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Scope of Green Supply Chain Management in North Indian Construction Industries

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ABSTRACT

The subject of green supply chain management has acknowledged responsiveness in modern years between manufacturing practice and research. With important environmental effects, the north Indian construction industry desires environmental management tools to report these problems. This research was based on a literature review of the environmental effect of north Indian construction industries and green supply chain management. A study in the construction industries were lead to find out the general view of green supply chain management in north India. Study was developed to improve the consciousness of green supply chain management. In addition, the problems met in the research were calculated and possible openings for future research are proposed.

Keywords: green supply chain management, north Indian construction industry, Green purchasing, Sustainable development and sustainable construction.

INTRODUCTION

As one of the greatest vital issues to business, environmental management is becoming a key planned issue for organizational performance [1]. With the introduction of Environmental Management System (EMS) into the business, a consistent rise in the use of environmental management tools have emerged [2]. Besides of 'in-house' environmental development, there is a tendency that organizations are lengthening the parameters of the EMS's outside the factory and into their supply chain networks. Environmental impacts happen across all phases of a product's life cycle, from the raw material abstraction, to manufacturing, use and reuse, final cycling, or removal, namely from cradle to grave [1]. Green supply chain management (GSCM), as well as other linked ideologies, has become an important policy for companies to achieve profit and market rewards by reducing the environmental risks and improving the efficiency.

The construction industry is one of the greatest vital areas for the human development by improving society's physical environment: its output is used for production, business and accommodation, and for providing vital utilities [3]. However, construction typically has an important and permanent impact on the environment. Impacts including huge use of natural resources, pollution of environment, and high energy depletion are among the whole supply chain from production of construction materials to the end

user. With the growing of environmental consciousness, the term of 'sustainable construction' is becoming popular. The sustainable construction should include 'cradle to grave' appraisal, not only the serviceability of a building during its generation, but also the reprocessing of resources to cut waste stream related with destruction should be concerned. The material purchasing in construction industry is the vital process of supply chain management [4]. The increasing environmental consciousness and promise of businesses, governments, and individuals has encouraged the growth of procurement and purchasing strategies combined with environmental necessities. A set of green purchasing strategy has been developed with four principle attributes. At the same time, corporation's have create that implementing green supply chain management results in not only environmental profits, but can also enhance quality of product, raise productivity, and reduce of risk of supply chain break or damage to status.

With the contextual information, the primary objective of this study is to find out the condition of green supply chain management in the north Indian construction industry for the possible improvement of sustainable development. The specific objectives are as follows:

- Measure the environmental implication of construction materials in construction industry.
- Examine the response to green supply chain management of the north Indian construction industries and find out the similar and different characters.
- Using the 'green purchasing strategy' to evaluate the situation of green supply management implementation in the construction industries from the north India.
- Propose initiatives for the green purchasing and possible outlets for future study.

OVERVIEW OF NORTH INDIAN CONSTRUCTION INDUSTRY

The construction industry can be realized as just on-site construction activity or, broadly, as covering the extraction of materials, sales and manufacture of construction products [5]. The size of the north Indian construction industry is illustrated by the following statistics:

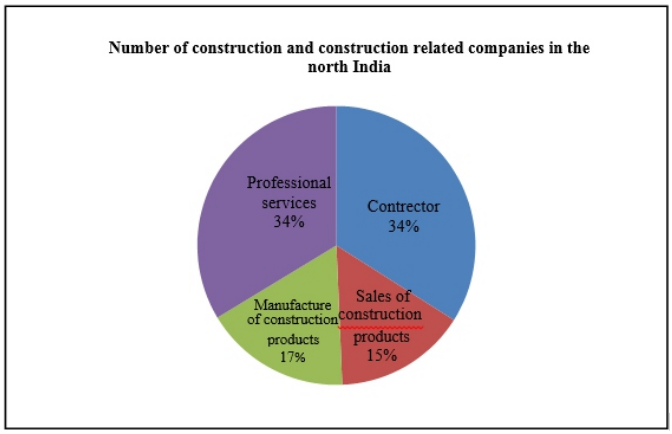

Figure 1 Number of construction and construction-related companies in the North India

- The construction sector in north India contributes to a growth of 4.9% at an estimated value of USD 50 Billion to be attained by 2009.
- There are up to 300 companies involved in construction.
- Contractors alone having a gross annual output of around Rs.500 billion.
- Around 1.5 million people are employed on-site.

The Construction industry plays an important role in shaping society's physical environment: its output is used for production, commerce and shelter, and for providing vital utilities [3]. However, construction usually has a significant and irreversible impact on the environment:

- Use of land in competition with other activities, such as agriculture;
- Use of virgin land such as forests, wetlands and coastal areas, which often implies loss of biodiversity;
- Massive use of natural resources, many of which are non-renewable;
- Pollution of air during the transportation of materials and site activity;
- Consumption of water and pollution of water reserves;
- Generation of waste owing to poor resource management;
- High energy consumption on site and in completed facilities; and
- Generation of noise by site activity.

Buildings significantly influence the environment in the eight major stress categories: use of raw materials (30%), energy (42%), water (25%), land (12%) and pollution emission such as atmospheric emissions (40%), water effluents (20%), production of solid waste (25%) and other releases (13%).

RESOURCES IN CONSTRUCTION

This part involves some information of the use of materials in the construction industry. It relates to the environmental impacts of construction materials to the total human activities. it is calculated that 120 million tons of materials are used in the north Indian construction industry in the India each year, which equates to 1.8 tons per person, it means that the construction sector accounts for over much of the resource use in the north India by weight. Aggregates are mineral materials, such as sand or gravel, which are used in making concrete. Aggregates make up over 50% of construction materials by weight (30 million tones/year) in the north India. There are two reasons for this deforestation, one is logging for timber, and the other one is the clearance for agriculture. Consequently, two critical implications of deforestation have been emerging. One is the loss of biodiversity in the world, the loss of habitats and species forever. The other is a reduction in the earth's capacity to absorb CO2. This drop of absorption capacity is proving critical at a time of increased CO2 emissions, leading to global warming and

worldwide climatic change [6].Although timber is theoretically a renewable resource and substitution of wood for other materials in some countries can reduce materials related CO2 emissions, it can only be considered as such if it comes from sustainable managed woodland. The use of certified sustainable timber is a very positive mechanism for acquiring sustainability of timber usage in the construction industry. Cement is one of the basic construction materials, which consists of alumina, silica, lime and other substances. The preparation of cement includes mining; crushing, and grinding of raw materials (principally limestone and clay; calcinations of the materials in a rotary kiln; cooling the resulting clinker; mixing the clinker with gypsum; and milling, storing and bagging the finished cement. The process of cement production is energy-intensive. Cement production is the third ranking producer of CO2 in the world after transport and energy generation, it is responsible for 7-10% of the world's total CO2 emission.

Concrete is a mixture of sand, gravel, crushed rock or other aggregates held together by a hardened paste of cement and water. The process of producing concrete at a ready-mixed batching plant involves accurately weighing the required quantity of each constituent material and mixing them together either in the drum of a mixer truck or in a static pan mixer. During the manufacture of ready-mixed concrete, waste arises from three sources:

- Washing out truck mixer drums at the end of each working day to prevent fresh concrete residue from setting in the drum overnight;
- Washing down the yard and plant;
- Occasionally unwanted fresh concrete is returned to the batching plant from site. The causes of waste in construction are numerous, and are usually classified under two headings known as direct and indirect waste. The direct waste was generated in transport, delivery, storage, cutting, spillage, theft, vandalism, wrong use, wrong specification, learning-by-doing waste and inefficient plant, and those associated with the characteristics of the material, bespoke dimension make-up, production waste and poor workmanship are called indirect. However, it is clear that this problem requires many different considerations and involves professionals, manufacturers and industrialists.

SUSTAINABLE DEVELOPMENT AND SUSTAINABLE CONSTRUCTION

Sustainable development' is defined as the development which meets the needs of the present without compromising the ability of future generations to meet their needs [6].

However, several authors note that the practical implications are vague and poorly defined. Besides argue that the two terms 'sustainable' and 'development' are incompatible because development tends to destroy the ability to sustain. A popular recent terminology now employed by The World Bank is

'sustained livelihood', which discuss the dimensions of sustainability. Apparently, for achieving sustainability, the principle of sustainable development should be integrated into national and corporate policies [7]. The term 'sustainable construction' is generally used to describe a process which starts well before construction (in the planning and design stages) and continues after the construction teams have left the site [8]. Sustainable construction should include 'cradle to grave' appraisal, not only the serviceability of a building during its lifetime, but also the recycling of resources to reduce waste streams associated with demolition should be considered. There are four principle attributes which construction sustainability depends on: social, economic, biophysical and technical. Some major green initiatives by contractors and clients the measures of contractors include:

- Having an environmental policy and publishing an environmental statement;
- Incorporation into the annual report of an audit of the company's contribution to green causes; Contribution to training in handling of materials and waste;
- Undertaking environmental audits of their buildings;
- Environmental impact assessment of some activities such as quarrying;
- Placing a main board member in charge of environmental issues.

Also, contractors are paying more attention to corporate environmental strategy, and professional and trade bodies have been preparing 'green' policy papers to guide their members to adopt environmentally responsible practices. With the pressure from statutory control, intensified competition, various stakeholders, social responsibility and corporate image, business enterprises, especially those with environmental have changed their corporate policies and operating practices and procedures. The view of environmental issues should be shifted from "moving from considering environmental issues as peripheral to business to a holistic view of business and sustainable development".

ECOLOGICAL EXECUTIVE SYSTEMS

By understanding the nature and impact of the environmental damage, the construction industry must take practical measures to deal with the problems. The trade-off between economic growth and the sustainability of the environment can be attained by the corporate environmental management with the company. The satisfaction of customers' requirement for environmentally sound practices, the reduction of costs, and avoidance of infringing environmental legislation can be meet by the trade-off. An environmental management system (EMS) is required once the company decides to improve its environmental performance. EMS is a set of management tools, principles and procedures which an organization can use to help protect the environment from the potential impacts of its activities, products, and services. The ISO 14000 series of standards was developed by the International Standardization Organization (ISO) in response to the trend towards sustainable development. The

definition of EMS in ISO 14001 is the part of the overall management system which includes the organizational structure, planning activities, responsibilities, practices, procedures, processes and resources for developing, implementing, achieving, reviewing and maintaining a company's environmental policy [8]. The ISO 14001 Standard is organized according to a five-step cycle of continual improvement, using the plan-do-check-review concept. There are many benefits from ISO 14001 which have been covered by literature [10]. These benefits can be summarized as:

- Protection of the environment;
- Reduced operating costs; z Increased access to markets;
- Demonstrated compliance with regulations;
- Improved environmental performance;
- Improved customer trust and satisfaction;
- Enhanced corporate image and credibility;
- Employee involvement and education; and
- Potential impact on world trade to allow competition on an equal basis

SUPPLY CHAIN MANAGEMENT

The term of supply chain can be explained as the life cycle process which supports physical, information, financial, and knowledge flows for moving products and services from suppliers to end-users [11]. Until now, there is no commonly accepted definition of supply chain management. The construction industry is a very fragmented industry. Because of the traditional model of planning, scheduling, controlling and contracting, where each functionsas different islands, the project cost would be increased to unrealistic values [11]. The construction supply chain process includes different stages in the construction process:

- Briefing stage
- Design stage
- Outline proposal
- Scheme design
- Detail design
- Production information
- Project contracts/ tendering stage
- Bills of quantities
- Tender action
- Project planning
- Construction

Construction supply chain (CSC) embodies all construction processes, which starts at the initial demands by the client/owner, to design and construction, maintenance, replacement and eventual demolition of the projects. It also consists of different organizations involved in the construction process, including client/owner, designer, contractor, subcontractor, and suppliers. CSC is both a chain of construction businesses with business-to-business relationships and a network of multiple organizations and relationships. The chain includes the flow of information, materials, services, products, and the flow of funds between owner, designer, contractors, subcontractors, and suppliers [12].

There are three types of CSC:

- The primary supply chain, which delivers the materials that are incorporated into the final construction products;
- The support chain, which provides equipment and materials that facilitate construction;
- The human resource supply chain which involves the supply of labor. Construction supply chain management can be defined as:

The coordination of inter organizations' decision making in CSC and the integration of key construction business processes and key members involved in CSC, including client/owner, designer, general contractors, subcontractors, suppliers, etc. CSC management focuses onhow firms utilize their suppliers' processes, technology and capability to enhance competitive advantage. It is a management philosophy that extends traditional intra- enterprise activities by bringing partners together with the common goal of optimization and efficiency. CSC management emphasizes on long-term, win/win, and cooperative relationships between stakeholders in systemic perspective. Its ultimate goal is to improve construction performance and adds client value at less cost. Construction supply management focuses on improving total project performance along various metrics including speed, cost, and quality. The integration of the supply chain management should aim at efficiency and effectiveness improvement across all chain members to the construction industry.

GREEN SUPPLY CHAIN MANAGEMENT

The definition of GSCM is still not clear, because the combination of corporate environmental management and supply chain management is a relatively new area of study and practice [1]. A number of possible definitions of GSCM have been put forth since the 1990's including:

Environmental supply chain management consists of the purchasing function's involvement in activities that include reduction, recycling, reuse and the substitution of materials"*13+. "The practice of

monitoring and improving environmental performance in the supply chain"*14+. "The term 'supply chain' describes the network of suppliers, distributors and consumers. It also includes transportation between the supplier and the consumer, as well as the final consumer the environmental effects of the researching developing, manufacturing, storing, transporting, and using a product, as well as disposing of the product waste, must be considered" [15]. GSCM practices range from green purchasing to integrated supply chain flowing from suppliers, to manufactures, to customers and reverse logistics. Five GSCM practices can be used to improve their performance, including internal environmental management, green purchasing, and cooperation with customers, investment recovery, and eco-design practices. These five GSCM practices are integrated into each other and need cross-functional cooperation. Internal environmental management is most significant for the improvement of enterprises' performance. Large customers can impose pressures on their suppliers with requirements of better environmental performance. Therefore, companies and enterprises need to cooperate withcustomers for environmental objectives [16]. Green purchasing and eco-design focus on the inbound or early stages of a product's supply chain. Investment recovery is considered as a critical aspect for GSCM practices of United States and European [17].However, because of the lack of waste management policies and recycling systems, investment recovery in India is not considered to be as important as in developed countries.

ECO PURCHASING

The life-cycle issues of the ultimate disposition of materials must be considered as an integral part of the purchasing and procurement process. Green purchasing has been covered in some literature: green purchasing is an increasingly common practice which is effectively greening the supply chain, and is becoming a key component of SCM. Companies should integrate other members of the supply chain into their environmental management processes. With objective environmental criteria which are developed systematically, the supplier evaluation systems can influence supplier's behavior effectively [18]. Green purchasing consists of "purchasing involvement in activities that include reduction, reuse, and recycling materials" [19]. Also, they find that many firms are developing and implementing "green" strategies to preserve the environment, as well as enhance efficiency and effectiveness.

Recently, green purchasing in construction has been involved the collaborative purchasing by influential groups of buyers, of products with specified performance criteria in the construction areas. It is proved that reduction in resource use of 30-50% has been achieved in a short period According to his theory, some actions should be advocated:

- Development of several principles for formulating requirements and testing, and contract rules including warranties and long-term responsibilities;

- Preparation of international performance standards; and
- Review of international rules for public-sector procurement to enable them to stimulate further innovation in sustainability.

RESEARCH DESIGN AND METHOD

The methodology was designed to generate the most suitable data to achieve the aim and objectives of this research. Two main methods of research were used. A desk study covered the basis of the research and the scope. To acquire the knowledge of construction industry, supply chain management and green procurement, related journals and publications havebeen read. A questionnaire survey was conducted to collect the information about the implementation of green supply chain management in construction industry.

Desk study

The desk study had two primary objectives: to examine the environmental impact of the construction industry within the materials area; and to acquire information about sustainable construction, green supply chain management, and the link between them. Based on the broad literature review, the background information was collected to design the questionnaire.

Questionnaire

The research technique employed for the collection of data was a self-completion questionnaire, administered to respondents via email. A period of 3 weeks was allowed for the return of questionnaires. The use of a self-completion questionnaire has several advantages [20]. The cost and weight involved the large sample size is reduced. Compared with mail or personal and telephone interviews, being quick to administer is an advantage. It is acknowledged that there is a tendency for self-completion questionnaire to generate lower response rates than comparable interview surveys. Several techniques were used to make a positive reply possible: A covering letter which explained the purpose and the potential benefits of the research was attached to each questionnaire. It was also assured that all the information provided by respondents will be kept confidential and will not be used for any purposes unrelated to the dissertation. At the same time, to maintain the interest of the reader, the covering letter was limited to less than 100 words. However, because of cultural barrier, minor modification of the covering letter was completed to gain the interest of these respondents. Closed questions might have reduced the spontaneity of their response. In order to increase clarity and ensure that respondents were fully understood, technical and ambiguous terms were avoided. The last part of the questionnaire was set aside for any recommendation from the repliers.

DATA ANALYSIS AND DISCUSSION

Results

The survey shows that most of the responses have been implementing environmental management system. For the north Indian companies, two thirds of the responses have environmental management systems which have been certified by ISO 14001, and 2companies have not been certified yet. Only one of these companies has no environmental system.

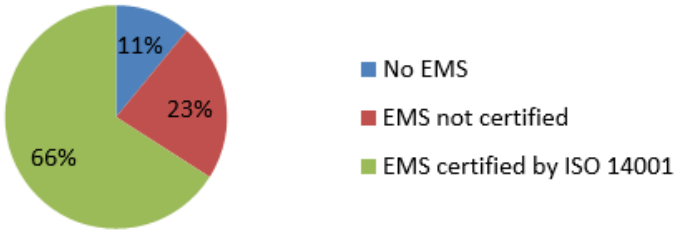

Figure 2 EMS implementation within the North Indian construction companies

The implementation of EMS has several benefits. Apparently, most of the responses from the north India have realized the potential to gain these advantages through implementing an EMS. The data shows that most of the responses from north Indian companies think the implementation of EMSs in the corporation is successful. For the north Indian construction companies, one third of the responses have added environmental issues into their policies and have established proactive operation during the projects. Nearly half of the north Indian construction companies' responses just fulfill the legal requirements. Surprisingly, there are 3 companies think they feel no environmental pressures, one is the company which has no EMS, and the other is seeking for the certification of EMS. The possible reason for this situation is acquiring the ISO 14001 certification increases the access to the market and enhances the image of the companies.

Figure 3 Environmental pressures for North Indian construction companies

The literature review about the environmental pressures have covered five groups of stakeholders: (1) government as regulatory stakeholders; (2) media; (3) local resident as community groups; (4) contractors and clients; and (5) other stakeholders including related organization which can affect the company financially and so on. The data shows that all the responses from the north Indian construction

companies feel the pressures from local residents. Meanwhile, the government, contractors and clients, and other stakeholders are supposed to be the creators of environmental pressures by most of these companies. Less than one third of the responses think the media is creating the pressure.

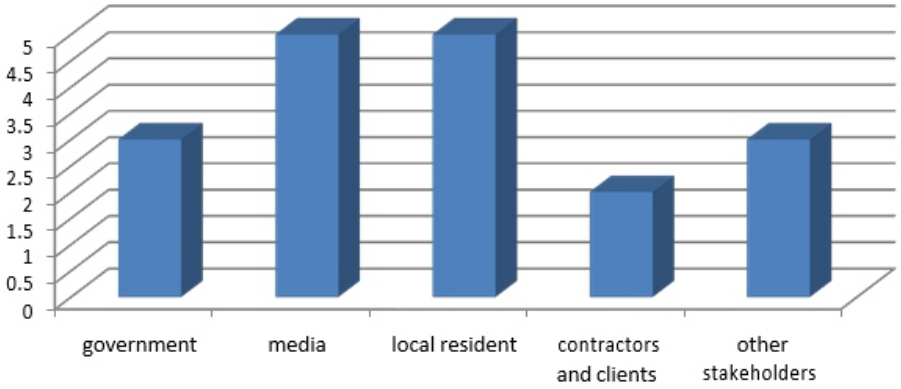

Figure 4 the environmentally stakeholders for the North Indian construction companies

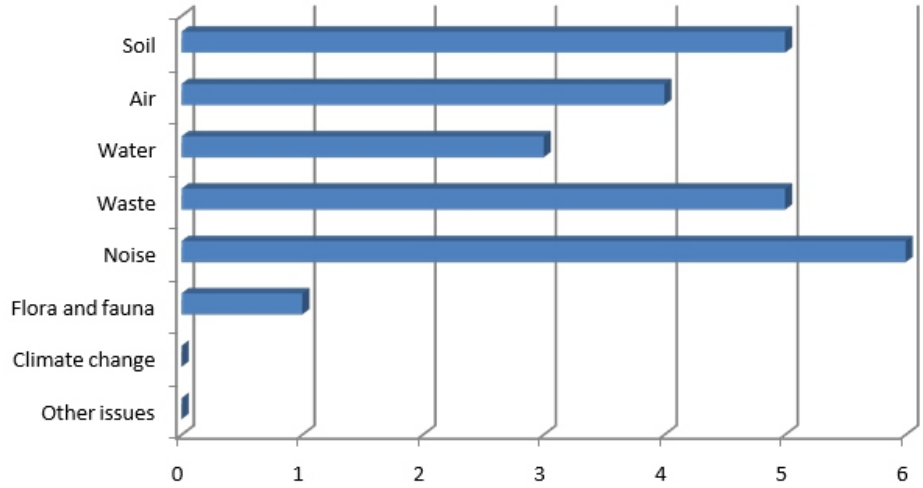

Figure 5 The priorities of environmental performance issues in the North Indian construction

According to the data, the situation in north Indian construction companies is a the environmental issue of noise pollution ranks the first place as two thirds of the companies think the noise is one of their environmental priorities. More than half of the responses think waste management is one of their priorities, followed by the issues of air, soil, water, flora and fauna. It is notable that none of these responses puts issue of climate change and any other issues into their priorities for the environmental performance.

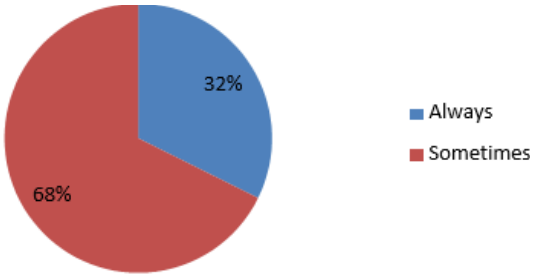

Figure 6 Green construction material purchasing in the North Indian companies

The survey shows that most of the responses from north Indian construction companies have committed to purchase construction materials with environmentally friendly attributes, such as recycled materials, and those with non-toxic ingredients 6 (67%) companies from north Indian construction industry always buy green construction materials leaving the remaining of 3 (33%) companies who buy green construction materials sometimes. As the awareness of environmental protection, customers have been focusing on the total quality of the construction products including the environmental performance of the construction throughout the whole life cycle. Another reason is the increased requirement of regulation. Materials with toxic ingredients are forbidden to use and recycled materials have been encouraged into the material market.

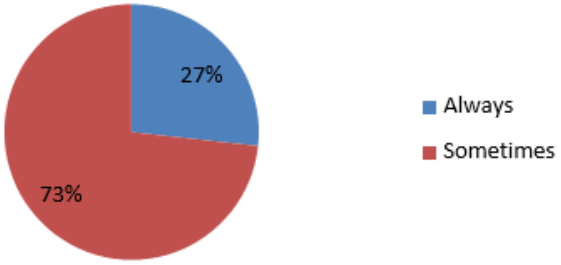

Figure 7 Requirement for suppliers to disclose environmental practices information in the North Indian companies

The requirements for information disclosing, auditing, EMSs implementation and EMSs certification are described as the behavior standards. For the information disclosing, responses from the two countries show different approaches. Nearly three quarters of the north Indian responses always require their suppliers to disclose information about their environmental practices, pollution discharges, and so on. The other 3 companies (27%) say they have this requirement for the suppliers sometimes.

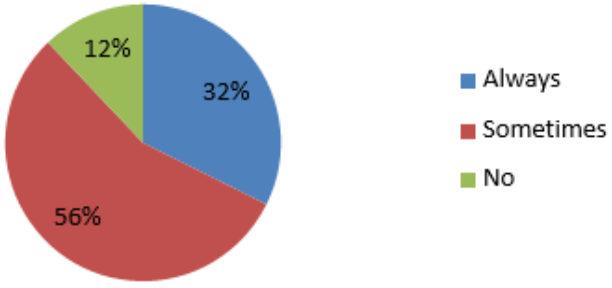

Figure 8 Auditing suppliers to evaluate their environmental performance in the North Indian companies

The situation for the auditing of suppliers environmental performance north Indian companies is more than half respondents audit suppliers to evaluate their environmental performance sometimes. Only (33%) and (12%) companies from north Indian always have this behavior standard for their suppliers.

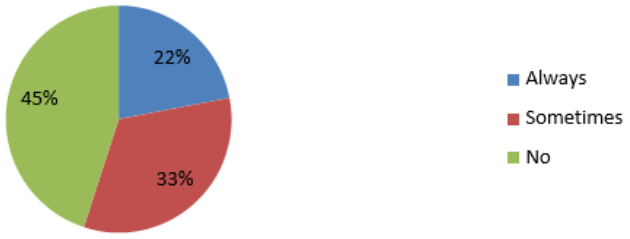

Figure 9 Requirement for the suppliers to implement and maintain EMSs in the North Indian companies

For the requirement of EMSs implementation and maintenance, the data shows different approaches of the responses from the north Indian construction companies. Nearly half of responses from north Indian construction companies have no requirement for its suppliers to achieve this standard and (33%) companies from north Indian construction companies require their suppliers of this standard sometimes. 22% which always has this requirement for their suppliers.

Figure 10 Requirement for suppliers to obtain certificated EMSs in the North Indian companies

Besides the implementation of EMSs, according to the strategies of green purchasing, the certification of ISO 14001 is important for the quality of the system operation. A little more than half of the responses from north Indian construction companies also have no such requirement. Companies always need certificated EMSs for their suppliers are also the companies who always require EMS implementation. Totally, half of the responses have no requirement for their suppliers to acquire a certificated EMS.

Figure 11 Co-operation with suppliers to reduce environmental impacts through changes in product design and materials use in the North Indian companies

The co-operation in the north Indian companies is weak. One third of these companies never co-operate with their suppliers to deal with this kind of issue. Only 2 companies (16%) always co-operates with its suppliers to reduce their environmental impacts.

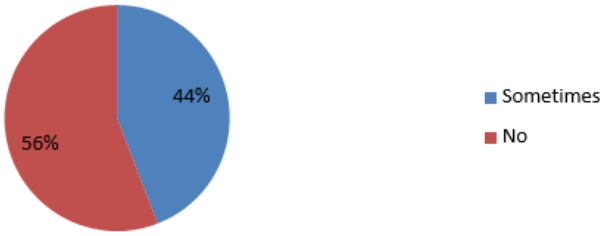

Figure 12 Institute training programmes for suppliers to increase their knowledge of environmental implications in the China companies

All the responses in north India, 5 companies (56%) have no training programmers for their suppliers. The remaining 4 companies do it sometimes. It is clear that the development for the green purchasing in the north Indian companies is weak.

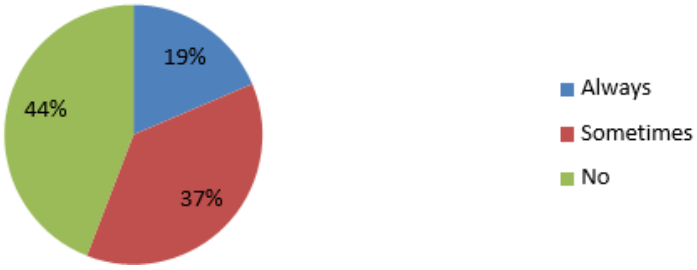

Figure 13 Informing suppliers of technological developments relating to their operations in the North Indian companies

The situation for informing suppliers of technological developments relating to this operation in the north India Nearly half of the responses from the north India do not inform their suppliers this kind of information. Only 2 companies (19%) inform their suppliers the information.

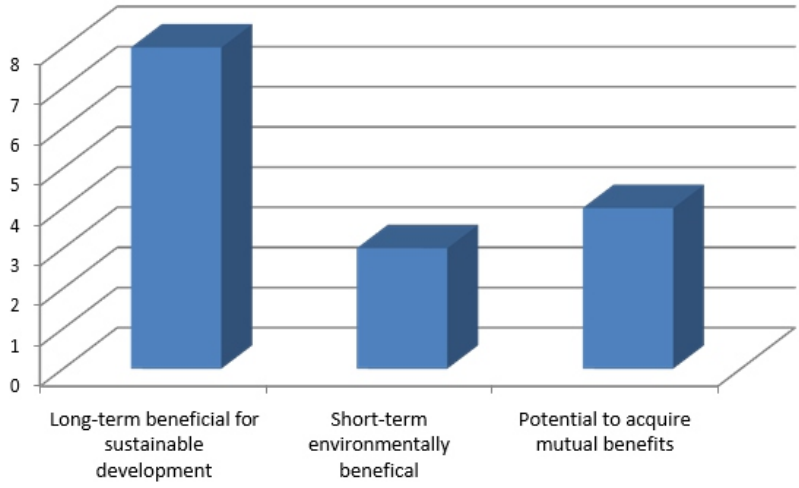

Figure 14 The perception of green supply chain management

As the figures show, maximum of the replies from the north India approve that it is long term advantageous for sustainable development. About half of the north Indian replies reflect it is also

conceivable to obtain short term environmental assistances by refining suppliers' action. However7 companies from the north India think it has possible to gain shared aids for both the company and suppliers. With the idea of possible win situation, the north Indian companies have paid more attention to this area and it is also approved by the analysis of green purchasing activities of north India.

To review, the investigation of the questionnaire data found:

- Most of the charted companies from north India have appreciated their environmental implication within their actions.
- Replies from the north India reason local inhabitants are a pressure creator for their environmental enactment; however, the media is also one of the main pressure creators.
- Waste management is the most important environmental issue for the north India the most concerned issue is noise;
- It is believed that green supply chain management is beneficial for the sustainable development in the construction industry.It is significant for the construction industry to growth the awareness of green procurement, particularly for the north Indian construction industry. Some initiatives would be helpful [8]:
- Emerging skill in SCM within industry.
- Exercise purchasing officers in key features of green procurement with presentation evaluation and monitoring.
- The administration should deliver direct support through its procurement policies and actions.
- Contribution motivations to support clean production processes and practices.
- Helping environmental accountability among all construction agencies, enterprises and experts.
- Refining the best practices in green procurement;
- Instituting an annual competition in enterprises to recognize excellence in green procurement.

CONCLUSION

This investigation aims to investigate the fact of green supply chain management in the north Indian construction industry. Previous to this, many investigators have enclosed the green supply chain management and the creativities and pressures for the implementation. Through a desk study about the environmental implementation of construction industry and green supply chain management, the basis of this research is accomplished. Giving to the literature review, green supply chain management can find sustainable development in the construction industry for the goal of “sustainable construction”. A review which focuses on the construction materials movement from the suppliers to the builders is lead the north Indian construction companies. The examination finds that most of the replies from the north

India have awareness about the environmental inference of their activities. Established on the green purchasing events, one questionnaire is used to examine the condition of the replies from the north India. Companies from north India have been implementing GSCM, and co-operation with their suppliers. Also, the awareness of GSCM, the maker of pressures for GSCM is different for the companies from the north India.

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Evaluating Training Programmes In Commercial Banks

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INTRODUCTION

Training evaluation ensures that whether candidates are able to implement their learning in their respective workplaces or to the regular work routines. Measuring the effectiveness of training programmes consumes valuable time and resources. The business environment is not standing still. Technology, legislation and regulations are constantly changing. What was a successful training program yesterday may not be a cost-effective program tomorrow. Being able to measure results help the firms adapt to such changing circumstances.

The problem for many businesses is not so much why training should be evaluated, but how. They often overlook evaluation, perhaps because the benefits-particularly financial ones-can be hard to describe in concrete terms. It is generally possible to pin down the benefits, enabling the firms to make a sound business case for training, by choosing what they wish to measure or compare before and after training.

OBJECTIVES OF THE STUDY

- To analyse the effectiveness of training programmes in commercial banks.
- To analyse the opinion of trainees on the effectiveness of various aspects of training being imparted by commercial banks.

SCOPE OF THE STUDY

The focus of this study is mainly upon studying the opinions of the trainees regarding various aspects of training. The area of study is limited to the training programmes conducted by the Staff Training Centres of two banks namely The HDFC Bank (Haryana) and State Bank of India (Haryana).

METHODOLOGY

The present study is based on primary data. The survey had been carried out in the staff training centres of State Bank of India (Haryana) and The HDFC Bank (Haryana) respectively. The study aims to analyse variables responsible for successful training programme in commercial banks. A structured questionnaire containing several questions relating to various aspects of training programme has been developed. A systematically designed training programme helps in motivating the trainees towards

effective learning. As the effectiveness of training programme depends on various factors, different parameters such as course duration, library facilities, trainer, teaching & computer aided programme and other infrastructural facilities etc are considered for evaluation.

HYPOTHESIS

H0 – There is no significant difference in the opinion of respondents at the two staff training centres namely SBI (Haryana) & HDFC (Haryana) on various aspects of training programmes.

ANALYSIS

Table 1 studies the combined opinion of respondents on various aspects of training programme conducted by staff training centres of The HDFC Bank and State Bank of India (Haryana). 75.8% and 75.0% of the respondents rated course duration and library facilities of the training programmes as above average.70.5% respondents found teaching and computer aided programme as good and very good. A cursory look at the data reveals that trainees are most satisfied by the trainers (83.3%) at the Staff Training Centres. Other infrastructure facilities are also rated above average by 78.8% of respondents.

Table 1 shows the opinion of respondents on various aspects of training programmes conducted by staff training centres of HDFC and SBI (Haryana).

Out of respondents from HDFC(Haryana) 37.7% termed the course duration of training programme as very good whereas 1.4% regarded it as very poor. So far as library facilities are concerned 36.2% respondents considered them as very good while 10.1% termed them as poor and very poor. On the aspect of trainer, 50.7% of respondents opined as very good. Opinion on other infrastuture facilities like catering, accommodation etc. was good by 37.7% of respondents. 39.1% of respondents opined very good on teaching & computer aided programme while 1.4% considered it as very poor.

Table 1: Opinion on various aspects of training programme

Aspect	Very Good	Good	Average	Poor	Very poor
A) HDFC Bank(N=69)					
Course duration	26	25	12	5	1
	(37.7)	(36.2)	(17.4)	(7.2)	(1.4)
Library facilities	25	27	10	5	2
	(36.2)	(39.1)	(14.5)	(7.2)	(2.9)
Teaching & Computer	27	25	9	7	1
Aided Programme	(39.1)	(36.2)	(13.0)	(10.1)	(1.4)
Trainer	35	21	8	3	2
	(50.7)	(30.4)	(11.6)	(4.3)	(2.9)
Other Infrastructure	30	26	7	5	1
Facilities	(43.5)	(37.7)	(10.1)	(7.2)	(1.4)

B) State Bank of India(N=63)					
Course duration	22	27	9	3	2
	(34.9)	(42.9)	(14.3)	(4.8)	(3.2)
Library facilities	24	23	10	4	2
	(38.1)	(36.5)	(15.9)	(6.3)	(3.2)
Teaching & Computer	19	22	18	3	1
Aided Programme	(30.2)	(34.9)	(28.6)	(4.8)	(1.6)
Trainer	30	24	4	2	3
	(47.6)	(38.8)	(6.3)	(3.2)	(4.8)
Other Infrastructure	28	20	6	5	4
Facilities	(44.4)	(31.7)	(9.5)	(7.9)	(6.3)
C) Combined HDFC & SBI (N=132)					
Course duration	48	52	21	8	3
	(36.4)	(39.4)	(15.9)	(0.1)	(2.3)
Library facilities	49	50	20	9	4
	(37.1)	(37.9)	(15.2)	(6.8)	(3.0)
Teaching & Computer	46	47	27	10	2
Aided Programme	(34.8)	(35.6)	(20.7)	(7.6)	(1.5)
Trainer	65	45	12	5	5
	(49.2)	(34.1)	(9.1)	(3.8)	(3.8)
Other Infrastructure	58	46	13	10	5
Facilities	(43.9)	(34.8)	(9.8)	(7.6)	(3.8)

Out of respondents from SBI (Haryana) 34.9% termed the course duration of training programme as very good whereas 3.2% regarded it as very poor. So far as library facilities are concerned 38.1% respondents considered them as very good while 9.5% termed them as poor and very poor. On the aspect of trainer, 47.6% of respondents opined as very good. Opinion on other infrastructure facilities like catering, accommodation etc, was found good by 31.7% of respondents and 30.2% of respondents opined very good on teaching & computer aided programme while 1.6% considered it as very poor.

Table 2: Opinion of respondents on various aspects of training programmes

Aspects	HDFC		SBI		SBI & HDFC	
	Mean	Variance	Mean	Variance	Correlation coefficient	t calculated
Course duration	13.8	129.7	12.6	128.3	0.974	1.04
Library facilities	13.8	132.7	12.6	107.8	0.994	1.63
Teaching & Computer Aided Programme	13.8	133.2	12.6	96.8	0.833	0.42
Trainer	13.8	197.7	12.6	177.8	0.971	0.80
Other Infrastructure Facilities	13.8	174.7	12.6	116.8	0.982	0.82

Degree of freedom-4, level of significance at 5%

Table 2 presents the analysis of the data presented in Table 1 using paired t test. The table t value at 5% level of significance at 4 degree of freedom is 2.776 for each aspect. Mean, Variance and correlation coefficient of the various opinions in comparison of two training centres are presented in table3. The correlation coefficient of the various opinions in comparison of two training centres are 0.974,0.994,0.833,0.971 and 0.982 respectively.

- The calculated t value for Course duration is 1.04 which is less than the table t value 2.776, hence null hypothesis stands accepted at 5% level of significance.
- The calculated t value for library facilities is 1.63 which is less than the table t value 2.776, hence null hypothesis stands accepted at 5% level of significance.
- The calculated t value for Teaching & computer aided programme is 0.42 which is less than the table t value 2.776, hence null hypothesis stands accepted at 5% level of significance.
- The calculated t value for Trainer is 0.8 which is less than the table t value 2.776, so null hypothesis stands accepted at 5% level of significance.
- The calculated t value for other infrastructure facilities is 0.82 which is less than the table t value 2.776, hence null hypothesis stands accepted at 5% level of significance.

CONCLUSION

The results of the study reveal that training programmes of the respondent organizations are generally effective. With respect to course duration, library facilities, trainer, teaching & computer aided programme and other infrastructure facilities. The calculated t values are 1.04, 1.63, 0.42, 0.80 and 0.82 respectively, which are less than table value of t hence null hypothesis is accepted.

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A Study of Organizational Climate and Stress of Police Personnel

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A B S T R A C T

Police is recognised as the most stressful professions on the earth because of the multiple factors. The nature of work, prolonged working hours, critical incident exposure, strict organisational policies which form the climate of an organisation contribute to the stress levels in a big way. Such organisational conditions constitute the climate, the positive climate thus created have positive impact on the psyche of the people working in an organisation similarly vice versa is also true. The present study is an attempt to explore the impact of organisational climate at stress levels. Besides this its impact on both the sexes and personnel's working at different hierarchical levels is also explored. There is a significant relationship between perceived organisational climate and stress level of the group of police personnel but insignificant relationship exists between perceived organisational climate and stress for the police personnel at different hierarchical levels. No significant relationship between perceived organisational climate and & stress for both the sexes is seen.

INTRODUCTION

Organizational Climate:

Organizations differ in physical structures as well as in attitudes and behaviours they elicit in people. These differences are related to differing individual perceptions. Climate means all those characteristics that distinguish one organization from the other and influence the behaviour of the people in the organization. It not only affects the behaviour of the individuals but also how organizations interact among themselves. At an individual level the climate is an individual's description of the social setting (which comprise of physical structure, organizational policies and interpersonal relations developed within the group) or the context of which the person is the part. These individual descriptions are called **"Psychological Climate"** and aggregation of psychological climates has been used to represent the climate of larger units of analysis i.e. **"Organizational Climate".** Organizational climate is about the perceptions of the climate environment and about absolute measures.

Organizational climate defined:

The concept of **organizational climate** is studied by various scholars and many of them have given their own definition of organizational climate.

According to **French, Katz and Rosenweig (1985)**, organizational climate is relatively an enduring quality of the internal environment of an organization **which is experienced by its members, influences their behaviour, can be described in terms of the values of a particular set of characteristics (or attributes) of the organization.** Climate is often defined as the recurring patterns of behaviour, attitudes and feelings that characterize the life in the organization **(Isaksen & Ekvall, 2007).**

Drawing on these definitions, organizational climate is the relatively persistent set of perceptions held by organization members concerning the characteristics and quality of organizational culture.

Ekvall & Isaksen (2007) described two ontological interpretations of the organizational climate.

Realistic or Objectivistic view: According to the Objectivistic view, climate refers to "a set of conditions that exist to have impact on an individual's behaviour." These are "objective" characteristic of an organization and can be observed in several ways e.g., by organizational members as well as by outsiders.

Subjectivist view: In this view, the organizational climate is regarded as the organizational members common perceptual and cognitive structuring of the situation. Organizational members construct climate over time and events.

Measuring climate:

Measurement of climate seeks to identify the components of climate both in absolute and perceptual terms. Generally, the areas of interest to be measured in climate are:

- External environment - organizational interface with it.
- Organizational leadership / mission.
- Organization structure / system
- Management practices.
- Working - co-workers! teams ! supervisor.
- Self - at work - your role, development, opportunities, motivation, commitment, stress.
- Self - outside work - how work affects your life (good/bad) - vice-versa.

Stress: Define Stress (The stress response of the body) somewhat like an airplane readying for takeoff virtually all system e.g. the heart and blood vessels, the immune system, the lungs, the digestive system, sensory organs, and brain are modified to meet the perceived danger. People can experience either external or internal stressors. External stressors include adverse physical conditions such as pain, hot or

cold temperatures or stressful psychological environments such as poor working conditions or abusive relationships. Internal stressors can also be physical like infections, inflammations or psychological. An example of an internal psychological stress is intense worry about the harmful event that may or may not occur.

Symptoms of stress:

Physical symptoms: Headaches, Twitching eyelid, Twitching nose, Facial or jaw pains, Dry mouth or throat, Difficulty in swallowing, Ulcers on tongue, Neck pains, Dizziness, Speech difficulties, Back aches, Muscles ache, Weakness, Constipation, Indigestion, Nausea/vomiting, Stomach pains, Diarrhoea, Sexual inadequacy, Chest pains, Insomnia, Accident proneness, High BP & Heart burn.

Emotional symptoms: Irritability, Moodiness, Depression, Unusual aggressiveness, Loss of memory, Nightmares, Withdrawal, Neurotic behaviour, Anger, Thoughts of suicide, Feeling of helplessness, Impulsive behaviour, Restlessness, Frequent episodes of crying, Indecisiveness, Lack of sexual interest, Periods of confusion, Racing thoughts, Anxiety, Feeling of panic.

Behavioural symptoms: Wrinkling forehead, High pitched nervous laughter., Nail biting, Compulsive eating, Increased use of prescribed medicine, Loss of interest in physical appearance, Compulsive dieting, Chronic procrastination, Sudden change of social habits, Chronic tardiness, Foot or finger tapping, Hair pulling, Smoking, Drinking, Drug dependence, Gnashing or grinding teeth.

Stressors at work place.

- Some of the intense stressors at work place are enumerated as below:
- Under participation in decisions that affect the work responsibilities.
- Unrelenting and unreasonable demands for performance.
- Lack of effective communication and conflict- resolution methods among workers and employers.
- Lack of job security.
- Long working hours.
- Excessive time spent away from home and family.
- Office politics and conflicts between workers.
- Non-commensurate wages with levels of responsibility.
- Political interference.
- Inadequate equipment and lack of training on equipm
- Harassment at work place and so on.

Definition of workplace stress:

Taber's Cyclopedic Medical Dictionary (2005) defines stress as "the result produced when a structure, system or organism is acted upon by forces that disrupt equilibrium or produce strain". "Workplace stress" has harmful physical and emotional response that can happen when there is a combination of high demands in a job and a low amount of control over the situation.

Stress in the workplace can have many origins or come from one single event. It can influence both employees and employers alike. As stated by the **Canadian Mental Health Association (2000):** Fear of job redundancy, layoffs due to an uncertain economy, increased demands for overtime due to staff cutbacks act as negative stressors.

Employees who start to feel the "pressure to perform" can get caught in a downward spiral of increasing effort to meet rising expectations with no increase in job satisfaction. The relentless requirement to work at optimum performance takes its toll in job dissatisfaction, employee turnover, reduced efficiency, illness and even death. Absenteeism, illness, alcoholism, "petty internal politics", bad or snap decisions, indifference and apathy, lack of motivation or creativity are all by-products of an over stressed workplace.

Causes of work place stress: Some of the most visible causes of workplace stress include: Job insecurity, High demand for performance, technology, Workplace culture, Personal or family problems etc. Job related stress is likely to become chronic because it is such a large part of daily life and stress in turn reduces a worker's effectiveness by impairing concentration, causing sleeplessness and increasing the risk for illness, back problems, accidents and loss. Work stress can lead to harassment or even violence while on the job. At its most extreme, stress that places such a burden on the heart and circulation can be fatal. The Japanese even have word for sudden death due to overwork, Kauoushi.

Job stress and women: Women may suffer from mental and physical harassment at workplaces, apart from the common job stress. Sexual harassment in workplace has been a major source of worry for women, since long. Women may suffer from tremendous stress such as 'hostile work environment harassment, which is defined in legal terms as 'offensive or intimidating behaviour in the workplace can consist of unwelcome verbal or physical conduct Subtle discriminations at workplaces, family pressure and societal demands add to these stress factors.

Police stress: The police service has the highest level of stress and maximum consequences. Many studies have been conducted for understanding the level of stress among police personnel and most of them have revealed alarming negative effects of stress on these personals.

Police officers play a very significant role for maintaining law and order in the society despite all the shortcomings and limitations in the police department especially concerning the infrastructural facilities, work force shortages and periodic training. Police officers are supposed to implement all the criminal laws for which they work round the clock and/ or without any leave/ break, which cause tremendous mental pressure and physical exertion on them. As a result, sometimes a few of them may have violent outbursts and/ or take leave without any prior notice. Police officers are at high risk of experiencing exposure to psychologically straining situations and potentially psycho-traumatic experiences.

A comprehensive review was done to develop an understanding about the nature of the research done on the proposed topic as given below.

Studies on Organizational Climate

The police force faces demands and risks in the field of combat, over the course of their daily working lives. To cope with these risks, such as violent offenders and a hostile environment, police organizations have evolved into tightly organized hierarchies of authoritarian leadership. Police bureaucracies pride themselves upon loyalty to organizational rules and authority, much like a military organization obeys a strict chain of command when it is engaged in decision-making.

The climate of the organization is perceived either favourably or unfavourably and has its impact upon organizational effectiveness, stress and other variables. Various factors like organizational context (goals and objectives), organizational structure (size, degree of centralization), organizational processes (leadership style, decision making etc.), nature of work (shifts etc.) and physical environment (employee safety, rewards etc.) constitute the dimensions of the climate.

Arvindsson et. al. (2004) conducted a study on air traffic controllers at two levels in Sweden to investigate how different organisational aspects such as organisational climate, team climate, leadership, psychosocial work environment and safety culture will be affected by ongoing organisational and technical changes. Concerning the organisational climate, no statistically significant differences were found between the different groups stadied. The climate was considered rather a stable and homogeneous attitudes and feelings that characterise the life of an organisation. On the other hand, the psychosocial work environment was considered more an expression of people's direct experience of their work situation making it more sensitive to differences in the kind of comparisons made.

Organisational climate may affect quality of service and organisational commitment, and "general organisational climate can influence perception of safety climate, and these influence safety performance through their effects on knowledge and motivation" For this reason it could be important for management to pay attention to climate to ensure safety and quality of healthcare.

Stress is a perceptual phenomenon arising from a comparison between the demand on the person and his ability to cope. More than any other service or job, the police service has the highest level of stress and maximum consequences because of the nature and demand of the service. A number of studies were carried out in different parts of the world for understanding the level of stress among police personnel. Most of the studies conducted in the past have revealed the alarming negative effects of stress on the police personnel. One of the recurring problems with stress studies is that they attempt to examine the phenomenon globally. This almost always has lead to generalized findings which may be representative of the overall problem, but have certainly failed to adequately micro- examine the intricacies of the issue. **Gaines and Norman Tubergen (1989)** examined perceptions of stress relative to the demographic and assignment characteristics of police officers in a medium sized city. The result of the study showed middle aged police personnel perceived more stress as compared to their younger counterparts. Also, line officers were more stressed than the ones posted at other places.

In a study conducted by **Brown et. al. (1999)** on police personnel conceptualized police operational stressors as traumatic, routine and vicarious. They also revealed that women officers were better at predicting psychological distress as compared to their male counterparts.

Certain conclusions based on the research work done on stress and alcohol abuse by Frone (2000) include:

- Research has expanded to include the sources of stress within the work role (i.e work stressors) as well as sources of stress representing the integration of work and family roles (work and family conflicts).
- Evidence is growing that work stressors and work- family conflicts are related to alcohol use.
- Research is beginning to move beyond simple studies suggesting that work stressors contribute to alcohol problems by moving towards examination of the more complex questions of why work stressors lead to alcohol use, and why only some people who encounter work stress develop alcohol problem.

Pancheri et. at. (2002) conducted a study to assess the subjective stress in the municipal police of the city of Rome. "The rapid-stress- assessment scale" was administered on clerical and traffic police

officials of both the sexes. Significant differences between traffic and clerical police officers were found in RSA total score, which was higher among traffic agents. Traffic police officers were found significantly more often in the "high stress class". Gender difference analysis showed higher stress score among women. The assessment of the over- the-counter drug used showed that among the police officers habitually using drugs, only traffic police subgroup scored higher on RSA. The prevalence of stress amongst the police personnel was found at all levels as indicated in numerous studies conducted so far.

Goldfarb & Aumiller (2002) giving an overview of police work and analyzing the research of the biggest stressors for police officers found major stressors as:

- Killing someone in the line of duty.
- Having your partner killed in the line of duty
- Lack of support by the department bosses.
- Shift work and disruption of family time/family rituals.
- The daily grind of dealing with the stupidity of the public, or the "asshole factor".

The extreme form of stress manifests itself in the form of suicide. There seem to be four factors which find its expression along with the suicide:

- Divorce.
- Alcohol - not alcoholism. That was one of the early theories. But in actuality it was the use of alcohol right before the act to "get up the nerve".
- Depression.
- A failure to get help. (Most officers who commit suicide have no history of having sought counseling).

A survey on a population of 1206 police officers to assess levels of strain associated with a. series of potential home and work related stressors was conducted by Collins & Gibbs (2003). The findings of the study indicated that occupational stressors ranking most highly within the population were not specific to policing, but to organizational issues such as the demands of work impinging upon home life, lack of consultation and communication, lack of control over workload, inadequate support and excess workload in general. A significant association between gender and mental ill-health was found, with females more likely to be stressed than the males. This study confirmed previous findings of organizational culture and workload as the key issues in officer stress.

Deschamps et. at. (2003) attempted to find the most vulnerable group of employees within the organization to fall prey of stress in terms of age, tenure, sex and rank. The police officers with a high

stress level belonged to the group with more than 15 years in service, sergeant, officers and administrative employee rank, divorced experienced, age over 30, no leisure time activities and no hobbies. In fact sources of stress in police population were found both in the weariness of the job and private life planning.

Hea et. at., (2005) conducted a study for finding interactive effects of race and gender in a multidimensional assessment of police occupational stress. The sample from a large urban police department was divided into four subgroups. Results showed that dynamic factors such as measures of work environment and coping mechanisms contributed more in explaining police stress than static factors such as race and gender. Additionally, destructive coping and work-family conflict (spillover) were the most stable correlates of police stress across all subgroups included in the analysis.

Women in police service experience tremendous stress. In a survey conducted on police personnel serving in Gujrat by **Patel (2006)** it was found that around 65 % women working in police were under tremendous work pressure and stress, which was badly affecting their family life. Erratic and long working hours were the main reason of stress resulting in manifestation of anger on their spouses and children. The sample under study consisted of group of constables, ASI's & PSI's. Reason for joining the police force for majority of the women was unemployment, financial needs and government job. Only for 2% of the surveyed women, wish to serve the masses was the motive behind. According to the researcher motivating factor behind joining the police force had impact on the experienced by the women.

METHODOLOGY:

The present study is an attempt to study the organizational climate of the police organization and the stress experienced by the police personnel serving in the militancy affected state of Jammu & Kashmir. The study aimed to analyze the effect of organizational climate and stress on two demographic) variables viz, hierarchy and sex. The variables were studied using two tools viz. i.e. the organizational climate scale constructed for police organization and stress by using police stress questionnaires. Tools used in English language and were administrated on the group and experiment in Hindi and examples of local The high and low score for all the variables (perceived organizational climate and stress) were analyzed using mean and standard deviation whereas, the mean differences of scores between lower and middle hierarchical level and gender is analyzed with the help oft-score. The relationship between the variables was assessed using correlation.

OBJECTIVES:

- To study the perceived organizational climate of police as perceived by the lower and mid level police personnel.
- To analyze the stress level experienced by lower and mid level police personnel
- To assess the relationship between perceived organizational climate and stress level of police personnel.
- To understand the impact of sex on the perceived organizational climate of police.
- To understand the impact of sex on the stress experienced by police personnel.
- To examine the relationship between perceived organizational climate and stress level of female police personnel.
- To examine the relationship between perceived organizational climate and stress level of male police personnel.

HYPOTHESIS:

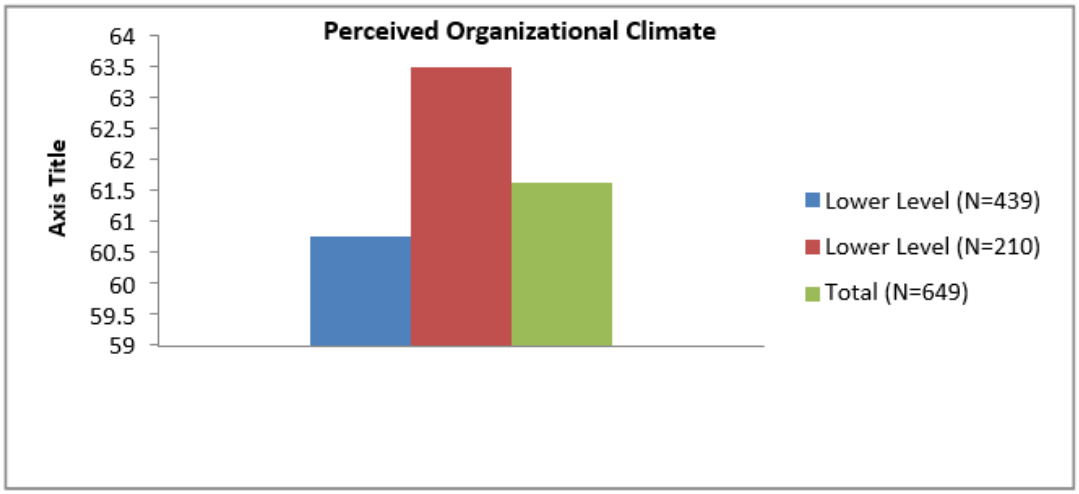
- There will be a significant difference in the perceived organizational climate of police as perceived by the lower and middle level police personnel.
- There will be a significant difference in the level of stress experienced by lower and middle level police personnel.
- There will be a significant relationship between perceived organizational climate and stress level of police personnel.
- There will be a significant difference in the perceived organizational climate of police amongst the female and male police personnel.
- There will be a significant difference in the level of stress experienced by female and male police personnel,
- There will be a significant relationship between perceived organizational climate and stress level of female police personnel.
- There will be a significant relationship between perceived organizational climate and stress level of male police personnel.

RESULTS AND INTERPRETATION:

Hypothesis 1 states that there will be significant difference in the perceived organizational climate of police as perceived by the lower and middle level police personnel.

Table (1): Mean S.D. & t-value for organizational climate of police personnel (lower & middle level functionaries).

	Lower Level (N=439)		Middle Level (N=210)		Total (N=649)		
Variable	Mean	S.D.	Mean	S.D.	Mean	S.D.	t-value
Organizational Climate	60.745	10.645	63.481	11.707	61.63	11.064	.003*



Graph a: Indicating the mean values of perceived organizational climate of overall, lower and mid level police personnel.

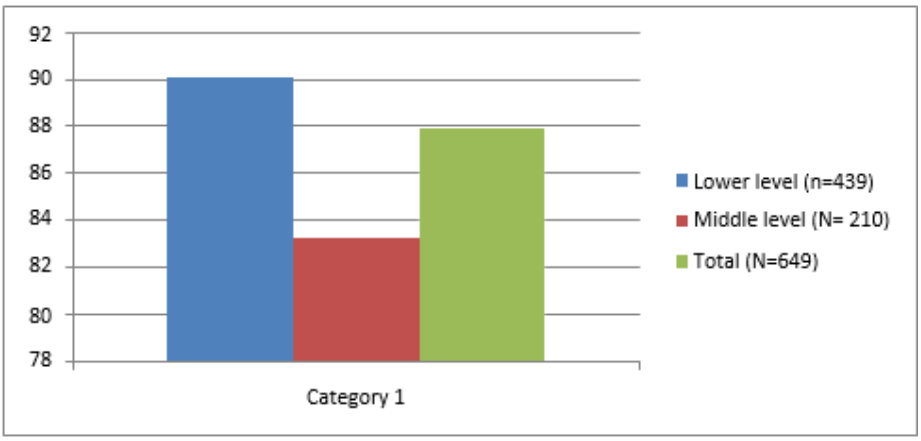
The mean score of perceived organizational climate is detailed in the Table (1) for the overall group of police personnel studied; lower and middle level police personnel studied as 61.630±11.064, 60.745±10.645, and 63.481±11.707 respectively. The values for all variables are graphically represented as bar diagrams in Graph (a). The mean score for all the three groups is slightly higher than the norm mean score i.e. 60.00.

From table (1) and graph (a) it is observed that mean difference between perceived organizational climate between lower and middle level functionaries is highly significant. Hence, the hypothesis 2 is accepted for perceived organizational climate scores for police personnel at both hierarchical levels i.e. lower and middle level.

Hypothesis 2 states that there will be a significant difference in the level of stress experienced by lower and middle level police personnel.

Table (2): Mean S.D. & t-value for stress level of police personnel (lower & middle level functionaries).

	Lower Level (N=439)		Middle Level (N=210)		Total (N=649)		
Variable	Mean	S.D.	Mean	S.D.	Mean	S.D.	t-value
Stress	90.1	17.38	83.286	20.789	87.895	18.806	.000*



Graph b:indicating the mean values of stress scores of overall, lower and mid level police personnel.

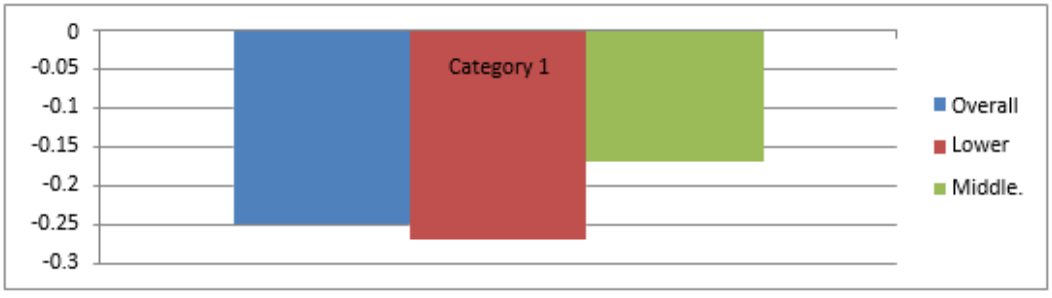
The mean score for stress for overall group of police personnel, lower and middle level police personnel is 87.895±18.01, 90.100±17.38 & 83.28620.79 respectively. The mean score for all the three groups is above the norm mean score i.e. 80.00.

From table (2) and graph (b) it is observed that mean difference of stress between lower and middle level functionaries is highly significant. Hence, the hypothesis 2 is accepted for significant difference in the stress level of police personnel at two hierarchical levels i.e. lower and middle level.

Hypothesis 3 states that there will be a significant relationship between perceived organizational climate and stress level of police personnel.

Table (3): Showing correlations between perceived organizational climate and stress for overall, lower and mid level police personnel.

Variable	Organizational climate & Stress
Overall	-0.25*
Lower level	-0.27*
Mid level	-0.17

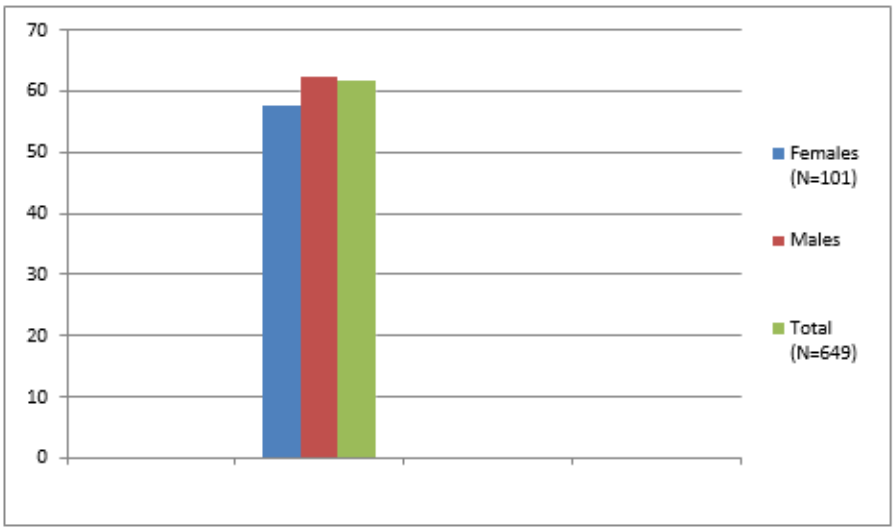


The overall, lower and mid level correlation score between perceived organizational climate & stress is -0.25, -0.27 and -0.17 respectively. It is observed that moderate significant negative correlation exists between the two variables i.e. perceived organizational climate and stress. So, the hypothesis 3 is accepted for significant relationship between perceived organizational climate and stress level of lower and mid level police personnel.

Hypothesis 4 states that there will be a significant difference in the perceived organizational climate of police amongst the female and male police personnel.

Table (4): Showing means, S.D & t-value for organizational climate of female and male police personnel.

	Females (N=101)		Males (N=548)		Total (N=649)		
VARIABLE	Mean	S.D	Mean	S.D	Mean	S.D	t-value
Organizational Climate	57.673	10.906	62.359	10.948	61.63	10.948	.00*



Graph C: indicating the mean values of perceived organizational climate of police amongst the females and male police personnel.

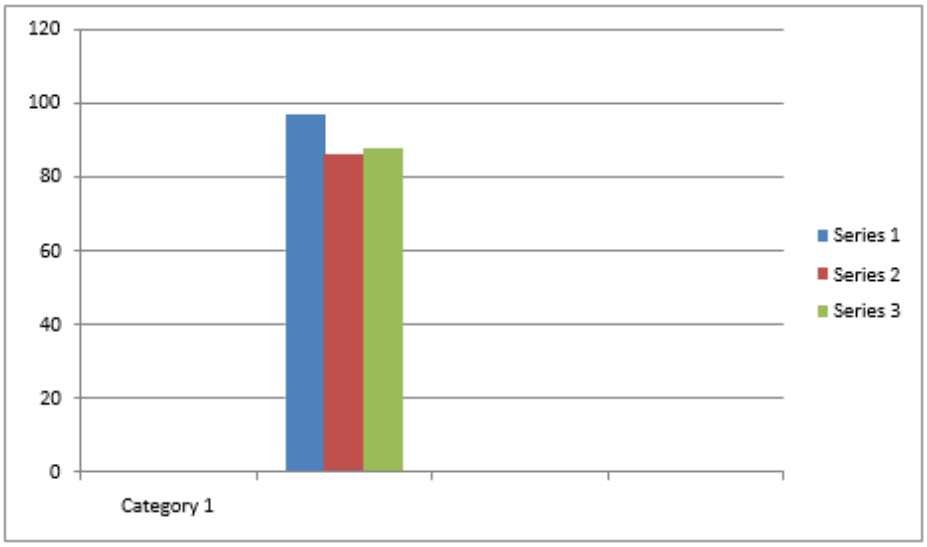
The mean score of perceived organizational climate for the overall group of police personnel studied, for female and male police personnel are 61.630±10.948, 57.673±10.906, and 62.359±10.948 respectively. The mean score of perceived organizational climate for overall group and male police personnel is slightly higher than the norm mean scores i.e. 60.00.

From table (4) it is observed that the mean difference in the perceived organizational climate between female and male police personnel is highly significant. Ice, the hypothesis 4 is accepted for significant difference in the perceived organizational climate scores for female and male police personnel.

Hypothesis 5 states that there will be a significant difference in the level of stress experienced by female and male police personnel.

Table 5 Showing means, S.D & t-value for stress level of female and male police personnel

	Females (N=101)		Males (N=548)		Total (N=649)		
VARIABLE	Mean	S.D	Mean	S.D	Mean	S.D	t-value
Stress	97.089	17.657	86.201	18.533	87.895	18.806	.00*



Graph d: indicating the mean values level of stress experienced by female and male police personnel.

The mean score for stress for overall group of police personnel, female & male police personnel is 87.895±18.806, 97.089±17.657 & 86.201±18.533 respectively. The mean scorefor the female group is above the norm mean score i.e. 80.00. From table (5) and graph (d) if is observed that mean difference of stress between female and male police personnel is highly significant. Hence, the hypothesis 5 is accepted for existence of a significant difference in the level of stress for female and male police personnel.

Hypothesis 6 states that there will be a significant relationship between perceived organizational climate and stress level of female police personnel.

Table (6): Showing correlation between perceived organizational climate and stress level of female police personnel.

Variable	Perceived organizational climate and stress level
Female Police personnel	-0.18

The correlation score between perceived organizational climate and stress is -0.18, which is not significant. So, the hypothesis 6 is rejected for significant relationship between perceived organizational climate and stress for female police pers

Hypothesis 7 states that there will be a significant relationship between perceived organizational climate and stress level of male police personnel.

Table (7): Showing correlations between perceived organizational climate and stress level of male police personnel.

Variable	Perceived organizational climate and stress level
Male Police personnel	-0.23

It can be observed from table (5) that the correlation scores between perceived organizational climate and stress for male police personnel is -0.23, which indicates low or insignificant correlation between the variables. So, the hypothesis 7 is rejected forsignificant relationship between perceived organizational climate and stress for male police personnel.

SUMMARY:

The present research is an attempt to study the organizational climate of the police organization in the militancy affected state of Jammu & Kashmir. The researcher aimed to ascertain the stress level of police personnel. The study also aimed to analyze the effect of organizational climate and stress on two demographic variables viz, hierarchy and sex. The results of the study were analyzed in line with the hypothesis framed for the study. The organizational climate was assessed by using organizational climate scale constructed for police organization and stress with the help of police stress questionnaire. The high and low score for the two variables were analyzed using mean and standard deviation whereas, the mean differences of scores between lower and middle hierarchical level and two genders is analyzed with the help oft-score. The relationship between the variables was assessed using correlation.

CONCLUSIONS:

All the conclusions are based on the formulated hypothesis and the findings.

1. The total perceived organisational climate score is higher amongst middle level and high significant difference is found between two groups perceived organizational climate.
2. The total stress score is higher for lower level police personnel and there is a non significant difference between lower and middle level police personnel in stress.
3. There is a significant relationship between perceived organisational climate and stress for the total group of police personnel but insignificant relationship exists between perceived organisational climate and stress for the lower and mid level police personnel.

4. The total perceived organisational climate score is higher amongst male police personnel and there is a significant difference between male and female police personnel in the perceived organizational climate.
5. The total stress score is higher for female police personnel and there is a significant difference between male and female police personnel in stress.
6. There is non significant relationship between perceived organisational climate and & stress for the female and male police personnel.
7. Amongst demographic variables sex and designation both contribute in elevating stress level.

LIMITATIONS OF THE PRESENT STUDY:

1. Police personnel serving in Jammu province were only considered for present study.
2. The investigator has quoted most of the refereilces from western countries as very few such type of studies have been conducted in India.

IMPLICATIONS OF THE RESEARCH:

1. The present study indicates the specific areas of organizational climate of police organization which require improvement. Police administration can take appropriate action to improve the areas requiring attention.
2. Comprehensive stress management training/ programmes could be formulated and conducted for police personnel to reduce the stress level of police personnel.
3. The organizational climate scale developed and standardized for the Jammu police could be further standardized on larger population for its wider application.

SUGGESTIONS' FOR THE FUTURE RESEARCH:

1. The sample of police personnel was drawn from three districts of Jammu province of J&K state, for broader generalizations, it is suggested to undertake similar researches in other parts of the state as well.
2. The tools used for the data collection were lengthy and direct questions were asked on various issues pertaining to organization. This may have led to eliciting socially desirable responses. Future researches may use certain projective techniques to study the issues undertaken.
3. Tools to be used for study need to be translated in the local languages, especially for the lower level police personnel, who have lower educational levels.
4. The scale constructed for assessing the organizational climate of police could be standardized on larger population by the future researchers for wider usage.

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A Study on Various Schemes for MSMES: with Special Reference to SIDBI

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ABSTRACT

The Micro, Small and Medium Enterprises (MSME) sector is an important pillar of the Indian economy by way for creating employment for about 73 million persons through 31 million units, manufacturing more than 6,000 products, contributing about 44% to manufacturing output and about 40% of exports, directly and indirectly. The Small Industries Development Bank of India (SIDBI) is as an apex and the principal financial institution for promotion, financing and development of the Micro, Small and Medium Enterprises (MSME) sector and thus coordinates of the functions of other institutions engaged in similar activities. The SIDBI at the apex level supports the MSME sector to gain the needed strength and has introduced various schemes and initiatives to meet the varied needs of the sector. Hence in the present paper there is a detail study of various schemes which are provided by SIDBI for the development of MSMEs.

Keywords: MSME, Credit Rating, E-discounting

INTRODUCTION

The Micro, Small and Medium Enterprises (MSME) sector is an important pillar of the Indian economy by way for creating employment for about 73 million persons through 31 million units, manufacturing more than 6,000 products, contributing about 44% to manufacturing output and about 40% of exports, directly and indirectly.

In 2006, the Government of India enacted Micro, Small & Medium Enterprises Development Act so as to facilitate the promotion, development and to enhance the competitiveness of the Small and Medium Enterprise sector. As under the act these enterprises have been classified into three categories viz. micro, small and medium enterprises. The enterprises have been divided into these categories on the basis of the investment made by such enterprises. The investment limits specified under the act are different for manufacturing sector and service sector enterprises. In manufacturing sector, an enterprise with investment in plant and machinery not exceeding Rs. 25 lac is classified as micro enterprise, investment of more than Rs 25 lac but not exceeding Rs 5 crore is classified as small enterprise, and with investment of more than Rs 5 crore but not exceeding Rs 10 crore is classified as medium enterprises. However, in service sector an enterprise with investment in equipment not exceeding Rs. 10 lac is classified as micro

enterprise, investment of more than Rs 10 lac but not exceeding Rs 2 crore is classified as small enterprise, and with investment of more than Rs 2 crore but not exceeding Rs 5 crore is classified as medium enterprises. Thus, the investment limits have been relatively higher for the enterprises in manufacturing sector as compared to that in service sector as specified for the micro, small and medium enterprises. The Small Industries Development Bank of India (SIDBI) is as an apex and the principal financial institution for promotion, financing and development of the Micro, Small and Medium Enterprises (MSME) sector and thus coordinates of the functions of other institutions engaged in similar activities. The SIDBI at the apex level supports the MSME sector to gain the needed strength and has introduced various schemes and initiatives to meet the varied needs of the sector.

Table 1 : Performance of MSMEs

Years	Total MSMEs (in lakh Nos)	Fixed Investment (crore)	Production (crore) (Current price)	Employment (lakh persons)
2008-09	285.16	6,21,753	8,80,805	659.35
2009-10	298.08	6,93,835	9,82,919	695.38
2010-11	311.52	7,73,487	10,95,758	732.17

Source : Annual Report FY 2011-12, Ministry of MSME, Govt. of India

Above table clearly depict the importance of MSMEs. Total Number of MSMEs increasing year by year, similarly production also increased. MSMEs play a vital role in providing employment.

MSMEs provided employment to 732.17 Lakh people during 2010-11.

SCHEMES OF SIDBI FOR MSMES

The Small Industries Development Bank of India (SIDBI) provides various financial and non financial assistance to MSMEs. Following are some important schemes for MSMEs:

1. Flexible Assistance for Capital Expenditure (FACE): MSMEs felt the need for longer term repayment and flexible repayment for different components of project cost depending upon the nature of investment and economic life of the asset. To meet this need of MSMEs, SIDBI has launched a new scheme, viz. Flexible Assistance for Capital Expenditure with separate repayment schedules for different components of the project. Further, the interest rate for each component would also be based on its tenure. MSMEs would, thus, have greater flexibility in repayments within one single project.

2. NSE Trade Receivables Engine for E-discounting in association with SIDBI (NTREES) - SIDBI, along with National Stock Exchange (NSE), took an initiative in 2009 for setting up an electronic platform for discounting of MSME receivables named as NTREES. Operations on the platform are done

under Real Time Gross Settlement basis and all the participants are being provided with system generated passwords for accessing the platform. As on March 31, 2012, 428 MSME vendors have registered themselves on the platform and total of 18,161 invoices have been discounted for Rs.638.27 crore.

3. Direct MSME Credit- SIDBI also provides direct credit to MSMEs mainly to supplement and complement the efforts of banks and FIs in providing credit to the sector. Direct lending is primarily where gaps exist or in clusters or in niche areas through product and process innovations. During FY 2011-12, SIDBI extended direct credit of Rs.15,049 crore to MSMEs registering a growth of 17%. One of the major components of direct credit, constituting 72%, is through MSME Receivable Financing, which addresses one of the important gaps of delayed payment. Further, to address the huge shortfall in availability of equity capital to MSMEs, SIDBI has been extending risk / venture capital assistance both directly and indirectly to MSMEs. During FY 2011- 12, SIDBI extended equity related assistance of Rs. 152 crore. Cumulatively, SIDBI has extended assistance of Rs. 386 crore benefitting 236 MSMEs under this scheme.

4. Set up of Risk Capital Fund: Pursuant to the announcement made in the Union Budget 2008-09, the Risk Capital Fund was created by SIDBI to provide Risk Capital assistance to MSMEs in the form of Equity, Preference capital, Optionally Convertible Debenture, Optionally Convertible Debt, etc.

5. MSME Receivable Finance Scheme: SIDBI operates the MSME Receivable Finance Scheme (RFS) for MSME sellers / eligible service providers in respect of sales & services rendered to purchaser companies. Under the Scheme, SIDBI fixes limits to well- performing purchaser companies and discounts usance bills of MSMEs / eligible service sector units supplying components, parts, subassemblies, services, etc. so that the MSME / service sector units realise their sale proceeds quickly. SIDBI also offers invoice discounting facilities to the MSME suppliers of purchaser companies.

6. Direct Retail Credit- In order to supplement and complement the efforts of banks/FIs in augmenting the flow of credit to MSME sector, SIDBI introduced various new products and modified the existing products to meet the diverse credit needs of the MSME sector. In order to serve the MSMEs better, with enhanced customer satisfaction, the Bank provides tailor-made products and services. Direct credit assistance is provided by way of, (a) Term Loan, (b) Working Capital through arrangement with IDBI Bank, (c) MSME Receivable Finance and (d) Non - Fund based facility.

7. Green Loan Scheme - The awareness about the environmental aspects among MSMEs has increased and the MSMEs have started adopting various measures in the areas of energy efficiency, waste recycling, waste treatment & disposal, ISO certifications, energy audit, Bureau of Energy Efficiency (BEE) star rating of their products, green rating, etc. for sustainability of their manufacturing facilities. To encourage small capital investments in environmentally sustainable and energy efficient manufacturing facilities / services, during FY 2010-11, a Green Loan Scheme was introduced for existing MSME customers of the Bank with simplified and faster credit delivery mechanism.

8. Support for Marketing Activities – The Bank supported 53 relevant exhibitions / seminars / events during the year benefiting more than 5000 MSME entrepreneurs, which include 3 international trade fairs. The state-of-the-art building of Karnataka State Small Scale Industries Association (KASSIA) at Bangalore, partly funded by SIDBI is also being used for various marketing related programmes for the MSMEs of the region.

9. Non-Fund based Services- The Bank also provides various non-fund based services like Letters of Credit (both foreign and inland), Guarantees, services for appraisal, loan syndication, etc. arising out of niche requirements of MSMEs which need such support, in addition to services provided within the traditional banking framework. Summary of business under non-fund based facility during FY 2011-12 is provided in Table 2.

Table 2 : Non - Fund based Facility

	FY 2010-11		FY 2011-12	
Schemes	**No.**	**Amount**	**No.**	**Amount**
Foreign Letter of Credit	75	62	85	64.64
Inland Letter of Credit	93	3.36	18	0.9
Guarantees	138	28.21	94	52.03
Total	306	93.57	197	117.57

Source : Annual Report of FY 2011-12, SIDBI

10. SIDBI as Nodal Agency for Government Schemes - In addition to its direct and indirect operations, SIDBI also plays a pivotal role in implementation of various schemes for MSME sector undertaken by the Government of India (GoI). SIDBI continued to play an important role as a nodal agency in the implementation of GoI schemes, viz. Credit Linked Capital Subsidy Scheme (CLCSS) [Ministry of MSME], Technology upgradation Fund Scheme for Textile Industry (TUFS) [Ministry of Textiles], Integrated Development of Leather Sector Scheme (IDLSS) [Ministry of Commerce & Industry] and Scheme of Technology Upgradation / Setting up / Modernisation / Expansion of Food Processing Industries (FPTUFS) [Ministry of Food Processing Industries]. During the year, capital subsidy claims

of 638 eligible Micro and Small Enterprises (MSEs) directly assisted by SIDBI and amounting to Rs.43.86 crore were settled under CLCSS. Further, subsidy claims of 909 MSEs amounting to Rs. 53.29 crore in respect of co-opted Primary Lending Institutions were also settled. Since the launch of the Scheme in October 2000, capital subsidy claims of 9,324 units aggregating Rs. 463 crore (cumulative) were settled. Similarly under TUFS, subsidy claims (both interest incentive subsidy & capital / margin money subsidy) of 305 eligible textile units for SIDBI's directly assisted cases amounting to Rs. 24 crore and subsidy claims aggregating Rs. 14 crore were settled in respect of the co-opted PLIs for their assistance to MSEs. Since the launch of the TUFS in April 1999, capital subsidy and interest incentive claims for an amount of Rs. 636 crore (cumulative) have been settled. Under IDLSS, which was launched in November 2005, cumulative claims of 1094 units aggregating Rs. 179 crore were settled including 139 units amounting to Rs. 22 crore during FY 2011-12. Under FPTUFS, subsequent to decentralization of the scheme from April 2007, 46 cases have been recommended for grant-in-aid amounting to Rs. 9.57 crore to the Ministry, against which subsidy amounting to Rs. 5.98 crore has been released to 26 units, assisted by SIDBI.

11. MSME Financing and Development Project (MSMEFDP) - SIDBI is implementing a multi-agency / multi-activity MSME Financing and Development Project (MSMEFDP). The Department of Financial Services, Ministry of Finance, Government of India is the Nodal Agency for the Project. The World Bank; Department for International Development (DFID) UK; Kreditanstalt für Wiederaufbau (KfW) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Germany are the international partners in the Project. The primary objective of the Project is to meet both the demand and supply side concerns of MSMEs through a judicious blend of financial and non – financial services. The progress of the Project has been quite noticeable as it has so far reached out to more than one lakh beneficiaries (direct / indirect) comprising MSMEs and stakeholders (including Banks / FIs, Business Membership Organisations (BMOs), etc. The Project has two major components: Credit Facility (CF) by World Bank (also includes Risk Sharing Facility component) and KfW and Technical Assistance (TA) by DFID, UK; KfW and GIZ, Germany.

12. Credit Information and Credit Rating Schemes - To strengthen the credit information system on MSMEs (for Credit Supplementation), the Project has supported Capacity Building (CB) of Credit Information Bureau (India) Ltd. (CIBIL), SME Rating Agency of India Ltd. (SMERA) and development of Credit Appraisal and Rating Tool (CART). CIBIL has been able to increase its members and MSME Database to over 714 (about 214 added during FY 2011-12) and 7.5 million (About 2.3 million added during FY 2011-12), respectively. The total number of Credit Information Reports generated has gone up over 24,000 per month which indicates its increasing efficacy in credit dispensation. Leveraging Project

support, SMERA has been able to not only undertake experiments in its model but has evolved as a sustainable entity. Besides achieving high visibility among MSMEs, SMERA has enhanced its acceptability among MSMEs. In FY 2011-12, cumulatively, SMERA completed more than 15,000 ratings.

13. Address information asymmetry - Knowledge Series (MSME Credit Card, etc.), Policy Papers (Global Best Banking Practices in MSME Financing and Development, Factoring, Skill Development, etc.), Toolkits (e.g. Walk-in-Kit for Corporatization of MSMEs, web based Startup-kit for budding entrepreneurs, How to link up MSMEs with Retail Chains) etc. were developed (overall 30+ and 11-12 during FY 2011-12) and disseminated. A robust knowledge bank has been developed on SIDBI website www.sidbi.in and project website www.msmefdp.net where tool kits, knowledge series and policy documents have been made freely accessible.

14. Support for Green Energy - The Bank has extended grant support to Integrated Association of MSME of India, Faridabad for installation of solar photo voltaic panels in its office premises to promote usage of green energy among MSMEs.

15. Computerised Information Centre- The Bank has also supported Rajasthan Stainless Steel Re-Rollers Association (RSSRA) for development of its website, setting up of a Computerised Information Centre in its office at Jodhpur for the benefit of member MSMEs.

CONCLUSION

The Small Industries Development Bank of India (SIDBI) is as an apex and the principal financial institution for promotion, financing and development of the Micro, Small and Medium Enterprises (MSMEs) sector and thus coordinates of the functions of the other institutions engaged in similar activities. The Small Industries Development Bank of India (SIDBI) provides direct and indirect finance to MSMEs through refinance assistance, resource support to institutions, receivable finance and bills financing, micro finance, term loan and working capital assistance. Further, the SIDBI extends resource support to various institutions engaged in the promotion and development of MSME sector. The bank provides resource support to financial intermediaries like SFCs, SIDCs, NBFCs, factoring companies, State Electricity Boards (SEBs) and other institutions having linkages to MSMEs. In the last we can conclude that the various schemes provided by the SIDBI helps the MSMEs in their development.

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Capital Market Strengths in India

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ABSTRACT

A market for long term funds is known as capital market. It consists of number of individuals and institutions that canalize the supply and demand for long term capital and claims on capital. During last three decades, there was a sharp increase in volumes of capital market transactions. After independence, the Indian capital market started to enlarge its base with increase in savings and investments. This study investigates empirically into the acclaimed positive role played by stock markets in driving growth, efficiency, safety, integrity and transparency of the market. The impact of various reform measures could be seen in the primary market as well as secondary segments of the capital market. In this paper we present a review of research done in the field of Indian capital markets during the fifteen years. Considering the size, vintage and development of the Indian capital market, the total volume of research on it appears to be woefully modest - about 0.1 unit of work per institution per year! Moreover, a large number of works are merely descriptive or prescriptive without rigorous analysis. Certain areas such as arbitrage pricing theory, option pricing theory, agency theory, and signaling theory are virtually un researched in the Indian context. Besides, very little theoretical work has been done by researchers in India. However, with improved availability of databases and computing resources, and with increasing global interest in Indian markets, we expect an explosion of work in the near future.

INTRODUCTION

Capital markets are financial markets for the buying and selling of long-term debt- or equity- backed securities. These markets channel the wealth of savers to those who can put it to long-term productive use, such as companies or governments making long-term investments.[1]Financial regulators, such as the UK's Bank of England (BoE) or the U.S. Securities and Exchange Commission (SEC), oversee the capital markets in their jurisdictions to protect investors against fraud, among other duties. Modern capital markets are almost invariably hosted on computer-based trading systems; most can be accessed only by entities within the financial sector or the treasury departments of governments and corporations, but some can be accessed directly by the public.[2] There are many thousands of such systems, most only serving only small parts of the overall capital markets. Entities hosting the systems include stock exchanges, investment banks, and government departments. A key division within the capital markets is between the primary markets and secondary markets. In primary markets, new stock or bond issues are sold to investors, often via a mechanism known as underwriting. Second important division falls between the stock markets (for equity securities, also known as shares, where investors acquire ownership of companies.

OBJECTIVES OF CAPITAL MARKET

- To organize stocks and securities in a fair, transparent and competitive way.
- To keep the public aware of stock activity, the dangers, the benefits and the responsibilities associated with investing in securities and encouraging growth.
- To provide protection to those partaking in the activity of securities and stocks.
- To implement policies regarding full disclosure and transparency in order to prevent conflict of interest and the exploitation of insider information.
- To ensure the compliance with the laws and regulations related to the activities of securities.
- The full force of the law requires the Kuwait Clearing Company (KCC) to begin with implementation of the implementation of the following commitments, contained in the interim period from the year of the publication of the law in the official gazette:
- Increase capital to 20 million Kuwaiti dinars.
- To provide a bank guarantee to the CMA no less than eight million Kuwait dinars.
- The introduction of a strategic partner is only allowed with the approval of the authority.

ROLE OF CAPITAL MARKET IN INDUSTRIAL GROWTH

- Promotion of industrial growth-The capital market transfer the resources to the industrial sector of the economy which results in stimulating industrial growth.
- Mobilization of saving and acceleration of capital formation-Capital market helps in mobilization of small savings from the various sections of the society.
- Raising long term capital-The existence of secondary market enables the companies to raise long term capital by issuing shares and debentures.
- For financing five year plans-The government has to depend on the sale of securities to raise resources for financing public sector projects.
- Ready and continuous market- The stock exchanges provides a place where the buyers and sellers can sell and purchase their securities easily and conveniently.

FACTORS CONTRIBUTING TO THE GROWTH OF CAPITAL MARKET

1. Establishing of development banks and industrial financing institutions.
2. Legislative measures.
3. Growth of underwriting business.
4. Setting up of SEBI
5. Growing public confidence.
6. Credit rating agencies.
7. Increasing awareness of investment opportunities.

RESEARCH METHODOLOGY

Research is common refer to search of knowledge. One can also define research as a scientific and systematic search for pertinent information on a specific topic. Infact, research is an art of scientific investigation.

RESEARCH DESIGN

Research design is a framework of the blue print for conducting the research project .Research design is a arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the search purpose with economy in procedure.

Sources of data-

Primary data- The primary data are those data which are collected a fresh and for the first time.

Secondary data- Secondary data are those data which have already been collected from someone else and which have already been passed through statistical process.

In this project, I have used secondary data which have been collected from following sources-

- Books
- Internet
- Other material.

STRENGTHS OF CAPITAL MARKET

1. Capital market provide both new and existing businesses with access to cash or capital.
2. It creates job creation for individuals.
3. It helps in economic growth and technological innovation.
4. It provides a venture where those seeking finance can be connected to prospective lenders and investors.
5. Investors receive dividend disbursements from the capital market.

SCOPE OF CAPITAL MARKET

1. PRIMARY MARKET- It is the market which deals in new securities which are acquired for first time. The issuer may be a new company or an existing.

The various methods of new issues are-

- Public issue through prospectus- This is the common and popular method of raising capital from the general public. The company gives the direct offer to the investing subscribe to the securities of the company at a given price.
- Offer for sale-Under this method, the company issues its shares through intermediaries, such as issuing houses, stock brokers etc. The issue may be also be underwritten.
- Private placement-It means direct sale of securities by a company to institutional investors or the issuing houses directly acquire the securities from the issuingcompany at an agreed price and then they place the securities with their investor clients.
- Initial public offer-Under the system, brokers are advised to ask to successful allot tees to submit the application form after the basis of allocation is finalized.
- Book Building-It is the method of issue of shares based on floor price which is indicated before the opening of bidding process. The issue price is fixed after the bid closing date.

RECENT TRENDS IN PRIMARY MARKET

- ❖ With the repeal of the capital issue Control Act ,1947,companies were given freedom to price their issue.
- ❖ The book building process in the new issue of capital was introduced with a view to strength the process.
- ❖ FIIs were allowed to participate in the capital market.
- ❖ An ordinance was promulgated which seeks to strength SEBI and bettor empower it.

2. SECONDARY MARKET- The market where the outstanding securities are traded is known as secondary market. This market is popularly known as stock market or stock exchange.

Functions of stock exchange-

- Maintain active trading
- Fixation of prices
- Ensure safe and fair dealing
- Provides adequate liquidity.
- Dissemination of information.
- Performance inducer.

VALUATION OF STOCKS AND FUNCTIONING OF INDIAN STOCK MARKET

The work in this area can be classified into three broad strands: a) those dealing with functioning of securities markets and financial institutions operating in these markets, b) those pertaining to the investment decision making process of individuals, and c) empirical work on Indian stock markets.

One of the early works on functioning of stock markets and financial institutions was by Simha, Hemalata and Balakrishnan (1979). Bhole (1982) wrote a comprehensive book on the growth and changes in the structure of Indian capital markets and financial institutions. The book was subsequently updated and revised in1992. Several books have been written on security analysis and investment in Indian stock markets: Bhalla (1983); Jain (1983), Sahni (1986), Singh (1986); Chandra (1990a), Raghunathan (1991), Avadhani (1992); Yasaswy (1985, 91, 92a, 92b) and Barua et al (1992). These books are primarily written for initiating lay investors to techniques for security analysis and management of investment portfolios. Basu & Dalal (1993), Barua & Varma (1993a) and Ramachandran (1993) have critically examined various facets of the great securities scam of 1992.

Several studies, for example, Sahni (1985), Kothari (1986), Raju (1988), Lal (1990), Chandra (1990b), Francis (1991a), Ramesh Gupta (1991a,c, 1992a),Raghunathan (1991), Varma (1992a), L.C. Gupta (1992) and Sinha (1993) comment upon the Indian capital market in general and trading systems in the stock exchanges in particular and suggest that the systems therein are rather antiquated and inefficient, and suffer from major weaknesses and malpractices. According to most of these studies, significant reforms are required if the stock exchanges are to be geared up to the envisaged growth in the Indian capital market.

PERFORMANCE AND REGULATION OF MUTUAL FUNDS

The first close ended mutual fund was floated in the Indian capital market just over seven years ago in September 1986. Today, there are more than 130 schemes in the market and the last few months have witnessed the entry of private sector in this fledgling industry. Given the brief history, it is hardly surprising that there is paucity of research on Mutual Funds. One of the earliest empirical research in the area was done by Barua and Varma (1990). They examined the performance of Mastershares, the first close end Mutual Fund, both in terms of NAV and market prices. They found that though in terms of NAV the risk adjusted performance of Mastershares was superior to the market, in terms of market prices the performance was inferior to the market. The initial work was refined in the subsequent paper by the same authors (1991b) which concluded that the performance of Mastershares from the point of view of a small investor (whose equity investment would primarily be in terms of holding of Mastershares) was poor while from the point of view of a large investor (for whom Mastershares would be one of the securities in

the portfolio) the performance was excellent. The research raised an interesting issue about the purpose of mutual funds: if they are meant primarily for small investors, then Mastershares have failed to serve the purpose. In another paper Barua and Varma (1993b) have examined the relationship between the NAV and the market price on Mastershares. They conclude that market prices are far more volatile than what can be justified by volatility of NAV.

The earliest work on evolving a regulatory framework for the fledgling industry was done by Barua, Varma and Venkiteswaran (1991). Drawing heavily on the regulatory framework for operation of mutual funds in the U.S.A. (Investment Company Act of 1940), the authors proposed detailed guidelines that could be adopted for mutual funds operating in the Indian capital markets.

The other papers on mutual funds are descriptive in nature and conjecture about the future scenario in the Indian capital market. Vidhyashankar (1990) concludes that mutual funds would emerge as the predominant instrument for savings by the household sector by the turn of this century. Mahendra (1991) reaches a similar conclusion when he states that mutual funds would dominate the Indian capital markets. Bal and Mishra (1990) conjecture that mutual funds would play an important role in developing the Indian capital market.

REFORMS IN CAPITAL MARKET

- Stock exchanges asked to modify the listing agreement to provide for payment of interest by companies to investors.
- The promoter's contribution for public issues has been uniform at 20 percent irrespective of the issue size.
- Only the body corporate are allowed to act as merchant bankers.
- Companies are allowed to buy back the shares.
- Trading of specified shares in dematerialized form was started.
- Derivatives trading was extended to trading in equity to index options, stock options, and stock futures.

CONCLUSION

Thus we can conclude by saying that the capital market in India is expanding and business on bourses is gradually increasing. Demutualising and corporatization of the Indian exchanges would further help in eliminating the conflict of interests, which now prevails at stock exchanges. Indian capital market have been receiving global attention especially from sound investors, due to improving macroeconomic fundamentals. These macroeconomic fundamentals which are continuously strengthening Indian capital market.

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