (1999) observed that those consumers with a higher level of self-confidence perceived a lower risk associated with buying store brands. Mieres et al., (2006) also found a positive influence of the self-confidence on the difference in risk between store brands and national brands.

RESEARCH METHODOLOGY

Measures and Measurement

The measurement of various constructs in this study was primarily borrowed adopted from previous study. The scale to measure price consciousness and value consciousness were adopted from the study of Lichtenstein et al. (1993) and Sinha and Batra (1999). The scale to measure quality consciousness is adopted from the studies of Lichtenstein et al. (1993), Dick et al.(1997) and Sethuraman and Cole (1997).

The scale to measure store image is adopted from the study of Collins-Dodd and Lindley (2003). The scale to measure self-confidence is adopted from the study of Dick et al. (1995) and Sethuraman and Cole (1997). The scale to measure social status is adopted from the study of Lichtenstein et al. (1993). All items used for measuring various constructs in the study were measured on a 7-point likert scale anchored by "1 = Strongly Disagree" and "7 = Strongly Agree". Internal consistency of the scale was measured by calculating Cronbach Alphas of each constructs. Cronbach's alpha (or coefficient alpha) is the most commonly used measure to judge the internal reliability of factors or constructs. Hair et al., (1998) suggest that the generally agreed upon the lower limit for Cronbach's alpha is 0.70. Table 1shows the calculation of Cronbach's alpha for each measure used in this research. From the Table 1, it can be seen that the value of alpha for each constructs is above the cutoff value of 0.70, indicating good internal reliability of the constructs.

Sample

A structured questionnaire was developed for the study. Questionnaire was hand carried and personally explained to respondents by the interviewers. The interviewer presented the respondents the packet of the private label of ketchup of a well-known retail store. Respondents were requested to study the same carefully and then asked them to fill the questionnaire. The interviewer waited until a respondent filled out the questionnaire, then collected the questionnaire.

Total 206 respondents participated in the survey. Their demographic characteristics are presented in Table 2.

DATA ANALYSIS

A two stage procedure advocated by Anderson and Gerbing (1988) was followed for testing the theoretical model. First, the measurement model, which provided as assessment of convergent and discriminant validity, was estimated before the structure model tested the hypothesis. Both the models were carried out by software AMOS 16.

Measurement Model to Check Validity of Scales Adopted

Confirmatory factor analysis (CFA) was carried out to tests the convergent and discriminate validity of construct adopted in the study. Results of the CFA tests were shown in Table 3. The measurement model yielded a chi-square value of 489.335 with 260 degrees of freedom (P=0:000). The ratio of the chi-square to the degrees of freedom was 1.882 which was smaller than the recommended level of 5 (Bagozzi and Yi, 1988; Carmines and Mclver, 1981). In addition, the other indices (GFI = 0.844, CFI= 0876, AGFI = 0.804 and RMSEA = 0:054) satisfied the recommended values. Therefore, it can be concluded that there was a reasonable overall ? t between the model and the observed data.

Table 1: Reliability Analysis of Scale

Construct	No. of Statements	Cronbach's Alpha	Source of Scale
Price Consciousness	4	0.839	Lichtenstein et al. (1993) and Sinha and Batra (1999).
Value Consciousness	4	0.801	Lichtenstein et al. (1993) and Sinha and Batra (1999).
Quality Consciousness	4	0.807	Lichtenstein et al. (1993), Dick et al.(1997) and Sethuraman and Cole (1997).
Self Confidence	5	0.791	Dick et al. (1995) and Sethuraman and Cole (1997)
Store Image	5	0.735	Collins-Dodd and Lindley (2003)
Social Status	4	0.750	Lichtenstein et al. (1993)

Table 2: Demographic Characteristics of Sample

Variables		Frequency	%
Gender	Male	102	49.5
	Female	104	50.5
Age	Below 20 Yrs	15	7.3
	21-30 Yrs	102	49.5
	31-40 Yrs	60	29.1
	41-50 Yrs	19	9.2
	Above 50 Yrs	10	4.9
Education	Lower than secondary school	4	1.9
	Secondary School or equivalent	24	11.7
	Bachelor degree	103	50.0
	Master degree	68	33.0
	Others...	07	3.4
Monthly Family Income	Less than Rs.10,000	24	11.7
	Rs.10,000 to Rs.20,000	64	31.1
	Rs.20,000 to Rs.30,000	67	32.5
	Rs.30,000 to Rs.40,000	27	13.1
	More than Rs.40,000	24	11.7

Furthermore, it shows that all the factor loadings are quite high (above 0.5) and significant at 0.05 significance level. The t-values for each item are greater than 1.65 and significant at 0.05 level, indicating that all factor loadings are significant and providing evidence to support the convergent validity of the items measured (Anderson and Gerbing, 1988). Convergent validity can be determined by calculating the average variance extracted (AVE) value of the construct. Hair et al. (2000) suggest value of AVE to be higher than 0.50. In this study, the calculation of AVE for each construct is shown in table 3. All the values exceed the recommended level of 0.5 indicating convergent validity of all the constructs. Table 3 also shows the calculation of composite reliability for each constructs. All the values exceed the recommended level of 0.70, implying acceptable level of reliability for each of the constructs

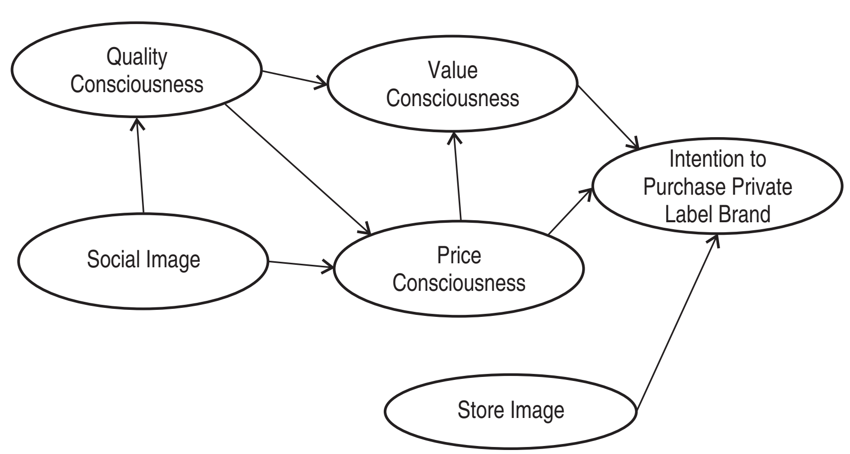
Hypothesis Testing Using Structural Equation Model

First, all variables are correlated with each other. The proposed structural model was developed based on the significant correlations found among constructs of key interest affecting the intention to purchase private label. The structural model is represented in Figure 1. The structural model hypothesized that consumer intention to purchase private label is affected by value consciousness, price consciousness and store image. Value consciousness and price consciousness is affected by quality consciousness. At the same time, price consciousness and quality consciousness is affected by social image. It was found that self confidence was not significantly correlated with any variables. So it was dropped from further analysis.

Table 3: Results Confirmatory Factor Analysis

Construct	Items	Factor loadings	AVE	Composite Reliability
Price Consciousness	I am willing to go to extra effort to find lower prices. I will shop at more than one store to take advantage of low prices. The money saved by finding lower prices is usually not worth the time and effort. I compare the prices of products even for small products.	0.802 0.646 0.806 0.769	0.57	0.84
Quality Consciousness	Generally speaking, the higher the price of a product, the higher the quality. A cheap product makes me suspicious of the performance of product. The price of the product is good indicator of its quality. You always have to pay a bit more for the best product.	0.611 0.817 0.772 0.702	0.52	0.82
Value Consciousness	I am very concerned about low prices, but I am equally concerned about product quality. When shopping, I compare the prices of different brands to be sure I get the best value for the money. When purchasing a product, I always try to maximize the quality I get for the money I spend. I make sure that the products must meet certain quality requirements before will buy them.	0.694 0.717 0.636 0.783	0.50	0.80
Social Image	Buying a high priced brand makes me feel good about myself. It says something to people when you buy the high priced version of a product. Your friends will think you are cheap if you consistently buy the lowest priced version of a product. I think others make judgments about me by the kinds of products and brands I buy.	0.671 0.800 0.752 0.649	0.52 0.51	0.81 0.83
Self Confidence	I consider myself capable of choosing a good brand. I feel quite satisfied with the choice of brands I make. When deciding on a brand, I feel confident of my choice. When I choose a brand, I do not usually doubt my choice. Compared with most buyers, I consider myself a good buyer.	0.742 0.650 0.783 0.763 0.602		
Store Image	This store provides variety of products. The entire product in this store has good quality. The entire product in this store has low price. The products of this store are good value for money. The interior decoration of this store let me feel pleasant atmosphere.	0.577 0.702 - 0.861 0.669	0.503	0.80

Figure 1: Research Model



Structural equation modeling (SEM) using AMOS 16 was employed to test the hypotheses. SEM estimates multiple and interrelated dependence relationships (Hair et al., 2006), thus is an ideal technique to test the hypotheses given the complex relationships among the constructs. The structural model yielded a chi-square value of 402.429 with 182 degrees of freedom (p =0:000). The ratio of the chi-square to the degrees of freedom was 2.211, which was smaller than the recommended level of 5 (Bagozzi andYi,1988; Carmines and Mclver,1981). A comparison of all ? t indices, with their corresponding recommended values, indicated a good model ? t (GFI=0.844; AGFI=0.802; CFI=0:859, RMSEA=0:077).

It was found that price consciousness, value consciousness and store image have significant direct impact on the consumer intention to purchase private labels. Quality consciousness is indirectly affecting the consumer intention to purchase private labels by affecting price consciousness and value consciousness. Social image is directly affecting quality consciousness and price consciousness and indirectly affecting consumer intention to purchase private labels.

DISCUSSIONS AND CONCLUSION

Since penetration of private label is increasing and more and more consumers seek to purchase private label, it is critical to determine what factors influence consumers' intention to purchase private labels. It is found that consumers perceived private label as quality brands having good value; though they are priced lower than national brands. Though social image do not have direct impact on intention to purchase private labels, it has indirect impact on intention to purchase private labels via quality consciousness and price consciousness. Consumer perceives that purchasing private labels is creating

Table 4: Outcome of Structure Model

	Standardize Estimate on Dependent Variables			
Predictor Variables	Quality Consciousness	Price Consciousness	Value Consciousness	Intention to Purchase PLB
Direct Effects				
Price Consciousness	-	-	0.552*	0.257*
Quality Consciousness	-	0.627*	0.257*	-
Value Consciousness	-	-	-	0.229*
Social Image	0.406*	0.148**	-	-
Self Confidence	-	-	-	-
Store Image	-	-	-	0.145*
Indirect Effects:				
Price Consciousness	-	-	-	0.126
Quality Consciousness	-	-	0.346	0.299
Value Consciousness	-	-	-	-
Social Image	-	0.255	0.326	0.178
Total effects				
Price Consciousness	-	-	0.552	0.383
Quality Consciousness	-	0.627	0.603	0.299
Value Consciousness	-	-	0.326	0.229
Social Image	0.406	0.402	-	0.178
Store Image	-	-	-	0.145

* significant at 5% significant level

** significant at 8% significant level

an image of appearing cheap in mind of other people. But when they think of price and quality, they intent to purchase the same. It is also found that store image has direct impact on intention to purchase private labels.

The findings contributed to improved understanding of factors affecting consumer intention to purchase private labels in India, as with any research, this study is not without its limitation. Care should be taken when generalizing the results of this study. This study was restricted to private label brand of ketchup of one of the reputed retail store in Ahmedabad city of Gujarat, India. Therefore, the measurement model needs to be tested and validated in different product categories of different stores in different locations. The research model adopted in this paper has included only few potential factors affecting intention to purchase private labels. More research opportunities are available in augmenting the number of variables in the model. Therefore future research should examine the moderating effect of other variables in purchasing private labels. These variables may include consumer perceived risks, characteristics of product group, positioning of private label, advertisement, sales promotion, and other psychological, social and demographic factors affecting buying behavior.

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Electronic Service Quality and Customer Satisfaction: A Study of Customer Loyalty with Special Reference to Tourism Industry

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The boom of information and communication technology (ICT) in India is a well-known phenomenon with a positive impact on the economy. Internet has become a platform for tourism companies to bring their products and services to the customers around the world. Several firms have offered their tourism services online in order to satisfy their customers. The satisfaction of tourists depends on the overall service quality of services. The present study explores the dimensions used by online customers to evaluate the e-service quality of online travel agencies, as well as the relationship of these dimensions to customer satisfaction and the loyalty. Data was collected by primary sources with the help of a questionnaire based on NetQual scale. Factor analysis and Regression Analysis were used to analyze the collected data. Six dimensions of e-service quality were identified from the results of factor analysis; namely, Information, design, personalization, security, ease of use and reliability. Furthermore, all the dimensions were found to be significantly influence online customers' satisfaction and their loyalty except the dimension design for loyalty.

Key Words: *Service Quality, Tourist, Tourism, Satisfaction, Loyalty, Technology*

INTRODUCTION

The revolution in ICT (Information Communication Technology) has profound implications for economic and social development. It has pervaded every aspect of human life whether it is health, education, economics, government, entertainment etc. The most important benefit associated with the access to the new technologies is the increase in the supply of information (Shanker, 2008). The role of ICT in tourism industry cannot be underestimated and it is crucial driving force in the current information driven society. Information is a crucial factor in planning and booking during the travel, and sometimes even after that. The nature of tourism and its products make tourism intensive from the information point of view (Werthner and Klein, 1999). The emergence of the internet brought new opportunities for the travel industry. The ease of access, abundance of information and low transaction cost of the web has motivated the tourism industry to provide online travel services (Wang et al., 2007). Tourism websites are becoming increasingly popular as travellers can browse these websites at the convenience of their workplace or homes, compare offerings from multiple websites with the click of a mouse button (Palmer and McCole, 2000).

Tourism industry of India

This section provides a general overview of Indian tourism industry. As far as India is concerned, it is

one of the most popular tourist destinations in Asia. It offers a wide range of places to see and things to do. The delighting backwaters, hill stations and landscapes make India a beautiful country. Historical monuments, forts, beaches, places of religious interests, hill resorts, etc. add to the majesty of the country. They attract tourists from all over the world (WTO, 2012). The contribution of tourism sector to the economic development of India has been recognized widely due to its contribution to the balance of payments, production and employment. Tourism sector is the second largest foreign exchange earner in India (WTTC India, 2012). Besides it, tourism sector employs a large number of people, both skilled and unskilled.

But, Indian government very lately noticed a crucial role of tourism expansion for economic development. In 2002, Ministry of Tourism (MoT), India paid considerable attention by developing campaigns for the promotion of tourism sector e.g. 'Incredible India'. Nowadays India is one of the most important countries as far as international tourism is concerned. In 2014, India was ranked 16th in terms of international tourism receipts and 39st in terms of international tourist arrivals (UNWTO). Tourism in India has registered a significant growth in last decade. The 11.7 percent growth rate in FTAs (Foreign Tourist arrivals) for the year 2014 over the year 2013 for India was much better than the growth rate of 7.9 percent as reported by World Tourism Organization (WTO) for the world during the same period. Furthermore, the compound annual growth rate (CAGR) in FTAs in India during the period 1991 through 2013 was 6.48 percent (MoT, India, 2013).

Since the tourism is sector is fully based on information, so each information provider must organize their data in an easily accessible and attractive way, and should keep it up-to-date. ICT has influenced the structure of the tourism industry in India also by giving an opportunity to reduce the transaction and distribution costs (Wiig, 2003). Website development in India has increased to a point where hundreds of companies are creating new web pages, and thousands of people are becoming web users daily. The Tourism Development Corporations of states are spending a lot of resources in developing and continuously improving their websites for making them attractive and user friendly. It is seen that tourism is a fast moving sector influenced by individual choices about what to visit and where to stay. So it is very important to evaluate the websites to get better the experience of visitors visiting the site.

E-Service quality

Many authors developed and modified various scales such Parasuraman et al., 1985 and 1988 developed the E-QUAL, which is stranded on the well-known SERVQUAL instrument. However, the contents of their service quality constructs were short and vague and the proposed conceptual framework was not verified either. Dabholkar (1996) conducted a research work on the dimensions of e-service quality focusing on website design and argued that 7 dimensions of e-service quality can be illustrated as the basic parameters in the judgment of e-service quality, including website design, reliability, delivery, ease of use, enjoyment and control. Lociacono et al., (2000) developed an e-service quality scale called WEBQUAL, which is composed of 12 dimensions. Kaynama and Black (2000) developed a scale which shows that internet service quality is the extent to which a web site facilitates efficient and effective shopping, purchasing and delivery of products or services. Similarly, Perdue (2001) showed that the overall quality of a resort website can be influenced by the factors of speed and quality of accessibility, ease of navigation and visual attractiveness of the site. Yoo and Donthu (2001) developed 4 dimensions scale (SITEQUAL) to measure online service quality of websites. Zeithaml (2002) developed a framework consisting of eleven dimensions to be used in evaluating the delivery of e-service quality which include access, ease of navigation, efficiency, flexibility, reliability, personalization, security/privacy, responsiveness, assurance/trust, site aesthetics and price knowledge.

Wolfinbarger and Gilly (2003) developed an e-service quality scale which was initially titled COMQ scale and later was progressed to e-TailQ scale with the following four dimensions: website design, reliability, security and customer service. Santos (2003) argued that both active and incubative dimensions are important in e-service quality and both of the dimensions should be taken into account in e-service quality assessment. Yang and Fang (2004) further examined the differentiation of dimensions to online service satisfaction and dissatisfaction. They suggested that there are four salient quality dimensions leading to both satisfaction and dissatisfaction: responsiveness, reliability, ease of use and competence. Park et al., (2007) also identified six quality dimensions to examine the influence of perceived web site quality on willingness to use. They found that with the exception of visual appeal, these dimensions have strong predictive capability for users' willingness to use. Sohn and Tadisina (2008) put forward a 6 dimension model for e-service quality assessment based on their empirical study. Thus, there is growing recognition of different variability in the outcome of e-service quality studies in terms of the quality dimensions.

However, some researchers suggested that a degree of caution should be exercised while using any scale since each service industry might have its own unique dimensions. Moreover, some other dimensions may be applicable in case of online tourism. Based on the above reasons, instead of merely using readymade versions of scale as suggested by previous researchers, there is a need to explore online tourism sector-specific attributes.

Customer Satisfaction: As far as satisfaction is concerned, it can be taken as tourist post purchase assessment of the destination (Oliver, 1981). It is the best defined as "An evaluation between what was received and what was expected". Satisfaction is a bit related with post purchase assessment. Post purchase intention means that consumer will purchase services and products again from the same suppliers (Zeithaml 2002). Moreover, Customer satisfaction can be defined as the after-purchase assessment and emotional acknowledgment of the completed purchasing process. Satisfaction can be determined by subjective (e.g. customer needs, emotions) and objective factors (e.g. product and service features (Zeithaml and Bitner, 2000). Satisfaction is characterized by the surprise when and what a customer experiences after purchase (Oliver, 1981). Kolter and Armstrong (1998) defined the customer satisfaction as the customer's perception that compares their pre-purchase expectations with post purchase perceptions.

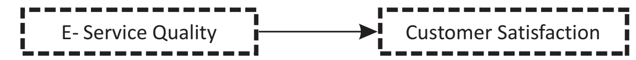
In broader term satisfaction is used to measure the products and services provided by a company to meet its customers' expectations. It is seen from the literature that satisfied customers are the formula for the growth of any business unit. If expectations are exceeded, positive disconfirmation results, while a negative disconfirmation results when customer experience is poorer than expected.

E-service Quality and Customer satisfaction: The relationship between E-service quality and Customer satisfaction is debatable. Some researchers argued that E-service quality is the antecedent of customer satisfaction, while others argued the opposite relationship (Oliver 1980). E-Service quality is a global judgement, or attitude, relating to the superiority of the service, whereas satisfaction is related to a specific transaction (Parasuraman et al., 1988).

E-Service quality and customer satisfaction are always interrelated, because they present strong similarities at the conceptual level (Cronin and Taylor, 1992). In the era of globalization approximately every company is facing severe competition. Satisfaction is an overall customer attitude towards a service provider or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the

fulfilment of some needs, goals or desires. Fig. 1 presents the relationship of service quality and customer satisfaction.

Fig. 1: Relationship of E-service Quality and Customer Satisfaction

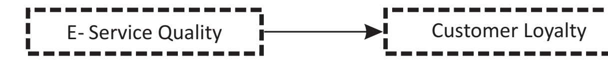


Source: Abd-El-Salam et al., 2013

As far as Travel and Tourism is concerned, travel satisfaction is important for the success of any business. Tourist satisfaction is very important to successful destination marketing because it influences the choice of destination, the consumption of products and services and the decision to return (Kozak and Rimmington, 2008). It is stated that satisfied tourists are likely to recommend the tourists destination to others, which is the cheapest method of marketing and promotion (Crosby, 1993). Increased satisfaction leads to patronage, loyalty and possession of customers. Satisfied tourists tend to communicate their positive experience to others and they tend to buy the services repeatedly (Hallowell 1996). Undoubtedly, satisfaction has been playing an important role in planning marketable tourism products and services.

Customer Loyalty: Customer loyalty is very important because of its positive effect on long-term benefit (Ribbink et al., 2004). Kotler (1991) mentioned that the customer is the king of the market. High customer satisfaction is important in maintaining a loyal customer base. Customer loyalty happens when there is repeated purchasing by the same customers and their willingness to recommend the product to other customers without any outright benefits (Ulaga and Eggert, 2002). Loyalty is defined as the purpose of a customer to repurchase products or services through a particular e-service vendor (Luarn and Lin, 2003). Ostrowski et al., (1993) identified a positive and significant relationship between e-service quality and consumer loyalty in the aviation industry. Besides that, Bloemer and Ruyter (1998) concluded that quality of service is directly or indirectly related to loyalty. Fig.2 presents the relationship of service quality and customer Loyalty.

Fig.2: Relationship of E-service quality and Customer Loyalty



Source: Abd-El-Salam et al., 2013

E-service Quality and Customer Loyalty

Kumar et al., (2010) stated that high quality of service will result in increased customer loyalty whereas poor service quality experiences will more likely result in customer defections. Parasuraman et al., (1988) found that customer loyalty is the outcome of service quality. Caruana (2002) developed a meditational model that links the service quality and service loyalty via customer satisfaction. Thus, increased satisfaction derived from online services will enhance customers' loyalty (Fassnacht and Kose, 2007). It means that the better e-service will lead to customer loyalty. Long-time, satisfied customers are more likely than short-term customers to buy additional services and spread favorable word-of mouth communication (Zeithaml et al, 1996).

In today's aggressive marketplace place, considering customers' needs is vital in each and every sector. Retention of the customers is a major challenge in today's competitive market (Khalifa and Liu, 2003). Therefore, it is necessary to provide good quality services to the customers. However, it is not possible to serve customers only through traditional means of distribution. Thus, many tourism organizations are going online and presenting their services online to enhance communications with their customers, to sell more services through an alternative channel and to reduce costs associated with interacting customers.

Tourism sector is changing with the growth of information communication technology and changes have been mainly affected the methods through which the tourism products and services are communicated and distributed to the customers around the world. Moreover, internet can be considered as inexpensive medium for travel service delivery (Buhali and Licata, 2002). So, travel service providers are motivated to deliver travel services online that aims at achieving benefit and competitive advantages as well as increasing market share (Turban et al., 2002). Travel service providers also expect to reach and persuade their potential customers through comprehensive, personalized and up-to-date travel services via internet (Buhalis and Law, 2008). In addition to it, tourists are also using tourism websites as information channels for purchasing tourism services instead of traditional travel agencies. Tourists now prefer to purchase tourist services such as accommodation, air ticket and taking car on rent through internet while sitting home rather than getting all such services booked after reaching their destinations. However, due to the intangibility of services, it is far more difficult for customers to evaluate them. Also due to absence of human interaction during online transactions, certain applicable dimensions must be present in order to accurately assess the service quality on a web site (Madu and Madu, 2002). Thus an effort has been made in the current study to examine the factors affecting the use of online tourism.

In addition to it, an overview of the literature depicts that e-service quality has a positive impact on satisfaction of tourists which further leads to tourists' loyalty. Impact of online tourism on satisfaction of tourists and impact of online tourism on tourists' loyalty in traditional tourism has been analyzed by researchers at domestic level but there has not been any systematic work to analyze the relationship between e-service quality and tourists' satisfaction in India. Furthermore there is also paucity of studies which have examined the relationship between e-service quality and tourists' loyalty. Thus, an attempt has been be made in this direction.

Theoretical Background: Service quality and customer satisfaction &loyalty in tourism sector have been discussed by many researchers, some of them are as follow:-

Table 1: Studies Related to service Quality in Tourism

Author	Country	Research Objectives	Model	Variables	Methodology	Significant Factors
Mills and Morrison, 2000	Worldwide	To identify the potential attributes of customer satisfaction with travel websites	E-satisfaction	Access, Efficiency, Loading, Appearance and Navigation	Confirmatory Factor Analysis	Appearance and Navigation
McQuilken et al., 2000	Otway, Victoria	To examine the consumer expectations, perceptions and satisfaction levels	Service quality	Tangibility, Reliability, Responsiveness, Assurance and Empathy	Regression Analysis	Tangibility, Responsiveness and Empathy
Choi and Chu, 2000	Hongkong	To study the perceptions of Western and Asian travellers about service quality of hotels	Service quality	Tangibility, Reliability, Responsiveness, Assurance and Empathy	Factor analysis and regression	Asian tourist perceptions' overall satisfaction is primarily derived from the value factor whereas western counterparts are influenced by room facility factor
Liu and Arnett, 2000	Mississippi, USA	To assess factors associated with the web site success	-	Information, Service quality, System use, Playfulness and System design quality	Factor analysis	Information, Service quality and System design quality
Van Riel et al., 2003	Netherlands	To judge the quality perceptions of pre-transaction services provided by travel websites	E-Service quality	User interface, Accessibility, Navigation, Design, Reliability, Assurance, Responsiveness and Customization	Regression and Factor Analysis	Design and Overall quality of travel websites
Moharrer, 2006	Worldwide	To Investigate the different determinants of tourism satisfaction in online tourism in comparison to traditional travel agencies	E-Satisfaction	Site design, Convenience, Product information and Product offering	Factor Analysis	Site design and Convenience
Mohamed, 2007	Egypt	To assess customers' expectations and perceptions of service provided by travel agents	Service quality	Responsiveness, Reliability, Empathy, Resources and Corporate image and Tangibility	Descriptive analysis	Resources and Corporate image

Table 1 cont.....

Author	Country	Research Objectives	Model	Variables	Methodology	Significant Factors
Ho and Lee, 2007	Worldwide	To identify the dimensions of e-travel service quality and to develop a reliable and valid measurement instrument	-	Information quality, Security, Website functionality, Customer relationships and Responsiveness	Factor Analysis	Information quality and Responsiveness
Hapenciuc and Condratov, 2007	Romania	To assess the e-service quality of tourism websites	E-service quality	Efficiency, Fulfillment, Reliability and Privacy	Factor Analysis	Communication, Website design, Interactivity and User interface
Prabhakaran et al., 2008	India	To study the service quality perceptions of domestic as well as foreign tourists in the service quality of tourism sector	Service quality	Tangibility, Responsiveness, Reliability, Service product, Assurance and Service Responsibility	Structural Equation Modelling	Tangibility influences the domestic tourists and Responsiveness influences the foreign tourists
Stiakakis and Georgiadis, 2009	Greece	To identify the similarities and differences between the perspectives of providers and customers	E-quality	Customer personalization, Prompt response, Security, Accessibility, Information accuracy etc.	Regression Analysis	Security, prompt service, Accessibility and Website design
Filiz, 2009	Turkey	To measure the customer satisfaction in the travel agency	Service quality	Tangibility, Reliability, Responsiveness, Security, Empathy and Assurance	Factor Analysis, Regression and T-test	All
Hongxiu et al., 2009	China	To develop a scale to evaluate e-service quality from the perspectives of both online companies and customers	Service quality	Ease of use, Website design, Reliability, Privacy, Responsiveness and Empathy from the company perspective and Trust and Experience from customer perspective	Factor Analysis	Trust from the perspective of customers and Ease of use from the perspective of online companies
Al-Rousan et al., 2010	Jordon	To examine the impact of tourism service quality dimension in the Jordanian five star hotels	Service quality	Service quality such as Empathy, Reliability, Responsiveness and Tangibility	Factor analysis	Empathy, Reliability and Tangibility
Renganathan, 2011	India	To analyze the hotel guests' expectations and perceptions of hotel services	Service quality	Tangibles, reliability, responsiveness, assurance and empathy	Descriptive Analysis, Multiple Regressions and Factor Analysis	Responsiveness and Assurance
Ahmed, 2011	Malaysia	To understand the impact of E-SERVQUAL model on customer satisfaction in BIMB	Service quality	Tangibles, reliability, responsiveness, assurance and empathy	Descriptive and Regression Analysis	Tangibles and Responsiveness
Haghtalab et al., 2012	Iran	To investigate the effects of electronic satisfaction factors on forming electronic satisfaction of website services in tourism industry	Service quality	Website convenience, safety, information, website design, and information	Confirmatory Factor Analysis and Path Analysis	all
Hafeez and Muhammad, 2012	Pakistan	To study the impact of service quality, customer satisfaction and loyalty programs on customer's loyalty	Service quality	Impact of service quality, customer satisfaction and loyalty programs	Correlation and ANOVA	Customer loyalty
Moon, 2013	USA	To explore the effect of e-service quality on customer satisfaction and loyalty	E-service quality	Web design aesthetics, ease of use, virtual tour, and visualization. In addition, intangible e-service quality involves information content, reliability, security and customization	Structural Equation Modelling	Intangible customer satisfaction and loyalty

NEED OF THE STUDY

However, the majority of e-service quality dimensions have been developed by researchers outside India. Moreover, some studies dealing with conventional service quality in tourism sector have been conducted in India, but no study has been conducted to study the factors affecting the internet tourism so far. Thus, current study is going to shed light on the same issue in Indian context.

OBJECTIVES OF THE STUDY

The specific objectives of the current study are as follows:

1. To study the factors affecting the satisfaction of tourists in online tourism.
2. To identify the most important attribute which influence satisfaction and loyalty of the tourists.

Despite the large body of literature available on satisfaction and loyalty in general, only a few academic studies have focused directly on customer satisfaction and loyalty amongst tourists in India. So, current study attempts to fill this gap by studying the factors affecting customer satisfaction in online tourism.

RESEARCH METHODOLOGY

Research Framework:

The current study is based on primary data. For the data collection, a questionnaire was developed based on NetQual. The questionnaire comprised of two parts. First part comprised of questions that addressed and gathered information related to respondents' personal information.

Second part of the questionnaire comprised of 26 questions, which addressed the service quality dimensions. Second part also contained 5 statements each related to satisfaction and loyalty of customers. Responses for e-service quality, customer satisfaction and loyalty were measured on a five-point likert scale ranging from 1=Strongly Disagree to 5= Strongly Agree. The universe of the study was those tourists who had used e-tourism at least once in their life. Responses were collected from 150 respondents from major cities of Punjab. The analysis of the data was carried by using statistical package for social sciences (SPSS) version 17.0. Factor Analysis and Multiple Regression analysis were conducted to analyse the collected data

Hypotheses taken in the current study:

Hypothesis 1 (H0i): There is no significant impact of e-service quality on tourists' satisfaction.

Hypothesis 2 (H0ii): There is no significant impact of e-service quality on tourists' loyalty.

Sample characteristics

As far as the demographic profile of the respondents is concerned, the sample comprised of variety of respondents belonging to different economic and professional background. Table 2 shows the demographic profile of the respondents.

Table 2: Demographic Profile of Respondents

Demographic Variables		No. of Respondents (%)	Ratio
Gender	Male	79	52
	Female	71	48
	Total	150	100
Age	Below 20	26	17
	20-30	65	44
	30-40	33	22
	40-50	14	9
	50-60	8	5
	Above 60	4	3
	Total	150	100
Marital Status	Married	65	44
	Single	83	55
	Divorcee	2	1
	Total	150	100
Education Level	Matriculation	13	9
	Graduation	53	35
	Post graduation	66	44
	Any other	18	12
	Total	150	100
Occupation	Student	39	26
	Businessmen	24	17
	Servicemen	56	37
	Professional	25	16
	Housewife	6	4
	Total	150	100
Monthly Income(Rs.)	Below 20000	48	32
	20000-30000	51	34
	30000-40000	36	24
	Above 40000	15	10
	Total	150	100

Source: Primary Data

The ratio of male to female was almost equal in the sample. Furthermore youngest respondents formed the majority (around 44%) in the age group of 20-30. As far as education level is concerned, 44% of the respondents are post graduates followed by graduates (35%). As far as respondents' occupation is concerned, majority of the respondents belong to service category (37%), followed by students (26%), businessmen (17%), professional (16%) and housewives (4%). As per income categorization, 34% respondents were falling in the category of Rs.20000-30000 followed by 32% who belongs to income category of below Rs. 20000. However just 10% were falling in above Rs.40000 income group.

ANALYSIS AND INTERPRETATION

Results and Discussion of Factor Analysis

To examine e-service quality, 24 statements were framed. Data so collected was subjected to Factor Analysis in order to bring out the important factors influencing the behaviour of respondents to buy online tourism services. Before applying the factor analysis, testing of reliability and validity of the scale is very important as it shows the extent to which a scale produces consistent results if measurements are made repeatedly. Reliability is done by determining the association between scores obtained from different administrations of the scale. If the association is high, the scale yields consistent results, thus, is reliable. Cronbach's alpha is the most widely used method for examining the reliability of the data. It may be mentioned that its value varies from 0 to 1 but, satisfactory value is required more than 0.6 for the scale to be reliable (Malhotra, 2002 and Cronbach, 1951). In the current study the Cronbach's alpha scale was used as a measure of reliability. Its value is estimated as 0.684 which indicates scale is reliable.

After checking the reliability of the scale, it was tested whether data so collected is appropriate for factor analysis. Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is useful method to show the appropriateness of data for factor analysis. The KMO statistics varies between 0 to1. Kaiser (1974) recommended that the value greater than 0.5 is acceptable (Field, 2000). In this study the value of KMO for overall matrix is 0.684 thereby indicating that sample taken to process factor analysis is significant. Bartlett test of sphericity (Bartlett, 1950) is another test applied in the study for verifying appropriateness, whose value is significant. Table 3 indicates that data is appropriate for factor analysis.

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.684
Bartlett's Test of Sphericity	Approx. Chi-Square	826.542
	Sig.	.000

Source: Primary Data

Principal Component Method followed by Varimax rotation (Boyd et al., 1977 and Hair et al., 1990) was performed on the data. Factor loading for 7 statements was below 0.5, thus these items were deleted and factor analysis was re-conducted. After re-running of factor analysis, remaining 17 items were reduced to 6 factors. The Varimax Rotated six factor satisfactory solutions so derived is shown in the Table 4. These factors explained 68.028% of the total variance, which is very much acceptable for the Principal Component Varimax rotated factor loading procedure i.e Malhotra, 2002.

Total six factors and the variables loaded on these factors have been summarized in Table 4. As per table 4, Factor 1 was named 'Security', which consists of four items regarding security while using an online travel agency's website. This factor explained 15.756% of the variance in the data with an eigen value of 4.241. Notably, increasing numbers of online customers have expressed concern over the potential misuse of personal information and abuses of privacy (Than and Grandon, 2002).

The second factor, 'Personalization', explained 13.987% of the total variance of the data, with an eigen value of 3.617. It contains three items. Sending a timely response to email requests or complaints and confirmations of orders has been recognized as an important factor when online customers evaluate a web site (Long and McMellon, 2004 and Yang and Jun, 2002). This result is in accord with those of Zeithaml et al. (2002) and Park et al. (2007).

Table: 4 Results of Factor Analysis				
Dimension	**Statements**	**Factor loadings**	**Eigen value**	**Variance explained**
Security	This site offers functionality which makes it more secure	.678	4.241	15.756
	I think that my private life and my financial information are protected on this site	.602		
	I trust the overall security of the site	.575		
	I trust this site not to misuse my personal information	.567		
Personalization	I can contact the company easily through this site	.834	3.617	13.987
	I can interact with this site to receive personalized information	.637		
	This site records my preferences and offers me extra services or information based on these preferences	.634		
Ease of Use	The organisation and layout of this site makes it easier to search for information	.675	2.887	11.345
	Tourism website is easy to use	.645		
	It is easy to navigate and to find what you are looking for on this site	.612		
Reliability	This site explains the stages of the order process in detail	.627	2.187	9.987
	This site offers several types of delivery	.568		
	This site provides the contact details for customer services (e-mail, phone)	.534		
Information	The information on this site is easy to understand	.826	1.876	9.859
	The information on this site fulfils my needs	.725		
Design	The design is appropriate for this type of site	.814	1.756	8.094
	This site is visually attractive	.761		

Source: Primary Data

The third factor, 'Ease of Use', accounted for 11.345% of the total variance, with an eigen value of 2.887. It includes three items concerned with the ease of using e-services for travel like easy to search, easy to use and easy to navigate.

The fourth factor, 'Reliability', is associated with four items and explained 9.987% of the variance in the data, with an eigen value of 2.187. These three items refer to customers' trust in online service providers (Tsang et al., 2010). Several scholars (Kaynama and Black, 2000; Kim and Lee, 2004 and Lee and Lin, 2005) have identified reliability as one of the major criteria used by customers in evaluating e-service quality. It shows that users find it easy to use online because it provides the latest information. It proves that it is easier to provide services through online tourism. Tourism websites are more accountable, adequate, faster and transparent in comparison to brick and mortar tourism. A lot of research (Ho and Lee, 2007 and Parasuraman et al., 1994) has identified it as one of the most important e-service quality dimensions.

The fifth factor, 'Information', accounted for 9.859% of the total variance, with an eigen value of 1.876. This result also supported by the findings of Wolfinbarger and Gilly (2003) and Yang et al., (2004), who reported that Information is a contributor to satisfaction. The availability of website information is widely accepted as key components of satisfaction (Kim and Lee, 2004 and Zeithaml et al., 2002). Indeed, the tourism industry is an information-oriented business. The peculiarly high-priced and well-differentiated characteristics of travel products and services involve a great deal of risks that is why customers depend heavily on information search and provision.

The sixth and the last factor, 'Design' explained 8.094% of the total variance, with an eigen value of 1.756. It encompasses three items that are related to the design of the tourism websites. It consists of three items. The deficiency of website design can result in a negative impression of the website quality to the customers, and customers may exit the purchase process (Hongxiu et al., 2009).

Impact of E-Service Quality on Customer Satisfaction and Loyalty

Further, two multiple Regression analysis were conducted to investigate the relationship between service quality and customer satisfaction & customer loyalty with the help of factor scores. Customer satisfaction was measured by taking the mean of 5 statements for each and every respondent. First regression analysis was conducted by taking customer satisfaction as dependent variable and scores of factors of service quality as independent variables. Following set of statements was used to assess customer satisfaction.

Table no. 6 displays the results of stepwise regression analysis in which customers' perceptions on dimensions of e-service quality such as information, Ease of use, Security, Personalization, Design and Reliability were regressed on Customer satisfaction.

Firstly, R^2 accounted for 0.743 in the present study, which recommended that 74% of the variation of dependent variable (customer satisfaction) was explained by independent variables. Secondly, Adjusted R square value which is the most useful measure of the success of a model shows of 0.692 i.e. which accounted for 69% of the variance in the criterion variable. The adjusted R square shows a significant relationship exists between dependent variable and independent variables. Further, result of regression analysis also showed that dimension Information (b = .965, p = .000), Ease of Use (b = .857, p = .003), Security (b = .657, p = .004), Personalization (b = .265, p = .003), Design (b = .165, p = .050) and Reliability (b = .045, p = .010) were found positively significant to customer satisfaction. It was also depicted from the results that dimension 'Information' was the most important followed by the dimension 'Ease Of Use'. Therefore, Hypothesis 1 (H0i) is rejected that 'There is no significant relationship between all the six dimensions of e-service quality and customer satisfaction' meaning thereby that of service quality is the antecedent of customer satisfaction. There is a strong relationship between customer satisfaction and service quality.

Another regression analysis was also run to examine the influence of dimensions of e-service quality on loyalty of customers. In current regression analysis, mean of all 5 statements of loyalty was taken as dependent variable and again scores of factors of service quality were taken as independent variables. Following set of statement were taken to measure the customer loyalty.

Table no. 8 displays the results of stepwise regression analysis in which customers' perceptions on dimensions of e-service quality such as information, Ease of use, Security, Personalization, Design and Reliability were regressed on Customer loyalty.

R^2 is accounted for 0.553 in the second regression, which suggests that more than 55% of the variation in customer loyalty was explained by six independent variables i.e. Information, Design, Ease of Use, Security, Personalization and Reliability. Out of six independent variables, dimension information has the highest standardized beta coefficient at 0.834, which depicted that a change of one standard deviation in the predictor variable will result in a change of 0.834 standard deviations in the criterion variable. It is followed by Personalization (b = 0.567, p = .000), Ease of Use (b = 0.526, p = .000), Design (b = 0.402, p = .195), Security (b = .332, p = .003) and Reliability (b = 0.208, p = .004). The results indicated that five of the e-service dimensions have a significant influence on the customer loyalty. Hence, Hypothesis 2 (H0ii) is rejected for all the dimensions of e-service quality except for dimension design. Thus, Two Multiple Linear Regressions were conducted to examine and investigate relationships such as the impacts of the dimensions (independent variables) on satisfaction and loyalty (dependent variables). So it means hereby that there is strong relation between electronic service quality and satisfaction in formation of loyalty in tourism industry.

Table No.5: Statements depicting Customer Satisfaction
Statements
I am satisfied with the services offered on tourism websites I strongly recommend others to use the tourism websites
I truly enjoyed purchasing from tourism websites
The decision to purchase from tourism websites was a wise one
If I had to do it over again, I would make the most recent on-line purchase on tourism website

Source: Review of Literature

Table 6: Model Summary		
Factors	**Dependent variable**	
	Customer satisfaction	
	Std.(b)	sig
Constant		.000
Information	.965	.000*
Design	.165	.050*
Ease of use	.857	.003*
Security	.657	.004*
Personalization	.265	.003*
Reliability	.045	.010*
	R^2=.743, Adjusted R2 =0.692, F=38.837	

Source: Primary Data; Indicates significance at 5% level; (**) Indicates significance at 10% level*

Table No. 7: Statements depicting Customer Loyalty
Statements
I intend to continue purchasing services from the tourism websites in the future
Tourism websites will always be my first choice for future transactions rather traditional methods of booking
Say positive things about the tourism websites to other people
Recommend the tourism websites to those who seek the advice
I would encourage friends and relatives to visit this

Source: Review of Literature

CONCLUSION

Rapid technological changes and fierce competition within the tourism industry are forcing online travel agencies to increase their understanding of customers' expectations, needs, and wants (Tsang et al., 2010). The current paper contributes to tourism

Table 8: Model Summary		
Factors	**Dependent variable**	
	Loyalty	
	Std.(b)	sig
Constant		.000
Information	.834	.006*
Design	.402	.195
Ease of use	.526	.000*
Security	.332	.003*
Personalization	.567	.000*
Reliability	.208	.004*
	R^2=0.553, Adjusted R2=0.489, F=18.765	

*Source: Primary Data; * Indicates significance at 5% level*

service quality and tourists' satisfaction and tourists' loyalty by framing a questionnaire based on Netqual scale. After conducting factor analysis, current study identified six tourism service quality dimensions, namely, personalization, information, website design, reliability, security and ease of use, all of which comprise the criteria by which tourists use to evaluate the service quality of tourism websites. The findings of this study also indicated after conducting regression analysis that the most important factor in predicting tourism service quality evaluation was Information followed by Ease Of Use, Security, Personalization, Design and Reliability.

Consequently, today, competition is a primary challenge in the tourism industry and the solution lies only in presenting true and updated information to the customers. The key to competitive success still remains a continued focus on the customers and winning them through the delivery of the superior services (Rust and Kannan 2003). For online travel companies, providing e-service with good quality involves much more than creating an excellent website for customers. Online travel companies should design its websites to be as easy as possible for customers to use. Online travel companies still need to pay attention on the building of trust, satisfaction and loyalty in customers, which can help to improve their e-service quality. Of course, offering true and accurate information on the website might be the first strategy to help online travel companies to build up good image in customers' mind, and the accurate service delivery might help to improve the confidence of customers.

When a visitor visits a website they want and expect the website to offer extensive information. If the website is rich in content, the visitors would like to get back to the website as many times as possible. But contrary to it, too much of information on the home page is not appreciated by viewers as it results in lot of clutter and confusion. So the website developers need to strike a balance between the two and provide rich information and avoid clutter also (Chavali and sahu, 2008). Website management is the basic function of tourism service providers because it is the key driving factor for visitors to the web sites. Good web site management allows the tourism organization to engage customers' interest and participation, to capture information about their preferences, and to use that information to provide personalized communication and services (Doolin et al., 2002).

LIMITATION AND FUTURE RESEARCH SUGGESTIONS

The data for the study was collected from Punjab only. A more extended geographical sample may produce some other results. Due to time constraints the sample of respondents was just 150, further study can be conducted by taking larger sample. Moreover the study can be also being conducted to collect the comparative views regarding the perceptions of the tourists for e-service quality towards government and private tourism websites.

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Quality Dimension Imperative for Innovative Financial Inclusion: A Case Study of Select Banks in J&K

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Financial inclusion means delivering financial services at an affordable cost to the vast sections of the society especially under-privileged groups which is a prerequisite for inclusive growth, poverty reduction and social cohesion. Thus it holds priority while framing development policy in many countries particularly in the developing nations. In India, the apex body RBI takes various inclusive steps for promoting and implementing the Financial Inclusion program across the length and breadth of the country. These steps include directing commercial banks to open No Frill Accounts (NFA), Relaxation of KYC norms, Engaging Business Correspondents (BCs), opening of branches in unbanked rural centers, Financial Literacy Programmes etc. Improving financial inclusion in India and specifically in rural India is pivotal for successful execution of national and rural projects. The complete concept of financial inclusion is multidimensional (mainly three dimensions: Access, Usage and Quality) that provides the underpinning for data collection. This paper discusses the case of 4 banks in J&K to deliberate upon the current quality parameters undertaken by these banks for financial inclusion of rural population thereby finding the gaps that need to be addressed as part of innovative financial inclusion. As highlighted in various national and international deliberations on financial inclusion, using the index of financial inclusion developed by Sarma (2008) which incorporates three dimensions i.e. simple access (penetration), availability and usage, the paper attempts to provide a framework for financial inclusion index with quality dimension in addition to above which would be very useful for exhaustive and accurate analytical purposes. These dimensions of financial inclusion provide broad categories into which various indicators can be grouped, without being restrictive.

Key words: *Financial Inclusion, Quality Dimension, Financial Inclusion Index*

INTRODUCTION

India is one of the world's fastest growing economies, with highest ever growth in GDP of 11.4% in first quarter of 2010 and annual GDP growthrate of 7.4% (approx.) for last 5 years (World Bank 2014). Despite of this growth story, India still remains a country with large economic disparity jeopardizing balanced socio economic growth of India. As such there is a need to translate this growth of the country into shared prosperity and better livelihoods of majority of population which is socially and politically sustainable. In the recent economic awakening, scholars have delibrated upon various possible thrust areas that can help in strengthening the strucural equillibrium of the economic state of affairs and one of such thrust areas which has recently been into limelight is Financial Inclusion. Financial inclusion means delivering financial services at an affordable cost to the vast sections of the society especially under-privileged groups which is a prerequisite for inclusive growth, poverty reduction and social cohesion. Prime Minister, Narendra Modi has been constantly urging Reserve Bank of India to take the lead in encouraging financial institutions to set concrete targets for financial inclusion over the next 20 years so as to help transform the quality of life of the poor as it will create a platform for inculcating the habit to save money, it will provide formal credit avenues and will plug the leaks in public subsidies and welfare programmes, ultimately leading to holistic growth of India. With this vision of having a society with very few unbanked people, the Reserve Bank of India will be able to implement monetary policy decisions with greater effect catering to government's major concern of regulating India's growth.

Various steps have been taken in India to implement Financial Inclusion program including directing commercial banks to open new branches in unbanked rural centers, Opening new ATMs, Engaging Business Correspondents (BCs), covering unbanked villages through ICT, conducting financial Literacy Programmes etc. However, evolving role of financial inclusion goes beyond just providing basic financial infrastructure to a well-functioning financial infrastructure that allows individuals and companies to engage more actively in the usage of financial services, while ensuring the growth of the economy.

Improving financial inclusion in India is crucial for successful execution of national and rural projects.

One of the major problem lies in measuring the actual financial inclusion on basis of which all future planning is done. Government and Banks do meticulous planning and takes various initiatives for more financial inclusion by opening new branches in unbanked areas, opening ATMs etc. and mostly the usage is also increased.

Thus the complete concept of financial inclusion is multidimensional (mainly three dimensions: Access, Usage and Quality). The present index of financial inclusion incorporates mainly two dimensions i.e. accessibility and usage, although all the three dimensions are equally important for an inclusive financial system. Thus this study proposes Quality Index as an important dimension to be included while measuring the financial inclusion index for banks which can further be used to calculate financial inclusion index of the country depicting the true level of financial inclusion for particular time period. Quality Index focusus on measuring the quality of initiatives taken i.e. by setting the benchmark of increased financial service usage for each initiative and then comparing actual increased usage with the benchmark value.

The paper is structured around three main parts. The first part lays the groundwork for the subsequent analyses for considering the quality dimension as an important aspect in measuring the Finanacial Inclusion Index. This paper discusses the case of four banks in J&K (Only Financial Inclusion by banks are considered because it constitutes the major portion in India) to deliberate upon financial inclusion initiatives and the quality parameters of these banks for financial inclusion.

The second part proposes an approach to calculate the Quality Index to bring in the quality dimension for measuring the Overall Financial Inclusion Index (FIIo). This index can serve as a significant tool for benchmarking and will serve true purpose of measuring actual financial inclusion thereby giving the clear picture and encouraging policy makers to embrace the agenda of financial inclusion.

The third part tackles with identifying the gaps that need to be addressed as part of overall innovative financial inclusion with special emphasis on the Select Banks.

LITERATURE REVIEW

Financial inclusion refers to all initiatives that make formal financial services Available, Accessible and Affordable to various segments of the population. Financial inclusion is important because it is considered as an important condition for sustaining growth (Subbarao, 2009). Access to well-functioning financial system by creating equal opportunities, enables economically and socially excluded people to integrate better into the economy and actively contribute to development and protects themselves against economic shocks (RBI, 2009). Thus in India, with the provision of insurance and transfer facilities along with the overdraft facilities under PMJDY, there is a clear focus on expanding the portfolio of

financial instruments available to all households in the country (Pradhan Mantri JanDhan Yojana, 2014).

Financial Inclusion can be described as the proportion of individuals and firms that use financial services. It has a multitude of dimensions, reflecting the variety of possible financial services. Financial inclusion is defined as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as the weaker sections and low income groups at an affordable cost (Rangarajan Committee, 2008). In India, the focus of the financial inclusion at present is more or less confined to ensuring a bare minimum access to a savings bank account without frills to all. However, having a current account/savings account cannot be regarded as a sole indicator of financial inclusion (Vallabh and Chathrath, 2006). Financial inclusion is characterized primarily as either general access to loans or access to savings accounts (Arunachalam R.S, 2008). Committee on Financial Inclusion defines financial inclusion as delivery of financial services at an affordable cost to vast sections of disadvantaged and low-income groups (GOI,2008). Financial Inclusion is viewed as a process that ensures ease of access, availability and usage of formal financial system for all members of an economy (Sarma, 2008).

Anzoategui, Demirgüç-Kunt, & Pería (2014) in their study examined remittances affect on financial inclusion households' with the usage of savings and credit instruments from formal financial institutions. The results depicted that remittances have a positive impact on financial inclusion by promoting the use of deposit accounts, they do not have a significant and robust effect on the demand for and use of credit from formal institutions. Swamy, (2014) studied the impact of the financial inclusion programs on poor households represented by women relative to that represented by men. It was analyzed that income growth (CAGR) net of inflation effect was 8.40% for women as against 3.97% for men, indicating that the gender of participating poor undoubtedly affects the outcomes of these programs. Prina, (2015) studied the impact of offering a savings account with minimum transaction costs, i.e. zero fees and high proximity to a bank-branch to answer questions like Would poor households open and use such a savings account if given access to one? Would this access help them to save, accumulating small sums into large sums? Randomized field experiment and the combination of pre- and post-survey data with bank administrative data was used to study the effects of access to a savings account with minimum transaction costs, i.e. zero fees and physical proximity to a local bank-branch, on household savings behavior and welfare. Study depicted that there is a high demand for this type of savings accounts and that households regularly deposit small amounts of money.

Despite the high take-up rate and usage rates, access to a savings account generates minor welfare effects

Various definitions of financial inclusion have evolved. With the aim of defining a more complete concept of inclusion, the Financial Inclusion Data Working Group of the Alliance for Financial Inclusion agreed on three main dimensions of financial inclusion that provide the underpinning for data collection: access, usage and quality (AFIFIDWG, 2011).

1. ACCESS	Availability of formal , regulated financial services :physical proximity and affordability
2. USAGE	Actual Usage of financial services and products : regularity , frequency and duration of time used
3. QUALITY	Products are well tailored to client needs : appropriate segmentation to develop products for all income levels

Source: Adopted from Alliance for financial inclusion data working group(2011).

The above definitions emphasize several dimensions of financial inclusion, viz., accessibility, suitability, availability, usage, quality of the financial system. These dimensions together build an inclusive financial system. For the purpose of this paper, we define financial inclusion as a process that ensures the accessibility, usage and quality of the formal financial system and their initiatives for all members of an economy.

METHODOLOGY

Four banks in J&K were approached i.e. State Bank of India, Jammu & Kashmir Bank, Punjab National Bank and Jammu Kashmir Grameen Bank and its employees were interviewed regarding various initiatives taken by their banks for financial inclusion. They were asked regarding any steps that they take for measuring the quality of the initiatives. Data from RBI's annual publication "Basic Statistical return For Scheduled commercial banks" was also used which included the data of new ATMs opened and Transactions done at national level, also data with respect to coverage of villages and household through ICT was analysed at the regional level. The case of each bank depicting initiatives for financial inclusion was studied and the Quality Index was proposed to measure an important dimension of quality.

Case of J&K BANK

The Jammu and Kashmir Bank Ltd .was selected for being a private sector bank with biggest network of 580 branches (Jun-13) and highest number of ATMs in state alone than any other commercial bank in state, 750 branches and 726 ATM's (Sep-13)nationwide. Other reasons for considering JK Bank were that it is a Lead bank of state in 12 districts and SLBC conveyor. Amongst various initiatives that bank is taking for financial inclusion are highlighted as under

1) Organized Special camps under Pradhan Mantri Jan Dhan Yojana scheme for opening Bank accounts of unbanked people with minimum deposits and providing accidental insurance.
2) Branch: The bank is making special efforts in opening up new branches both in unbanked areas as well as in banked areas for increased penetration for covering more and more households.
3) ATM: Being the lead bank, it has highest no. of ATMs in the state to provide access of the financial services to people.
4) Business Correspondents: The bank has highest no. of business correspondents (663) in the state to provide access to large unbanked population of state. Under this bank has reached out to 1928 villages out of its 2353 village's target of March 2013.
5) Khidmat Centers: Opened common service centers (CSC) known as Khidmat Centers in the state with focus on rural areas. Under CSC bank identified village level entrepreneurs (VLE), financed them under CSC product and got special permissions for them to act as business correspondents who are linked to 351 base branches and extend financial services through smart cards.
6) Point of Transaction (PoT): Electronic devices at business correspondent and branches have been provided to facilitate smart card transaction. A smart card can have upto 25 accounts linked with it.
7) 15-Model Villages adopted by RBI in J&K for 100% financial inclusion: All the 15 identified model villages have been allocated to J&K bank and all are operational and transacting through smart cards.
8) Financial Literacy Centers: As per RBI directive, bank has setup 12 financial literacy centers with facilitators in all of its lead bank districts all of which are operational and 371 outdoor camps has been conducted which were attended by 41779 people.
9) Kissan credit cards (KCC): For providing easy production finance to farming community J&K bank has disbursed 1049 Cr. through more than 4.50 lakh KCC.
10) Sponsoring RRB: For better penetration to rural places J&K bank has sponsored JK Grameen bank.

Quality Dimension Imperative for Innovative Financial Inclusion:
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11) ICT: Covering of villages with population over 2000 for providing banking services under financial inclusion through various Information and Communication Technology based banking outlets.

Case of SBI

The State Bank of India was considered for being the leading public sector bank in the nation with highest no. of branches (14816) (66%rural, semi urban), March 2013 & ATM's (36740), Dec 2013. In the state SBI is leading Public Sector bank and also lead bank in 10 districts of the state. SBI has over 167 branches which is the 2nd largest no. of branches in the state. Some initiatives by bank for financial inclusion in Jammu and Kashmir include

1) Organized Special camps under Pradhan Mantri Jan Dhan Yojana scheme for opening Bank accounts of unbanked people with minimum deposits and providing accidental insurance.
2) Branches: The bank has a thrust on opening of branches in rural areas (66% at national), the bank has 113 branches in rural /semi urban location (67.66) out of 167 branches in the state.
3) ATM's: The bank has largest network of ATMs in the country. Bank also has good network of ATM's in the state of J&K to provide additional access channel to accounts.
4) Business Correspondents: For easy access to financial services in unbanked areas particularly the bank has engaged 84 Business Correspondents in the state.
5) Zero Balance Accounts: To make access to financial services at affordable price, the bank has started the zero balance saving accounts for reaching out to more and more households both at urban and rural areas.
6) Financial Literacy Centers: Bank has set up financial literacy centers in all the 10 districts for which it's a lead bank.
7) KCC: Easy access to loan facility at low interests to farming community has been made possible by distributing KCC
8) Sponsoring: For better access to rural markets SBI has sponsored Ellaquai Dehati Bank in the state
9) ICT: Covering of villages with population over 2000 for providing banking services under financial inclusion through various Information and Communication Technology based banking outlets.

Case of PNB

The Punjab National Bank was considered for being the 2nd largest public sector bank in India as well as in the state with a network of 93 branches in state and a good network of ATMs. Some initiatives by bank towards financial inclusion in Jammu and Kashmir are as under

1) Opening New Branches with emphasis on opening branches in rural places as out of 93 branches in state 58 branches are rural /semi urban areas.
2) Organized Special camps under Pradhan Mantri Jan Dhan Yojana scheme for opening Bank accounts of unbanked people with minimum deposits and providing accidental insurance.
3) Opening new ATMs for access to financial services,
4) Engaging more Business Correspondents(BC), currently bank is having 34 BC in state,
5) Distributing KCC cards for cheap finance, covering of unbanked villages with population of above 2000 by leveraging Information Communication Technology.
6) Implementation of various government schemes from time to time like Jammu and Kashmir Self Employment Scheme (JKSES) & Prime Ministers' Employment Generation Programme (PMEGP) etc

Case of JK Grameen Bank

The Jammu Kashmir Grameen bank was considered because it is the largest Regional Rural Bank in the state with network of more than 203 branches and 93 Business Correspondents to provide access to financial services at affordable price with convenience. Some initiatives by bank for promoting financial inclusion are as under

1) Opening new branches mostly in rural places.
2) Organized Special camps under Pradhan Mantri Jan Dhan Yojana scheme for opening Bank accounts of unbanked people with minimum deposits and providing accidental insurance.
3) Being a RRB it engages more business correspondents in unbanked areas.
4) Hold Financial Literacy Camps for awareness of financial services.
5) Distribute KCC to provide cheap finance to farming community so as to improve their living and covering unbanked villages with population of over 2000 through ICT.
6) Micro Finance facility for empowerment of socially underprivlidged groups.
7) Self Help Group for delivering credit at minimal transactional cost & defaults.
8) No frills account, An account with 'zero' or minimum balance.

Quality Dimension: Proposed Calculations for Measuring Quality Index

In order to show how quality dimension can be added in calculation of financial inclusion index, few common and most important initiatives i.e. Opening new ATMs and covering villages through Information and Communication Technology for financial inclusion has been taken.

Initiative 1: Opening of new ATMs for financial inclusion

For measuring the quality dimension of this initiative, data regarding numbers of ATMs opened and their corresponding increased usage (by measuring the strikes) is used. This increased usage is inclusive of both the existing ATMs as well as the newly opened ATMs.

To understand this further, cases of two banks are discussed below for above initiative.

SBI

For SBI, the month wise statistics regarding number of ATMs and transactions was collected for 8 months i.e. May 2013 to December 2013 (RBI,2014). Linear Regression was applied to this data to obtain regression equation in order to forecast or to set benchmark regarding the required increased transactions or strikes for any increased number of ATMs.

Table 1

Month	No of ATMS	Strikes/Transactions
Apr-13	28274	193074560
May-13	29096	193314674
Jun-13	29902	183684114
Jul-13	30523	194046931
Aug-13	31749	194481043
Sep-13	32777	193398000
Oct-13	33818	213262017
Nov-13	35162	203377082
Dec-13	36740	216326103

Since the above monthly data is cumulative in nature, so we will calculate the actual data by subtracting each value from the value of proceeding month as shown in Table 2. Also since in calculating the quality dimension of financial inclusion for ATM initiative, only the increased transactions are of relevance. However the above data in Table 1 shows that despite of opening new ATMs the transaction

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for few months June, September and November has shown decline than the previous months thereby giving negative values. But negative here means no increase usage so for simplification we have used 0 instead of negative values as shown below in Table 2:

Table 2

Month	Increased ATMs (X)	Increased Transaction(Y)
May-13	822	240114
Jun-13	806	0
Jul-13	621	10362817
Aug-13	1226	434112
Sep-13	1028	0
Oct-13	1041	19864017
Nov-13	1344	0
Dec-13	1578	12949021

Let us assume that increased transaction represented by 'Y' is the dependent variable and increased number of ATMs represented by 'X' is the independent variable. So regression equation obtained for the above data is

Equation 1: $Y = 2616713.062 + 2706.872\ X$

This equation becomes the standard (basis of previous data) to measure the quality of initiative for the next month by forecasting the increased transactions which becomes the standard for given number of newly opened ATMs. The equation shows that every month for the existing ATMs the transactions are increasing by number 2616713. However each newly opened ATM has increased transactions by 2706.

As per the statistics for the month January, 2014 regarding number of ATMs and their transactions of SBI as provided by RBI were

Table 3

Month	No. of ATMS	Strikes / Transactions
Dec-13	36740	216326103
January-14	38393	224059924

Table 3 clearly shows that in the month of January 2014 SBI opened 1653 new ATMs which is also the value of variable X. So putting the value of X in Equation 1, we get the value for variable Y

$Y = 2616713.062 + 2706.872 * 1653 = 7091172$

Here Y gives us the standard number of Transaction Increase expected for the month of January 2014 with introduction of 1653 new ATMs and it becomes the standard for measuring the quality of the initiative.

However if we refer to table 3, the actual increased transaction for January 2014 is 7733821.

So for measuring the quality dimension we propose quality index using formula 1:

Formula 1: $Qi = O/E$

where Qi is the quality index for i initiative

O is the Observed Value of dependent variable i.e. increased usage for the month or year whose financial inclusion index is being calculated and

E is the expected value of dependent variable for the month or year whose financial inclusion index is being calculated at which the quality parameter would be maximum.

The proposed Quality Index takes values between 0 and 1 as shown in figure 1

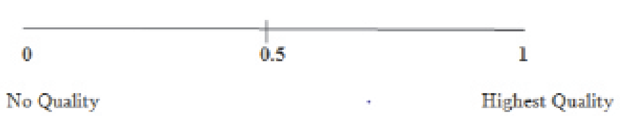


Figure 1

By putting the values we get

$Q1= 7733821/ 7091172= 1.090$

Since the upper limit of index is 1 so any value above 1 will be given highest quality index i.e. 1. Which means for the month of January 2014 the quality index calculated for SBI for Initiative 1 that is opening of new ATMs is 1 i.e. they have not only provided accessibility and has increased the usage, but the usage has increased to targeted amount. So they have been successful in achieving the quality financial inclusion for the month January 2014.

Here it should be noted that statistics has been taken for months, however if we take the statistics for past years and obtain the regression equation, it will help us in giving the correct measure of financial inclusion by adding quality dimension in calculation of financial inclusion index for the year in question.

J&K Bank

For J&K Bank, again the month wise statistics regarding number of ATMs and increased transactions has been analyzed for 8 months i.e. May 2013 to December 2013.

Table 4

Month	Increased ATMs (X)	Increased Transaction(Y)
May-13	9	109173
Jun-13	12	0
Jul-13	19	686059
Aug-13	14	10717
Sep-13	31	0
Oct-13	9	309925
Nov-13	17	0
Dec-13	10	2369

So regression equation obtained for the above data is

Equation 2: $$Y = 137121.550 + 175.790X$$

The equation shows that every month for the existing ATMs the transactions are increasing by number 137121. However each newly opened ATM has increased the transactions by 175.

As per the statistics for the month January, 2014 regarding number of ATMs and their transactions of J&K Bank as provided by RBI were

Table 5

Month	No. of ATMS	Strikes / Transactions
Dec-13	762	2874595
January-14	771	2876349

Table 5 clearly shows that in the month of January 2014 J&K Bank opened 9 new ATMs which is also the value of variable X. So putting the value of X in Equation 2, we get the value for variable Y

$$Y = 137121.550 + 175.790 * 9 = 138703$$

Here Y gives us the standard number of Transaction Increase expected for the month of January 2014 with introduction of 9 new ATMs and it becomes the standard for measuring the quality of the initiative.

However if we refer to table 5, the actual increased transaction for January 2014 is 1754.

By putting the values in formula 1, we get

$$QI = 1754 / 138703 = 0.0126$$

Which means for the month of January 2014 the quality index calculated for J&K Bank for Initiative 1 that is opening of new ATMs is 0.0126 i.e. although they have provided accessibility of ATMs and usage has also increased, but the usage increase is far below the targeted amount.

Now in order to have an exhaustive quality index other initiatives should also be considered. As previously mentioned for the study only few common and most important initiatives i.e. Opening of new branches and opening new ATMs for financial inclusion index has been taken.

Initiative 2: Coverage of Villages for financial inclusion through ICT

In order to calculate the quality index for this initiative by various banks again the observed actual value is compared against the targeted or expected

value. The statistics for the same for the FY 13-14 for four select banks was taken from the (JKSLBC, 2013).

Again by using the formula 1 we can calculate the Quality Index as shown in table 6.

Table 6

BANK	NO of villages allocated (FY13-14)	Target A/C	Progress in villages covered-Dec 13	A/C Opened	Qi
JKB	536	347237	536	277831	0.800119227
SBI	95	42750	95	36788	0.860538012
PNB	34	22436	34	11499	0.512524514
JK Grameen	95	34288	95	56089	1.635820112

Calculating financial inclusion of any area not taking quality dimension into consideration may give inadequate results. Table 6 gives us Quality index for various banks on Initiative 2 i.e. coverage of villages though ICT for FY13-14. As shown in Table 6 statistics for PNB reveals a target of covering 34 villages & 22436 households for FY13-14 and it covered all 34 villages but only 11499 households. The existing financial inclusion index based mainly on access and usage would reflect a high financial inclusion for these villages although 10937 households are yet to be covered as per the target. Its only when we take quality dimension into consideration a true picture of financial inclusion will arrive which will predict only 52% of the area is financially included and 48 % of the area is financially excluded.

Thus for calculating the overall Quality index of financial inclusion (inclusive of all initiatives) for each bank for particular time period in question we use the formula 2 as shown below

Formula 2: $$QI = Qi/N$$

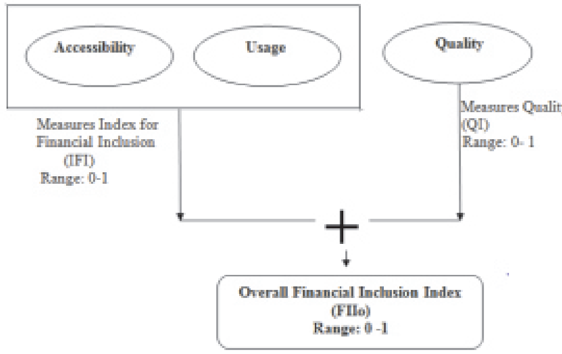
where QI is the overall Quality Index (inclusive of all initiatives) for any bank for particular time period,

Qi is the quality index for i initiative of any bank and

N is the total number of initiatives taken by the bank for financial inclusion

Thus the paper proposes Quality as an important dimension in calculation of Overall Financial Inclusion Index by giving a framework as shown in figure 2:

Figure 2



In the framework shown, quality has been proposed as an important dimension to be included while measuring the financial inclusion index for banks which can further be used to calculate financial inclusion index of the country depicting the true level of financial inclusion for particular time period. As shown in the framework, present Financial Indices covers mainly two dimensions accessibility and Usage. Index for Financial Inclusion (IFI) developed by Sarma (2008) which incorporates three dimensions i.e. simple access (penetration), availability and usage provides index in the range of 0 to 1. Here as per framework penetration and availability can be clubbed under dimension Accessibility and therefore Quality dimension incorporated to it can be useful for exhaustive and accurate analytical purposes. Weights have to be assigned to each dimension depending on their relative importance in measuring the overall Financial Inclusion Index. Although all the three dimensions considered here are equally important for an inclusive financial system, since adequate data on accessibility is present so we give it more weight as compared to other two dimensions in the present index.

Formula 3: FIIo = 0.7 IFI + 0.3 QI

where FIIo is the Overall financial Inclusion Index

0.7 is the total weight given to two dimensions i.e. Accessibility (0.4) and Usage (0.3)

0.3 is the weight assigned to Quality Dimension

IFI is the Index for Financial Inclusion

QI is the Quality Index

As the data analyzed is bank specific so the above Overall Financial Inclusion Index and Standard Quality Index is also bank specific. However the same approach if followed on the data for all commercial banks together can reflect the Standard Quality Index for all banks which can be used for calculation of Overall Financial Inclusion Index for the Country.

V. Lessons from the Cases: Gaps Identified

1. Although for inclusive growth through financial inclusion accessibility is pivotal but not adequate alone. As is evident from data analyzed that where there is increase in No. of ATMs on Month on Month basis, there have been instances of decrease in usage. One of the probable reasons for this may be that banks are opening too many new ATMs in areas where ATMs are already in place and opening few ATMs in places where there are no ATMs can be fruitful for finanacial inclsuion. Thus it emphasizes need for introducing quality dimension in addition to accessibility and usage while measuring financial inclusion.

2. Regional Rural banks like JK Grameen Bank is not operating through ATM's which is an important access channel in today's era. Although having RRB's in place has helped in accessing/penetrating in rural areas but the usage of financial services has not picked up very well, for which one of the probable reason can be no ATM's opened by RRB's.

3. While accessibility is prerequisite for financial inclusion, however calculating financial inclusion of any area not taking quality dimension into consideration may give inadequate results. As is highlighted by 91st JKSLBC's data were PNB with a target of covering 34 villages & 22436 households covered all 34 villages but only 11499 households were covered. It is noted that existing financial inclusion index based mainly on access and usage would reflect a high financial inclusion for these villages although 10937 households are yet to be covered as per the target. Its only when we take quality dimension into consideration a true picture of financial inclusion will arrive which will predict only 52% of the area is financially included and 48 % of the area is financially excluded.

4. While engaging Business Correspondents (BC) has been realized of vital importance in penetrating the unbanked areas, many banks like PNB have not yet engaged BC.

5. Banks can accelerate their efforts to meet the SLBC targets particularly with regard to opening of new branches. As in case of J&K Bank target was 134 branches (FY 13-14) however only 68 branches were opened by December 2013 and in case of SBI with target of 21 branches (FY 13-14), no branches were opened by December 2013.

CONCLUSION

Based on the study conducted the paper reveals that although providing access to financial services which may be through opening of new branches, new ATM's, covering unbanked villages (population) etc. is perquisite for financial inclusion, but index for financial inclusion which is calculated without taking quality dimension into consideration may give inadequate results. So to ensure that financial inclusion index gives the true picture of level of finacial inclusion, the proposed approach of adding quality dimension to existing index can be of immense use and very useful for exhaustive and accurate analytical purposes. The study of select banks in J&K reveals that the concept of financial inclusion is incomplete without incorporating Quality Dimension. Further there is scope of future study where the same approach of finding quality index can be applied for calculation of Overall Financial Inclusion Index for the Country (considering all initiatives) rather than being bank specific. It is pertinent to mention here that the usage of quality dimension not only lean down the process of calculating Overall Financial Inclusion Index but will also make the future planning process of financial Inclusion more effective. Thus the framework proposed in the study highlight three main dimensions i.e. accessibility, usage and quality as imperative for exhaustive financial inclusion measurement.

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BRIEF PROFILE OF THE AUTHORS

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Effect of Auto Ownership on Financial Well-Being of Auto Drivers - A Study Conducted Under Research Promotion Scheme of AICTE

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With increasing population and rapid urbanization, urban transport demand in India continues to grow. The public transport vehicles connect most parts of the city but do not penetrate the interior destinations. This has led the commuters to shift to intermediate private transport for daily commutes. Auto drivers play a very significant role in urban and semi urban local transport. They complement the services provided by public transport. But, the plight of the drivers is a matter of concern. Many people enter into this auto driving profession with hopes of earning a decent livelihood. Many auto drivers own the autos and many rent them. In this paper we have made an attempt to find the relative advantages of owning autos on their daily earnings. This paper also delves into the association between the auto ownership and possession of various financial products using Chi Square analysis. Based on our research we conclude that ownership of an auto has hardly boosted their daily earnings. However ownership of an auto has impacted on possession of few of the financial products such as bank account and life insurance. However the same cannot be said about other financial products such as medical insurance and debit/credit cards.

INTRODUCTION

With increasing population and rapid urbanization, urban transport demand in India continues to grow. McKinsey & Company in 2010 reported that population in Indian cities is expected to increase by around 250 million in the next 20 years , bringing enormous growth in urban travel demand. It is projected that total daily passenger trips in 87 major urban centers in India will more than double from around 229 million in 2007 to around 482 million in 2031 (Ministry of Urban Development 2008). The number of registered vehicles across the country has increased tremendously. Bangalore alone has 5559730 vehicles (as on 31-3-2015) with around 30 lakh two wheelers, 11 lakh cars and 149944 auto rickshaws.

There is public transportation mechanism which caters to a majority of the travel requirements of people travelling within the city in addition to personal transport vehicles used by individuals. Though public transport vehicles connect most parts of the city, they do not penetrate the interior destinations. According to the National Urban Transport Policy (NUTP), launched in April 2006 by the Ministry of Urban Development, Government of India (MoUD, 2006), the deteriorating quality of public transport in many cities has led commuters to shift to intermediate private transport for daily commutes. Also, many people cannot afford private

vehicles. Auto rickshaws provide an intermediate public transport solution due to the advantages of flexibility, affordability, availability, safety and last mile connectivity.

Auto rickshaws cater to a wide cross-section of society, across age, gender and occupations, but largely belonging to middle/upper-middle and high income groups. They become an important mode of transport especially for those deprived of personal mobility, either because they are legally not permitted or do not know how to, and who do not or cannot afford private vehicles.

Para transit index, which measures the number of intermediate transport vehicles (Auto rickshaws, taxis and cabs) per population of 10,000 (Bangalore Mobility Indicators 2010-11) gives an indication about the growing importance of auto rickshaws in Bangalore.

Table: 1 Comparative statistics for the years 2011 and 2015

Parameters	2015	2011
Bangalore city Population in 2015	10,178,000	8954594
Number of registered autos	149944	129818
Taxis and cabs	80204	41190
Para transit index	226.12	190
In 2008 Para Transit Index was 185		

As shown in the table, there is a positive shift in the para transit index from 185 in 2008 to 190 in 2011 and further increase to 226.12 in 2015. This shows that more and more people are engaging into auto driving as a profession. They start with the hope of earning a handful of income so as to be able to support their families. But do the drivers ever get into the financial mainstream is a question which remains unanswered. The present paper delves into the various aspects of financial sustainability, and to investigate whether owning an auto does any good to the financial well-being of the drivers.

LITERATURE REVIEW

Aparna Bhat (2012) This paper discusses the procedure of setting fare of autos in Mumbai. It is trying to examine the political economy in this context. The paper also examines the validity of the reasons for imposing the regulations in the auto rickshaw system, and thus for the creation of the political economy.

S Subendiran (2014) This paper mainly focuses on understanding the socio-economic problems of auto-drivers in Palani and to understand and identify the explicit and implicit causes of stress / erratic inhospitable behavior Study the role of social-organizations in uplifting the living standards of the auto-drivers. They are trying to understand the entire ecosystem for this segment of the society. They very clearly have demonstrated positive correlation between stress and other factors such as debts, financial awareness etc.

Subhashree Natarajan and T.K.T Sheik Abdullah (2014) -

This study concentrates on the current socio-economic condition of auto rickshaw drivers, the prospects and problems encountered by the stakeholders and the role of social organizations in transforming the lives, at large, in Chennai. The study has not taken into account the ownership of autos operated and number of dependents. The author is relating the economic crunches to the stress levels and their behaviour.

Ms. Radha Chanchani, Ms. Fagun Rajkotia, et al., in their study titled A Study of the Autorickshaw sector in Bangalore City: Suggestions for Improved Governance. Bangalore: Indian Institute of Science-(2012)This report is a comprehensive one, covering all the aspects of this sector in Bangalore. The daily operating economics of auto driving has been studied elaborately. The calculation given in this paper depicts that the owner of an auto will approximately earn 50% more than the person who drives a rented auto in case of a two stroke auto. However incase of 4 stroke autos the owners earn 40% more than the drivers who rented the autos.

While most of the studies have focused on fare setting, health issues and financial awareness, not many studies have considered the issues of financial well-being of auto drivers. The current study is an attempt to focus on relationship between ownership of the auto and financial condition of the auto drivers.

RESEARCH DESIGN

A. *Objectives of the Paper:*

1. To draw an insight into the criteria for considering auto driving as a profession.
2. To delve into the daily economics of auto drivers.
3. To investigate the association between the ownership of auto rickshaw and possession of financial products such as bank account, life insurance, and medical insurance and debit/credit card.

B. *Data collection and analysis*

The primary data for the study was collected by administering schedules to 300 auto drivers in Bangalore, out of which 255 were complete and suitable for analysis.

Descriptive analysis was used to understand the criteria for considering auto driving as a profession and to understand the daily economics of auto drivers.

Chi-square analysis was applied to investigate the association between ownership of auto rickshaw and possession of financial products among Auto drivers.

C. *Operational definition*

Financial well-being is measured by the auto drivers' earning and savings ability, ownership of auto, having a bank account, life insurance, medical insurance and their owning of debit/credit cards.

D. *Hypotheses*

The following hypotheses were tested.

Hypothesis 1: The drivers who own auto earn more in a day (In other words, auto ownership and earnings per day are associated)

Hypothesis 2: The drivers who own auto have bank accounts (In other words, auto ownership and possession of bank accounts are associated)

Hypothesis 3: The drivers who own auto possess life insurance policies (In other words, there is association between auto ownership and possession of life insurance.)

Hypothesis 4: The drivers who own auto possess medical insurance policies (In other words, there is association between auto ownership and possession of medical insurance.)

Hypothesis 5: The drivers who own auto possess debit/credit cards (In other words, there is association between auto ownership and possession of debit/credit cards.)

E. *Limitations:*

We collected data from 300 people and only 255 of them were fit for analysis. The sample size is not large enough to generalize to the population. The responses from the Auto drivers are considered to be true and final.

RESULTS AND DISCUSSIONS

Key findings:

- Out of 255 auto drivers, 51.2 percent belong to the age group 26 to 40 years.
- 71.9 percent of them are educated up to SSLC or less.
- The majority of the drivers (82 percent) are married.

- 46 percentage of the sample have over ten years of experience of driving Auto-rickshaws.
- 51 percentage of these drivers agreed that the 'self-employment' feature of this profession attracted them the most.
- 44 percent of them are satisfied with the profession they have chosen.
- Another important point to be noted is that 92 percent of the samples do not have any other alternate source of information and income from autos is the only source of income.
- 64 percent of the drivers have their own Auto Rickshaw and 29 percent of the people who have rented their Autos pay Rs. 150/- per day.
- 36 percent of the drivers earn only 200 to 400 rupees day. 38 percent of the Drivers earn around 400 to 800 rupees per day. However, 19.4 percent of people earn between 800 to 1200 rupees and only 4 percent of drivers even earn up to 1500/- rupees per day.
- 69 percent of the drivers are able to save their earnings for their future requirements and 28.7 percent of them are able to save between 1000 to 3000 rupees.
- A good 54.3 percent of the drivers drive auto for 9 to 12 hours in a day and 39.9 percent of them are able to serve 10 to 20 customers in a day. 34.5 percent of the people even serve 20 to 30 customers also.

The results of hypothesis testing are presented under:

F. *Chi Square analysis*

Table 2: Association between Average earnings and rented/own auto

Particulars	Range	Auto Ownership		Total
		Own	Rented	
Average earning per day	200-400	**63**	**32**	95
	400-800	61	37	98
	800-1200	29	21	50
	1200-1500	11	1	12
Total		164	91	255

Table 3: Chi-Square Test

Statistic	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.129a	3	.163
Likelihood Ratio	6.085	3	.108
N of Valid Cases	255		

Among 255 drivers who were surveyed, 164 owned auto rickshaws and 91 drove rented autos for a living. Most of the drivers earned 200 to 400 rupees per day and a good number of people even earned from 400 to 800 rupees also. A small number of the drivers earned from 800 to 1200 and a handful of them even earned up to 1500 as well. But when compared, similar pattern is observed among drivers of rented autos and own autos. ($\chi 2$=5.129, d f=3, p=0.163). Hence the association between the ownership and average earnings per day is not significant.

Thus we can conclude that ownership is not advantageous for the driver in improving his daily earnings.

Table 4: Association between Auto Ownership and possession of Bank account

Particulars		Auto Own or rented		Total
		Own	Rented	
Bank account	No	31	35	66
	Yes	133	56	189
Total		164	91	255

Table 5: Chi-Square Tests

	Value	Df	Asymp.Sig.(2-sided)
Pearson Chi-Square	10.293[a]	1	.001
Likelihood Ratio	10.030	1	.002
N of Valid Cases[b]	258		

Among 255 drivers who were surveyed, 164 owned auto rickshaws and 89 drove rented autos for a living. Among the auto owners, as many as 133 drivers do hold a bank account and 31 of them don't. Among the rented auto drivers, out of 91 drivers, 56 of them have a bank account and 35 didn't have the same.($\chi2$ = 10.293, d f = 1, p = .001). Thus we conclude that ownership of auto is significantly associated with possession of bank account. One of the reasons for this strong association could be the requirement by financial institutions to sanction loans for the purchase of autos.

Table 6: Association between Auto Ownership and possession of Life Insurance

Particulars		Auto Own or rented		Total
		Own	Rented	
life insurance	No	89	75	164
	Yes	75	16	91
Total		164	91	255

Table 7: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.912[a]	1	.000
Likelihood Ratio	21.126	1	.000
N of Valid Cases[b]	255		

Among the auto owners, 75 persons possessed a life insurance policy, whereas 89 of them didn't. Among the rented auto drivers only 16 of them possessed a life insurance policy and as many as 75 of them didn't have a policy. ($\chi2$ = 19.912, df = 1, p = 0.000). Hence we conclude that association of auto ownership and possession of life insurance is strong and significant. The reason for this association could be financial prudence among auto owners (which led them to own an auto then drive a rented auto).

Table 8: Association between Auto Ownership and possession of Medical Insurance

Particulars		Auto Own or rented		Total
		Own	Rented	
Medical insurance	No	140	81	221
	Yes	24	10	34
Total		164	91	255

Table 9: Chi-Square Tests

Statistic	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.241[a]	1	.265
Likelihood Ratio	1.284	1	.257
N of Valid Cases[b]	255		

Among the auto owners only 24 people possessed medical insurance and 140 of them didn't have a medical policy. Among the rented auto drivers, only 8 people had and 81 didn't have medical insurance. ($\chi2$ = 1.241, df = 1, p = 0.265). We can conclude that there is no association between auto ownership and possession of a medical insurance. Not many auto drivers have medical insurance and that makes them vulnerable in times of ill health and hospitalization. This is true for both owners of auto and those who drive rented autos.

Table 10: Association between Auto Ownership and Possession of Credit/Debit cards

Particulars		Auto Own or rented		Total
		Own	Rented	
Debit/Credit Cards	No	152	85	237
	Yes	12	6	18
Total		164	91	255

Table 11: Chi-Square Test

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	0.178	1	.673
Likelihood Ratio	0.181	1	.671
N of Valid Cases	255		

Among the auto owners, as many as 152 drivers did not possess debit/credit cards and only 12 possessed the same. Among the respondents who rented the auto, only six out of 91 possessed debit/credit cards. The difference between drivers in debit/credit card possession based on auto ownership was insignificant ($\chi2$=0.178, d f=1, p=0.673). Thus, we conclude that auto ownership has not contributed in debit/credit card ownership. Auto drivers may not be possessing Debit/Credit cards as they may not be

aware of the benefits or may not have bank accounts in the first place. However, this is a matter which can be taken for further investigation.

Suggestions

Financial well-being is measured by the auto drivers' earning and savings ability, ownership of auto, having a bank account, life insurance, medical insurance and their owning of debit/credit cards. The current study reveals that auto drivers lacked in possession of most of these facilities/documents. Based on the findings of the study and the discussions we had with the drivers and their associations we suggest the following:

- Reasons for auto drivers for not having an account could be lack of awareness and absence of evidential documents. Mass drives like Jan Dhan Yojana can help to create awareness and open bank accounts.
- More campaigns can help in creating awareness about benefits of life insurance and medical insurance. So that more people can buy insurance.
- Possession of bank account is mandatory to avail the benefits of insurance and other services. Hence opening a bank account is the first step towards owning other financial products.
- Possession of debit/credit cards indicates the awareness of the auto drivers about the product and related advantages. This financial product knowledge gives them additional confidence and helps in better planning and management of their earnings and savings leading to asset (auto rickshaw in this case) ownership. Most of the auto drivers do not have debit/credit cards. Debit card is given to customers as additional feature to bank account. Hence first step to financial awareness and planning is possession of a bank account.

By ensuring the possession of the above said financial products, we can bring them under the umbrella of financial inclusion. By doing this we can help them to lead a better life.

CONCLUSION

Auto drivers play a very significant role in urban and semi urban local transport. They complement the services provided by public transport. But, the plight of the drivers is a matter of concern. Their annual incomes are around 152,000 per annum in case of own auto and 136,000/-(as per the 2012 IISc study) in case of rented autos. Auto Rickshaw drivers come from economically backward class of the society and most of them found to be educated up to SSLC or less. It is strongly felt that the incomes of the drivers are marginal. Their savings are insufficient and average earnings are just enough to meet both the ends meet. With around five dependents vying for a share of their earnings, it looks almost impossible that there will be any positive transformation in their lives for years to come. They are not in a position to include themselves, into the financial mainstream by taking the benefits of various financial instruments like life insurance, medical insurance, Bank account and debit/credit cards.

Based on our research we could say that ownership of an auto has hardly boosted their daily earnings. However ownership of an auto has impacted on possession of few of the financial products such as bank account and life insurance. This association between possession of bank account, life insurance and auto ownership could be because of the awareness among the drivers about life insurance and mandatory requirement of bank account for loan disbursal by banks for purchase of auto rickshaws. However the same was not true for other financial products such as medical insurance and debit/credit cards. The reasons could vary from 'not being aware of' to 'no interest', or 'not needed'. The other question which needs to be addressed is their ability (or otherwise) to face and overcome the challenges due to medical and other financial emergencies.

This study has thrown some light on the financial wellbeing of auto drivers. However the reasons behind possession or non-possession of some financial products still remain unexplained. This area can be considered for further research.

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Assessing Impact of CSR in Business Leverage of Commercial Banks in Bangladesh

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Traditionally there prevails a perception and mind set among many a managers in business as well as academicians, both in developing as well as developed economies, that Corporate Social Responsibility (CSR) performance are Philanthropic with no regard to profit and profitability of the business. In this connection, the present study attempts to examine the pattern of impact of CSR practices in leveraging the banks business in Bangladesh. The study is exploratory in nature and conducted on the basis of a pilot survey to test the magnifying ability of CSR practices in generating business of CBBs in some selected areas. A set Questionnaire as well as Interview method has applied for this study. There is a number of sample comprising of the beneficiary under different categories of CSR activities of the Bank and secondary data, which has been taken from "Review of CSR Initiatives in Banks", Annual reports of the respective banks, magazines and websites. We have found that the trends of CSR initiatives are positives. It has also been observed that a positive relation between CSR expenditure and banks' business leveraging.

Key words: *Bangladesh, Corporate Social Responsibility, Commercial Bank, Impact, Leverage.*

PRELUDE

Corporate Social Responsibility (CSR) is a concept whereby organizations consider the interests of society by taking responsibility for the impact of their activities on stakeholders as well as the society. The role of businesses in society is no longer focused on creating wealth alone but is also focused on acting responsibly towards stakeholders. Traditionally there prevails a perception and mind set among many a manager in business as well as academicians both in developing as well as developed economies that Corporate Social Responsibility (CSR) performance are Philanthropic; there is no regard with profit and profitability of the business. As such, CSR to them has been emerged not at all a part of their business plan and, thus, it apparently appears to have been involved in an apathy in contributing towards development or to solve social issues; which is turn leads to the ceaseless accumulation of wealth in the hands of a few and accumulation of unlimited ownership by a few corporate leaders. Consequently, a serious exclusion is and has been occurring all-around. The stark reality and gravity of growing exclusion have been compelling many a corporate houses to assume the role and recognize responsibility in fulfilling the needs of the betterment for all of us and contributing in social issues as a part of their business strategy. As a result, business houses gradually exposing more and more about their social role and performance by doing disclosure in their annual reports. It has found that there are 85 percent of USA, 98 percent of UK, and 56 percent of Australian companies are making some social disclosures in their annual report and they have indicated that more than 40 percent of these companies have reported human resource issues, 31 percent have reported community involvement, 13 percent have reported environmental activities, and 7 percent have reported energy and product related issues (Guthrie & Parker, 1990). Over two-thirds (68 percent) of the business leaders surveyed by IBM are focusing on CSR activities to create new revenue streams and Over a half (54 percent) believe that their companies' CSR activities are already giving them an advantage over their top competitors (George & Hittner, 2008). Thus, CSR practices, needless to mention, have been found to operate in many instances as good as financial variables to influence and excel the financial performance (Bolannle et al., 2012; Jarrell & Peltzman, 1985; Preston, 1975; Waddock & Samuel, 1997; Griffin & Mahon, 1997; McWilliams & Siegel, 2000; and Simpson & Kohers, 2002) as well as the profitability of Commercial Banks' Business (Azad et al.,2012; Barnea & Rubin, 2005; Bowman & Haire,1975). It transpires from the above CSR initiatives have the ability to contribute in the changes of financial result or to magnify the impact in financial performance as well as profitability of the banks'. In a recent study conducted on a stratified sample of seventeen Private, Public and Foreign Commercial Banks of Bangladesh, the customers' perceptions relating to CSR initiatives undertaken by the Commercial Banks of Bangladesh (CBBs) have been found positive (Haldar & Rahman, 2014); which perhaps suggest to assume that this positive perception might have a role and relevance in attaining business leverage in the cases of the Commercial Banks that have undertaken CSR initiatives. Keeping this in mind, present study attempts to examine the pattern of such impact of CSR practices in leveraging the banks business in Bangladesh.

LITERATURE REVIEW

A literature review is an evaluative report of studies found in the literature related to select area. The review should describe, summarize, evaluate and clarify this literature. It should give a theoretical basis for the research and help us determine the nature of present research. In this study, we have reviewed following literatures in the points of objectives, methodology and findings.

The objective of Donald's (2000) was to know the relation between CSR and Financial Performance of an organization. It was an empirical analysis. They have reported a positive, negative, and neutral impact of corporate social responsibility (CSR) on financial performance. In this paper, they have demonstrated a particular flaw in existing econometric studies of the relationship between social and financial performance. The study estimated the effect of CSR by regressing firm performance on corporate social performance, and several control variables.

Tsoutsoura (2004) explored and tested the sign of the relationship between corporate social responsibility and financial performance. The data set included most of the S&P, 500 firms and covers the years 1996-2000. The relationship was tested by using empirical methods. The results indicated that the sign of the relationship was positive and statistically significant; supporting the view that socially responsible corporate performance can be associated with a series of bottom-line benefits.

Webb (2005) has documented the relationship between capital structure (leverage) and corporate social responsibility. The study have used agency theory, a positive causal relationship was shown between leverage and certain corporate social responsibility measures.

Saleha et al. (nd) have used longitudinal data analysis, attempts to address the question of

whether CSR was linked to financial performance. It was found to be positively related to financial performance. This study suggested that local firms can achieve advanced levels of financial performance if they engage in social activities. The findings also confirm that there was limited evidence of a significant effect of CSR on financial performance in a long-term relationship.

Fauzi et al. (2007), the objective of their study was to focus upon between the relationship of corporate social performance (CSP) and corporate financial performance. For this study, they have developed two models: slack resource theory and good management theory. Through the examination of 383 firms in Indonesia, the result of the study failed to find out a significant relationship between corporate social performance and corporate financial performance in either model.

Fernanda (2010) examined the views of a group of Bangladeshi managers from various sectors in relation to CSR. This paper was an exploratory study carried out by the authors in Dhaka, Bangladesh. They have used purposive sampling. The findings revealed a significant level of awareness among the participants about CSR-related concepts and practices but 10 percent managers have no idea about CSR.

The objective of the Park (2013) study was relationship between Corporate Social Responsibility (CSR), financial performance and risk at U.S. banks from 1998-2010. It was an empirical study of the results was striking. First, there was a positive relationship between CSR and both operating performance and firm value. Second, there was a negative relationship between bank risk-taking and aspects of a bank's CSR environment. Overall, these results suggested that improving the quality of CSR at banks might go a long way towards improving individual bank performance and reducing the risk associated with U.S. financial institutions.

The research studies reviewed so far have mostly highlighted on the linkage of CSR with profit maximization, establishing brand loyalty to the organization, benefits of CSR, short term and long term impact of CSR etc. Therefore, review of available evidences support that no in-depth study has so far been conducted especially on CSR and banks' business leveraging.

OBJECTIVES OF THE STUDY

The proposed study has examined the following objectives:

1. To discuss the trend of CSR expenditure undertaken by CBBs.
2. To examine how the CSR practices impact in leveraging the banks' business in Bangladesh.

METHODOLOGY

Sample Selection

At present there are 52 Commercial Banks in Bangladesh comprising of nationalized commercial banks, private commercial banks and foreign commercial banks. Out of 52 commercial banks, only 23 commercial banks have been found pursuing the CSR practice regularly since 2008s. On the basis of purposive sampling method, for this study 10 banks who are consistently making high CSR expenditure have been drawn to form the sample for the study which represent 43 percent of total banks practice CSR regularly.

Data Sources

Primary Data: Primary data are collected through administrating a set questionnaire and conducting interview of sample beneficiaries under different categories of CSR activities of the bank in some selected areas in Bangladesh. These categories comprise of basically six selected areas, namely, education, health, disaster relief, sports, environment, and financial inclusion.

Secondary data: Secondary data are collected from "Review of CSR Initiatives in banks" brought out by Central bank of Bangladesh, published annual reports of the respective banks and their magazines and websites.

Tool

To know the impact of CSR activities on bank business leveraging, a Non-Parametric correlation test has used to find the correlation between CSR activities and bank business leveraging in Bangladesh. For statistical analysis, the study has used the SPSS 20 version. Appropriate test of significance has applied to verify the result obtained.

Test of Hypotheses

Ho: There is a no significance relation between CSR activities and bank business leveraging of CBBs.

Hα: There is a significance relation between CSR activities and bank business leveraging of CBBs.

DATA INTERPRETATION AND ANALYSIS

CSR expenditure of Selected CBBs: The goal of CSR practices is to embrace a social responsibility in bank's actions and encourage and bring about a positive impact through its activities on the environment, consumers, stakeholders, communities, public and employees as well. CSR activities of the commercial banks in Bangladesh have been broadened substantially over last five years. As of December 2012, 23 banks have adopted CSR as mainstream activities extending direct expenditure of total Taka 3047million which is seven fold larger than what they expended in 2008. CSR expenditure ten sample CBBs during the period 2008 to 2012 have shown Figure 1.

From the Table 1 and Fig. 1 above, it may be observed that during 2008 there is a large concentration in the field of health, disaster relief and sports followed education, art and culture, both in participation as well as in expenditure wise. Health and Disaster relief have occurred much more expenditure mainly because of the cyclone 'Sidr' occurred year in 2007.In the year 2009, education, disaster relief and health sectors got more attention and attracted much more expenditure for CSR activities. In 2010, Banks investment touched almost all sectors with higher quantum of expenditure. But In 2011, even though CSR expenditure in health, art & culture and disaster relief reduced considerably from the previous year but education, environment and sport persistently were getting major share of 72.94 percent of total CSR expenditure. Expenditure in art & culture decreased by 33.66 percent but expenditure on environment got doubled in 2011than that of the investment of 2010. Though, in 2012, CSR expenditure in health sector reduced from the previous year but the banks continued to maintain its major share in education, health and disaster

Table: 1 Different sectors CSR expenditure of selected CBBs. *(Millions in Taka)*

CSR Activities/	2008	%	2009	%	2010	%	2011	%	2012	%	Average %
Disaster relief	20.10	21.34	43.60	23.83	150.10	21.43	57.50	9.63	243.50	27.55	**20.76**
Education	10.40	11.04	85.50	46.55	131.30	18.71	225.1	37.69	345.19	39.03	**30.60**
Health	33.30	35.35	37.15	20.30	214.50	30.57	110.2	18.42	103.20	11.65	**23.26**
Art&Culture	.30	.32	.15	.08	100.40	14.29	56.60	9.48	76.50	8.65	**6.56**
Environment	12.50	13.27	16.50	9.02	22.50	3.21	47.50	7.96	49.40	5.54	**7.84**
sports	17.61	18.68	.40	.22	81.50	11.64	100.5	16.83	66.30	7.47	**11.14**
Total	**94.21**	**100**	**183.30**	**100**	**700.30**	**100**	**597.4**	**100**	**884.09**	**100**	

Source: (Bank, 2013), Review of CSR Initiatives of Banks by BB (2008s to 2012s).

Assessing Impact of CSR in Business Leverage of
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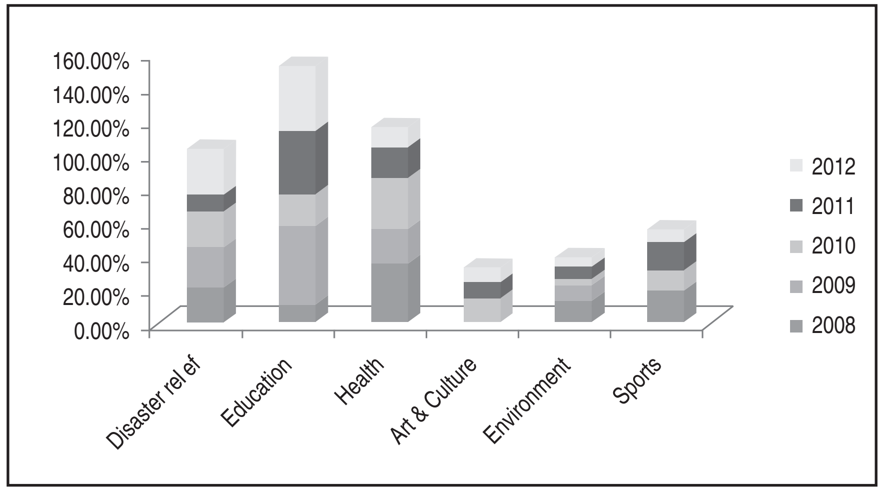
Fig.1 Different sectors CSR expenditure of selected CBBs.



Source: (Bank, 2013), Review of CSR Initiatives of Banks by BB (2008s to 2012s).

Table 2: Results of ANOVA test for the differences in CSR sectors to business leverage.

				Sum of Squares	df	Mean Square	F	Sig.
Educational branch	Between Groups	(Combined)		474.100	9	52.678		
		Linear Term	Contrast	461.824	1	461.824		
			Deviation	12.276	8	1.534	34.42	.0123*
	Within Groups			25.120	1	25.120		
	Total			499.220	9			
Government office branch	Between Groups	(Combined)		208.400	9	23.156		
		Linear Term	Contrast	178.976	1	178.976		
			Deviation	29.424	8	3.678	48.77	.030*
	Within Groups			32.100	1	23.100		
	Total			240.500	9			
Hospital area branch	Between Groups	(Combined)		1198.40	9	133.156		
		Linear Term	Contrast	1162.02	1	1162.026		
			Deviation	136.374	8	4.547		
	Within Groups			1090.00	1	51.19	22.70	.025*
	Total			1198.40	9			
Agriculture branch	Between Groups	(Combined)		3168.10	9	352.011		
		Linear Term	Contrast	3053.41	1	3053.418		
			Deviation	114.682	8	14.335		
	Within Groups			2500.00	1	119.73	25.50	.0423*
	Total			5668.10	9			
Rural branch	Between Groups	(Combined)		15862.9	9	1762.544		
		Linear Term	Contrast	15473.5	1	15473.53		
			Deviation	389.368	8	48.671		
	Within Groups			12132.0	1	524.53	29.04	.035*
	Total			27994.9	9			

relief. Education, health, disaster relief are in together amounts to 78.23 percent out of total CSR expenditure. Central Bank of Bangladesh has suggested that every bank will expense in education sector at least 30 percent out of total CSR expenditure. Expenditure on sports and environment by 56 percent and 30 percent respectively decreased in 2012 comparison to previous year in 2011. But average rate of growth on the whole in CSR expenditure from 2008 to 2012 was 92 percent.

The Impact of CSR practices in leveraging the banks' business in Bangladesh: CSR activities are mainly operating in two ways; one is business leverage activities while philanthropy is the other. Education and health sectors activities are maximum related business leverage. Educations and health sectors are in together amounts to 60 percent out of total CSR expenditure. It has been found that education, health and environment sectors CSR expenditure were long term basis and other sectors expenditure were short term basis CSR expenditure. On the other hand, sport, disaster & relief and green banking sectors maximum CSR activities has related with voluntary CSR expenditure. Most of the banks have done those activities only philanthropic view point. By the philanthropic activities every bank has increased its brand reputation. We have conducted an interview beneficiary of the largest chunk of CSR expenditure such as, Govt. Officer, University Authority, Private Hospital Owner, Public University Authority and Banks Official. It revealed from the interview that their institutions were benefited by the CSR activities, as many of them received bus, clinical instrument, and training programme. In sample population 65 percent people has said that philanthropic activities are one types of marketing strategy.

Above Table 2 shows the result of ANOVA test. It was found that by the CSR activities banks have improved their business. For our study, we have selected 5 factors e. i. educational branches, government office related branch, rural areas branches, agriculture areas branches, and hospital areas branches. The result found that there is significance relation between area base CSR activities and business leverage. The p-value for each CSR component is less than 0.05, which indicates that all the CSR activities have a significant relationship with bank business leveraging.

Table 3: Correlations output to show the relationship between CSR activities and bank business leveraging.

		BL	CSR
BL	Pearson Correlation	1	.742**
	Sig. (1-tailed)		.029
	N	10	10
CSR	Pearson Correlation	.742**	1
	Sig. (1-tailed)	.029	
	N	10	10

From the above Table 4, the results of the ordinary least square regression analysis as showed to evaluate the impact of CSR expenditure on bank business leveraging in Bangladesh revealed (Beta= 0.742, p<.05). This means that for every unit change increment the CSR expenditure will lead to .742 or 74 percent increase in the business leveraging of the bank. The R-square was 0.550 which accounted for about 55% of the variation in the bank business leveraging. It is also indicating that CSR is important in achieving effective bank business leveraging in Bangladesh. The overall significance of the model is showed in the table (F-statistic= 9.786, p<.05) and the Durbin-Watson state that the model is fit at 1.734. Above all, the model revealed that 55% of the variance of business leveraging is been explained by the benefit accrued from CSR. The value of ("r"= 0.742, p < .05) which stand for "r" calculated. This shows that there is positive correlation between CSR expenditure and the bank business leveraging in Bangladesh. This is significant at the 0.05 level (1-tailed). This mean that the null hypothesis is rejected thereby leading to the acceptance of the alternative hypothesis.

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DISCUSSION AND FINDINGS

From the above analysis the following major findings are outlined as given below:

(1) The study found that the trend of CSR initiatives are positives and the average growth rate of CSR expenditures in terms of allocation of total fund is nearly 92 percent which otherwise indicates an impressive flow towards discharging CSR expenditure.

(2) The study found that in a statistic measure for a time period, CSR expenditure of banks as percentage of their after tax profit is minimum 0.06 percent to maximum up to 15.87 percent from 2008 to 2012.

(3) The study found that the major areas of CSR expenditure were education, health, disaster relief which in together covered nearly at 66.48 percent out of the total allocated CSR expenditure fund.

(4) It also appears that increasing trend of CSR expenditure over the study period both directly or indirectly propelled the volume of business, branch expansion, and account mobilization. These leveraging CSR activities are tremendously helping the local people through direct intervention and also through indirect route such training programme, free schooling, health care centre etc.

(5) It reveals that many banks are initiating and implementing various CSR activities through directly, setting up their own foundation or in partnership with NGOs.

(6) The study found that business leveraging activities CSR expenditure is higher than philanthropic activities CSR expenditure. On the basis of responses 55 percent have said that philanthropic activities are one type of marketing strategy.

(7) The study found that the result of hypothesis is a positive relation between CSR expenditure and banks' business leveraging. By the CSR activities banks have accomplishment some social needs, on the other hand banks leveraging their business.

CONCLUSION AND RECOMMENDATIONS

The growing awareness of the issue of corporate social responsibility has raised the questions about how responsible behavior of banks would impact business leverage. This paper investigates the impact of corporate social responsibility on business leveraging. An essential contribution of the present study was the assessment of the link between social responsibility and banks business leveraging which, to the knowledge of authors of this paper, has not been investigated before. It is interesting to see that banks that do more activities in favor of their external stakeholders are also seen as higher contributors towards their CSR activities. According to our interpretation, this may be an evidence of the fact that banks do not only attempt to show their responsibility to build a better image or reputation, as declared by the critics, but while demonstrating a higher external responsibility they are simultaneously fulfilling their obligations towards society. Hence, our findings confirm the raised hypothesis stating that assessments of internal CSR are higher in banks that are viewed as more engaged in business leveraging social responsibility.

Certain recommendations have been listed on the basis of above discussion and survey result.

(1) In Bangladesh CSR expenditure tax rebate bar at present 10 percent, if it is increase up to 50 percent CSR expenditure trend will increase more than previous.

(2) Government of Bangladesh fixed up maximum CSR expenditure limit (20 percent of gross profit or 8 crore in taka which is less) but not mention lower limit of CSR expenditure. If Government indicate minimum amount of CSR expenditure that will good for taken CSR initiatives.

(3) Government can encourage economic players to consider ethical, social and environmental criteria. If Government should play the role of motivator, enabler, facilitator rather than director of CSR that will good for banks' business leveraging.

(4) Social audit should be conducted by an external agency to assess the CSR performance of the bank because monitors banks fairly investment in social responsibility so as to avoid some bad managers who records high costs on paper for CSR to avoid tax/reduce tax burden and without given anything back to the society.

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Book **Reviews**

Chris Brooks,
Introductory Econometrics for Finance, 2nd edn.
Cambridge University press,
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Choosing a book for a book review is always an interesting choice from an author's and teacher's standpoint. I have chosen this book because I have been recommending this to my doctoral candidates and early career researchers in the area of finance research. This is an excellent book that is easy to read and provides excellent examples for early career researchers to understand practical problems from a researcher's standpoint.

Introductory Econometrics for Finance is a unique book that provides a mix of fundamentals, theory and practice. Each section provides theoretical perspective for the model(s) discussed and provides practical examples to estimate the model and brief interpretation of the output from the model. Program examples for Eviews and RATS (2nd edition has a separate RATS handbook which was part of the first edition) are also provided with the explanation for the results output. This book provides an excellent training module for beginning researcher.

Book contains 14 Chapters. Introduction chapter discusses basics in finance and econometric research. This Chapter also includes discussion on data, econometric packages and most importantly mentioning the idea that research in not pure and one ought to be critical when reading and appreciating research. I generally tell my students the value of critique in reading and writing of research. One must always keep an open mind and question findings of other researchers.

From Chapter 2 to 13 the book discusses different models starting with linear regression models followed by univariate models, multivariate models, modelling long run relationships, volatility switching models and analysis of panel data. Final Chapters deal with issues such as limited dependent variables and simulation methods. There is a specific Chapter on undertaking a research project that deals with the specific issues from selecting the topic to selection of software and data.

Final Chapter of the book discusses recent developments in the area of finance research and concludes with the future of financial modelling and research.

I have found this book to be immensely helpful for early researchers who aim to start research in the area of empirical finance. I have recommended this to all my doctoral candidates and can recommend to everyone.

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Viral Marketing and Social Networks

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What works wonders and what fails are questions that perpetually distract the marketers. These questions are even more important if entrepreneurs and small business owners are chalking advertising strategies for their organizations. Further, the options and media available for marketing have proliferated extensively along with the descent of the traditional media and surge in the new media and marketing options. Thus, in the present marketing scenario, with the evolution of the World Wide Web, there are various innovative opportunities for the organizations. In this backdrop, this book, 'Effective Advertising Strategies for Your Business', by Dr. Cong Li is an interesting and in-depth account of advertising strategies for academic understanding and marketing application. Dr. Cong Li is an assistant professor in advertising at the University of Miami's School of Communication and teaches advertising, marketing, and communication courses at both the undergraduate and graduate level. His present work is structured into eight chapters spanning across 132 pages and is published by Business Expert Press in 2015 in both print and e-book versions (Print ISBN: 9781606498682, E-book ISBN: 9781606498699). The book is relevant and is good read for students, academicians, entrepreneurs and marketing experts.

The title of the book is apt and precise and the strength of the book under review is primarily the need and currency of the concept. The first chapter describes the basic practices in the advertising world along with the key terminologies in the advertising industry. The author vividly explores the old and the new meaning of advertising suggesting that the 'internet blurs the line between the interpersonal media and mass media'. The author makes a key point suggesting that using new tools and in the new age advertising is not necessarily paid, mass media may not be the only media used for advertising and advertising can be focused on a single customer at a time. The author also explores the creative and strategic nature of advertising.

The second chapter explores the targeted strategy, the individualized strategy and the standardized strategies of advertising. The nature of each type of strategy as well as the requirements of the organization adopting these strategies is explored in this chapter. It is a very simple explanation of the core concepts. The third chapter explores the implementation of the standardized strategy of advertising. The author makes a compelling point stating that '...to adopt this strategy, the business' core value should have a universal appeal to all customers'. The customers do not have to be treated differently and the database is also not required in this case as stated by the author. The author however does not provide a critique of the use of this type of advertising.

The fourth chapter discusses how a targeted message should be crafted. The clear message given is that for targeted advertising the product should have a distinctive appeal for a particular group of consumers. This requires undertaking research for identifying the specific characteristics of the consumers to be targeted. The implementation of this type is discussed via an interesting case of Audi which makes the use of this type of advertising strategy imperative. The next chapter suggests that the individualized strategy should be used when the organization has the capability of meeting each customer's demand separately. Chapter six provides insights regarding gathering consumer information for advertising. For long term and trustworthy relationship with the consumers, the organizations have to ensure that consumer information is collected effectively, database maintained properly and consumers contacted appropriately.

The incorporation of consumer insights into advertising is discussed in chapter seven. The author states that though it is important to incorporate consumer insights into advertising, the companies have to be aware that the consumers' preferences may be unstable and fuzzy. There are several other situational factors that may also impact advertising effectiveness and these have been deliberated in detail by the author. The book culminates in chapter eight, which summarizes how the different advertising strategies should be integrated.

This book was a much needed primer in the marketing domain. The author provides a framework for students, academicians and practitioners to assimilate information about advertising strategies. A suggested improvement is the inclusion of visual descriptions, tables, models and figures in the next edition. Further, for making it more useful as a text book, empirical research studies in this field can be quoted along with the discussion of their results. Finally, this book will help the reader in understanding the fine differences in the concepts related to advertising and the technical jargon as well. The author describes the actual cases in companies and this will provide guidance to management practitioners, entrepreneurs and small businesses. With the few suggested refinements, this book can be a part of the regular syllabi of the management programmes teaching related courses.

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