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ACUITAS

The Journal of Management Research

CONTENTS:

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ACUITAS

The Journal of Management Research

Aims and Scope

Acuitas is the Latin word which means ***sharpness of the vision***. While meeting its high academic quality standards it carries an eclectic and diverse mix of papers from every field of management. Its objective is to disseminate knowledge of interdisciplinary research and cross-functional issues.

Acuitas - The journal of Management Research is a bi-annual journal of Dr. Ambedkar Institute of Management Studies and Research, Deekshabhoomi Nagpur. It is a peer reviewed National journal. Addressed to management practitioners, researchers and academicians.

Acuitas aims to engage rigorously with practices, concepts and ideas in the field of management, with an emphasis on providing managerial insights. The journal is an, academic endeavour, committed to encouraging research in the management field.The journal provides the forum for the dissemination of new ideas and innovation in every field of management.

From the EDITOR IN CHIEF's Desk……..

"You don't write because you want to say something; you write because you have got something to say", ruminating on these words I am proud to present to you the second issue of the fifth volume of our Bi-Annual management journal ACUITAS. Our objective is to provide platform to all those authors who would like to share their research work on varied aspects of management.

I duly acknowledge the support, proper assistance, motivation received from our patrons, advisory board and editorial board. I also duly acknowledge all the contributors of research papers included in the journal.

Out motive is to publish the most excellent research papers in management and we wish to provide 'ACUITAS' as a vehicle for the same. Your suggestions for further improvement of our journal are always welcome. We strive for increased accountability and all concerns and suggestions can always be directed to me.

Looking forward for a long term association with you all!

Thank you.

Warm Regards,

Dr. Sudhir Fulzele

Director, DAIMSR

ASSESSING FINANCIAL HEALTH OF SELECT CEMENT COMPANIES IN INDIA FROM AN INVESTMENT PERSPECTIVE (2012-2017)

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Abstract

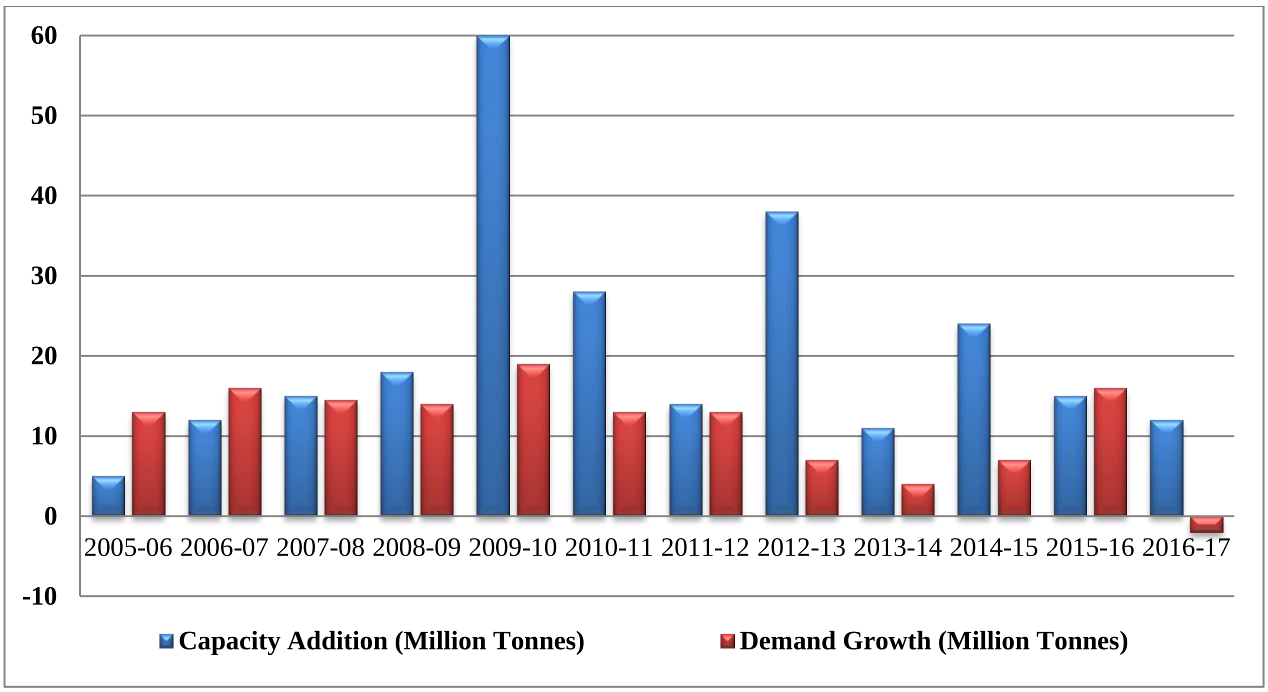
In the present world of competition what makes an industry robust is nothing other than its financial health. Financial health being the mainstay of every industry needs continuous assessment so as to ensure its continuation. It is incontrovertible that the prospective investors would like to invest only in such industrial sectors the financial health of which is vibrant. With the massive growth of real estate sector and the consequent construction boom, the demand for the associated items being used in the construction activities increased enormously which in turn caused for the growth of respective industrial sector. But was this growth in demand enough as compared to the massive capacity expansion that the cement companies had undertaken in the recent years remains a question to be answered.

Altman Z Score has been a model for evaluating the possibility of loss to an investor due to bankruptcy of a manufacturing company. Cement industry in India is a front runner in the manufacturing space and is assumed to grow with the growth in the Indian economy. As such with widespread infrastructure development in the form of cement roads, metro lines, airports and ports make it a sector worth evaluating before investing in the same. This study aims to guide the investors when they think of investing in the cement sector; with the help of Altman Z Score.

Introduction

There has been a lot of focus of successive governments on infrastructure development. By infrastructure, the implication here is the physical infrastructure as in roads, ports, etc. The Union Budgets for quite some years have allocated a good amount of money towards the development of infrastructure projects. These announcements have had a considerable impact on the cement industry as can be seen in the capacity expansion in the last 10 years [see Chart 1]. But the hope with which the capacity expansion was undertaken has not been met with equal enthusiasm. Rather, the demand for cement has been negative in the 2016-17 fiscal.

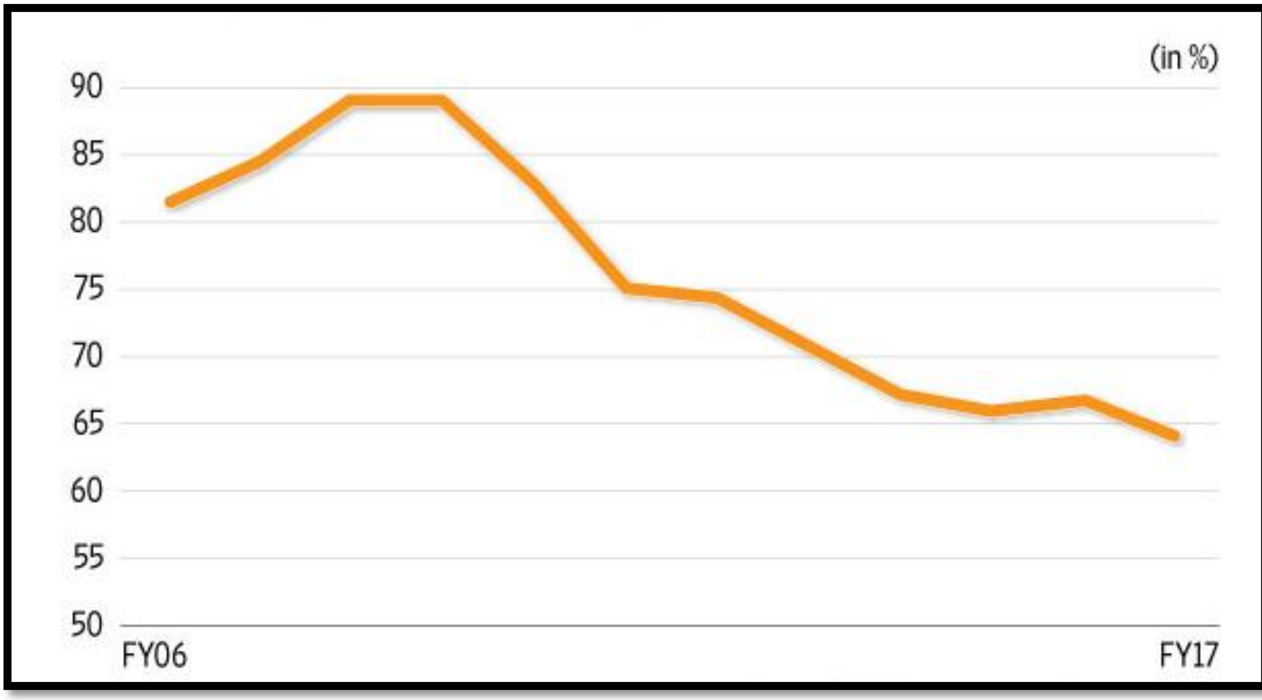
Chart 1: Capacity Addition & Cement Demand Growth



Source: Crisil, Nomura research, company data

As per CRISIL, in the coming five years (2018-2023), cement demand is expected to increase at about 6-7% CAGR, on the back of fresh government spending in affordable housing, marginal uptick in private housing and fast growth in urban infrastructure, road, and irrigation spending. At the regional level, eastern states followed by central and northern regions should see healthier growth in demand over a low base as the state governments focus more on infrastructure development.

Chart 2: Cement Capacity Utilization Rates



Source: Crisil, Nomura research, company data

After China, India has the second largest cement industry in the world. The Indian Cement industry predominantly comprises of 20 companies who account for over 70% of the market. Whereas, no company has over 15% market share. Bigger players like L&T and ACC have been doing quite well in narrowing the gap between the demand and supply. The largest consumer of cement is the private housing sector followed by the government infrastructure sector. Cement industry in the recent years have seen a slump in the demand which is evident from the poor capacity utilization of the cement companies. Actually the cement companies had created a lot of capacity and have struggled to find enough demand to effectively utilize their capacities. This means cement companies have major operating leverage due high fixed operating costs on account of capacity expansion. And because the demand has not been that encouraging the excess capacities have become a burden for the cement companies.

The focus of the NDA Government on infrastructure development and housing should lead to robust demand from housing construction and other infrastructure development projects. Looking at the current scenario it is necessary to assess the profitability of Cement Industry to help the investors take informed decision while they analyze possible sectors where they could invest their money.

Review of Existing Literature

Sr. No.	Author of Study	Year of Study	Conclusion
1	Altman	1946	Find out the bankruptcy model.
2	Aziz	1989	Emphasized in his article that accrual accounting ratios were shown to predict bankruptcy accurately for manufacturing industries.
3	Gupta	1997	Study the objectives of building a forewarning system of corporate sickness.
4	Praveen Kataria	2002	Study of healthy companies was match with the sick companies on the basis of industry composition size.
5	Selvem	2004	Study analysed about the practical implication of accounting ratio in risk evaluation.
6	Sharma	2005	To Study productive efficiency which combines both technical and allocate efficiencies for the cement industries in India?
7	Joshi	2008	Study to estimate the real rates of return to invest in the public and private cement companies.
8	Bhaya	2009	Study to measures the financial distress of cement industries and concluded that it is likely to become insolvent in the year to come.
9	Mina & Taleb	1995	Study to financial statements is like a fine perfume to be sniffed but not swallowed.
10	Abraham Brillofff	1998	Study to used financial ratios with The Z-Score Model to predict corporate bankruptcy
11	Ohlson	1990	Study to use financial ratios to predict a firm's crisis.
12	Jahur & Praveen	1996	Study used profitability, liquidity, activity and capital structure ratios to measure operational performance.

Statement of Problem

Cement is a core sector for the Indian economy. With the increased focus of the present Government the overall demand should rise and consequently benefit the cement companies who have already invested heavily in capacity expansion. As the sector shows more growth opportunities, the returns perhaps would be definitely more in this industry. To conclude that cement industry is a rewarding avenue for investors, it is essential to prima-facie understand the financial position of the industry. This study is thus an effort to evaluate the financial position of the industry through an inferential approach of research. The researchers have tried to evaluate the financial position of the Cement Industry with the help of ratios and 'Altman Z-Score methodology'.

Need of the study

Several studies have been conducted on diverse industries to predict solvency limit, to measure the operational efficiency, to forecast the corporate performance using several research tools like Ratio Analysis and Analysis of Variance (ANOVA). If we specifically talk about the studies conducted on Cement Industry a few studies discuss about the productive efficiency from a technical perspective and ranks the efficiency of the cement companies in India (Sharma 2005); other studies estimate the real rates of return to investors from investing in public and private cement companies (Joshi 2008). The present study tries to connect the missing link by analyzing the financial position of the Cement companies so as to help investors to know about the cement industry and take an informed decision about investing in the cement companies.

Objectives-

- ➢ The primary objectives of the study

The study attempts to assess the financial position of select companies in terms of:

1. Retained Earnings to Total Assets Ratio
2. EBIT to Total Assets Ratio
3. Net Working Capital Ratio
4. Debt-Equity Ratio
5. Total Assets Turnover Ratio

- ➢ The secondary objectives of the study
- ✓ To study the cement industry.
- ✓ To estimate and analyze the trend/s in the cement industry.
- ✓ To assess the profitability, liquidity and efficiency ratios to analyse individual firms as compared to the industry.

Research Method

The research methodology used in this paper is Ratio Analysis, Analysis of Variance (ANOVA), and Altman’s Z score test. The Z-score formula for predicting bankruptcy was published in 1968 by Edward I Altman and can be used to predict the profitability of a firm The Z-score uses multiple corporate income and balance sheet values to measure the financial health of a company. The Z-score is a linear combination of four or five common business ratios, weighted by coefficients. The original Z-score formula is as follows:

$$Z = 0.012T_1 + 0.014T_2 + 0.033T_3 + 0.006T_4 + 0.999T_5$$

T_1 = Working Capital / Total Assets.

This ratio measures liquid assets as compared to the size of the company.

T_2 = Retained Earnings / Total Assets.

This ratio measures profitability as compared to the size of the company. Importantly, a higher level of profitability can be attributed to a company's age or earning capability.

T_3 = Earnings before Interest and Taxes / Total Assets.

This ratio measures operating efficiency (apart from tax and leveraging factors) as compared to the size of the company. It emphasizes that operating earnings are important to long-term viability.

T_4 = Market Value of Equity / Book Value of Total Liabilities.

This ratio helps in adding the market dimension that can show up security price fluctuation as a possible red flag which might be a direct consequence of excessive leverage.

T_5 = Sales/ Total Assets.

This ratio is a standard measure for total asset turnover (varies greatly from industry to industry).

Hypothesis

H_{01} – Retained Earnings to Total Assets Ratio is uniform in selected companies.

H_{02} – EBIT to Total Assets Ratio is equal in selected companies.

H_{03} – Net Working Capital Ratio is uniform in selected companies.

H_{04} – Market Value of Equity to Total Liabilities Ratio is uniform in sample companies.

H_{05} – Total Assets Turnover Ratio is equal in selected companies.

H_{06} – There is no significant difference in Z-score values of selected companies.

Sample Design

The sample taken for this study consists of 5 Cement Companies listed in the 'A Group' of Bombay Stock Exchange. The approach applied for this study is inferential, through which researcher would be able to generalize the conclusion. The data considered is for 5 financial years starting from 2012-13 and ending on 2016-17. The ratios calculated are for the years 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17. The data is collected from the balance sheet of companies, downloaded from the official websites of the companies. The tool used is Microsoft Excel- 2007.

Name of the Company	AGE	SIZE
INDIA Cements	Intermediate	Large
JK Cements	Intermediate	Large
AMBUJA Cements	New	Large
ULTRATECH Cements	New	Large
ACC	Old	Large
BIRLA Cements	Old	Large

The above represent the sample companies. All of them are large size manufacturing units in terms of annual sales turnover. But a second level of segregation has been done to include very old companies, recent or new companies and intermediate companies.

Data Analysis

Hypothesis 1: Retained Earnings to Total Assets Ratio is uniform in selected companies.

FY	ACC	AMBUJA	ULTRA	BIRLA	JK	INDIA
2012-13	0.0237	0.0389	0.0864	0.0371	0.0594	0.0116
2013-14	0.0225	0.0288	0.0643	0.0228	0.0144	0.0000
2014-15	0.0418	0.0519	0.0502	0.0259	0.0241	0.0035
2015-16	0.0415	0.0521	0.0501	0.0162	0.0134	0.0130
2016-17	0.0371	0.0319	0.0613	0.0336	0.0322	0.0134

ANOVA – Single Factor

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	0.007948	5.00	0.001590	10.712168	**0.000017**	2.620654
Within Groups	0.003561	24.00	0.000148			
Total	0.011509	29.00				

Interpretation: The summary statistics for ANOVA test helps to interpret that Retained Earnings to Total Assets ratio is not uniform in sample units. The conclusion drawn out can be ratified or substantiated from the P value, which is very much lower than 0.05, hence we reject the null hypothesis that Retained Earnings to Total Assets Ratio is uniform in selected companies.

Hypothesis 2: EBIT to Total Assets Ratio is equal in selected companies.

FY	ACC	AMBUJA	ULTRA	BIRLA	JK	INDIA
2012-13	0.0739	0.1134	0.1586	0.0799	0.1512	0.0636
2013-14	0.0704	0.0975	0.1197	0.0552	0.0809	0.0364
2014-15	0.0961	0.1329	0.0975	0.0584	0.0708	0.0548
2015-16	0.0996	0.1115	0.0818	0.0462	0.0509	0.0697
2016-17	0.1166	0.0850	0.1027	0.0648	0.0823	0.0583

ANOVA – Single factor

Source of Variation	*SS*	*Df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	0.013474	5.00	0.002695	4.886743	**0.003182**	2.620654
Within Groups	0.013234	24.00	0.000551			
Total	0.026708	29.00				

Interpretation: The table above shows the P-value is 0.003182 which is less than the level of significance; hence we reject the null hypothesis – EBIT to Total Assets Ratio is equal in selected companies.

Hypothesis 3: Net Working Capital Ratio is uniform in selected companies.

FY	ACC	AMBUJA	ULTRA	BIRLA	JK	INDIA
2012-13	0.1193	0.1822	0.0576	0.1816	0.0337	-0.0891
2013-14	0.0953	0.2078	0.1099	0.2877	0.0617	-0.1007
2014-15	-0.0105	0.2049	-0.0248	0.3390	0.0471	-0.0722
2015-16	-0.0341	0.2346	-0.0533	0.3061	0.0599	-0.0852
2016-17	-0.0040	0.0214	0.1124	0.1269	0.0373	-0.0576

ANOVA – Single factor

Source of Variation	***SS***	***Df***	***MS***	***F***	***P-value***	***F crit***
Between Groups	0.335349	5.00	0.067070	15.250827	**0.000001**	2.620654
Within Groups	0.105547	24.00	0.004398			
Total	0.440895	29.00				

Interpretation: The table above shows the summary statistics of ANOVA – Single Factor applied to know the uniformity of the dataset in question. The p-value shown here is much less than the level of significance (0.05) hence we have to reject the null hypothesis that Net Working Capital Ratio is uniform in selected companies.

Hypothesis 4: Market Value of Equity to Total Liabilities Ratio is uniform in sample companies.

FY	ACC	AMBUJA	ULTRA	BIRLA	JK	INDIA
2012-13	5.916762	8.561348	4.209495	0.907113	0.841825	0.54521
2013-14	4.875253	8.115444	4.737974	0.955326	0.501633	0.38262
2014-15	5.924814	9.338959	4.824278	1.318058	1.257882	0.56091
2015-16	5.807339	8.174018	5.172492	1.165774	1.190979	0.57776
2016-17	5.229741	9.798173	7.122638	1.756373	1.668812	0.9042

ANOVA – Single factor

Source of Variation	***SS***	***df***	***MS***	***F***	***P-value***	***F crit***
Between Groups	271.418526	5.00	54.283705	136.714415	**0.000000**	2.620654
Within Groups	9.529419	24.00	0.397059			
Total	280.947945	29.00				

Interpretation: The table above depicts p-value is less than 0.05, hence we reject null hypothesis that Market Value of Equity to Total Liabilities Ratio is uniform in sample companies.

Hypothesis 5: Total Assets Turnover Ratio is equal in selected companies.

FY	ACC	AMBUJA	ULTRA	BIRLA	JK	INDIA
2012-13	1.0452	0.8395	0.9809	0.8357	1.1092	0.5673
2013-14	1.0647	0.8231	0.9099	0.7640	0.8031	0.5458
2014-15	1.0142	0.8036	0.7303	0.7282	0.7217	0.5671
2015-16	0.9525	0.7275	0.6024	0.6659	0.5638	0.5712
2016-17	0.9237	0.4704	0.5780	0.4605	0.5727	0.5255

ANOVA – Single factor

Source of Variation	*SS*	*Df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	0.52159	5.00	0.104318	4.818266	**0.003433**	2.620654
Within Groups	0.519613	24.00	0.021651			
Total	1.041203	29.00				

Interpretation: The analysis of variance test used over the Total Assets Turnover Ratio shows that the p-value (Probability value) falls beyond the level of significance which indicates that the null hypothesis that Total Assets Turnover Ratio is equal in selected companies should be rejected.

Hypothesis 6: There is no significant difference in Z-score values of selected companies.

FY	ACC	AMBUJA	ULTRA	BIRLA	JK	INDIA
2012-13	1.083901	0.896519	1.012360	0.845632	1.119318	0.571202
2013-14	1.096718	0.877061	0.943612	0.774600	0.808876	0.547505
2014-15	1.052347	0.866360	0.762186	0.741715	0.731728	0.570921
2015-16	0.989822	0.783069	0.635620	0.677653	0.572947	0.575528
2016-17	0.958452	0.532267	0.625768	0.474711	0.585763	0.531850

ANOVA – Single factor

Source of Variation	*SS*	*Df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	0.603796	5.00	0.120759	5.696183	**0.001334**	2.620654
Within Groups	0.508800	24.00	0.021200			
Total	1.112596	29.00				

Interpretation: The table above shows the summary statistics of ANOVA – Single Factor applied to know the uniformity of the dataset in question. The p-value shown here is much less than the level of significance (0.05) hence we have to reject the null hypothesis that there is no significant difference in Z-score values of selected companies.

***Conclusion*:**

The study focused on six large size cement companies with difference in their number of years of existence. Whereas two companies were very old, two were recent establishments and two had been in existence somewhere in between the very old and recent companies. The main focus was to identify the companies in order to help investors (not traders) to take an informed decision about investing in the cement sector. Thus an analysis of the sector was conducted, which was represented by 6 large size companies of different maturities.

The basic approach of the analysis was to use Altman Z score analysis to identify the company's strength and collectively that of the sector. Unfortunately none of the companies in none of the years have a Z Score of greater than 1.23 which leads us to conclude that the sample companies are in the distress zone. A plausible reason for distress could be the high investment in capacity expansion which was commensurate with a dampening demand for cement.

It is thus recommended that investors should stay away from the cement sector in general and the selected sample companies in particular.

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"Training Initiatives: A Unique Experiment"

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Abstract

Training of human resources is an inevitable requirement for every organization. The concept of "people focus approach" has gained much momentum in the present world of competition. Now-a-days, the focus of training methodology being adopted has started to be shifted from the sole objective of making profit to a more people oriented approach. Unlike the conventional method of need based training which had advocated the bottom-to-top approach and where the training modules were prepared in accordance with the skill/ knowledge level of the participants, the training methods now-a-days put emphasis on top-to-bottom approach where the organizational objectives are framed first and then the training module are prepared within the borader framework of these objectives. This will enable the organization to train their employees in accordance with the objectives of the organization rather than simply inculcating in them the knowledge and skill which may sometimes become irrelevant for the organization in the long run. In this context, seeking new dimensions of training methods would prove to be highly beneficial for every organization. This paper attempts to analyze a unique mode of training having been followed in Jayaswal Neco Industries Limited

Key words: Unique experiment, induction training, focused training

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Every Organization impels itself towards achieving its objectives and goals i.e. mostly profit earning. But to sustain in this competitive era, the Organization has to spread out its wings apart from profit making objective. Brand image is one such wing. Brand of the Organization is created by the people associated directly (internal customers) or indirectly (external customers) with it. Organization that believes in "people focus approach" has better prospects to be at the peak in this era.

The Organization that believes people to be the assets and visualizes its growth in the growth of its own people wins the heart of the people and sails through the hard time in a much better way than its competitors. Successful Organization in order to accomplish its VISION and Growth Strategy acquires manifold initiatives such as Production, Profit, Training and Development, Welfare, Corporate Social Responsibility. Let's perceive the role of training and development in achieving Organization's Vision.

In past few years, training was considered as need based and was a short-term strategy. It was imparted only as and when need was generated for the smooth functioning of the Organization and to make people suitable for a higher responsibility. It is usually based on bottom to top approach, i.e. based on the needs (problems, critical areas, etc) or gap analysis in terms of knowledge and skill of the employees. Training and development programs are planned accordingly. In such type of training programs the participants are usually forced employees. The training module is also designed as per the need and the skill/ knowledge level of the participants to whom the training is to be imparted. The training module is then executed and the duration for the training program may be from few days to few weeks. The monitoring of such training programs is only to assess the effectiveness of the training program. It is a Conventional Method. In this paper we will not focus on the conventional methods.

In the present scenario, training and development is a part of long term vision which begins with strengthening the base initially involving the new entrants and with the years to come, results in a strong, dedicated and motivated work force. It emphasizes on top to bottom approach i.e. based on the vision and goal of the Organization, the objectives of the training and development programs are framed. The set objectives give a space to select the aspiring and competent participants and to design and develop the training module in alignment with the training objectives. The training program is then implemented and evaluated to monitor the implementation of the training module. The monitoring of training module is not only to assess the short term gains in the skill of the participants but also the execution of the module in alignment with the training objectives.

Jayaswal Neco Industries Limited has made a **UNIQUE Experiment** in training the newly joined entries. The unique feature is training the trainees with the formation of groups comprising of different disciplines.

The entire training program is framed through various steps such as:

1. **Objectives Framing:** The objectives of this training program was framed keeping in view,

- To Enhance knowledge and skill base through exposure to various Units / Sections of the plant
- To Widen Multi-Disciplinary Knowledge Base (By giving exposure to Process, Mechanical, Electrical, Instrumentation and Managerial Skills)
- To Develop training/ coaching and mentoring skills
- To Strengthen cohesiveness within the group
- To Encourage experienced persons to share their knowledge with freshers in a non-threatening environment
- To Help enhance the knowledge base of the faculty

2. **Design and Development:** In this stage, strategies were chalked out regarding how to achieve the objectives, select the method, trainers, materials, practices, etc. The training period was divided into three phases:

(a) Induction Training Phase -3 months, (b) Focused Training Phase - 3 months and (c) Specialized Training Phase - 6 months.

The objective of these phases were framed in alignment with the core training objectives

Induction Training: 3 months

Objective: To know the Organization and the people, to get acquainted with the processes and also to bring cohesiveness among the group.

In this phase of training program the trainees irrespective of their discipline are given a brief overview on the working of the Unit/ Department. The induction covers the process-know-how, maintenance and the services involved with the Unit/ Department. For example: a batch of trainees comprising of 12 members of discipline: metallurgy-3, mechanical-3, electrical-3 and instrumentation/ electronics-3 are imparted process know how of operation, mechanical, electrical and instrumentation of Blast Furnace. They are given theoretical lectures followed by detailed site visits to correlate the theory and its practical applications at site. At the end of training in each department, assessment is done to monitor the fulfillment of the objectives as well as the effectiveness of the training program designed, and the performance of the trainees. A similar schedule is being followed for each of the Units and Non- Works departments. Each batch is divided into groups and each group is allotted a study project and a work project cross functional to their discipline and irrespective of the exposure to departments at induction phase of training. The groups have to prepare a presentation which is assessed in the presence of the concerned HOD. For e.g. SMS – Electrical Project is assessed by SMS-Electrical In charge. The basis of Assessment includes:

a) Training Effectiveness Assessment

b) Projects Assessment (Study and Work)

A written examination (Technical and Non-Technical) is also conducted at the end of the induction phase.

Focused Training: 3 months

Objective: By the end of training, trainee should have in-depth knowledge along with hands-on experience of job/ activities of the allotted area. Emphasis will also be on developing an attitude for imbibing a culture of thinking and analyzing the deviations/ breakdowns.

Trainees, irrespective of their discipline, learn about all the activities (process, mechanical, electrical and instrumentation) at a particular place of their posting during these three months. They are also given hands on experience of preventive maintenance. They generate deviation analysis/ root cause analysis reports/ MIS in their allotted area and focus on analytical approach towards any break down or process deviation. They also study the specification/ significance of the critical equipment/ parameters, current problem of the areas and emergency procedures. A monitoring process similar to the induction phase is followed in this phase also. Evaluation criteria after completion of three months focused training comprises of:

a) Written Test (Technical)

b) Case Study or Root Cause Analysis (Group Activity)

c) Training Record i.e. Work Book

d) Attendance

e) Interview (Panel Assessment)

Specialized Training: 6 months

Objective: To get in-depth knowledge of the working, planning and execution of jobs in the discipline/ department and to acquire managerial skills.

Trainees are assigned a project related to their place of posting or allied departments. Moreover, they are placed in their respective disciplines and are involved in planning and execution of day-to-day activities. Besides, the trainees are assigned to their supplier departments, customer departments, services and non-works areas. They are also given institutional training on non-technical aspects.

The evaluation pattern includes compilation of

a) Written Test

b) Project Assessment

c) Work Book Assessment

d) Attendance

d) Interview

Conclusion: This is a unique experiment never done in the steel industry in our country. With this type of training, the engineers will not only be specialist in their own area but they will also have a reasonable amount of skill and knowledge in other allied disciplines required in the Operation and maintenance of various Units of a Steel factory. First Part of the training i.e. one year duration as mentioned above, is to enhance the Technical Skill. Second part of the training is foreseen two years down the line to enhance various managerial, marketing and financial acumens so that they develop into complete managers in years the to come.

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"Tourism Financing: A Review Of Literature"

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Abstract

Tourism has now-a-days occupied the centre stage in terms of its contribution to the exchequer of various countries all over the world. Realizing the potential of tourism as an instrument of large scale income generation, myriads of studies have been conducted across various countries on the different aspects of tourism sector. However, there seems to be a dearth in the knowledge base regarding the financing aspect of tourism. This paper attempts to have an extensive review of the existing literature in the field of tourism financing with special reference to tourism financing in India, particularly in the state of Kerala. Though the focus of this paper revolves around the tourism financing in India and particularly that of Kerala, various international literature existing on this topic have also been analyzed to have an extensive understanding on the subject. It tries to bring out the different areas of tourism financing which, so far, have been subjected for deliberations across the world.

Key words: Tourism, Tourism financing

Introduction

Tourism, now-a-days, has become a major contributor in the development of developing countries all over the world. Emerged as an instrument of leisure and entertainment initially, it has adopted different dimensions in its nature over the years. It is basically an interaction between the guest and the hosts, the guest reaching a place of their choice to fulfil their varied requirements and the hosts receiving them and arranging whatever is required for achieving the guests' satisfaction. Inside this process, there happens the exchange of money or money's worth which thus paves way for the commercial aspect of tourism. It is basically this commercial aspect that makes tourism amajor driving force towards economic development.

Tourism embraces a wide a range of activities of varied nature. It is a multi-dimensional, multi-sectoral activity spread across all over the world. With the inherent commercial aspect of generating income in large scale, it has proved itself to be an important tool for economic development. It is recognizing this fact that the Governments of various countries all over the world have, now-a-days, started exploring the possibilities of tourism in their respective countries. According to World Travel & Tourism Council (WTTC) Economic Impact Report 2017, Travel & Tourism's total contribution to the global economy rose to US $ 7,613.3 billion in 2016. It further forecasts 3.9% rise per annum in the coming years, ultimately reaching a total contribution of US $ 11,512.9 billion, i.e. 11.4% of GDP in the year 2027.

India with her abundant and diverse natural beauty possesses a huge potential for tourism development. As observed by Samuel Hoare, "India's geographical position in Asia makes it possible for her to be the flying centre of the East". With the concerted efforts put towards the development of tourism in the country, India has today attained such a significant position that tourism has become the third largest foreign exchange earner in the country. As estimated in India Tourism Statistics 2017 (published by Ministry of Tourism, Govt. of India) the foreign exchange earnings from tourism touched US $ 22.92 Billion in the year 2016 enabling India to obtain 13th rank in the world in terms of International Tourism receipts~~.~~

The success of tourism in India depends upon the scenic attractions that her states possess. Right from the southernmost to the northern most, Indian states offers plenty of opportunities for tourism development. The state of Kerala is prominent among them. Situated in the south-west corner of the country, Kerala with its enchanting natural resources is described as "The virtual paradise on earth". It truly deserves to be called "The God's own country" having possessed the vast exquisite greenery with strips of 44 glowing rivers flowing over it. The state possesses various tourism assets such as beaches, hill stations, backwaters, national parks and wildlife sanctuaries. The exquisite geographical peculiarities, accompanied with rich cultural as well as traditional characteristics are the core factors that made Kerala one of the most favourite tourist places in the world. With an incessant endeavour to create new and new tourism products and marketing them in a planned manner Kerala has become a model for planned tourism development to other Indian states. With the booming tourist arrivals (both domestic and foreign), Kerala Tourism today accounts for a considerable share in the total tourism revenue of the country.

This paper attempts to carry out an extensive review of literature existing in the field of tourism financing with an emphasis on tourism financing in India, especially in the state of Kerala. Since not much literature exists on tourism financing in India and particularly in the state of Kerala, a review of literature on the topic in various countries in the world has also been attempted to have an extensive understanding.

Concept of Tourism Financing

Tourism financing, as the name indicates, simply refers to the process of financing the tourism business activities. Financing is the act of infusing the required amount of finance in to the business from time to time and its subsequent management to achieve the organizational objectives. Every business activity requires finance for its smooth and successful functioning. Without finance, all business activities just remain to be futile. Thus, the inner core of business is the function of finance. Like any other business sector, tourism sector also requires finance for its efficient functioning. However, compared to other industrial sectors, tourism industry is more capital intensive in nature and therefore requires huge volume of finance.

The Tourism financing scenario in India began to deviate from its traditional path in the year 1970 with the decision of the Union Ministry of Finance to make separate allocation of fund to the Department of Tourism which in turn framed rules and regulations to disburse the fund as loans to hotel projects on special terms. Later, Industrial Finance Corporation of India (IFCI) was tasked to give loans to hotel projects on the terms and conditions framed by the Department of Tourism. 10 years later in 1987, the National Committee on Tourism recommended for the establishment of a separate, independent and autonomous financial corporation for financing the tourism sector and thus came in to existence the Tourism Finance Corporation of India (TFCI) in 1989. Apart from this, the banking institutions also play a major role as the source of finance for tourism business in the country. The tourism finance in India now takes the form of owned/equity capital, debt capital and Government Grant.

Objectives of the study

The study inquires in to the financing aspect of tourism sector in Kerala. It aims to:

1. Analyse the present financing structure and pattern of various business and non-business tourism sector entities in Kerala.
2. Investigate the problems connected with each mode of financing
3. Assess the role and importance of finance in the business and non-business tourism sector entities in the state.

Hypotheses

1. The firms under review do not vary significantly with their debt-equity mix.
2. There is no difference in the revenue structure of pilgrim centres and the other non – business tourism entities in the state.
3. Administrative difficulties are perceived to be the major problem area by the respondents
4. Financing amount remains the significant factor influencing the growth of tourism in the state.

Literature Review

There is not much literature related to the concepts of tourism financing. However, an attempt has been made to review all existing literature covering the financing aspect of tourism industry for the present study. This included scholarly research studies, published books, journals, reports of the seminars and workshops, magazines, study reports of various working groups, reports of various agencies involved in the promotion of tourism industry and the official publications of various Governments. These are described below:

1. LI Peijie and Wang Xinsheng identified that there exists a partiality for stock financing in Chinese tourism sector and it may lead to the disadvantages like (a) poor efficiency in the use of capital and (b) the discouragement in the sustained motivation of investor etc.It further brings out the advantages that debt financing can fetch for the tourism sector in the country and suggest the following ways to turn to debt financing:

(a)Simplify the permission procedures and shorten the permission time, to enhance the issue of enterprise debentures of Chinese tourism industry

(b) Intensify the responsibilities of major sales agents, credit assessment institutions, certified public accountants and lawyers in order to reduce debenture risk of Chinese tourism industry

(c)Improve the laws about impawned loans (loans which are provided on basis of the movables or rights of debtors) and make it legal.

2. Joze Peric, Elvis Mujacevic & Mislav Simunic examine the role of international financial institutions in financing the projects in tourism and hospitality industries in the developing countries. It evaluates the amount of investments in these countries, type of investment, the effects of these investments on local economy and the results of these investments.

3. Pradeep Kumarevaluates the role played by various financial institutions in the financing of tourism activities in Bundhelkhand, Uttarpradesh. The study identifies the different types loans sanctioned to tourism sector by various financial institutions, the trend in the grant of loans, the problems faced by borrowers etc. Further, it analyses the incentives and aids provided by the State Government for the growth of tourism

4.The Supreme Commission for Tourism (Kingdom Saudi Arabia) identifies that there is a need to encourage investment in upgrading existing tourism facilities and in the conversion and adaptive use of oldheritage buildings. However, there exists various barriers to investment in tourism sector, the biggest financial barriers to investment in tourism projects relate to the access to finance. While availability of finance is not seen to be an issue, ease of access is dependent on the size of the firm – large firms do not have as many issues inaccessing finance as compared to smaller firms. Further it assesses that the biggest problem to lending to the tourism sector is the issue of mortgages and their enforceability. Mortgages are not permitted by banks, and even where recorded through separate entities, are not easily enforceable. The fear of defaults without recourse to the underlying asset has resulted in banks shying away from lending to this sector. It emphasizes on the need for a change in the regulations that would permit banks to record mortgages in their names, in the first place. A short-term proposition in this regard could be to provide guarantees to banks for loans to the tourism sector, as is being proposed for the SME fund.

5. Tourism policy of Kerala (1995) says that "for an appropriate development of tourism, there has to be large scale investment. Investment by the government as well as by the private sector will have to be stepped up. It has a hassle-free and friendly atmosphere that facilitates investment"

6. Kamalakshy MV (1996) analyses, among other things, the financial performance of Hotel industry in Kerala. It identifies that the financial performance of both private and public sector hotels in Kerala shows an overall growth and that of the KTDC (Kerala Tourism Development Corporation) hotels shows a declining trend with mounting loss being faced year to year due to the increased operating expense being incurred. It further identifies that the replacement and renewal of fixed asset takes place in shorter periods in private hotels when compared to KTDC. Besides,it analyses various financial ratios pertaining to hotel industry in Kerala.

7. Pran Nath Seth (1999) evaluates various sources of finance for the tourism sector. He points out that apart from conventional sources of finance like Loans, Government Grants etc the tourism industry itself has become a significant source of finance for the tourism industry in recent years, by the tourism firms re-investing a portion of their profit (ploughing back of profit) in tourism business. He further puts forth that the tourists themselves have become a source of finance for tourism firms. He cites the example of The Singapore Tourist promotion Board (STPB) and Hong Kong Tourist Association (HKTA) where the taxes levied from tourists in hotels and restaurants are reimbursed by the governments to these organizations which in turn spend this money on tourism promotion and on financing new tourism projects.

8. Hagler Bailly (1999) evaluates various environmental financing options for the tourism sector in the Caribbean. The evaluation suggests that the priority gaps in financing environmental improvements are probably for (a) funding for planning studies and (b) purchasing environmental equipment for retrofits and upgrades. It further identifies that developers and operators face serious problems in accessing working capital and long-term financing for new construction, but this reflects generic financial market problems that are less susceptible to amelioration by targeted environmental funds.

9. United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) (2001) reviews and analyses the present status of tourism sector investment in the Republic of Korea. It identifies the tourism areas in Korea including infrastructure which require increased investment for their development. Further, it evaluates the present government policies and the legal and institutional framework related to investment. Apart from the analysis of the tourism investment

scenario in the Republic of Korea, the study also carries out an analysis of the opportunities and challenges in the investment scenario prevalent in various other countries of the Asia and the Pacific.

10.V. L. Jacob (2002) examines how the loans provided by Kerala Financial Corporation (KFC)influence the borrowers with respect to their income, profitability and employment. Further, he enquires into thedifficulties faced by borrowers in availing loans, the extent of utilization ofloans, the loan over dues and the reasons behind such over dues, problems faced by KFC in recovering the loans etc. The role of KFC as afinancial intermediary in the industrial sector of the state is also analyzed by analyzing the changes that KFC could bring out in the industrial scenario of Kerala.

11. Dr. Asli Yuksel & Dr. Ulku Yuksel (2002) attempted to carry out an analysis on the ideas the tourism investments through tourism, its economic effects and financing concepts from the perspective of a particular, well-known tourism investment finance company as a case study. It evaluates how tourism investment procedures proceed in Turkey. It examines the effect of tourism on Turkish economy, how the tourism marketing methods process in the country, and what kind of opportunities and threats are there while determining tourism investments etc.

12. Karen Sudmeier-Rieux and Caryl McConkie (2002) identifies that for many small communities in Utah, funding quality for tourism development and preserving unique cultural and natural assets pose a great challenge. Local and municipal governments throughout Utah are using a variety of funding options such as county tourism taxes, sales tax, property tax, and bonds to fund local tourism development, preservationand restoration projects. Tourism revenues were traditionally used solely for promotion and infrastructure development. Increasingly they are used to manage the quality tourism development.

13. Regi M. A. (2004) examines the role performed by Small Industries Development Bank of India (SIDBI) as a financial intermediary. He carries out a detailed analysis of the nature and form of financing by SIDBI. The form, structure and the socio- economic profile of the borrowers of SIDBI are also analyzed to assess the extent of financing activities carried out by SIDBI.

14. Y. Tsvetanova, I. Georgiev & D. Ivanova (2005) examine the extent of the utilisation of various sources of finance for rural tourism in Bulgaria. They identified that the main goals of entrepreneurs and organisations in their future business in rural tourism with regard to financial planning are:

(a) Determining the sources and possibilities of financing, and

(b) conformity between goals and financial capacity

15. Woo Gon Kim and Baker Ayoun (2005) compares the key financial ratios of hospitality industry- hotels and motels, restaurant, amusement andrecreational services, and airline companies. They identify that no consistent pattern was realized in terms of the financial ratios measuring the capital structure of the hospitality segments. The four segments have shown differentpattern of total debt to total assets ratio, total debt to total equity and times interestearned. They find out that the external environment in which the companies exist has severely affected how these companies finance their operations. The Capital structure mix varies overyears for all segments without a recognizable pattern.

16. Tourism Finance Corporation of India (2007) assesses and reviews the impact of Capital Subsidy scheme of Ministry of Tourism, Govt of India which is available to the budget category hotels in the country. Further, it identifies other forms of fiscal/ non-fiscal incentives needed to attract the investments in the budget category segment or introduce some other scheme that might be more useful for the growth of budget hotel sector in the country.

17. Alina M. Zapalska & Dallas Brozik*(2007)*examine the nature of tourism and hospitality family businesses that operate in the transitional Polish economy. It analyses the environment for development and growth of these entrepreneurial firms in the reforming economy ofPoland. It identifies that the primary source of financing is personal savings(80%). Borrowing from friends and family(42%) is a second source of capital. Some of the savings came from speculative trading profits. Due to the limited financing options for start-up capital, many family business owners maintained full-time employment to be able to support their business. Only a few family businesses (5 percent) received bank loans.

18. Bishnu Prasad Gautam (2007) analyses the tourism financing scenario in Nepal by studying it from a demand-supply perspective. Further, the study inquires into the scope and inter-linkages of tourism and tourism financing. He assesses the role of tourism financing on the growth of tourism sector. Further, the pattern and structure of tourism financing, the variations in the structure of financing between various tourism businesses etc. are also analyzed in this study.

19. Xola Adventure Industry Consultants (2008) identify that Tourism accounts for no more than 1% or 2% of total outward FDI stocks from the largest source countries and an even smaller proportion of total inward FDI stocks for the largest host countries.It further states that Tourism-related FDI is largely concentrated in developed countries and that it is estimated to be as little as

10% in developing countries. Besides, the research points out that the financial contribution of tourism-related Trans National Corporations (TNCs) is relatively small in most developing economies, especially because much of their involvement takes non-equity forms.

20. Ontario Ministry of Tourism (2009) identifies the trends in the tourism investment scenario in Ontario, Canada and North America. It analyses the practices being followed in attracting tourism investments, the various barriers to tourism investments in Ontario and the different strategies employed for mitigating those barriers.

21. A.M. Ravindran and A. Vinodan (2009) identify the role of micro finance in the development of tourism sector. They try to ascertain the possibilities of micro finance in the development of tourism destination and travel enhancement among the low-income people by citing the case studies from Kerala. It is concluded that Even though both models of destination facilitation and travel enhancement found to be viable, destination facilitation model is more conducive to employment generation, gender development and inclusive growth.

22. Kumbhar Vijay Maruti (2009) identifies that problems of finance exists among the farmers in the region. He suggests that government should try to provide optimum financial aids to the agro-tourism activities in the state by means of grants /aids. Further, he puts forth that banks should provide financial help for the agro-tourism activities in Maharashtra

23. Leeba Babu(2011) examines the role played by Kerala Financial Corporation in the development of tourism sector in Kerala. It assesses the nature of assistance provided by KFC and other financial institutions to the tourism borrowers in Kerala. Besides, it identifies the form and structure of tourism units aided by KFC and other financial institutions in the state. Further, it enquires into the problems being faced by various tourism borrowers in the state.

24. Aser B. Javier & Dulce B. Elazigue (2011) evaluates the various initiatives by Local Government Units in Philippines with respect to the development of tourism in the country. It analyses, various Acts, Rules and Policies issued by the Government in facilitating the development of tourism. It identifies, among other things, the various areas of tourism investment and the initiatives taken by the Government to improve the tourism investment scenario in the country.

25. Dr. H Ramakrishna (2012) analysed the FDI scenario in Indian tourism sector. He sets out the opportunities and challenges in this regard in the Indian tourism sector. He further analyses the efforts of the Government of Karnataka in making tourism sector as an investment oriented sector and the FDI scenario in the state in the light of various FDI policies of the central Government

26. Dr.Zakkariya KA & Nishanth P (2014) tries to identify the various barriers faced by Micro Small & Medium Enterprises in raising finance .The various sources of finance other than banks are also analyzed by them. The study attempts to put forth some recommendations to enhance the overall credit accessibility to MSMEs sector in Kerala

27. Sina Sheshangosht (2015) examinesthe capital structure of tourism sector corporations traded in the Borsa Istanbul (BIST), Turkey. The findings of capital structure analysis reveal that the tourism corporations have been financed mainly by equity. In addition, it reveals that Turkish tourism corporations prefer short-term debt financing to long-term one probably due to the seasonal nature of tourism sector and unstable economic environment. The study further identifies that the values of debt-to-equity, debt-to-assets, short-term-to -total-debt and annual average ratios of the tourism corporations have followed a similar pattern.

Conclusion

An analysis of the above literatures reveals that though tourism sector has been recognized as an important area of attention for the economic development of various countries all over the world, its financing aspect has not been subjected for much deliberation and analysis. It is pertinent to reiterate here that, finance being the base upon which the entire tourism structure in the world has been built, the role of finance in tourism development is incontrovertible. Hence, there is a need to give focused attention to encourage knowledge enhancement on the financing aspect of tourism sector which would in turn pave way for the economic development of various countries in the world**.**

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The First Ever Management Consultant- Shri Krishna

&

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Abstract

Misallocation of your resources? Losing your employees to your competitor? Suffering from heavy losses? Market share decreasing? Debts Increasing? Nothing seems to work?

Think of hiring a consultant who can do wonders for your company; something which you were not able to do? Then don't you worry. We all are blessed to have our own Consultant who has given us VALUABLE AND FREE advice centuries ago and it is still Viable.

The name is Shri Krishna and the consultancy service is through Shrimad BhagvadGita.

Now to leave the lighter vein and turn the attention to the most important topic of motivation and employee attitude in today's organizations. No matter the size of your company, having a team of motivated, hard-working employees is crucial to your business success. When people lose their motivation, however, their job performance suffers -- they become less productive, less creative, less of an asset to the company.

The need is to therefore understand the reasons of decreasing motivation and bringing a change in the attitude of the employees. The aim of the research paper is to look at BhagwadGita as not only a spiritual book but also as a guide to better management. The researchers have tried to correlate various theories of motivation with teachings of Gita.

Key Words: Consultants, Motivation, Attitudes

Introduction to the Topic:

Motivation:

Motivation is a theoretical construct used to explain behavior. It represents the reasons for people's actions, desires, and needs. Motivation can also be defined as one's direction to behavior or what causes a person to want to repeat a behavior and vice versa. A motive is what prompts the person to act in a certain way or at least develop an inclination for specific behavior. For example, when someone eats food to satisfy the need of hunger, or when a student does his/her work in school because they want a good grade. Both show a similar connection between what we do and why we do it. According to Maehr and Meyer, "Motivation is a word that is part of the popular culture as few other psychological concepts are". Motivation is defined as the process that initiates, guides, and maintains goal-oriented behaviors. Motivation is what causes us to act.

In today's world where employees are living in the fear of losing job due to layoffs and economic crisis, motivation plays a very important role. If organizations can establish a link between what the employees want and why will they do their work, they can probably get good results.

Motivational Factors

Over the years, there have been many studies examining staff motivation and here are just a few examples of what employees feel are their motivational needs or factors:

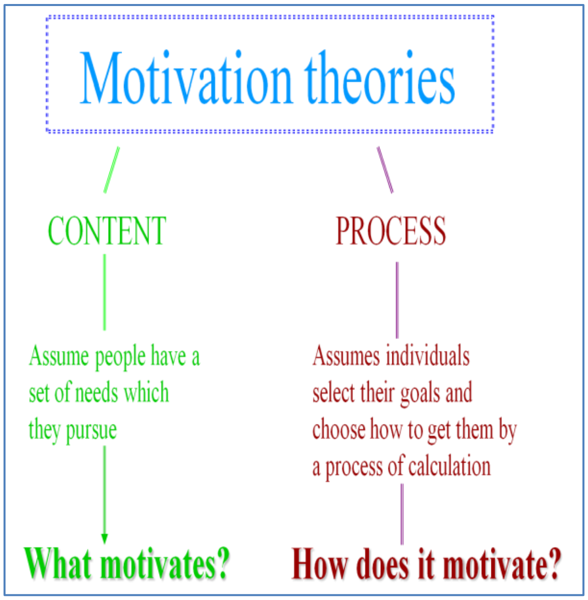
- The working environment – poor or inadequate equipment or work facilities
- Working Conditions – too hot, too cold, no breaks, long hours
- Social Interaction – isolation, socialization discouraged etc.
- Job Security – redundancies, feeling not part of company etc.
- Skill or intellectual use -inability or discouragement to use intellect or skills
- Promotional prospects and job title – lack of promotion, others promoted but not them
- Responsibility – not allowed to work off own initiative
- Recognition and appreciation – lack of praise or recognition for achievement
- Trust and respect – treated as a machine
- Participation in decision making – not allowed to get involved with company
- A sense of belonging
- Salary – pay poor for job they are doing
- Management issues – conflicts with management, etc.

Mahabharata and Motivation: A Lost Link?

The Epic Mahabharata is the book about the two family clan - the Pandavas and Kauravas. It is a story about how tow clans fight for their rights and values; it is a story where Krishna is understood as the avatar of God Vishnu and who appears in His true form to Arjuna in a dialogue on the battlefield few moments before the war takes place. This probably the most precious historical dialogue is written in a particular part of the Mahabharata–BhagavadGita, where Krishna gives answers to Arjuna's doubts about going to war.

If we try and look at Mahabharata as an epic only we might we at a losing end because it not only a simple story of fighting brothers, but rather it gives us insights into various theories of motivation. Let us take a look at various characters from Mahabharata and their motives which led to the final war where Bhagwad Gita was born.

Sr. No.	**Characters**	**Motive**	**Relevant Theory**
1	Bhishma Pitamaha	Protection of his Clan	ERG Theory (Existence, Relatedness and Growth)
2	Guru Drona	Revenge from King Drupad	External Motivation
3	Dhritrashtra	Love for his son	Maslow’s need Hierarchy Theory
4	Duryodhana	Power	Mc Cleland’s Theory (Need for Power)
5	Karna	To be the best archer	Mc Cleland’s Theory (Need for Achievement & Affiliation)
6	Arjun	To save his family’s pride	External & Internal Motivation

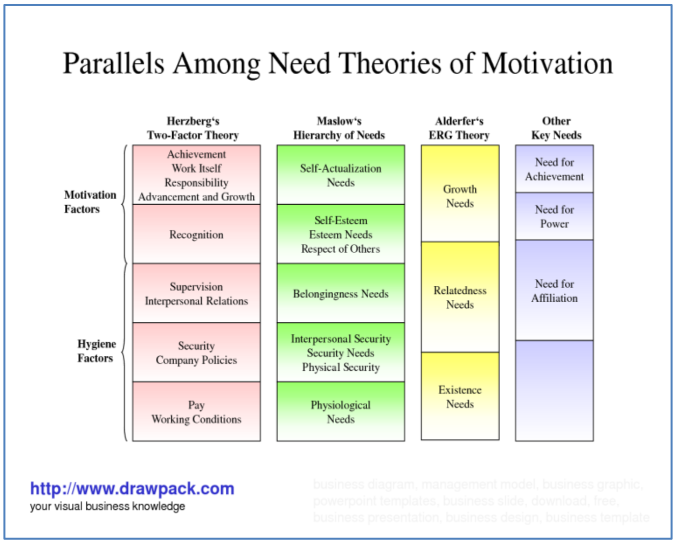


Let us now discuss these characters and their motivation along with theories of motivations. If we were to discuss the Content Theories i.e. assuming that people have a set of needs which they want to satisfy we can easily identify the characters of Mahabharata who had their own motives and they used various means to achieve them. On the other hand if we want to see the process theory which assumes that individuals select their own goals and then choose their own course of action, we can have example of Prince Arjuna who had a goal of targeting the eye of the bird and uses his concentration to get it. We also have Karna who after being refused by Guru Drona goes to Lord Parshurama and gets his training of archery. Or we have Eklavya who makes Drona's statute and makes him his teacher.

Each Theory of motivation can be traced to different characters in Mahabharata and we can understand its significance.

Is the problem of Motivation answered in Gita?

The Bhagavad-Gita was delivered by Sri Krishna to boost Arjuna's declining morale, motivation, confidence and to increase his (Arjuna's) effectiveness. Bhagwadgita is not only a religious text but also a text which can help people understand the essence of life, of human intellect. It is about the*Mahabharats*we fight everyday in our homes, offices & minds!



According to Organizational Behaviour, there can be different motivators to work – recognition, achievement, advancement for growth, etc. The*Geeta*gives you a straightforward simple answer of what should really be the motivation to work – the work itself! (*Sankhya Yog*Verse 38) In fact, we have seen people unknowingly or knowingly applying it – A. P. J. Abdul Kalam, Dr. Verghese Kurien, A. R. Rahman, Sachin Tendulkar, etc. These people are well-known because they love what they do; they are experts. They work for the sake of work itself; success & fame automatically followed.

The*Geeta*talks in detail about controlling our senses so that our intellect works better. (*Sankhya Yog*Verse 68) it may sound vague initially but there exists a scientific study which says that in crisis situations, a stress hormone called *Cortisol* is released which initiates our survival instinct. This necessarily means less blood supply to brain & more to sensory organs & limbs, so that we are prepared to run. Hence, when we are under the control of emotions & stress, we are distracted easily owing to the hyper-active senses; we make bad decisions & can't remember details easily.

Motivation – self and self-transcendence

It has been presumed for many years that satisfying lower order needs of workers – adequate food, clothing and shelter, etc. are key factors in motivation. However, it is a common experience that the dissatisfaction of the clerk and of the Director is identical – only their scales and composition vary. It should be true that once the lower-order needs are more than satisfied, the Director should have little problem in optimizing his contribution to the organization and society. But more often than not, it does not happen like that. ("The eagle soars high but keeps its eyes firmly fixed on the dead animal below.") On the contrary, a lowly paid schoolteacher, or a self-employed artisan, may well demonstrate higher levels of self-actualization despite poorer satisfaction of their lower-order needs. This situation is explained by the theory of **self-transcendence propounded in the Gita**. Self-transcendence involves renouncing egoism, putting others before oneself, emphasizing team work, dignity, co-operation, harmony and trust – and, indeed potentially sacrificing lower needs for higher goals, the opposite of Maslow.

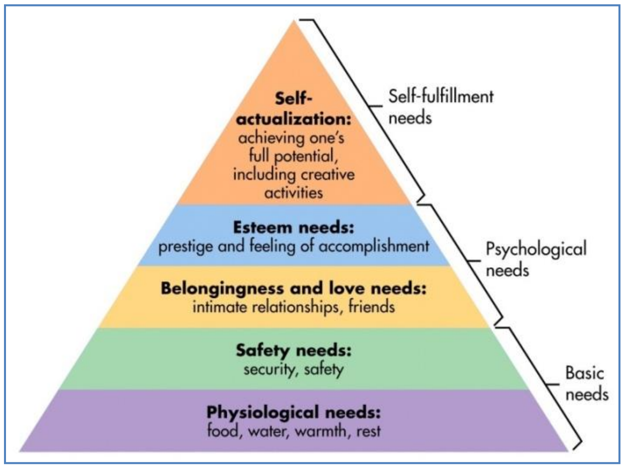


Figure1.1. Maslow's Need Hierarchy Theory

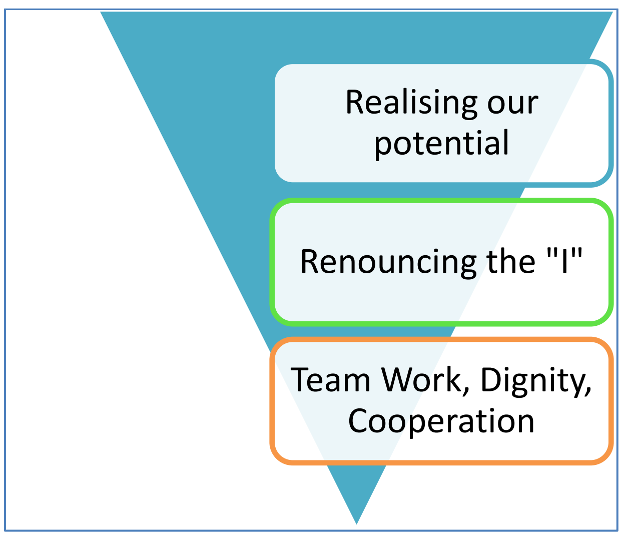


Figure1.2. Theory from Gita

"Work must be done with detachment." It is the ego that spoils work and the ego is the centerpiece of most theories of motivation. We need not merely a theory of motivation but a theory of inspiration.

A concept which is described as "disinterested work" in the Gita where Sri Krishna says, "He who shares the wealth generated only after serving the people, through work done as a sacrifice for them, is freed from all sins. On the contrary those who earn wealth only for themselves, eat sins that lead to frustration and failure."

De-motivation, Depression, Dejection, Desolation all these D-words relates to your mind or relate to your mental position. It's only your MIND that gets depressed, dejected. You may be physically fit with blood oozing in your nerves, but if you are not well with your MIND then you are certainly not going to perform to your full potential. Mental health is where the key to success lies. If you are mentally supercharged then you can achieve any milestone in spite of having any physical inadequacy.

Now, how to get out of this depression, de-motivation & how to increase the productivity at work is where the great teachings of "Bhagwat Gita" come into play, now for those who do not know about "Bhagwat Gita".

Now many of us & many of our employees in our organization find themselves in the same state of mind, as that of "Arjuna". Their de-motivated, depressed state of mind can be changed to motivated & energetic one by these teachings of "Bhagwat Gita". Through these teachings, mental equilibrium of any depressed person can be overcome & he can come out of any crisis situation. The teachings of "Bhagwat Gita" can simply transform a person.

Bhagwat Gita teaches about "Mind Control". Mind is that makes the personality of a person. De-motivated mind makes a person depressed one & a motivated one makes a person cheerful. If one's mind is in one's control & he/she can concentrate deeply on one's work, then that person can do wonders at work. Mind is very powerful one & to control it, to keep it in one's control is very difficult. It just wanders like wind here &there & it takes enough of self-discipline & practice of meditation to control it, to get it concentrated on any job or activity.

As per "Arjuna" to "Lord Sri Krishna" in Chapter Six verse 34:

"chanchalam hi manah Krishna
pramathi balavad drdham
tasyaham nigraham manye
vayor iva su-duskaram"

(Bhagwat Gita: Chapter Six verse 34)

"Arjuna said: For the mind is restless, turbulent, obstinate and very strong, O Krishna, and to subdue it, to control it, I think, is more difficult than controlling the wind."

"sri-bhagavan uvacha
asamsayam maha-baho

mano durnigraham chalam

abhyasena tu kaunteya

vairagyena cha grhyate"

(Bhagwat Gita: Chapter Six verse 35)

"Lord Sri Krishna said: O mighty-armed Arjuna, it is undoubtedly that mind is very difficult to curb & is restless, but it is possible by suitable practices of meditation and by detachment."

"asamyatatmana yogo

dusprapa iti me matih

vasyatmana tu yatata

sakyo 'vaptum upayatah"

(Bhagwat Gita: Chapter Six verse 36)

"Lord Sri Krishna said: For one whose mind is unbridled, uncontrolled, self-realization is a difficult work. But he whose mind is controlled and who strives by appropriate means is assured of success. That is My opinion."

So in the Bhagwat Gita, "Lord Sri Krishna" first of all asks one to do his DUTY. If a person does his/her duty then half of the problems of that person are solved. Not doing one's duty is very harmful as it produces negative results only in one's life, like frustration, depression, de-motivation etc. If one does at least his/her duty, then such negative factors affect that person to a lesser degree or do not affect at all. As per "Lord Sri Krishna", doing one's prescribed duties, even though faultily is better to have a better Mental Health.

"sreyan sva-dharmo vigunah

para-dharmat sv-anusthitat

sva-dharme nidhanam sreyah

para-dharmo bhayavahah"

(Bhagwat Gita: Chapter Three verse 35)

"Lord Sri Krishna said: It is far better to discharge one's prescribed duties, even though faultily, than another's duties perfectly. Destruction in the course of performing one's own duty is better thanengaging in another's duties, for to follow another's path is dangerous."

The repeated teachings of The Lord to motivate Arjuna is peculiar method in Gita. This mode of instruction to the mind is not only extremely charming but is also most efficacious. So the setting of the Gita has a glory and greatness of its own.

Another teaching of "Bhagwat Gita" is to do one's work for the sake of work only without caring for the fruit arising out of that work. That simply means to get deeply involved in one's work or to just think single minded about performing the best in one's job without thinking about the results arising out of those actions performed while doing one's work or duty. Just concentrate on your work, that's it. Below verse of "Bhagwat Gita" explains this.

"karmany evadhikaras te
ma phalesu kadachana
ma karma-phala-hetur bhur
ma te sango 'stv akarmani"

(Bhagwat Gita: Chapter Two verse 47)

"Lord Sri Krishna said: You have a right to perform your prescribed duty, but you are not entitled to the fruits of action. Never consider yourself the cause of the results of your activities, and never be attached to not doing your duty."

So if a person is dedicated to his work & works for the sake of work only without any fear of success or failure, then that person is going to be certainly successful in his/her carrier. By doing meditation & other yoga techniques, one can control one's mind & a disciplined mind can be made to concentrate on one's job better, producing better results. So by following the teachings of "Bhagwat Gita" one is certainly going to excel in his/her job & in life.

Conclusion:

In the storm of life we struggle through myriads of stimuli of pressure, stress, and multi problems that seek for a solution and answer. We are so suppressed by the routine of this every life style that most of us seem helpless. However, if we look closely to ancient techniques we shall discover the magnificent way to understand and realize the ones around us and mostly ourselves. If only we could stop for a moment and allow this to happen. May all beings be happy (Loka Samastha Sukhino Bhavanthu).

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ABOUT DAIMSR:

Established in the year 1987, Dr. Ambedkar Institute of Management Studies and Research (DAIMSR) was one of the only three institutions offering Management Programmes in Nagpur City at that point of time. Located in the historical, Deeksha Bhoomi premises, in the heart of Nagpur city, DAIMSR has grown from a department of Dr. Ambedkar College, to a full-fledged standalone institution offering five different Programmes under the faculty of Management. Two under graduate Programmes BBA and BCCA along with three postgraduate Programmes MBA, MCM, & PGDCCA, as well as, Doctoral Programme in Management are offered by the institution with a combined intake capacity of 1000 seats.

The institute has been able to recruit and retain some of the best available Faculty talents in the region and is a strong base upon which all the institutes' initiatives driven. The Institute is one amongst the oldest established in the city and the region and has been on a continuous growth trajectory. The institute has been able to create an academically rigorous environment and its programmes are considered as one with greater emphasis on development of specific skills amongst the students. The institution has built up a stronger linkage with the industry and its standing amongst the recruiters and employers has gained a lot of ground over the years. The opportunities for Live Projects, Internships and Final Placements can also be developed, derived and delivered to the student body.

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