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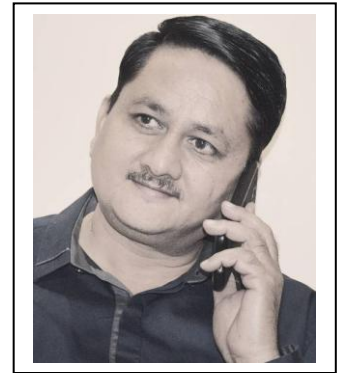
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Message

Editor in Chief / Managing Editor



Dear Academicians & Research Scholars,

Happy New Year 2018.....

Congratulations once again; As you know, recently our referred an international research journal listed with UGC approved list of journals (Sr.1,No.63148), and also indexed with many other research organizations like, Google scholar, Global Impact Factor, SJIF, IIJIF, MRJ, LinkedIn, RJI factor & Higher Education Supreme Authority Uzbekistan. We are also member of PILA (Crossref) USA. The motive of our research journal is to publish worthy and original research papers after double blind peer review process. There is no doubt that today we have given international platform to our journal where everyone, who belongs to management, knows very well. During the last eight years of our research journey, you can see that there are so many research papers, case studies, book reviews coming from across the world, in the field of management. Many academicians, research scholars & students have approached from different countries like USA, Thailand, Indonesia, Saudi Arabia, Iran, Spain, Nigeria, Kenya, Nepal, Pakistan, Sri Lanka, Uzbekistan to publish their research papers in our esteemed International research Journal. We have considered most of them to publish after peer blind review process. We have also published many research papers from different management institutes of our country. They are sending regularly for publication in the upcoming issues. In addition to, it, there are many academicians, research scholars and institutes subscribing for our journal for reading by students and faculties. There are so many academicians who are approaching for being associated with our editorial & advisory board or as a review expert. We have selected some of them from foreign countries like USA, Nigeria, Uzbekistan and Sri Lanka, Nepal. The standard of our all research papers like empirical, conceptual, book review and case study is increasing the popularity of this Journal day by day. Motivational quotations between the pages also inspiring our readers. Our renowned advisory board & editorial board is a real mile stone of our success. We thanks to our board members and editorial team, who are experts in different fields and contributing their valuable experience with us.

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

With best wishes to all

Dr. P. S. Bhadouria

ANALYSIS OF THE CURRENT STATE OF GDP AND WAYS TO ENSURE ITS SUSTAINABLE GROWTH

Mambetjanov Kahramon Kurbandurdievich¹

ABSTRACT

The article gives a detailed analysis of the level of economic growth in Uzbekistan. The paper is devoted to study the factors, impacting sustainable economic growth and justification of their role in improving the efficiency of the national economy. Recommendations are drawn on the basic directions of development of the national economy to ensure long-term sustainable economic growth.

Key words: *Gross domestic product (GDP), Economic growth, Labor, Capita, Savings, Effectiveness, Capital intensity of economic growth (ICOR).*

Introduction

The growth rate of gross domestic product (GDP) in Uzbekistan during the period of 2004-2006 amounted to 7% and rose by 8.4% during 2007-2016 years. To maintain this pace of economic development, it is important to determine due to what factors these levels were achieved and how it can be speeded up.

This requires a description of the concept of "economic growth". Many economists base the concept of economic growth on different assumptions. According to Stiglitz and et al. economic growth increases real gross domestic product [1]. Gubanova states, "Economic growth is calculated based on vertical integration of value added. In their total value generated GDP "[2]. E.Lavrova and E.Kapaguzova describe "economic growth as an increase in GDP per capita compared with the previous period"[3]. According to the description of Hubieva "economic growth" is an increase of national production at the expense of the quality and quantity of production factors [4]. Based on these statements, we can conclude that increase in the size of real GDP is a quantitative indicator of economic growth.

In the books of economic growth factors are divided to supply-side (land, labor, capital, technology), demand-side (government spending, consumers' spending, investment, net exports) and distribution factors. Also, growth factors are divided into primary and secondary types [5]. The distribution of the human, social and natural factors is stated as another source of economic growth [6].

Ensuring long-term economic growth requires accelerating the introduction of new techniques and technologies, investments in fixed and human capital, as evidenced by the positive dynamics of economic development of countries with market economies over the past decade. [7]

The criterion for short-term and long-term economic growth is considered to change the quantity and quality of factors that modify the potential volume of production [8].

Short-term study 1-3 years and it is due to external economic situation and macroeconomic policies. A long-term (5-10 years) is associated with structural changes [9].

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Literature review

In studies of Russian scientists and economists attention is paid to identifying the main sources of medium- and long-term economic growth, in particular improvement of production efficiency, development and innovation, attraction domestic and foreign investment. [10]

Based on the analysis of studies of foreign and domestic scholars on economic growth, taking into account the specifics of the national economy, the author made a definite conclusion. Currently in the republic important factors of economic growth are: investment in fixed and human capital; level of use of new techniques and technologies; demand factors, savings and measures to increase them; policies aimed at the efficient allocation of labor resources and good governance; increasing productivity and the development of priority sectors of the economy.

A study of the dynamics of the GDP of Uzbekistan since the beginning of economic reforms and to date based on the extraction stages of decline and growth is being conducted. GDP decline in production lasted from 1991 to 1995 and then in 1996 entered a phase of growth, which continues to this day. So, in the country during the recession total GDP dropped to minus 20%, including in agriculture - to minus 22.7%, and the industrial growth rate was 0.1%, the volume of investments fell to minus 139.4%. As a result of government measures in the decay phase, in particular the creation of the legal framework of market relations, privatization of state property, the introduction of the national currency, in Uzbekistan since 1996, economic growth has begun.

The country in the growth phase in 2016, total GDP increased relative to 1995 at 137.1% (average annual growth over the years amounted to 6.5%), industry – 161.7% (7.7%), agriculture economy - by 114.6% (5.5%) and the volume of investments increased by 227.7% (10.8%), respectively, in the period under review, macroeconomic indicators had a positive trend. For the first time among the CIS countries in 2001, the volume of GDP of Uzbekistan reached the 1990 level.

In Uzbekistan, the growth of macroeconomic indicators is being observed. The investigation of the criteria for the difference between intensive and extensive types [11] economic growth, which is the difference in the effectiveness of the factors forming the basis for the dissemination of new technologies is conducted [12]. The study of efficiency factors of economic growth, taking into account the quantitative and qualitative indicators, found that improving their efficiency related to the level of employment, increase in the volume of capital, increasing the share of savings, efficiency of resource allocation. They, in turn, increase the qualitative characteristics of the index, which expresses the efficiency factors of economic growth in the country, such as the efficiency of labor on capital, capital intensity (coefficient ICOR), consumption of materials and energy intensity of the real economy, the volume of exports, and the competitiveness of production. In addition, the increase in growth factors is also associated with the development of stable political, social and ecological systems [13].

Methodology

In Uzbekistan, the efficiency of economic growth can be achieved, firstly by increasing the amount of capital in accordance with changes in the labor force, and secondly - raising the possibility of efficient use of natural resources. In this case it is necessary to pay special attention to ensuring the continuous professional development of labor resources, the development of innovation, and modernization of the national economy through the use of new technologies. For this purpose, it is advisable to increase the

volume of investment in the economy and efficiency of their use, the identification of new sources of investment and embedding them in the real sector.

Thus, when the economic growth of about 4%, the share of savings in GDP amounted to 20-26%, and in the years 2004-2016 at 8.1% growth, respectively, the share of savings has grown more than 32%, which confirms the directly proportional relationship of economic growth and the share of savings in GDP. For increasing the share of savings in GDP must cut spending. If it is, on the one hand, leads to a reduction of consumption in GDP, then, on the other hand, are considered the main reason for the decline in inflation. Reducing inflation, in turn, leads to an increase in real incomes and lower ratio of private consumption in GDP. It is also necessary to increase the savings factor through a policy of reducing the tax burden of production in relation to consumption.

In Uzbekistan in 1996-2001 determined a deficiency of factor supply, and in 2002-2016 years were deficient aggregate demand. The cause of which was the low level of technological equipment of the economy, low profitability, continuing inflation. In our opinion, these problems can be solved by strengthening the connection between education and production, improve workforce skills, modernization of the economy, efficiency of investments, increasing production of competitive products.

To overcome the deficiency of aggregate demand and long-term economic growth [14], to increase the funding of commercial banks is advisable to carry out a differentiated monetary policy, stimulating their activity. It is also necessary: to provide state guarantees to encourage innovation; increase the own funds of enterprises using fiscal policy aimed at easing the tax burden; create venture capital funds; to attract foreign investment in the country's economy.

Recently there has been an increase in employment growth, and for the period 1996-2016 gg. average equaled 2.0%. Employment growth in the country is associated with the creation of new jobs as a result of increase in the growth rate of investment in fixed assets. To ensure long-term economic growth through positive state growth and employment performance indicator factor capital, ie capital intensity (coefficient ICOR), is necessary to keep the annual change in the growth rate of capital is minimal, at 0.7% [15]. Capital intensity growth (coefficient ICOR) in the country in 1996-2001 averaged 8.1 units and in 2002-2007 - 3.2 units. And 2008-2016 - 2.9 units respectively, the average economic growth rate was equal to 3.9%, 6.6% and 8.2% for the period under review.

Analytical case

In the country since early 2004 ICOR ratio fell sharply to 2.3 points, while the rate of economic growth rose to 7-9%. It is necessary to clarify the relationship between indicators - average coefficient ICOR and the average rate of economic growth. Positive change in the coefficient ICOR due, on the one hand, the increase in the volume of attracted foreign direct investment, on the other hand - an increase in the savings rate.

Thus, the share of investment in economic growth factors more closely related to capital productivity (efficiency factor of the investment), rather than its level (the amount of the investment factor). To increase the share of new investments it is necessary to increase the level of capital productivity [16]. This, in turn, is associated with an efficiency factor of labor, the creation of new jobs, the introduction of science and technology, the efficiency of investment.

The average rate of growth for the 1996-2016 years was 6.5%, the share of capital in this case amounted to an average of 2.5%, the labor factor - 1.7%, and total factor productivity (TFP) - 2.3%.

The analysis showed that in 1996-1998. Economic growth was due to the factors of capital and labor (extensive type), and in 1999-2016 years marked by strong growth. Since the beginning of 1999, the country experienced an increase in invested capital in the national sector with 3.7 units in 1996-1998 to 5.4 units in 1999-2016 gg., and in the foreign sector, with 2.1 units to 5.3 units over the same period, as the average value of the coefficient ICOR was 10.2 units and in subsequent years there has been growth in capital intensity by 4.0 units. With economic growth of the share capital factor was 2.2% in 1996, despite the fact that this growth factor was - 7% in the same year, and in 1999, respectively, was observed economic growth to 4.2%, while this factor in 15%, while total factor productivity was negative. In 1999, the growth rate of capital factor of 2%, and in 2000 - 1%, the weight of this factor in the pace of economic growth, respectively, 0.5% and 0.3%, which was the lowest value for the period under review (Table. 1).

Table 1

The proportion of the factors in the structure of economic growth in Uzbekistan

Years	GDP growth (in%)	Share of total factor growth rate (in%)		
		Capital	Labor	TFP
1996	1,7	2,2	0,9	-1,4
1997	5,2	4,8	1,0	-0,6
1998	4,3	4,2	1,0	-0,9
1999	4,3	0,5	0,7	3,0
2000	3,8	0,2	0,8	2,7
2001	4,2	1,1	1,2	1,9
2002	4	0,8	1,7	1,5
2003	4,4	0,9	2,2	1,1
2004	7,7	1,1	2,7	3,6
2005	7	1,4	2,3	3,3
2006	7,3	2,2	2,2	3,1
2007	9,5	4,5	2,1	2,9
2008	9	6,8	2,1	0,0
2009	8,1	6,4	2,0	-0,3
2010	8,5	2,3	2,0	4,2
2011	8,3	1,9	1,9	4,5
2012	8,2	2,7	2,0	3,5
2013	8	2,3	2,0	3,7
2014	8,1	2,5	1,8	3,7
2015	8	2,3	1,4	4,3
2016	7,8	2,4	1,4	4,0
Average	6,5	2,5	1,7	2,3

Source: Authors' calculations based on data from the State Committee on Statistics of Uzbekistan.

For sustainable long-term growth achieved level of performance is insufficient. The analysis showed that in the period of growth factor capital in the economy, the efficiency of this factor was low. Since excess volume of investment compared to the demand for it reduces the return on invested capital, the cause of which is the lack of skilled workers for new jobs created at the expense of investment.

Studies have shown the relationship between the growth in attracting investments in fixed assets and economic growth rates. Thus, to preserve the positive value of the share of total factor productivity and ensure long-term sustainable economic growth it is advisable to provide a high level of capital factor of two times higher than the rate of economic growth. So, in order to maintain the pace of economic growth at the level of 8-10% is necessary to ensure the growth factor at the level of investment of 17-20% [17].

On economic growth in Uzbekistan is strongly influenced by the capital factor. However, the share capital factor in economic growth in recent years has been on average lower than the share of the other two factors.

Conclusion

To increase the rate of economic growth in the country should pay attention to improving the efficiency of the above factors, which contribute to the solution of the following recommendations:

- Need to increase the volume of capital investments and the level of the workforce, more efficient use to attract investment and introduce new technologies in the real sector, which requires a better investment climate in the country;
- To ensure long-term sustainable economic growth is necessary that the share of savings in GDP was at the level of more than 30%, is also advisable to cuts in public spending, which is associated with the reduction of the share of consumption in GDP, lower inflation, reduce the tax burden of producers;
- In Uzbekistan currently one of the main problems is the lowest level of employment. It should be noted that in recent years the level of employment is growing, thanks to the creation of new jobs, due to increased rates of investment in fixed assets. To ensure long-term economic growth and positive trends in employment rates must hold an annual growth rate of investment of not less than 0.7%;
- Research has shown that increased levels of labor efficiency leads to a proportional increase in the total product industries and vice versa. In order to ensure sustainable economic growth is necessary to increase the efficiency of labor in the economy, reduce the hidden unemployment, a policy aimed at encouraging the optimal allocation of labor across sectors. Furthermore, it should improve the system of state support for the development of leasing in the small business and home-based work;
- The level of efficiency of work in the national sector is lower than in the foreign sector of the economy, which negatively affects economic growth. To increase its involvement in the need to stimulate the economy, foreign direct investment, improve the legal framework to develop measures for further development of a favorable investment climate.

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METHODOLOGICAL FOUNDATIONS OF INNOVATIVE DEVELOPMENT OF AGRICULTURAL INFRASTRUCTURE

Khamraeva Sayyora Nasimovna¹

ABSTRACT

At this time in the world, including in Uzbekistan innovative development of industries listed as one of the most pressing problems.

This article has developed a conceptual model for the formation and development of innovative infrastructure in agriculture. Also, the types of effects in agriculture obtained from the activity of innovation infrastructure and the impact on the economic efficiency of innovative development of the agricultural infrastructure have been revealed.

The object of this study is the innovative activity of the agricultural infrastructure.

In addition to the dialectical method of research, the following economic methods are applied in the article: static and abstract-logistic methods. As a result of the studies, a methodology for determining the effectiveness of innovative development of agricultural infrastructure.

Keywords: *Agricultural infrastructure, Innovative development, Technical and technological efficiency, Economic efficiency, Social efficiency, Environmental efficiency*

Introduction:

According to the experience of developed countries, one of the main conditions for increasing the efficiency of agricultural production - the high level of technical equipment serves to use of advanced technologies. In fact, innovation activity is the basis of the developed economies' strategy. According to estimates, 30% of economic growth will be achieved through increased labor costs, 40% - increasing productivity, and 30% by using innovative technologies, [Kartashov, 2012].

At the same time, it is known that infrastructure is one of the key factors of the country's socio-economic development. Many economists have explored the impact of infrastructure development on the economy of the country, in particular, Aschauer D.A. (Aschauer, D. A., 1989), Evans P. and Karras G. (Evans, P. and G. Karras. 1994), Canning D. and Pedroni P. (Canning, D. and Pedroni, P., 2008) in their studies studied how much infrastructure investment affects economic growth.

The relevance of the research of this problem lies in the fact that the innovative development of the agricultural infrastructure is one of the important directions in the stabilization of agriculture.

The methodological and theoretical basis was the work of D. A. Aschauer (Aschauer, D. A., 1989), R. Wethersfield (Wethersfield R., 1915), I.R. Bright (Bright I.R., 1968), A. Show (Show A., 1912), V.F. Fedorenko (Fedorenko V.F., 2011), M. Khuczek (Xuchek M., 1992), J. Schumpeter (Schumpeter Y., 2004)

Main Text:

In the Republic of Uzbekistan, a lot of practical work has been done to develop agrarian science, fundamental, practical and innovative projects have been developed.

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Formation and acquisition of innovations in the agrarian sector depends on the level of development of agricultural science in the country, the scientific and technical potential of the sector. Also, the readiness to acquisition of innovations, scientific and technological achievements and potential (economic and financial capabilities, abilities of the managers and specialists of the enterprise, etc.) of economic entities (agricultural producers and agricultural entities). In a positive environment, in society forms an innovative system that includes all the components and innovative infrastructure as well.

The process of formation and development of the innovative infrastructure in the agrarian sphere is complex and multifaceted. Its formation and development depends on the macroeconomic factors, and the peculiarities of the infrastructure elements (Figure 1).

Factors affecting the development of an innovative infrastructure in the agrarian sector include the following:

- Innovative policies of the state that have set specific goals and objectives;
- Effective use of existing innovative capabilities in the formation of innovative economy and implementation of innovative policies;
- Continuous improvement of competency among agricultural producers, researchers and education sectors;
- Support of economic entities, which are considered to be innovative in the agrarian sphere by the state, through innovative infrastructure facilities (innovation center, agro technopark, business incubator);
- Applying taxation and crediting benefits to innovative infrastructure facilities;
- Studying the experience of developed countries and their introduction in Uzbekistan.

It is known that at the economic base of every development activity in society lies interest. In the research work the efficiency of state, agrarian sector and agriculture products producers at the development of innovative infrastructure in the field of agriculture has been analyzed.

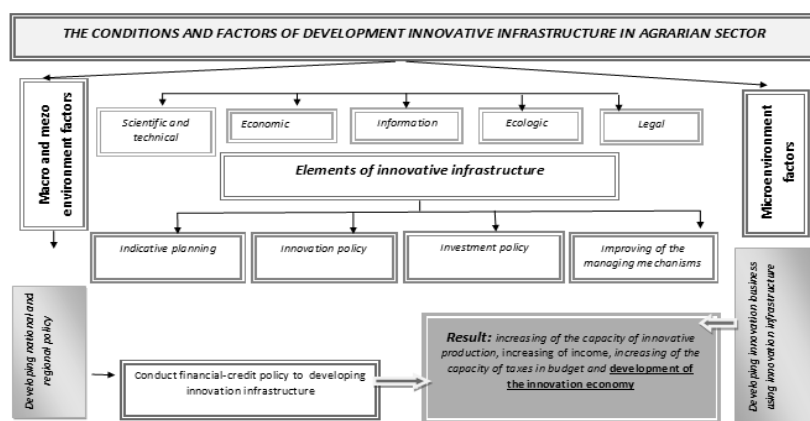


Figure 1. Conceptual model of forming and developing innovative infrastructure in agrarian sector¹

¹ Created by the author

It is important to review the effectiveness of an innovative agricultural infrastructure from the point of view of four subjects: state and regional authorities (government), business entities in agrarian sector (farmers and dehkan farms), users of innovative infrastructure services and innovative infrastructure facilities.

The resulting effect will be estimated in three different ways: Strategic, Economic and Social Effects (Table 1).

The recommended evaluation system is universal and can be used to monitor the activities of various innovative infrastructure facilities.

Table 1

Types of efficiency derivable from innovative infrastructure activity in agrarian sector¹

Benefit receivers	Types of efficiency		
	Strategic	Economic	Social
State and regional authorities	<ul style="list-style-type: none"> - innovative products; - The share of innovative products in GDP and GRP; - total number of innovation enterprises; - Number of patents and inventions; - Innovative economy development 	<ul style="list-style-type: none"> - The volume of production produced by innovative enterprises using innovative infrastructure; - Number and value of projects supported by the state and regional authorities; - volume of attracted investments; - The volume of scientific research and experimental design developments; - State share in expenditure on research and development; - The amount of taxes included in the state and local budgets 	<ul style="list-style-type: none"> - Number of newly created jobs; - The number of talented students, researchers, senior researchers and professors, involved in innovation in the agrarian sector;
Agrarian sector	<ul style="list-style-type: none"> - Volume and share of innovation in agriculture; - Growth of gross agricultural production; - Network profitability 	<ul style="list-style-type: none"> - diversification of production; - Agrarian sector and production integration; 	<ul style="list-style-type: none"> - creation of new workplaces; - increasing living standards of the rural population

¹ Compiled by the author

Business entities in the agricultural sector	<ul style="list-style-type: none"> - Increasing the volume of agricultural products market; - Increase in production volumes; - Increase in profitability of the company (profitability rate) 	<ul style="list-style-type: none"> - Costs of expenses (uroven); - Investment opportunities 	<ul style="list-style-type: none"> - Satisfaction of residents with innovative infrastructure services; - Satisfaction of business entities in the agrarian sector with innovative infrastructure services
Heads of Innovative Infrastructure Objects	<ul style="list-style-type: none"> - Number of innovation infrastructure objects, newly established and working for several years; - Number of sold and implemented developments; - Quality and demand for innovative infrastructure services; - Consumers satisfaction 	<ul style="list-style-type: none"> - volume of attracted non-budget investments; - efficiency (profitability rate); - The term of return on investments 	<ul style="list-style-type: none"> - Number of newly created jobs; - Promotion of talented students, researchers, senior researchers and professors-teachers working in innovative business in the agrarian sector; - Average wages

According to the analysis, agrarian innovation infrastructure will accelerate innovation processes, increase the volume of innovative products and, finally, stabilize the sector.

The key priority in the development of innovation infrastructure is focused on the introduction of high-tech agricultural technologies and the integration of science, education and highly productive industries.

Innovative infrastructure subjects like industrial parks, innovation centers, bines incubators and other innovative enterprises are aimed at applying cutting-edge technologies in the production of agricultural products, production of competitive food products, veterinary services in cattle breeding, and advanced innovation in fodder production.

Because of the innovative development of the agricultural and service infrastructure, productivity increases and it is necessary to provide socioeconomic conditions that encourage the use of new development and intensification tools to accelerate the process.

The efficiency indicators used in the innovative development of agriculture and agricultural infrastructure are characterized by a complexity. There are various types of productivity technical, biological, economic, social and ecological efficiency, based on the types of effectiveness achieved in the field [Artemova, 2008]. (Table 2)

Table 2

The influence of economic efficiency in the development of innovative infrastructure in agriculture¹

Efficiency types	Efficiency		Indicators	Definition
	Plant cultivation	Animal husbandry		
<i>Biological efficiency</i>	Increasing productivity and improving the quality of products by increasing plant genetic capacity and selective breeding	Improving livestock productivity and product quality by improving the livelihoods of the livestock and improving their livelihoods	$B_s = \frac{YaM}{I_m}$	<i>B_s is a biological productivity indicator for innovative development</i> <i>YM - volume of production of farming (livestock);</i> <i>I_m - Expenditures for the production of products due to the efficient use of the genetic potential of plants, the efficient use of high yielding varieties, biotechnologies, genetic engineering (improvement of livestock genetic potential, high yielding livestock, biotechnology, genetic engineering)</i>
			$B_{so} = \frac{YaM}{O_b}$	<i>B_{so} - biological (economic) efficiency index of innovation development (due to the improvement of the food base)</i> <i>O_b - feedstock quality and livestock feeding costs</i>
			$K_{so} = \frac{O_h}{YaM}$	<i>K_{so} is the feed conversion factor, ie the feed volume, which is consumed by means of a unit product (1kg product growth, 1kg milk, 1kg wool, etc.);</i> <i>O_h - the amount of food consumed;</i> <i>YM - the volume of production of animal husbandry</i>
<i>Technical and technological efficiency</i>	An increase in crop production due to material and technical resources spent on the area of 1 sq. M	Increased livestock production by means of mod-d technical resources spent on 1 conditional cattle	$T_t = \frac{YaM}{F_{as} + F_{ay}}$	<i>It- technical and technological efficiency of the animal husbandry;</i> <i>YM - the product purchased at the expense of technical and technological re-equipment of livestock sector (improvement of energy resources, introduction of innovative products);</i> <i>F_a + F_{ay} is the cost of main and circulating tools for technical and technological re-equipment of livestock sector</i>
			$T_e = \frac{YaM}{E_r}$	<i>Te - technical and technological efficiency due to the improvement of energy resources</i> <i>Land - cost of energy resources spent for technical and technological re-equipment of livestock sector</i>

¹ Created by the author

			$T_i = \frac{YaM}{I_{in}}$	<i>T_i - technical-technological efficiency due to the introduction of innovative production and projects (artificial insemination, new breeding); For: Innovative development costs</i>
<i>Economic Effectiveness</i>	Growth of commodity production in plant growing, development of innovations and reduction of terms of recoupment, improvement of quality of crop production	Increased productivity in animal husbandry, reduction of timing for innovation and self-repayment, improving quality of commodities and livestock	$I_t = \frac{T_1 - T_2}{I_{in}}$	<i>I_t - economic efficiency from cost savings through innovation inputs; T₁ - T₂ - costs before and after innovation; For the Innovative Development Funds</i>
			$I_f = \frac{F}{I_{in}}$	<i>I_f - the economic efficiency gained through the increase in the value of innovation; F - benefits from entering innovation</i>
			$R = \frac{F}{I_{in}} * 100\%$	<i>P - Innovative activity efficiency, %</i>
			$M_u = \frac{YaM}{V}$	<i>Q - labor productivity of innovative development; V - Reduced labor costs as a result of innovative activity</i>
<i>Social efficiency</i>	Improvement of quality of life and degree of satisfaction of workers' needs in crop production	The quality of life of employees in the livestock sector and the satisfaction of their different needs	$RID = (ND - ST) * J_{pxq}^1$	<i>RID - real income; ND - nominal earnings; ST - taxes, mandatory payments - money supply index (reverse index of prices).</i>
			$RIH = (NIH - SA) * J_{pxq}^2$	<i>RIH - real wage; NIH - nominal wages; SA - taxes, mandatory deductions from wages</i>
<i>Environmental Effectiveness</i>	Environmental protection, increase the volume of production of ecologically clean products		$E_s = \frac{EM}{X}$	<i>Esotecological efficiency; EM - volume of ecologically pure product produced; X - the amount of expenses for the production of environmentally friendly products</i>

Conclusion:

In General, many factors effect on economic efficiency of agrarian sector an its service infrastructure objects and it is considered a complex indicator. Nowadays, it's being used economic efficiency indicators for separately produced products, but, to identify the efficiency as a result of innovative development of entire sector, in the process of production the effects of different resources are also considered to be complicated as they affect differently. Thus, organizing the indicators that reflect the level of development of agrarian sector and its service infrastructure objects.

It is recommended to use economic-statistic and economic-mathematic methods for identifying economic efficiency of developing innovative infrastructure. If it is possible to complex estimate correlation

¹ Q.X.Abdurahmanov. Mehnat iqtisodiyoti. Inson taraqqiyoti. –T.: “Fan va texnologiya”, 2013, 177b

² ibid.

between different factors and production results at developing innovative infrastructure by using economic-statistic methods, using economic-mathematic methods can identify normative indicators of existing possibilities based on optimization.

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MANAGEMENT LESSONS FROM BHAGAVAD GITA

Apoorva¹

ABSTRACT

The goal of every manager is to achieve maximum results with minimum efforts and increase the efficiency of factors of production. But there is a limit on how much work can be extracted from these factors because after a certain point these sources might wear out and cost even more to the organization. Employees of organization possess endless amount of knowledge, skills and abilities that can help managers in achieving the goals of organization. When these employees are expected to work beyond their capacity and quantity is prioritized over quality, the aftermath of this results into stress, low productivity and job dissatisfaction. To avoid such chaos in organization managers need guidelines or a helping hand to help them cope with such situations. The verses of Bhagavad Gita can prove helpful for managers and to employees who aspire to become efficient in their work. Bhagavad Gita has provided strength and inner peace to many great leaders by helping them in their time of struggle. The goal of this paper is to stimulate the minds of researchers and management practitioners towards this ancient book to find out ways for effective management.

Key Words: Stress, Job dissatisfaction, Productivity, Effective Management, Efficiency

Introduction

Management is an art as well as science. It is an art because it takes an artistic mind to handle the resources together. It requires possession of certain skills to manage all resources. There are different people to manage having different personalities and needs and there are issues of finance and material resources to look after. Handling them together and making them efficient is not an easy task.

Management is a science because it requires application of those skills and knowledge for management of organization. It provides certain governing principles which prove helpful to the managers in handling these resources.

These principles have been in existence since centuries and all are convinced that these practices and principles makes the great organizations with satisfied and motivated employees who handle crisis very well and work in an efficient manner. But statistics shows that these organizations are profoundly unhealthy and their employees are stressed, have lower degree of motivation, low work-life balance and lesser productivity at job. What managers of these organizations need is an alternative set of principles to guide them in facing such problems.

Management lessons from Holy Book Gita were brought into light by divine Maharshi Mahesh Yogi. He calls Gita a guide to practical life containing essence of all the Vedic literature.

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Methodology

- **Objectives**

1. To explore the relationship between Bhagavad Gita and management.
2. To be a guide for modern day management.

To achieve the objectives of the study all the relevant literature covering various aspects of Gita and learning from the Holy book has been analysed.

Results

Arjuna got mentally disturbed when he first saw his relatives standing in front of him in the battle field of Kurukshetra. He got confused and diverted from his goals. Another battle was going on in his mind where he could not choose between fighting with his own blood and righteousness. That was when Lord Krishna preached him Bhagavad Gita to balance his thoughts and take a decision in such a hard time. Lord Krishna reminded him of his duties. Since then eminent leaders and great historians have taken help of this Holy Book which is also known as Song of the Spirit in times of crisis. This book has been guiding people of all ages and brings peace in their minds and souls. This Holy Book focus on self-realization and leads to a journey of spiritual progress.

A detailed study of Chapter-3 of Gita would infer that it is all about Karma Yoga i.e. every work must be done in efficient manner. Study of Gita will lead us to the basic management principles for increasing efficiency at work.

Following are certain lessons from Gita which could be of great help for managers in efficient and effective management:

Discarding old ideas and embracing new ones:

वासांसि जीर्णानि यथा विहाय नवानि गृह्णाति नरोऽपराणि /
तथा शरीराणि विहाय जीर्णा न्यन्यानि संयाति नवानि देही // 2:22

The meaning of this verse is as follows:

Just as a person casts off worn out garments and puts on others that are new, even so, the embodied soul casts off worn out bodies and takes on others that are new.

The usefulness of this verse in management is that if we keep on sticking to the old ways of doing things, we might not be able to learn what is new in market. We should not confine ourselves within our ways of doing things rather we should be adaptive and flexible in our approach towards learning new things. Innovation and development is the key to success. This will give the organization a competitive edge over others. One should keep on learning as change is the only constant thing in the world.

Learn to handle the dualities of world:

मात्रास्पर्शास्तु कौन्तेय शीतोष्णसुखदुःखदाः /
आगमापायिनोऽनित्यास्तांस्तितिक्षस्व भारत // 2:14

The meaning of the verse is:

O Arjuna, son of Kunti, the interaction of the senses and the sense objects are giving- cold, heat, pleasure, pain; appearing and disappearing, temporary; therefore just try to tolerate them.

One must learn to handle the dualities of world. Problems would arise and disappear at every step. One must not run away from them instead focus on taking decisions by analysing every aspect rationally. Try to tolerate the situation as it comes and manage it with a rational mind. If we keep brushing away our problems, this will lead to stress and anger and ultimately depression.

Communicate with yourself:

श्रीभगवानुवाच /

**प्रजहाति यदा कामान्सर्वान्पार्थ मनोगतान् /
आत्मन्येवात्मना तुष्टः स्थितप्रज्ञस्तदोच्यते // 2:55**

In verse 54 of Chapter 2, Arjuna asks Lord Krishna about qualities of a wise man. How he sits and speaks? What makes a man wise? The answer to his questions is given in verse 55 as-

The Supreme Lord said: O Parth, when one discards all selfish desires and cravings of the senses that torment the mind and becomes satisfied in the realization of the self, such a person is said to be transcendently situated.

Such as person would have perfection in his tasks. He would have no inner conflicts and would always be stress free. Communicate with your inner self first then communicate with the world. This would clear your mind of all the confusions and you will be able to think clearly without any disruptions. These types of people can take very effective decisions as they can easily analyse the situations in front of them.

Engage in your work :

**न हि कश्चित्क्षणमपि जातु तिष्ठत्यकर्मकृत् /
कार्यते ह्यवशः कर्म सर्वः प्रकृतिजैर्गुणैः // 3:5**

The verse says:

Nobody ever remains without doing actions, even for a moment indeed, because every (being) (who) has no free will is made to do action(s) by the qualities born of Prakrti.

The idea behind this verse is work engagement. One must devote fully towards their work and enjoy it to the fullest, only then the output will be efficient. One cannot avoid work if one has to survive. It is better to take up the tasks of your own interest and gain insights relevant to it and make something meaningful out of your life because it is the law of nature.

Right on actions not results :

**कर्मण्येवाधिकारस्ते मा फलेषु कदाचन /
मा कर्मफलहेतुर्भूर्मा ते सङ्गोऽस्त्वकर्मणि // 2:47 //**

The meaning of the verse follows:

You have the right to perform your prescribed duties, but you are not entitled to the fruits of your actions. Never consider yourself to be the cause of results of your activities, nor be attached to inaction.

One should work for joy not for results. If one keeps worrying about results, they would become conscious about their performance and this would lead to lower productivity which ultimately results in failure. One should focus on quality of work done rather than quantity of tasks completed. If quality is good, ultimate result would be the desired one.

Mutual dependency brings success in long run:

देवान्भावयतानेन ते देवा भावयन्तु वः /
परस्परं भावयन्तः श्रेयः परमवाप्स्यथ // 3:11

The verse says that:

By your sacrifices the celestial Gods will be pleased, and by cooperation between humans and the celestial Gods, prosperity will reign for all.

The organizations should not be secluded from external environment. One cannot survive in isolation in long run. Sustainable development should be the goal of organization. It is the key to success for those who want to be the leader. Organizations are not closed system any more, they have to depend on outside resources to achieve their objectives. This mutual dependency will prove beneficial for all in the industry.

Suggestions & Conclusion

The goal of every manager is to bring efficiency in the organization. One tries to do things in a way which uses minimum resources and produce maximum results. Bhagavad Gita preaches lessons which helps in bringing efficiency in work. It teaches us to enjoy our work and make meaningful contribution towards life. It teaches us to be patient when problems arise because they are unavoidable. One can only handle them with utmost rationality rather than getting hassled. But ultimately Gita preaches us to work and not avoid it. Because this is the law of nature and we must obey it.

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THE REGULATION OF INVESTMENT AND UNIT INVESTMENT FUNDS IN THE REPUBLIC OF UZBEKISTAN

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ABSTRACT

Attracting an investment into economy requires a pleasant investment condition in the Republic of Uzbekistan. The role of the government as a regulator and supervisor in the investment environment is very important. Over the time paid a great attention to the development of investment and unit investment funds in the country: were introduced a number of laws adjusting the activity of funds.

The following research work covers the main aspects of the regulation on investment and unit investment funds.

Keywords : *Economy, investment policy , investment funds, Uzbekistan*

INTRODUCTION

In our country, there is a great attention paid to the investment fund development as main professional sharers of financial market. As it is known, investment funds are established to attract or mobilize investors' cash resources; according to law, to place them into securities, to other investment activities, moreover, in order to place them to bank accounts and deposits.

Investment funds started their initiations in our country in 1996 year. At the present, the establishments and functioning of the funds are regulated by The Laws of Uzbekistan Republic "About joint-stock companies and protection of stockholder rights", "About the equity market", "About Investment and unit investment funds" and by some other legalized normative documents.

The Active investment policy is considered as one of the most productive means to change the economy structurally.

The state investment policy, which is aimed to create convenient investment conditions in our country, ensures the fulfilment of equal division of foreign investments that are directed to the country's economy growth late years to almost all spheres of economy. Foremost state investment policy provides overseas stockowners to be safe and protected by the above-mentioned laws. Besides, it creates a growing tendency of direct flow of foreign investments.

Developing the operation of investment funds is considered as one of the global issues in improvement of investment relationships in our country. Nowadays there are many operation arrangements are being realized in this field by the government of the republic. For instance, several legislations and documents under the legislation are enacted in order to regulate investment operations and implement them to life. Especially, on 25th of August in 2015 in the sphere of investment fund development the statutory order "About Investment and unit investment funds" was adopted with the presidential decree (Uzbekistan Republic Decree -392-number) of The President of Uzbekistan Republic.

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In the following research work, we are going to deal with main rules of the decree and features of regulating relationships in the field of investment and unit investment funds.

Due to the essence investment fund (IF) it is legal entity and at the same time it is joint-stock company. Such kind of funds are widely spread in the world practice.

THEORETICAL BACKGROUND

It issues shares to mobilize investors' cash resources and allocate them to investment assets. Investment assets can be capital issues that contain investment portfolio, money resources (as well as foreign currency), deposits and real estate. Investment fund promoters, we mean shareholders, can be juridical persons or individual persons.

Investment funds can be organized in two types: investment funds having obligation of purchasing the shares that are issued by the very investment funds and the ones that do not have this obligation. The type of investment fund must be indicated in the founding documents of the fund.

Investment fund can implement its operation only on the basement of license. The board of the investment funds are stockowners' general meeting, supervisory body and executive powers. Reliable representative implements authorities of executive powers.

Trusted administrator is a juridical person who manages the investment funds on the bases of trustful administrative contract, at the same time he is a professional participant of the capital issues market.

The trustful administrative contract, which is made and signed between t administrator and investment fund, includes in itself limits while running the fund, the order of payment and reimbursement of expenses, ending bases of the contract expire and conditions of ending, responsibilities of both sides and it contains in itself some other regulations according to the legal documents. In trustful administrative contract, there should be investment declaration that puts conditions to the investment assets' staff.

Due to its essence, investment declaration means regulations that give complete information about the purpose of the investment fund (IF). The following document gives chance to stockholders to choose the preferable one among the pointed investment funds and place their money there. The regulations of investment declaration gives extra guarantee to the stockowner about that the chosen investment fund and its administrator will not change the investment property.

INVESTMENT POLICY IN UZBEKISTAN

There imposed a number of limitations on investment fund activity. Strict limitations on investment fund activity directions are written in the 25th article of the Law of Uzbekistan Republic "About the equity market" as well; it says "Investment fund operation cannot be held with other types of operation together". The following limitations are mostly for the protection of the stockholders rights and stockholders' legal benefits.

While organizing investment fund, payment of the price of its stocks can be made through cash, dividends, real estate and some other properties, as well as, estate rights. At least 75 per cent of the authorized capital stock must be paid in cash in order to realize investment fund. Placement of the investment fund stocks happens in the stock exchange.

Due to the 3rd article of the Law of Ubekistan Republic "About the equity market", stock is an issuing equity with unlimited expire date, making its owner the member of joint-stock company and get one part of the profit of joint-stock company in the dividend form. Furthermore, it gets right to take part in administration

of joint-stock company and if it is closed, the stock is a document that confirms your right to one part of the left estate. Stock is considered an equity, with the owner's full name written on it.

Central depository implements the registration of the rights concerning to the equity and the equities issued by investment funds, and their safekeeping of the equities.

Reliable administrator runs the separate calculation of fund investment assets; he provides keeping their accounts'integrity and keeping them safe. Additionally, he is responsible for reliance and correctness of the finance report, tax report and other reports concerning to the investment fund.

Unit investment trust is considered something new in the sphere of investment activity in our republic. The Law "About Investment and unit funds" and regulations about such kind of funds is planned to become realized from 1st of July 2017 year.

According to the concerned Law, Unit fund (UF) is such an organizing form of investment activity in Uzbekistan Republic; in its circle, investors submit their money to authorized administration of managers in order to invest it. Unit fund will not be juridical person.

The authorized person is a professional participant of equity market. Moreover, he makes a decision on establishment of the unit fund. Investor puts his money in the unit fund based on the made contract with authorized person. The authorized person joins investors' money resources to unit fund on the bases of the general joint ownership share property right. After including investors' money resources in his personal bank account, within two working days he gives investment shares to stockowners.

Trust administrative contract of the unit fund, at the same point, is a joining contract as well. The contract is made through joining to the unit fund, and after becoming a member of the fund, it is signed between unit fund stockowners and head of the authorized person.

In the administrative contract there must be investment declaration together with the contract of investment fund.

As it is in investment fund, for the establishment of the unit fund there must be some regulations, rules about the objectives and aims of the unit fund. Although the contract of the entrusted administration property is membership contract, its investment declaration is approved with the decision of the unit fund stockholders. The given regulation is different from some foreign countries', for example Russia's, unit fund regulations. The distinction of the unit fund regulation in our republic is that it gives chance to stockowners of the unit fund to take part in enacting legislation. After the trusted manager opens bankable bill in the central depository of the unit fund equity, he will have a right to dispose money resources, he expenditures the money according to the payment document signed by the trusted manager's head and authorized representative of the central depository of the unit fund equity.

The profits taken from investment assets are shared among stockowners of the unit fund once a year, or with the agreement of all joint fund stockholders, the profits are reinvested.

Investment share is securities, which approves the share of its owner in the joint fund without any supportive documents. Investment share rights are confirmed with the copy of the depository account taken from the central depository of the unit fund equity.

Research Methodology

Investment share circulation is operated with its purchase and sale in a stock exchange and with the other documents leading to the change of the ownership; we mean unit fund stockownership here. The same with investment fund, investment assets of unit fund are investment portfolio that includes in it the equity, shares, money resources (as well as overseas currency), deposits and real estate.

There are many limitations in the disposal of the investment assets of the unit fund.

In the following law, there are given main regulations about revealing the information and news concerning to the investment fund and unit fund activities. Especially, revealing the information can be implemented by the trusted managers of investment funds and unit funds, by the authorized state organs who are responsible for regulating the equity market, through pointed order if it is asked. Moreover, the news and information can be given on official web-site of the stock exchange. Full version of the very regulations is given in the documents titled "Rules of presenting and announcing information in Equity market". This regulation is confirmed by the director of the Center of monitoring and adopting equity market operations, under the committee of state estate of Uzbekistan Republic on 24th July 2012 year, with the order 2012-13-number. In general, the legislation makes the trusted manager to give broad enough information about investment fund and unit fund.

Therefore, the system of regulation of activities of existing investment and unit funds at the present gives opportunity to admit several advantages of the fund operations. Such funds have a serious stable legal basis that gives dominance to tough conditions toward the property of investment funds, the high liquidity and maximal trustworthy of the stocks that consist of shares of the unit funds. In our point of view, this helps to some extent to make the investment funds and unit funds become popular in our country.

Investment funds have been working in Uzbekistan for 20 years. However, the investment funds are considered the main financial institutions that are established to attract individual person's money in order to make investment to economy; they have not become popular in the small investors', individual persons' midst yet.

DATA ANALYSIS AND INTERPRETATION

As the main reasons of low activeness degree of the private investors, we can point out population's being lack of information, lack of financial knowledge and not understanding the essence, significance of the investment funds. Therefore as we think, putting the information about the types and operations of the funds in order, classifying them, analyzing them in comparison and characterizing them can rise the interest of the private investors toward the following public investment institutions, in general, it can sharply rise the interest of the private investors to invest their money to equities' market.

From this point, the complete fulfilment of the principle of revealing the information, which is considered as one of the fundamental active principles to put the stock markets of the USA and countries of the European Union in legal order, is taken as a sample to reward the investment operation through investment and unit investment funds. The essence matter of the principle of revealing information is that there should be chance for investors to get the information about the current situation of public investment means. As mentioned above there is a special law is adopted in the Republic of Uzbekistan that puts the activities of the investment and unit funds in order. These institutes contain such mechanisms that help wide rank of the

population and entrepreneurs to get a chance of entering to trust investment, decreasing expenses and diversifying the danger layer. Advantages of this law are followings:

- providing the entrance of the small investors to the professional management with their capital;
- diversification of investors' danger and risk;
- decreasing the expenditure on the account of the operations' volume;
- higher reliability of the social investments in comparison with individual investments.

Actually, adoption of the law documents closely helps to deal with the fulfilment of the main mobilization duties of the equity market.

The followings can be pointed as the sustained directions of the stable development of the investment and unit investment funds in our republic, of course in the immediate future:

- further development of the equity market of the republic, increasing capitalizing degree of the market and taking measures of the infrastructure improvement into account;
- providing the profits taken from the equities not to be lower than the yearly inflation degree;
- diversification of investment portfolio content of the investment and unit investment funds, especially, increasing investment;
- taking measures of improving competitive environment between investment and unit investment funds;
- enough and complete fulfilment of revealing and renovating the information about investment and unit funds in time in order to reward the investment operations in the republic;
- reinforcement of the legal base which is led to put the activities of investment and unit funds in order.

CONCLUSION

In conclusion, in Uzbekistan the development of the investment and unit funds on the basis of the world experience serves; to create counter opportunities, to make high progress of the public investment in the field of the investment funds, to provide free float of the capital among economic trends of the fund market, to give chance for investors and wide population rank to enter the fund market, to formulate deposits and to make them become investments included in real sector of the economy.

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SPECIFIC PECULIARITIES OF EMPLOYMENT OF RURAL WOMEN IN BUSINESS

Bobanazarova Djamila Kholmuradovna¹

ABSTRACT

The article considers the employment of the population in the Republic of Uzbekistan with deep analyses. Also, it involves the reduction of seasonal unemployment among women, small businesses and private entrepreneurship. Finally, paper puts forward proposals for the further development of investigations on mentioned issues

Keywords: *Demographic process, Employment, Productive employment of women, Seasonal Employment, accurate sociological research, Small business and private entrepreneurship, Family business, Home work.*

INTRODUCTION

As you know, the role of demographic processes occupies a high place in the social and economic development of Uzbekistan, population growth, location, and should be interpreted taking into account regional and demographic differences.

According to scientists, the growth of labor resources is associated with the socio-demographic composition of the population. If there are more working young people in the population structure, labor resources are growing rapidly. Wherever the population grows, labor resources grow at an accelerated rate. Every year in Uzbekistan, labor resources will increase by 330 thousand people. In the next 10 years, Uzbekistan's labor resources will increase by 24.3%².

It's expected that population of Uzbekistan will grow in the future - in 2020 - 33 million people, in 2030, approximately 38 million people.³

In recent years, there has been a trend towards a steady increase in the population in the republic. As of January 1, 2017, the population of Uzbekistan is 32.121 million people. Since early 2016, the country's population has increased by 545.8 thousand people, or 1.7 percent. The urban population is 16.238 million (50.6 percent) of the population, the rural population is 15.882 million people (49.4 percent).

The growth of the population in conditions of women's employment in the socio-economic study of implementation mechanisms, the effective employment of women of working age, especially in rural areas, is currently one of the most pressing problems.

THEORETICAL BACKGROUND

From year to year, more and more works of a wide range are carried out in order to improve the standard of living and quality of its work and increase the employment of the population in the Republic of

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² Ulmasov A., Vakhobov A. *Economic theory. Textbook.* - T.: Iqtisod-moliya, 2014. - 211p.

³ Ata-Mirzayev O.B. *Population of Uzbekistan: history and modernity. Monograph.* - T.: Ijtimoy Fikr, 2009. - p.21.

Uzbekistan. In particular, on December 13, 2016, at the plenary session of the Senate of the Oliy Majlis of the Republic of Uzbekistan "Employment Program", the Employment Program for 2017 was adopted. In accordance with the program in 2017, 389.3 thousand citizens are employed in newly created stable jobs.

In addition, in 5 priority areas of the Strategy of Action of the Republic of Uzbekistan for the period 2017-2021, the main attention was paid to strengthening the role of women in public and political activities of the state and public administration, strengthening the positions of women, daughters of graduates of professional colleges of employment, Entrepreneurial activity, strengthening the foundations of the family¹.

It should be noted that Uzbekistan has a special feature in attracting women to the economy and the socially active part of society. Gender effective use of labor potential and mobilization of their impact of demographic factors occupies a special place in this.

Demand for the effective employment of working women and women's models, tasks related to the solution of many aspects of the proposal. As a result, women are engaged in social work in public and domestic affairs, and raising children, making their labor potential more efficiently used.

The most important socio-demographic indicator of the structure of society is the distribution of the population by sex. Therefore, "in all demographic and sociological studies, regardless of their scale, the methodological principle of the social determinant is observed, which considers the peculiarities of the situation of women and men as two important socio-demographic characteristics in the development of society²".

Effective factors affecting the employment rate among women were divided into two groups:

- Factors affecting the formation of the demand for professional work - income from work, demonstration of extensive knowledge and experience;

In our opinion, factors affecting women's employment and economic activity in cities and villages are different. The gap between demand and imbalances, the difference between the level of competitiveness of local personnel for work, seasonality, high level of migration processes.

DATA ANALYSES

In this regard, in our scientific research we rely on the results of sociological studies collected on this topic, conducted during seasonal unemployment in rural areas.

As you know, agricultural production and processing industry is seasonal work, which affects the appearance of seasonal unemployment. As the women of Djizak and Syrdarya regions note, they took part in a sociological survey conducted in rural areas, seasonal unemployment in agriculture in accordance with the lack of opportunities to work in the winter months and early spring (25.7%). In this case, a relatively low level of female labor (20.5%), the early termination of processing of agricultural products (16.2%), the lack of opportunities for the rest of the year, procurement and storage of products (15.3%), a low level of processing industry (12.4%) and for other reasons an example (see Table 1).

¹ Annex to the Decree of the President of the Republic of Uzbekistan No. PF-4947 of February 7, 2017. The strategy of actions for the five priority development directions of the Republic of Uzbekistan in 2017-2021. <http://strategy.gov.uz> 11 p.

² Ubaydullaeva R. About gender approach to the study of family and society. // Social sciences in Uzbekistan. T.: 2005. № 1-2-p.3..

Sheet 1**Causes of seasonal unemployment in the Jizzakh and Syrdarya regions among rural women.
(% Compared to the total number of respondents)**

Reasons	Total	Including, in the areas of					
		Jiizakh region			Sirdarya region		
		Jizzakh district	Bakhmal district	Galla aral district	Sirdariya district	Boyovut district	Havast district
Lack of opportunities to work in agriculture in the early spring and winter months.	1,2 ²	0,2	0,2	9,9	0,8	9,	0,5
A small number of jobs corresponding to women.	8,9 ¹	6,2	6,0	7,4	6,2	7,4	6,7
End of the season of processing agricultural products.	7,5 ¹	6,2	5,4	5,5	5,2	4,8	2,7
Lack of processing and storage opportunities throughout the year.	3,2 ¹	2,0	1,2	0,3	2,8	1,4	0,8
Lack of opportunities for continuous work in the profession.	0,5 ¹	1,8	,8	0,0	,5	0,0	,5
A small number of enterprises operating year-round.	,4 ⁸	,4	,6	,5	,2	,6	,0
A small number of enterprises in the processing industry	,8 ⁴	,5	,0	,2	,0	,8	,6
Lack of facilities for rendering services.	,7 ²	,6	,4	,0	,8	,6	,2
Difficulty of doing business in private business.	,8 ²	,0	,4	,2	,0	,0	,0

¹ The calculations were made by the author on the basis of sociological research.

The majority of respondents want to change their place of work in the sphere of business services (46.5%) and consumer services (29.8%) in order to increase their incomes. Special among women are many who want to work in the field of small business and private entrepreneurship, food industry, consumer services.

According to respondents' opinion, new jobs are more likely to be created in service (33.5%), industry (31.0%), agricultural production (20.0%) and private labor (15.5%) networks.

According to the respondents, it is necessary to prevent the division of labor into seasonality in agricultural production. With regard to the seasonal labor sectors of labor associated with production personnel, to ensure the effective use of spare time, it is necessary to involve them in other agricultural or livestock sectors, the agricultural industry and the processing of products.

In the opinion of women involved in agriculture, in order to develop small business and private entrepreneurship, it is necessary to simplify the process of obtaining concessional loans, in the process arising from the regulation of labor relations in enterprises, small business and private entrepreneurship, taking into account their work experience, based on the results of economic Indicators and expansion of short-term outlook.

Studies have shown the need for small and private enterprises to organize work and personal services. Because in this direction there is no high cost of work. Also, opportunities for creating new jobs in the current year are growing. To implement these programs, first of all, it is necessary to use the services of private entrepreneurs.

World experience shows that denationalization and privatization of the market environment will serve as an excellent incentive. This will create the necessary conditions for strengthening the economic potential of the population and reasonable conditions for employment.

It should be recognized that in recent years support for small business and private entrepreneurship and promotion of activities implemented by the state has been adopted in a number of aspects of the development of small business and entrepreneurship in the country.

As the First President of the Republic of Uzbekistan Islam Karimov noted¹: "There are also significant qualitative changes in the solution of the problem of employment of the population. In addressing the most pressing of these issues, along with the rapid development of small businesses and private entrepreneurship, the introduction of various forms of home-based business, great attention is paid to promoting livestock development in rural areas, "the development of small business and private entrepreneurship in the country led to a new level.

SPECIFIC PECULIARITIES OF EMPLOYMENT OF RURAL WOMEN IN BUSINESS

At present, small business and private entrepreneurship is important not only for accelerating the pace of economic growth, but employment and income, also plays a leading role in solving problems.

Today in our country about 80% of gross domestic product, more than 78% of industrial production, agriculture and retail trade turnover are produced at the expense of non-governmental sectors². It should be noted that more than 64% of new jobs were created at the expense of small business, strengthening of incentives for the development of private entrepreneurship and agriculture, in particular, of obtaining new benefits and preferences, and more than 28% in the creation of new enterprises and various forms of home-based work. In the economy of developed countries, 70% of the total population is employed in the sphere of small business and private entrepreneurship, in our country the share of the employed population in this area in 2016 as a result of reforms has grown to 76.5%

The rational development of small business and private entrepreneurship positively affects the sharp decline in the level of employment and unemployment of rural women in the country. Systematic work is carried out in the republic to implement measures to develop various forms of women's entrepreneurship, and to facilitate the employment of women. In particular, the volume of commercial banks to finance women

¹I.A.Karimov *Our main task is to open wide paths to private entrepreneurship and private property through diligent continuation of the processes of diversification and modernization, a radical systemic change in our economy in 2015 // Turkiston, No. 5 (15851), - 2015. January 17.*

² www.Stat.uz Information of the Committee of State Statistics of Uzbekistan.

entrepreneurs over the past 10 years has grown 30 times and more than 2.6 trillion. Sum of credit funds are directed to the development of women's entrepreneurship.

In the development of small business and private entrepreneurship, the Law "On Entrepreneurship", Decrees "On measures to stimulate the expansion of cooperation between large industrial enterprises and the production of services based on the development of home-based work", "On additional measures to improve the mechanisms for the provision of public services to business entities", "On measures to simplify and expand the micro credit system for small and private entrepreneurship", "on additional measures to improve forms of public services business entities", "on measures to create conditions for greater development of home-based work."

As a result of our studies, we developed a basic model for home-based women's work (see Figure 1). The purpose of this model is to describe the scope of using home-based work and the specifics of this type of work. This model is determined by the methodology of the regional calculation of unemployed women, methods of calculating the labor market and determining the optimal parameters of unemployment boundaries.

At present, among women, there is a growing interest in home-based work. Work in this area for women is one of the most attractive activities.

For women, especially women in rural areas, the ability to use time-based work, the employee can work on the house at the time he wanted to go to work, save time, additional workforce opportunities at home, and access to housing as well as control Vehicle, will increase interest in this form of work organization.

In addition, the social specificity of this type of work shows exemption from property tax, equipment that is issued to workers at home for the duration of the contract, as well as exemption from income tax paid from the salary of an employee working at home.

Purpose, objectives	Scope of application	Specificity
Increasing the efficiency of large industrial enterprises, development of home-based work.	Production and maintenance on the basis of enterprises, non-state structure of facilities.	High opportunities for women in social work, low costs for creating new jobs
Conclusion of the employment contract between the employer and the home worker on the basis of needs.	Enterprises and non-state entities aimed at the sphere of service and production.	Registration of the work book for home workers, social state insurance.
In order to further develop the home business, to create conditions for unemployed women by providing a stable source of income	Enterprises and non-state entities aimed at the sphere of service and production.	Exemption from payment of property tax during the use of equipment, inventory and tools, as well as unified social payment.
Creation of new jobs for women related to products produced on the basis of home work, respectively, with the production program of the enterprise.	Fruitful use of empty or unused buildings.	Increase employment opportunities for women (especially in rural areas) at their place of residence.

Figure 1. The main models of home work for women.

As Professor Sh.R. Kholmuminov points out, "the cultivation of agricultural products, industrial production, and in organizations with social infrastructure as well as increasing quotas in private enterprises, leads to a significant increase in the level of economic incentives for large families of women¹.

- Overall, to date, ensuring a cooperative link between the population and enterprises that organize home-based work is a paramount and fruitful direction for increasing the level of employment, the profit of families.
- In our opinion, in order to increase the employment of women in rural areas, the following tasks must be fulfilled:
- Constantly update and replenish with the new data database of new business entities, innovative projects, public enterprises;
- To further improve the quality of women's vocational training and increase their social activity;
- Promotion of other forms of entrepreneurial activity, handicraft, home-based work, private entrepreneurship and family business;
- Widely propagandize international experience and benefits, organizational and legal conditions that are created by our state for the development of small business and private entrepreneurship among women;
- Conduct ongoing monitoring of the provision of social guarantees for home-based workers created for employees;
- Continue the painstaking work on systemic work on providing preferential loans to family businesses working on the development of national handicrafts.

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A STUDY OF THE KOTA DORIA HANDLOOM CLUSTER, RAJASTHAN, INDIA

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ABSTRACT

This study aims to provide an subjective assessment of the Kota Doria handloom cluster of Rajasthan, India. The focus of study is present scenario, production, marketing, and institutional contexts of weavers. The study is based on a sample of 60 weavers. The primary and secondary data also collected from fieldwork in this cluster. The study reveals that governments have evolved many schemes to uplift the economic condition but more work is require to impart training on new designs, marketing. The objective off this paper is to familiarize with the current status of handloom weavers. This study will further help to plan a roadmap for the training and development activities to be undertaken in the Kota Doria Handloom.

KEY WORDS: Handloom, Kota Doria, Production, Supply Chain, Swot analysis.

INTRODUCTION:

Handloom Industry has an awesome existence in the Indian economy. It signify the age old tradition, culture, civilization which exemplifies the richness and diversity of India. As an economic activity, It is second largest employer after agriculture. Handloom industry employed a large skilled and unskilled workforce, provide employment to app. 43.3 lakh persons working on 23.7 lakh handlooms across the nation. It is one of the largest sector in the world for producing raw material and textile manufacturing base. Presently it contribute 14% industrial production, 4% Gross domestic product(GDP), 17% export earnings provide by this sector ^[1].

Handloom is an important cottage industry among developing countries like India, Pakistan, Bangladesh, Iran, China where traditional ways of weaving are significantly practiced ^[2]. This is only industry that is self sufficient and complete in value chain producing everything from fibers to the highest value added finished product of garments ^[3]. It's growth and vitality therefore bearings on Indian economy at large. ^[4]

The Handloom sector particularly dominant segment as 25% of total textile production and export earnings comes from this sector with 15% cloth production. The Handloom is a traditional and hereditary occupation, to produce goods and fabrics^[5].

Approximate 95% of the world hand woven cloths comes from India. Hand spinning and hand weaving were amongst the earliest creative activities of human race. The state of Rajasthan is habitat of wide range rich textiles ranging from brilliant hand spun fabrics to exhilarating range of handicrafts. Rajasthan is home of wide range of ethnic handicrafts and textiles which including hand spun fabrics and handloom products. One of the prominent handloom clusters in Rajasthan is the Kota Doria Handloom cluster, where more over 1,000 weaver families are reportedly engaged in producing handloom saris as well as other types of clothing like home furnishings. ^[6]

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KOTA DORIA HANDLOOM:

Kota Doria handloom woven mainly Kaithoon village near 20 kilometre from Kota city. In Kaithoon approximate 1500 handlooms provide livelihood to more than 3000 persons with turnover of 35 crore app. The average investment at Kaithoon is about 25000 Rs per handloom. The major populations of weavers is in Kaithoon at Kota district. There are 47 Master Weavers functioning for the cluster. Annually 82,000 saris are producing annually at this cluster with grounding time of 50 days.

Majorly Muslim minority are specialized in weaving, which are passed on from one generation to another and provide livelihood skills to the weavers community.

Kota Doria is a ethereal square pattern weave fabric. The key participation in Kota Doria fabric is cotton, silk and zari (very fine metallic threads). It is woven on traditional pit loom in a such a practiced way that it produce square patterning in the fabrics. The final cloth is remarkably semi-transparent, very fine and light weight fabric. The literal means of Doria is thread, the threads of cotton and silk yarns interlace to produce fine check pattern resembling like graph paper is produced. Kota Doria is light and shear fabric, which is very useful for hot and humid climate like Indian subcontinent. The weavers are primarily located at Kaithoon, though a few still pursue their craft in adjacent Bundi and Baran district at SE Rajasthan. Kaithoon is a town of with a population who are mostly weavers^[7].

Kota Doria is well known brand name among sari wearing women in the country. According to recent market survey of National Institute of Fashion Technology at four major cities, more than half respondent were aware of and owned of Kota Doria. Linda Lyton has referred to Kota Doria saris as one of the nationally popular hot season garment.^[8]

Kota Doria is distinctive hand woven fabric having characteristic of square check pattern called "Khat". Each "Khat" is made of 14 yarns (8 of cotton and 6 of silk) is Hallmark of this handloom. A 300 "Khat" are there cross the width of the fabric, which is up to 46 inches , A throw shuttle method used on pit looms.

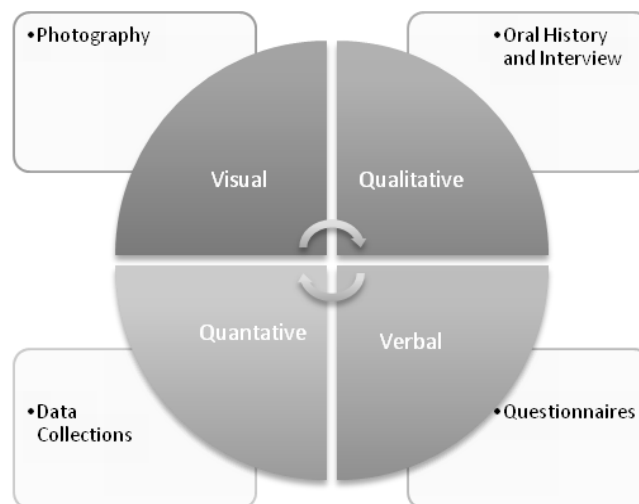
OBJECTIVE OF RESEARCH:

The objective of this study are as

- To analyze the present operation, SWOT analysis, product range, and marketing of the products at Kota Doria Handloom cluster.
- The scope and awareness of Government handloom schemes.
- To suggest measure of growth of Handloom cluster.

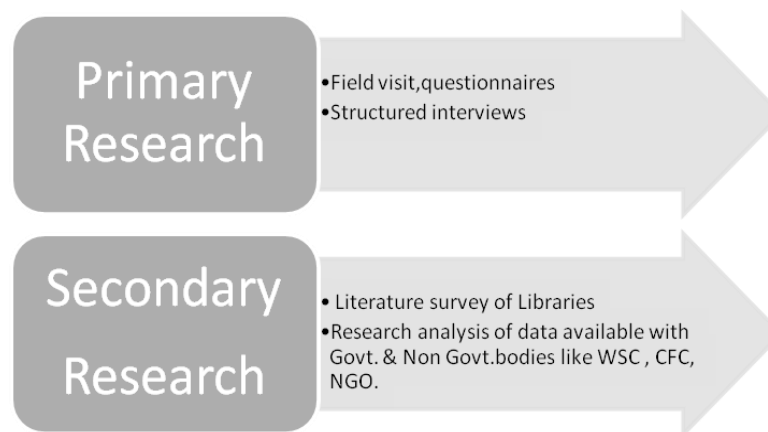
METHODOLOGY

The methodology of research is qualitative as well quantitative. The primary research will be done by visiting the crafts persons at Kaithoon and administering a questionnaire to them. The scope of this study will to obtain basic information about traditional craft, economic viability, strengths, existing status. Quantitative approach further classified to inferential approach to form a data base from which to infer characteristics of this cluster. Secondary data available with government, non-government bodies, literature survey of libraries and studies, which may have been undertaken in the area

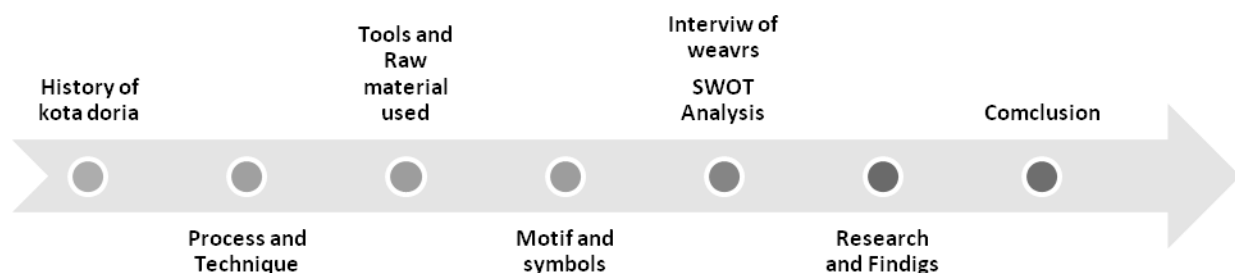


1 Design Research: Methods and Perspectives,

The data are collected through survey and interview of 60 weavers at Kaithoon .Secondary data collects from geographical indication (GI) reports, books and government agencies like weavers service centre (WSC) and Common facility centre(CFC) at Jaipur and Kaithoon.



2 Details of primary and secondary research



3 Stage wise break up for Koto Doria Study

REVIEW OF LITERATURE:

India's woven textiles are known for its richness and diversity. The earliest evidence found a tiny mordanted and dyed fragment woven of spun cotton yarn found to a silver jar in an excavation of Mohan Jodaro in the Indus valley at 1750 BC. India is possibly one of the few countries where craft is still practiced in its villages and provides livelihood to millions. A cluster is a geographically concentration of (mostly in villages/townships) household units producing handloom. In a typical cluster, such producers often belong to a traditional community, producing the long-established products for generations like Kaithoon.

According to Khadi and village industries commission (KVIC), the term Khadi may be referred to any cloth which is woven on handloom in India from cotton, silk, or woollen hand spun yarn or a mixture of any two or all such yarns.

The khadi, khaddar or khada is any cloth woven on handlooms in India from cotton, silk, wool or a mixture of these fibres. The term also used polyester cotton^[10].

Khadi or khaddar is one of the handmade fabric of India for which hand spun yarn is used. During freedom struggle, the development of khadi and village industries was an instrument to meet twin objective of self reliance through local production and active participation in freedom struggle by removal of hunger and unemployment. Khadi is not a just a fabric, but a way of life which has been interwoven with great Indian legacy since long^[11]

Mahatma Gandhi presented Khadi as a symbol of nationalism, equality and self-reliance. In his words, "I am a salesman of Swaraj. I am a devotee of khadi. It is my duty to induce people, by every honest means, to wear khadi."^[12]

The strength of the sector lies in its uniqueness, flexibility of production, openness to innovations, adaptability to the supplier's requirement and the wealth of its tradition.

GEOGRAPHICAL INDICATION:

The exclusive characteristic of the Kota Doria fabric produce on handloom encouraged the Kota Doria Development Hadauti Foundation (KDDHF) to apply Geographical Indication(GI) with the help of United Nations Industrial Development Organisation (UNIDO). Under the geographical registration act 1999 in 2005, the GI registration accorded for the restricted geographical region of Kota in class 24 & 25 of Handicrafts.

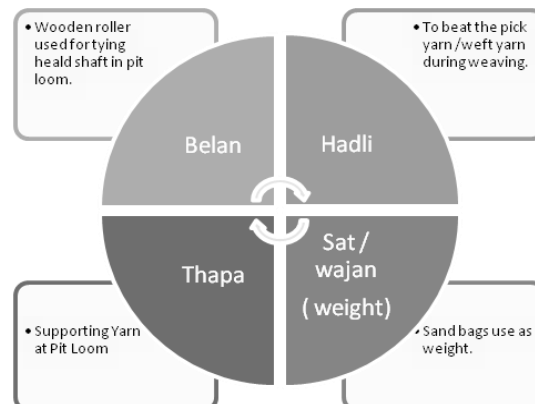
RAW MATERIALS:**SOURCING OF YARN**

The yarn use for Kota Doria is cotton, silk and zari. Cotton source from Gujarat (Ahmadabad) and Maharashtra. The 80-120 English cotton combed(\$) cotton yarn used in warp and weft. The 13/15/20/22 Denier (D) degummed silk yarn source from Karnataka. Zari is purchased from Gujarat (Surat).

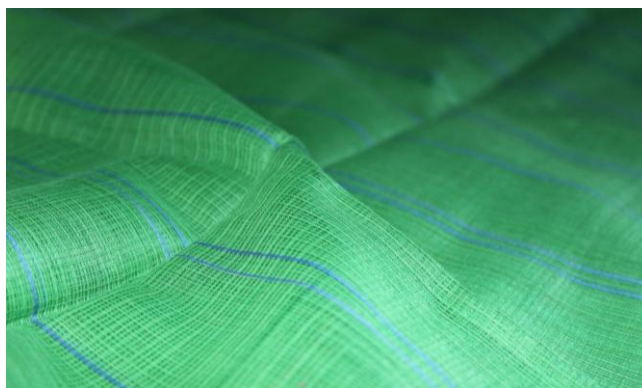
S.No	Warp	Weft
1.	18/20 D and 100-110 \$ cotton	18/20 D Silk and 100-110 \$ Cotton
2.	18/20-20/22 D silk and 2/100 - 2/120 \$ cotton	18/20 - 20/22 D silk and 2/100 - 2/120 \$ Or 100 - 110 \$ cotton

Sourcing of Yarn at Kota doria : Denier(D), \$ Cotton count**Figure : Winding of yarn using bags of sand as weighing material**

Tools used at Cluster:



Tools used in Kota Doria cluster

MANUFACTURING PROCESS**The Elegance of Kota Doria at Kaithoon**

Pirn winding: The weft yarns are transferred from hank to spools by pirn winding. Aesthetic threads like zari are also insert during this process. The rotary wheel attached to a harness of conveyor belt giving rotary

motion to the spool mounted at the other end. Rotation of wheel by hands results in the spool rotation and thread is wound on small spindles called pirn.

Warping: The warp yarn is prepared on wooden pegs called Peg Frame. These Peg frame locally called "Pinjars" arrange the warp yarns in crisscross direction to eliminate the broken yarn. The length of Rope is equal to length of warping thread. At least two persons are require in warping process. These yarns are wound around two iron pegs, dug into the ground by fully stretching the rope.

Dyeing and Sizing: The yarn dyeing is done by hank method. Direct dyes are also used by the weavers due to compatibility with cotton. The Sizing process provide strength to warp yarns which hold the beating action in weaving. The light rice paste known as "Maand" is used with onion juice. it is applied by handmade brush on yarn. These brushes are made up of coniferous leaves found in Kashmir valley and Himachal Pradesh.

Drafting: It is process to pass the warp yarns through heald eye of heald frame. The Drafting plan depend on the design Plan of handloom.

Denting: The combs like structure made by bamboos found in Varanasi called Reed or locally known as "Ranch". The Ranch is filled with yarn by weaver using traditional skill. The Reed is made of special variety of bamboos.

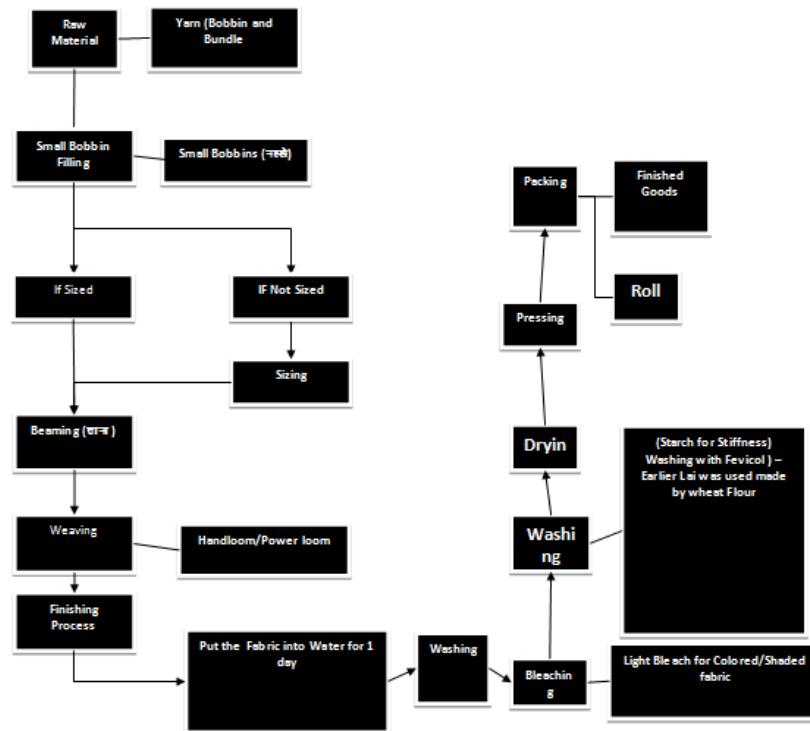
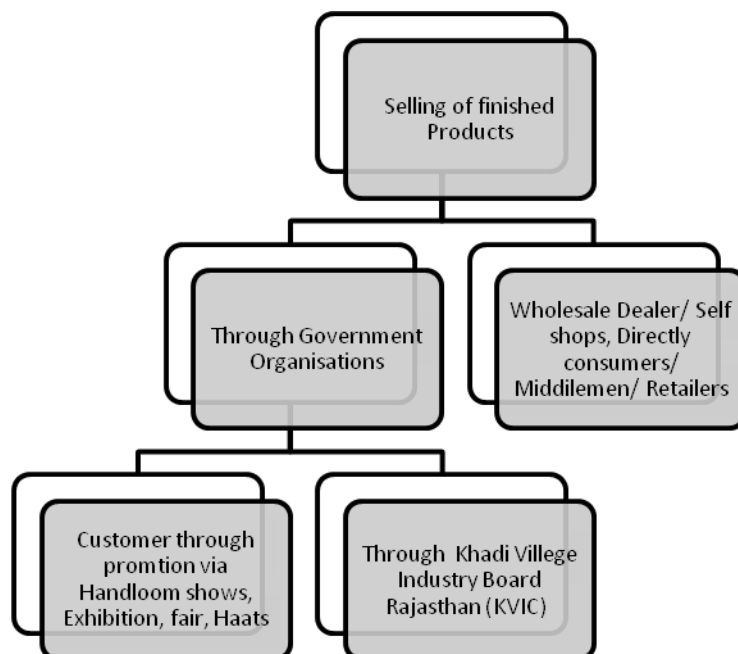
Piecing: Piecing is process in which new yarns are join to old yarn by help of thumb and index finger with ash. The ash use for producing friction in the piecing process.

Design Setting: The "Jala" technique use to make designs in fabric. The sixteen heald frame in dobby and jacquard (100 hooks) also use by weavers to produce fine designs at Kaithoon. The small spindles (locally known 'tills') are use for making design motifs.



Manufacturing of Kota Doria Handloom on Pit Loom at Kaithoon

Weaving: Pit looms are used to making handloom fabric at Kaithoon. The wooden shuttle use for pick the yarn during shedding. These techniques are traditional require considerable improvement as per ergonomic point of view. The traditional designs are transfer on to fabrics by using Jala technique in dobby loom.^[14]

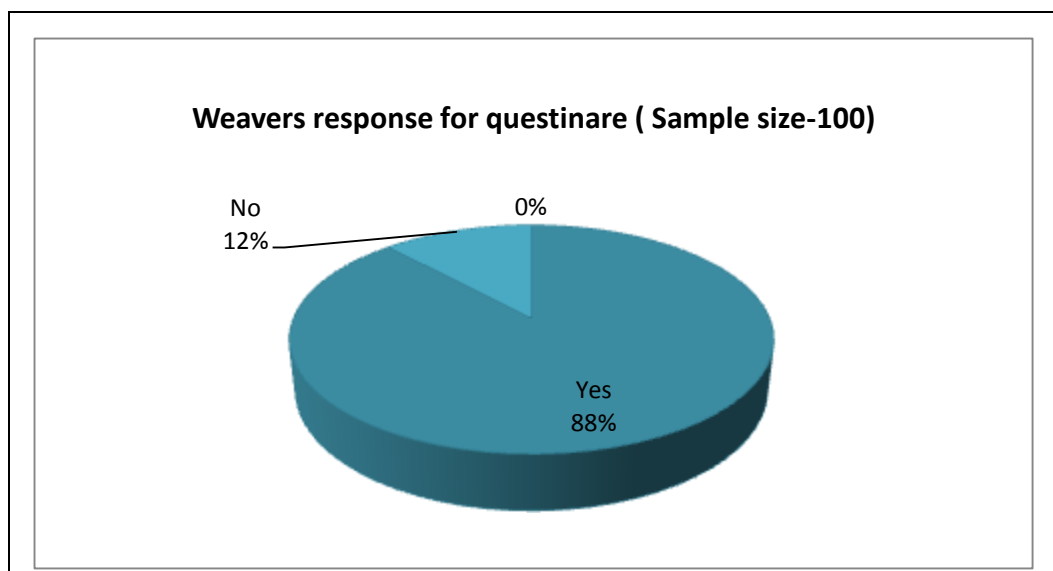
FLOW CHART:**MARKETING OF Kota Doria Handloom :**

Major Products of Kota Doria: Kota Doria: Sari, Suits, Dupattas, Dress material, Home furnishing.

Findings of the Research

- The 98% weavers at Kaithoon want to start his/her own work or do own business without middlemen intervention.
- The 80% weavers are aware about government schemes like CHCDS, yarn supply scheme, health insurance scheme, Mahatma Gandhi Bunker Yojana. They also get benefit from them
- The 78% respondent are aware about E-commerce portal and keen to learn the computer training for better knowing and operation online E-commerce portal for selling their cloths.
- The 96% weavers have an account in post office/bank, this is boost during digitalization.
- Only 38 % weavers, helpers receive skill training and up gradation training.
- Only 40% weavers agree to get subsidy on raw materials.
- The 73% weavers sails products through middlemen, rest 15% sail through shops and 12% through govt. cooperative stores, fairs and exhibitions.
- The 78% weavers want training for capacity building, design intervention to expand product portfolio.
- The 88% weaver have raise serious concern regarding cheap power loom product eating their handloom share. The 7% weavers also had raise a issue for getting lower rate products.

Table 3:



SWOT ANALYSIS OF HANDLOOM CLUSTER:

SWOT analysis is an effective tool for critically analysing about products, market, availability of raw materials, price and promotion and total quality management (TQM).

Strength:

- The distinguishing characteristics of SE handloom is the crisp, coarser feel, specially "Khat" in Kota Doria which produce thicker and thin or slub effect which cannot be produce on power loom.

- Handloom cloth have unique hand due to different beating force by reed during primary motion, which cannot be produce by power loom.
- Electricity consumption is less and more economical then power loom. Flexible working hours, working from home provisions make lucrative the process. The raw material is locally available. Hallmark and GI certification is awarded to the Kota Doria Handloom.
- Easy availability of skilled artisans near this place is also added an advantage.

Weakness:

- The Handloom fabric is expensive then power loom. It requires high skill, more time and patience to produce compare to mechanized loom.
- Less modernisation and up gradation of manufacturing technique.
- The next generation of artisans shown less importance due to small wages and more time consuming.
- Less consistency, old and traditional design are hindrance of growth this sector.

Opportunities:

- The future lies in the fact that handmade fabric meant for high couture, which constitutes for high-end market. ^[15]
- Product diversification and skill up gradation is the main theme for growth.
- More emphasis of govt on revive and publicized the handlooms.
- Tap to overseas market as exporters are more keen to buy the handmade product.

Threats:

- The traditional weavers are not keen to continue this profession due to less wages, stiff competition from power loom from China, Varanasi and Kolkata.
- New generation is not keen to enter.
- The Fiscal difference exists between retailers, master weavers and weavers.

Issues at Handloom Cluster:

- The fiscal differences between weavers and retailers, lack of professionalism and awareness.
- Lack of or limited design inspiration, completely depend on middlemen. The middlemen are only take source to give new designs and weavers work only on that design research.
- Less promotional activities, lower literacy rate, no knowledge about basic computers which help in new design intervention.
- No product diversification. The number of khadi workers are decline due to lack of profit to run the family.

Findings

At a time when consumers are preferring natural and handmade products over synthetic product, Hand spun or Handmade fabrics at this cluster is one of sustainable option to earning livelihood and provide employment to more people, Now more people turning to handmade products with capability of exports. According to Mahatma Gandhi words, "The revival of hand spinning and hand weaving will make largest contribution to the economic and the moral regeneration of India." At present, craft sector has supposed 1/5th share of the total domestic industry in the nation. But regrettably the revenues earned from this sector are not sufficiently getting by the artisans who remain at the mercy of middleman, trader and exporter for both sustained earning and exposure to the marketable designs with change frequently with time. Today the younger generation is not keen on learning skills to pursue Handlooms. Many external factors such as competitive markets, globalization and deteriorating socio-economic conditions of weavers contribute to this. Consequently, the younger generations look for alternative career options in varied fields.

In order to improvement and address of the problem of this clusters, following suggestion has been offered :

- Product development by innovative design by weaving or surface ornamentation is need of hour for value addition of this handloom cluster. The up gradation and modernization of loom, infrastructure development for betterment of handloom industry.
- Training can be impart for weavers for online selling of products by e-commerce to expand the market, direct marketing widen the customer base. Adoption of technology for the betterment of their product. Training to enhance the skills of weavers in marketing aspects of changing business environment. Effective implementation of various policies and programmes could be successful when there would be proper integration, cooperation and coordination from the govt. skills and design development exercise can be conducted to weavers which will help them to understand and develop new product range as well as design sensibility.
- Change the customer aspect or information for genuine handloom products make difference from power loom products.
- There is need for dedicated market for selling a handloom fabric at Kaithoon, where customers directly purchased the genuine material.
- The ability to produce goods in small volumes, rapid change over to new designs and aesthetically attractive designs are an edge of handloom over the power loom/mill sectors. Understanding of artisans skills required for current markets which require assistance in the application of traditional craft to products of utility and relevance for modern customers to keep the craft flourish and alive.

This change in professions could be addressed if crafts are acknowledged as a respectable and economic occupation and opportunities are given to develop them further as entrepreneurs. Thus there is a need to augment traditional arts with entrepreneurial skills that are the backbone of cottage and small-scale industries and establish better market linkages, enhance branding and ensure access of credit.

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IMPACT OF FINANCIAL KNOWLEDGE ON INVESTMENT DECISION MAKING

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Jyoti Rajawat⁵, Divya Parashar⁶

ABSTRACT

The purpose of this paper is to examine the financial knowledge of the individual and professional investors who invest in the local market. It also examines the relationship between financial knowledge and the influence of risk perception that effect investment decision. The study was conducted on 100 investors of Gwalior city. Statistical tools such as correlation and regression were tested using SPSS for analysis of the data.

Introduction:

Financial markets and financial products has experienced quick modification and variation over time. Easily available information about the different financial products and financial firms has discovered the interpretive capabilities of investors (San, 2015). Varied investors take investment decision related to their funds in the financial market. Decision regarding long-term saving is challenging for people and investors acquires new information from previous information (Clark-Murphy & Soutar, 2004). Investment decision rest on the nature and behavior of investors to the market situation (Masini & Menichetti, 2002). Absence of financial literacy is the most imperative reason in financial decision making. Generally investors make investments unconsciously without having any experience and interest in financial investment. Fund members are taking difficult investment decision that have an financial implications on retirement benefit (Gallery et.al, 2011).

Investors are said to be biased due to the human nature. Financial literacy and financial knowledge are taken as a imperative terms for regulating investors nature while making essential investment decisions.

Financial Knowledge and Investment decision

Due to the age or investment experience person will have more experience and knowledge as compare to the other person who is new and with less investment experience (Chen & Volpe, 1998). "Financial knowledge means to know about finances or money and its values or having information about finances and money while financial literacy means to have knowledge about finances and having skills and abilities to utilize and use that money or finances" (Diacon & Ennew, 2001; Warneryd, 2001; Jordan & Kaas, 2002).

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If financial knowledge is available about the market then it is easy to invest in the market and have more chances of achieving profitability (Christelis et al. 2010 and McArdle et al. 2009). There is a link between financial knowledge, literacy and investment decisions (Ameriks et al. 2003, Lusardi and Mitchell 2007).

Literature Review:

Wachira & Kihui (2012) established the impact of financial literacy on access to financial services in Kenya using the 2009 National Financial Access (Fin Access) survey data. It was found that financial literacy remains low in Kenya using multinomial logit approach. It was also found by regression result that households' access to financial services is based on factors such as income levels, distance from banks, age, marital status, gender, household size and level of education.

Narula (2015) explored the impact of different demographic factors on financial literacy and also to understand the variation between personal investment decision of the investors of different financial literacy level with respect to short, medium and long term. The study indicated that overall, the investors had a medium level of knowledge and skills in financial literacy. Significant difference was observed between financial literacy among various age groups. The study also revealed that investment decisions were related to time period as the preference of investors of same level of financial literacy was different in different time period.

Mouna & Anis (2015) concluded that the portfolio returns of the small investors were somehow influenced by behavioral biases and the results indicate that anchoring, familiarity, age and experience to be important contributory factors to the decision making performance. Also findings reveal that their experience level can reduce the biases in their judgments.

San (2015) investigated the different levels of financial education and its impact on financial literacy and self-confidence about this topic. The impact of financial literacy on the financial instruments diversity of choice has also been identified. The resulting data was analyzed by using logistic regression in the model. Findings showed that financial literacy increases the diversity of financial instruments that preferred and also financial education is a factor that increases the financial literacy level which is determined by finance literature. One of the main findings of the study is the inverse relation between number of finance course taken and confidence about finance literacy.

Shandan (2016) examined the relationship between financial literacy, financial knowledge and the influence of risk perception that effect investment decision. It was concluded that there is significant positive relationship between financial literacy, financial knowledge, risk perception and investment decision. Demographic factors such as gender and age are negatively associated with investment decision.

Objectives of the study

To examine the impact of financial knowledge on investment decision making.

Hypothesis

Ho1: There is no significant relationship between financial Knowledge and investment decision making

Research Methodology

1.1 The Study- The study is exploratory and descriptive in nature. This will investigate the impact of illusion of control and self-serving attribution bias on investment decision.

1.2 Sample Design

1.2.1 Population- The population for this study is the investors from Gwalior City.

1.2.2. Sample size:- Sample size used under the study is 100.

1.2.3 Sampling Techniques –Purposive Sampling Technique is adopted for collection of data.

1.3 Sources of Data Collection –Standardized self-administered questionnaires is to be utilized for collecting data from the respondents.

1.4. Tools for Data Analysis – Correlation and Linear Regression on SPSS is used to analyze the data.

Results and Interpretation:

Correlation Analysis

Correlations			
		Fknow	invdec
fknow	Pearson Correlation	1	.202 [*]
	Sig. (2-tailed)		.044
	N	100	100
invdec	Pearson Correlation	.202 [*]	1
	Sig. (2-tailed)	.044	
	N	100	100
*. Correlation is significant at the 0.05 level (2-tailed).			

It can be concluded from the table above that there is positive correlation between financial knowledge and investment decision at .202.

Regression Analysis

Ho1: There is no significant relationship between financial knowledge and investment decision making.

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.202 ^a	.041	.031	2.66683	.041	4.164	1	98	.044	1.971
a. Predictors: (Constant), fknow										
b. Dependent Variable: decmakin										

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.616	1	29.616	4.164	.044 ^b
	Residual	696.974	98	7.112		
	Total	726.590	99			
a. Dependent Variable: decmakin						
b. Predictors: (Constant), fknow						

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.506	1.631		6.441	.000
	fknow	.198	.097	.202	2.041	.044
a. Dependent Variable: decmakin						

$$Y = a + bx + \text{error}$$

$$Y = 10.506 + .198x + \text{error}$$

Y= investment decision (dependent variable)

X= financial Knowledge (independent variable)

The value R square of 41% that indicates that independent variable financial knowledge explains 41% variance in investment decision. In another words financial knowledge contributes 41% to investment decision.. The relationship between financial knowledge as independent variable and investment decision as dependent variable is indicated by standardized coefficient beta with a value of .202. Hence the null hypothesis is rejected stating that there is an positive impact of financial knowledge on investment decision making.

Conclusion:

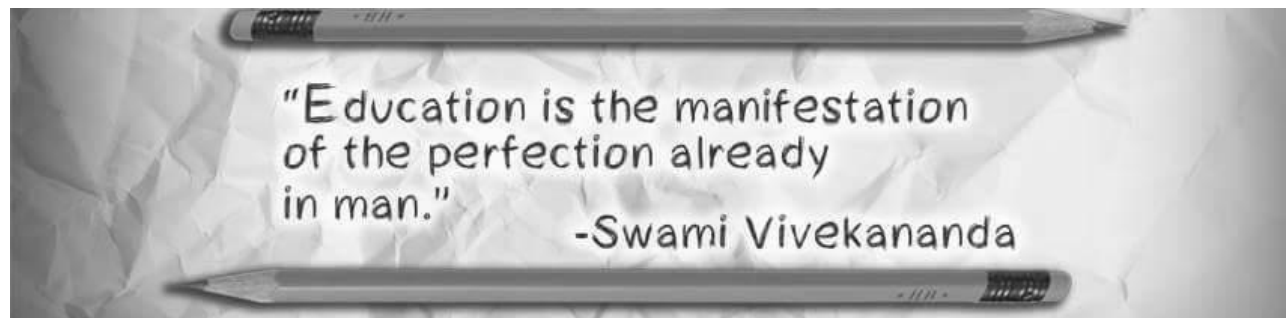
Our study indicated that there is positive relationship between financial knowledge and investment decision which shows that financial knowledge affects investment decision. Financial knowledge means having information about finances and money. Investors with low education level cannot take investment decision properly. It has been seen that the youngster are more prone to poor investment decision due to lack of financial knowledge.

Future Recommendation

Under this study impact of only financial knowledge is been seen on the investment decision impact of other factors like financial literacy, risk perception and capital can also be seen on investment decision making.

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SOCIAL ENTREPRENEURSHIP IN INDIA AN ECONOMIC ANALYSIS OF EDUCATION SECTOR

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ABSTRACT

Social entrepreneurship is different from business entrepreneurship. A social entrepreneur is someone who recognizes a social problem and uses entrepreneurial principles to organize, create and manage a venture to make social change. Whereas a business entrepreneur typically measures performance in profit and return, a social entrepreneur assesses success in terms of the impact it on society. While social entrepreneurs often work through non profits and citizen groups many work in the private and governmental sectors. Social activism is not social entrepreneurship. Social entrepreneur is one who puts social mission at the center of his/her mission to create and sustain social value .Social entrepreneurship cannot be confused with charity. While charity reflects the benefactor's compassion for humankind and is measured in terms of the generosity of donations to the less fortunate, social entrepreneurship reflects more than the good intentions of its practitioners, who are not merely driven by compassion, but are also compelled by a desire for social change. Social entrepreneurship in India is emerging primarily because of what the government has not been able to do. Among social entrepreneurship the major sector covered are education, health care, housing, energy, water and rural development, etc. India still follows the socialistic ethos in which education is primarily a non – profit activity. It is difficult to change this position and create consensus around the belief that there is nothing unethical about for profit education. Education needs resources and these resources will not come entirely from the government or the private sector. Sustainability will come only if investment in the sector is incentivized for the private sector. The opportunities for social entrepreneurship in education are immense. These opportunities include vocational education, rural entrepreneurship schools, finishing schools, faculty development schools. The corporate India provides a tangible answer to the woes of investment in India Education Sector [IES]. Various companies like Educomp Solutions, Everonn Education, NIIT, Manipal University Learning, Euro Kangaroo Kids Education ,Tree House, Mahesh Tutorials, Career Launcher, Tutor Vista, VETA , IMS and Excel Soft are private players in the commercial education sector in India.

In this research paper an attempt has made to study the objective and financial performance of major educational companies of India. For the study 3 companies viz., Educomp Solutions Ltd. Everonn Education Ltd. and NIIT has been selected. The movement of share prices of these companies will be studied which will be compared with Sensex movement. The study will be based on secondary data. The correlation analysis will be used to make comparative trend analysis. The time frame of study will be from 2005 to 2010.

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CONCEPT OF SOCIAL ENTREPRENEURSHIP

A common misconception is that any businessman, or anyone who start a business, is an entrepreneur. In the early 19th century, the French economist Jean Batiste Say described entrepreneur as “the venturesome individuals who stimulated economic progress by finding new and better ways of doing things.” Social entrepreneurship is the work of a social entrepreneur. A social entrepreneur is any person, in any sector, who uses earned income strategies to pursue a social objective. Social entrepreneurship is different from business entrepreneurship. A social entrepreneurship is someone who recognizes a social problem and uses entrepreneurial principles to organize, create and manage a venture to make social change. Whereas a business entrepreneur typically measures performance in profit and return, a social entrepreneur focuses on creating social capital. While social entrepreneurs often work through nonprofit and citizen groups, many work in the private and government sectors.

Social activism is not social entrepreneurship. Social entrepreneur is one who puts social mission at the center of his/her mission to create and sustain social value. Social entrepreneurship cannot be confused with charity. While charity reflects the benefactor's compassion for human kind and is measured in terms of the generality of donation to the less fortunate, social entrepreneurship reflects more than the good intentions of its practitioners, who are not merely driven by compassion but are also compelled by a desire for social change.

Although the terms are relatively new, social entrepreneurs and social entrepreneurship can be found throughout history. A list of a few historically noteworthy people whose work exemplifies classic 'social entrepreneurship' might include Florence Nightingale (Founder of the first nursing school and developer of modern nursing practices), Robert Owen (founder of the cooperative movement), and Vinoba Bhave (founder of India's Land Gift Movement). during the nineteenth and twentieth centuries. Some of the most successful social entrepreneurs successfully straddled the civic, government and business world-promoting ideas that were taken by mainstream public services in welfare, schools, and health care.

Institutional of the social entrepreneurship concept relates to William Dayton's ASHOKA established in 1980. Purpose of foundation stresses support for social entrepreneurship perceiving social entrepreneurship as an industrial sector and building mechanisms that support the sector. Thus the institution adapts the idea that each member of the society has a potential to be a change maker. It also accept that each change maker of the society can be a role model. ASHOKA aims to support every social entrepreneur that works in the fields of youth training and development, environment, health, human rights, citizen initiatives and economic development.

One well-known contemporary social entrepreneur is Muhammad Yunus, founder and manager of Grameen Bank and its growing family of social venture business, who was awarded a Nobel Peace Prize in 2006. the work of Yunus and Grameen echoes a theme among modern day social entrepreneurs that emphasizes the enormous synergies and benefits when business principles are unified with social ventures. In some countries- including Bangladesh and to a lesser extent, the USA-social entrepreneurs have filled the spaces left by a relatively small state. In other countries-particularly in Europe and South. America-they have tended to work more closely with public organizations at both the national and local level.

The main aim of social entrepreneurship are most commonly associated with the voluntary and not-for-profit, but this need not preclude making a profit. Social entrepreneurship practiced with a world view or international context is called international social entrepreneurship. The main objective of social

entrepreneurship as well as social enterprise is to further social and environmental goals. Although social entrepreneurs are often non-profit, this need not be incompatible with making a profit. Social enterprise are for 'more -than -profit,' using blended value business models that combine a revenue-generating business with a social -value-generating structure or component. The social entrepreneur wealth creation is simply a means to an end. The social entrepreneur participate in profit-seeking business ventures if only to use the profits generate to create valuable social programs for the whole community.

OBJECTIVE OF THE STUDY-

- To study of social entrepreneurship in general and in education sector particular.
- To study the need of social entrepreneurship in education sector.
- To make brief review of various companies of education sector which are listed in stock exchange .
- Out of these various companies to make a performance study of three main companies viz. NIIT Ltd, Educomp Solutions Ltd and Everonn Education Ltd.
- To compare the performance of selected education companies with the stock market movement.
- To give the suggestions for improvement in the working of performance of educational companies.

RESEARCH METHODOLOGY-

The study has been based upon secondary data. The secondary data has been collected from annual report these companies as well as from websites of BSE etc. In the study following methodology has been followed-

- The share price movement of the selected companies during last five year has been compared with movement of SENSEX in this period.
- Further co-relation has been calculated between trend of share price movement of selected companies and stock market.
- The performance of selected companies has been calculated with price earning of these companies for time frame selected.
- The price earning of these companies has been co-related with average price earning of the stock market.

HYPOTHESIS OF THE STUDY-

- H0 There is positive relation between stock market movement and share price movement of selected companies-
- H1 There is positive relation between Price Earnings of SENSEX and NIIT Ltd.
- H2 There is positive relation between Price Earnings of SENSEX and Educomp Solutions Ltd.
- H3 There is positive relation between Price Earnings of SENSEX and Everonn Education Ltd.

REVIEW OF LITERATURE-

Harit Shah and Sulabh Agrawal (2008) described that employment of soft skills such as IT skills, communication skills, computer proficiency and so on are important aspect of the education companies in India

Surjeet Singh Padma(2009) found in his research that there is huge demand- supply gap in education sector in India and on account of this factor there arises need of private players in this sector

Ganesh B (2010) concluded that there are huge opportunities for social entrepreneurship in education sector in India.

Raghav Gupta, Sruti Mody and Iuv (2009) studied education sector in India and they realized in their study that corporate participation in education is very essential.

Nikhil Vora and Sweta Dewan (2009) concluded in their thesis that the India's education companies are successfully playing in education sector with limited value creation potential due to regulatory and scalability issues.

SOCIAL ENTREPRENEURSHIP IN INDIA

Political and social structure of communities has been affected by recent increases in occupational and manner change as well as demand and expenditure of the societies that turned towards modern life style from traditional, one. As a result of these change, former social cultural and economic ties are leaving their places to bodies of synergy and power formed by individual who identify themselves non-government organizations and aim to participate actively in the process of finding long –term effective solution to social problems. As a matter of fact, non-government organizations as a third dynamic of societies also participate societal matters and make their significance felt besides state and private sector in problematic fields that occur in ever field of social life such as-

- Education
- Health,
- Democracy,
- Human rights,
- Economic development,
- Unemployment,
- Tourism, poverty and
- Infrastructure

Social entrepreneurship in India is emerging primarily because of what the government has not been able to do. The government is very keen on promoting social entrepreneurship-not necessarily by funding it or by advising on it or enabling it. For example, in Mumbai alone, non-profit organizations educate more than 25,000 children on a daily basis. The government has not told these organizations not to do it. Whereas in some countries, when someone takes it into their own hands to start a facility for education or healthcare or empowerment, the government often puts in place barriers to prevent this from happening.

SOCIAL ENTREPRENEURSHIP IN EDUCATION SECTOR IN INDIA

Societal development rests on many pillars, the most important among them being education. Poverty and illiteracy are considered the root cause for most problems in the developing world. While there have been immense social entrepreneurship ventures to address poverty, there has been very little social entrepreneurship in the education sector in India. In terms of financial, this is one sector that is fairly recession proof- middle class India sets great store by education and does not penny pinch here. Also, demand clearly outstrips supply and there is ample space for more entrepreneurs.

India still follows the socialistic ethos, in which education is primarily a non-profit activity. It is difficult to change this position and create consensus around the belief that there is nothing unethical about for-profit education. Education needs resources and these resources in their entirety will not come from the government or the private sector. Sustainability will come only if investment in the sector is incentivized for the private sector. In India, schools are allowed to register only as a trust or society, but not as Public Ltd. or Private Ltd. firm. Education is a product of India's tightly controlled regulatory structure. Education, covered by the 'Concurrent List' of the Indian Constitution, is regulated at both the Central and State Government levels. Regulation differs, sometimes radically, from state to state. Higher education has several regulatory bodies, including AICTE, UGC, but there is no umbrella regulation for K-12 schools, nor a uniform law for schools. The education sector is perhaps the most exciting landscape today for entrepreneurs. Regulation has been a catalyst in creation of quality education in developed countries, but Indian systems are archaic and a hurdle in promotion of increase in capacity and improvement in quality.

Table No -1. Pattern of Regulation of Education Sector

Segment	India	US	UK	Korea	Brazil	Singapore
Pre-School	Profit motive allowed	Profit motive allowed	No regulations	Low regulatory barrier	Low regulations	Low regulations
K-12	Non profit motive	Profit motive allowed	Profit motive not allowed	Low regulatory barrier(fee hike cannot be more than inflation)	No government interference in fees/ profitability	Profit making allowed
Tutoring	Profit motive allowed	-	-	-	-	-
Higher Education	Non profit motive	Profit motive allowed	Profit motive allowed(since 2004)	Low regulatory barrier	No government interference in fees/ profitability	Profit making allowed

Vocational	Profit motive allowed	Profit motive allowed	Not controlled	Not controlled	Not controlled	Special policies to encourage growth
Preparatory	Profit motive allowed	-	-	-	--	-

Source- published reports/ articles: Ministry of human resource development, India AICTE, UGC source: CLSA Asia- pacific market, media reports, department of Education of respective countries.

WHY NEED ENTREPRENEURSHIP IN EDUCATION IN INDIA –

India is a land of contradiction and this extends to the area of education as well. We have the IITs and IIMs at one of the scale, and teacher-less schools at the other. After independence, India emphasized developing centers of higher learning. India also retained English as a medium of instruction; this has contributed greatly to its economic growth.

India has amongst the student population in the world (over 230 million enrolled in schooling and higher education) and a low literacy rate of 65% (ranked 172 globally). Also there is a short supply of education manpower which is employable. To meet exiting and emerging demand, and needs to significant gear up its education infrastructure. India's youth, comprising over 50 percent of its population, is referred to as its demographic dividend. A rough statistics in the past year estimates the presence of 367 universities, 18,000 colleges, half- a million teachers and about 11 million students on the rolls.

The Government of India (GOI) targeted of investing 6% of GDP (Gross Domestic product) on education by 1986. But this target was not achieved by a long distance. Current spending on education in India is not more than 3.5% of GDP and has never risen beyond 4.3% of GDP. In comparison, the USA spend 12% on education, France 7%, Malaysia 20%, and Thailand 27%. The Government of India showing a clear willingness to engage the private sector in education, there are significant opportunities for companies both in government and private schools. These figures have since escalated but they throw light on the large Indian education market and the opportunity therein.

Indian Education Sector (IES) is by far the largest capitalized space in India. The governments spend leaves too much for the asking when it comes to the breakdown of the investment in IES. The biggest hindrance cited by the private sector to invest in the IES is cited to be the regulations favoring a "Not for Profit" approach.

SIZE OF OPPORTUNITY IN EDUCATION SECTOR

There is clearly an opportunity for private players to enter the education sector. There are there segment of opportunity in the formal education sphere-

- The pre-school

- The K-12 (kin-dergarten to XII standard) and
- The higher education

In the informal sphere include --

- Vocational education
- Rural entrepreneurship schools
- Finishing schools
- Faculty development schools

Besides this another high growth areas include – test preparation, online education, tuition classes, study center, technology enabled, learning modules and educational material.

INDIAN EDUCATION SECTOR AND EDUCATIONAL COMPANIES IN INDIA

According to survey, the growth of education sector in the country is pegged at 35% amongst new concepts and it will continue to grow in the years to come. The corporate India provides a tangible answer to the woes of investment in IES. Corporate participation is clearly required in building the education landscape of India, as such firms not only bring in project management experience and financial capability, but also the mindset to achieve the right quality. Some examples of corporate in education are Dhirubhai Ambani International School, by Reliance Industries and open a World Class university to promote education in India, the Aditya Birla Group, A has already played its hand at commercial education with the Sarala Birla Academy in Bangalore, proposed Vedanta University by Vedanta Group in Orissa and multi-disciplinary University by HCL's Founder in NOIDA.

The gap between educated population and employable population . Statistics reveal that less than 25 % of the graduates are actually employment. It is believe that based on the current and future manpower requirements of the various sectors, there is a huge demand- supply gap in the education space . Keeping in mind the current market trends that need that to be capitalized in India, the education sector further opens the doors for many entrepreneurs.

This has attracted many players to invest in education and training institutions with the aim of building valuable franchises that can be rapidly scaled up. The core job of these players is to make a candidate employable by training them in the right courses effectively inculcating the need to be abreast of the present and future requirement and acquiring and multilevel skills. Coaching classes, vocational training, IT Training institutes, English speaking classes etc. are a few example of such entities. With the government school considered of extremely low quality, private education companies have a massive field to expand in. It is a highly profitable, with the huge demand attracting a number of private equity investors as well. Various companies like –

Educomp Solutions Ltd, Everonn Education Ltd, NIIT Ltd, Aptect Ltd, Tree House, Career Launcher India Ltd, Jetking Infotrain Ltd, Compucon Software Ltd, BITS Ltd, Boston Education and software, Zee Learn Ltd and Core education & Technology Ltd are some of the private players in the commercial education sector in India which are listed in BSE stock market. The spin –off benefits that this sector has created is that, along with ensuring quality education and making candidates employable, it has created several entrepreneurs countrywide and that explains what franchising companies is to successful in the education sector.

NIIT Ltd was founded in 1981 to provide effective learning solution and IT knowledge to individuals, industries and education centres in about 40 countries. Some solutions which are meant for teachers and students include Interactive Classroom, mobile science Lab, learning lab, math lab, quick school and IT wizard. NIIT's training solutions in IT, business process outsourcing, banking, finance and insurance, executive management education and communication and professional life skills touch five million learners every year. NIIT has provided computer-based learning to over 15,000 government and private schools.

Educomp Solutions Ltd was founded in 1994 and since then it has become the largest education companies in India. Educomp Group reached out to over 26,000 schools and 15 million learners and educators across the world. These education programmes involve comprehensive education infrastructure implementation, teacher training and content development projects. Educomp has partnered with 14 state governments. Covering over 14,500 government schools and benefiting 7.9 million students studying in government schools in India.

Everonn Education Ltd. is a pioneer in using technological means to provide education in the country. In India, they started as Everonn Systems India Limited in Chennai in the year 2000. Later, in 2007 the company entered the Internet arena with its Web products and online entrance exam tutorials. To spread education across the country, it started Education India Initiative in the year 2009. Everonn is listed in both the BSE and NSE. It has a network of leading schools, colleges training centers, as well as features like web production, entrance examination guidance, retail, skill development, teachers' training, education resources, e-governance, animation and gaming and formal education segment. Everonn today reaches out to over 8 million students through 10,139 learning centers across 27 states and works with 16 state Governments in India (30 June 2011). Everonn today is the largest VAST education network in the world.

Table No.2: Financials Indicators of Selected Education Companies as on 31 March 2011-

(Rs in million)

Description	NIIT Ltd.	EDUCOMP SOLUTIONS Ltd.	EVERONN EDUCATION Ltd.
No of shares	56,072,908	47,553,645	4,110,000
Face value(in Rs)	2.00	2.00	10.00
Equity capital	330.20	191.09	190.32
Reserves	5,168.70	21,387.57	5,040.20
Net sales	12,482.80	13,509.00	4,246.96
Net profit	468.60	3,405.35	676.39

Source- compiled from websites of selected companies.

ANALYSIS AND RESULT –

Correlation between Stock Market Movement and Share Prices of Selected Companies-

There are about 25 companies which are listed in stock exchange. Three companies viz. NIIT, Educomp Solutions and Everonn Education have been selected. Out of these companies NIIT is the oldest one. The capital of NIIT is the highest. All these companies have different areas of work. A comparison has been done in price movements of BSE and share price movement of these companies. During 2008 the economy

has faced depression and in that year the share prices has reduced by 52.53%. Everonn Education was listed in 2007. The share price Fluctuations has been quite irregular during 2005 to 2010 which have been given Table No. 3.

Table No-3: Yearly Percentage Change in Share Prices of BSE and Share Prices of Selected Educational Companies

Year	Sensex	NIIT	Educomp	Everonn
2005	41.82	60.41	-	-
2006	46.32	79.35	415.92	-
2007	46.71	-70.41	375.62	350.36
2008	-52.53	-83.30	-49.50	-80.40
2009	79.37	154.24	-70.57	78.29
2010	17.37	-21.60	-26.06	51.83

Source- Compiled from websites of Selected Companies and BSE.

To study the interrelation in price movement of selected companies and BSE correlation has been given in Table No. 4.

Table No-4: Correlation Coefficient in Share Prices of Education Companies and SENSEX movements

COMPANY	SHARE PRICE
NIIT Ltd.	0.72
EDUCOMP SOLUTIONS Ltd.	0.32
EVERONN EDUCATION Ltd.	0.21

The share price of any company depends not only on its financial performance but on its market image and other general Economic factors. NIIT Ltd. correlation was 0.72 which shows that this was keeping pace with market trends. Educomp Solution has been adversely effected by report in certain sections of the Media that Educomp manipulated turnover figures to push share prices higher. The report said that the promoters of the company started trading in their own shares, invested in unquoted subsidiaries and raised funds from financial markets by pledging over priced shares.

The company categorically denied all the allegations and termed the report as “malicious” and aimed at “misleading the investors.”

The share of Educomp saw a fall in its prices on account of these type of happenings.

Correlation Between Price Earnings of Stock Market and Selected Companies-

The price earnings of the shares is a better parameter of measurement of financial earnings of the company. The early Percentage change of price earnings of BSE and selected companies have been given in Table No. 5.

Table No- 5: Yearly Percentage Change in Price Earnings of BSE SENSEX and Price Earnings of Selected Educational Companies.

Year	SENSEX	NIIT	Educomp	Everonn
2005	16.21	-	-	-
2006	20.18	14.95	36.13	-
2007	22.25	84.65	73.10	65.19
2008	18.22	20.14	36.10	23.83
2009	18.08	14.28	73.73	12.40
2010	21.71	10.38	15.40	13.24

Source- compiled from websites of selected companies and BSE.

With this table it can be seen that in 2008 when economy was facing recession the educational companies outperformed the market but in 2010 all companies underperformed. In 2009 the extraordinary earnings of Educomp Solutions may be on account of malpractices in its account. The correlation calculated between price earning of BSE shares and Educations companies finds place in Table No. 6.

Table No-6: Correlation Coefficient in Price Earnings of Selected Education Companies with SENSEX

COMPANY	PRICE EARNINGS
NIIT Ltd.	0.21
EDUCOMP SOLUTIONS Ltd.	-0.14
EVERONN EDUCATION Ltd.	0.58

The correlation of Educomp Solutions is -0.14 while it is 0.58 of Everonn Education and 0.21 of NIIT.

The hypothesis of study partially holds true. There is not substantial positive correlation between BSE and all Education companies share prices and price earnings. So far as individuals companies are concerned its holds true for NIIT Ltd. for share prices and Everonn Education for price earnings.

CONCLUSION

In India corporate participation in education is essential because of the supply demand gap. The corporate sector involved in education should not emphasize on earning profit but they should aim to get self sustainability. They should strengthen the regulatory bodies to act as a quality controller. SEBI should form a special division dealing with social sector. The tax concessions should be given to promote the social entrepreneurship. Social entrepreneurship can play a crucial role in socio economic development of country.

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SUB PRIME CRISIS AND ITS EFFECTS ON NORTHERN ROCK BANK

Lalita Mishra¹

ABSTRACT

Banking is a heart line for any country's economy. Banks provide the facility to keep depositor's money safe and also lend the money to them on the basis of their credit worthiness. The banks play crucial role in entire financial transaction in a country. The financial transaction happens at both national and international level. So it works like financial backbone of the entire financial system.

In this research study, it is completely focused on the subprime crisis and its impact on UK based Northern Bank. The financial crisis that took place in year 2007 in USA was termed as subprime crisis and it had cascading effect on the entire financial and banking system in the world. In this dissertation, this issue has been discussed in detail. This report will explain the cause of subprime crisis and how it had affected the Northern Bank.

The complete research is revolved around the impact of subprime crisis on Northern Bank and how management had taken crucial step to come out from the problem, the decision of the management regarding nationalizing the Northern Bank and the impact of decisions on overall performance of the bank. This research is done to analyze the steps taken by the top management and the government of UK in crisis situation.

The report basically consist the detail literature review which has described the concept of subprime crisis, its impact on the financial and banking sectors and how it had affected the economy of the whole country. It has also described about the Northern Bank and how it had been affected by the subprime crisis and how the management of bank had taken step to take it out from the problem. The research methodology section is focused on collecting the primary and secondary sources of data for understanding the impact of crisis on the bank. The collected data is analyzed in next section which is used to give the necessary suggestions to the management of the bank and finally the findings of the study.

Introduction

Financial crisis in the financial market has been havoc for the financial institutes and the banking sector in entire history. The sub-prime crisis in year 2008 has caused many financial institutes and banks in the US and other European nations bankrupt and Northern Rock is one of the prime examples of this. The US sub-prime crisis was mainly characterized by rise in foreclosures and delinquencies of mortgages that are sub-prime by nature and it results in decline of mortgages (Adrian et. al., 2008). The root of this crisis started in the US when banks started to give high loans to the citizen to purchase houses but these people were not able to pay such a high loans so banks decided to get back the homes and started to sell it but they were not able to get as high as amount like the loan amount almost negligible. This caused huge loss to banks and finally they end up with liquidity crunch. This effect at the end was felt by the entire banking and financial system in world apart from the US. (Jonathan R. Laing, 2007)

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Sub-prime crisis has affected most of the banks and financial institutes in the US but here the research company UK based Northern Rock Bank is analyzed to see how deep crisis had affected the bank. (John C. Coffee, 2007)

About Northern Rock Bank

Northern Rock Bank is a UK based bank which was owned by Northern Rock Society earlier but now owned by government of UK. It was established in year 1965 (merger of Northern Counties Permanent Building Society and Rock Building Society). Northern bank has taken over and acquired many small and big size building societies in last 30 years; North of England Building Society in year 1994 is one of the prominent. (Peter et. al., 2008)

Northern Building Society established its bank Northern Bank in year 1997. The performance of this bank has been tremendous from the time of establishment with high growth and revenue and high customer base. The sub-prime crisis has bankrupted Northern Bank which was later on taken over by Bank of England that became a nationalized bank after that. The crisis had completely demolished the bank's performance. (Robert, 2005)

Northern Bank is one of the top mortgage lenders in the UK as per the data from Mortgage Lenders statistics. The bank had deal with Lehman Brothers for the sub-prime lending deal in year 2006. The selling of mortgages was performed with Northern Rock's brand name but the intermediaries for underwriting and the risk was being taken care by Lehman Brothers. (Jonathan R., 2007)

The background of the research study, introduction and basic understanding of sub-prime crisis and the introduction about the research company Northern Bank now will help us to understand the research questions and henceforth research objectives. (Neil, 2008)

Research Questions

Once the need of the study is understood, it is required to know about the research questions on which the complete study will be carried on. This research question will help us to formulate the research objectives of the study and it will also help to carry on the complete study.

The research questions are as follows:

- What was the impact of sub-prime crisis on general operations and functions of Northern Rock Bank?
- What were the main issues arise in front of management of Northern Rock during the sub-prime crisis?
- What main decisions management had taken to overcome on such crunch situations of sub-prime crisis?
- What suggestions can be given to the management to handle such type of crisis situations?

Research Objectives

The research objectives of the study are framed once the research question is prepared. The research objectives are required to carry out the complete research study. The main aim of this research objective is to analyze the sub-prime crisis and its direct impact on financial and banking institutions. The following objectives of this research study are:

- To evaluate and analyze the steps taken by the company during the sub-prime crisis.

- To analyze the decision of management about the nationalizing the bank.
- To suggest and recommend to management on various issues.
- To analyze the situations from different angles and draw the outcomes.

Literature Review

Subprime mortgage crisis has become a black history in US financial market and banking sector as it has been described as the crisis that has demolished the US mortgage market and it has caused losses from collateralized debt obligations (CDOs) and mortgage backed securities (MBSs) that are backed and secured by subprime mortgages. (Adrian et. al., 2008).

The term subprime crisis is related to financial issue of an organization when a company does not have sufficient cash in hand to operation it day to day activities. The lack of sufficient liquidity in financial institutes and banks had led them to bankrupt which caused the whole financial market and the economy of the country was crashed down. The main root of the crisis is too much lending to the people at comparatively low rate and it had high risk involved with it. It was comparatively low revenue generator and it has caused completely negative impact on the operation of banks as there was lack of liquidity because of this financial loss. There was cascading effect of this subprime crisis as it has not only impacted the banks and financial market but the country's economy, world's financial market, investors, owners and the creditors were also impacted. (Dimsdale et al , 2008)

The problem arrived in 2005-06 but the evidences were strong since 2004. These evidences were neglected by the regulatory bodies and were not properly judged. In 2006-07 prices of property started declining. As per Yorulmazer (2008) the factors which contributed towards the phenomena include, expiration or end of the easy initial terms which were offered by banks and financial institutions. When the easy repayment initial terms expired the repayment became difficult. Other factor which contributed is resetting of rate of interest on ARM to a higher rate of interest which made payment amount unaffordable for borrowers. Home prices did not increased on the same level as they were anticipated to grow. On the contrast, they showed a declining trend. Generally there is risk involved while lending Sub-prime mortgage. Basically there are 4 primary types of risk involved: credit risk, asset price risk, liquidity risk, and counterparty risk.

In US initially banks used to give loans to citizens on a very lesser rate of interest, without even considering the pay back power of the borrower. The major factor was neglected when giving loans. So when people started defaulting with loans, banks started taking their property back. They tried to sell the properties, but the ROI was very less, hence the banks started incurring huge losses. In view of Shiller(2005) the return on the loan was negligible when compared to loan amounts. Whole financial system was disrupted. It leads to crisis in banking industry. The amount of losses was quite big because the loans were given in very big amounts. This also created the problems of liquidity in central banking system in US. With time it moved from US to different parts of the world. The delinquencies and defaulting of mortgages was the prime reason for all of this. The major effect was on ARM Adjustable rate mortgages and sub prime properties. People believed that it will be easy to repay as the lending terms were very favorable. They took easy refinancing of the loans for granted. The attractive terms for financing made to believe them that it is very easy to repay; but when default increased its lead to refinancing problems. Now, refinancing was made difficult for people. They started defaulting more because they do not have enough money.

The people in US were under the burden of debt and the prime reason was mortgages. The ratio of debt to their personal disposable income increased on a very high rate in late 2000s. Due to easy availability of funds the consumption was very high and it created a bubble of increased prices of properties in 2006. The prices increased on a very high rate. Demand was the fuelling factor for prices of the mortgages. The rate of interest was adjustable and was not fixed, due to this increased in prices lead to increase in amount of a mortgage payment. It further lead to more delinquencies. The people started to default the payments as the payment amount was increased and there was inability to pay. The value of property started declining then after. Refinancing was not easy to be avail and the reason was increase in property prices.(Jonathan R., 2007)

In order to understand the complete subprime crisis, first of all we need to know the key parties who are involved in complete mortgage lending process and their basic roles in entire system.

(Markus, 2008)

Research Methodology

Research methodology is completely based on the research topic which is undertaken. It is a process to collect the relevant data and information for the research. It is a process to search for the knowledge. The main objective of research methodology is to investigate the solution for research questions through a strategic way.

Each research process can be basically divided into two types of research: primary research and secondary research. Qualitative and quantitative research methods are applied to each research problem. Before a research methodology is chosen, it is required to know the thoughts and views of the researchers and the literatures. This is how one can find out the main significance of research study. In today's highly competitive world, each decision can be taken with the help of various studies as it provides ample data and information to us to make the decision process easy. Studies help to know the operational problems and difficulties through various kinds of information and knowledge. In our case, we can find out the solution for the problems that arose to Northern Bank because of subprime crisis. This chapter will focus on those methods which have been adopted to study the problems and difficulties that Northern Bank had to face because of subprime crisis.

This chapter starts with the introduction of aims and objective of the research which is helpful for the researcher to chose the appropriate research methodology for the study.

RESEARCH APPROACH

Research approach is a way to carry out the research in much effective and efficient way. A research approach can be chosen by conducting various research approaches simultaneously and then chose most appropriate one. In this approach, the researcher first assesses the various research factors and then finally decides the appropriate research approach. In our case, if research wants to carry out the complete study in much effective way then researcher needs to arrange all things on time and then carry out the research process. Here the researcher should give importance to the literature review as it will give proper idea what research needs to be adopted (qualitative or quantitative). (Kelly, M., 2005)

The researcher should first collect the primary and secondary data for the research so that assessment can be done properly. Qualitative approach will be used to collect the primary data whereas quantitative approach will be deployed for research tools and techniques. Both approaches will be used to draw relevant findings and results from the research.

RESEARCH SOURCES

There are basically two resources to collect the required data in order to attain the desired research result. These sources are primary and secondary sources but the selection of sources depends on the requirements of the research. Researcher has to be so specific in terms of selecting the research method so that data can be collected in a specific manner. Secondary data helps the researcher to support the data collected from primary sources.

Here in this case, the primary data is collected from various sources such as face to face interviews, survey, questionnaires etc. and the detail information is collected as per the researcher's specifications. Both qualitative and quantitative data is used to conduct the research study. The primary data is collected from the questionnaires and the personal interviews. The secondary data is the same research reports which have been used for the other studies; these reports will help us to work on new study.

METHODS OF DATA COLLECTION

To conduct any research study, data collection plays important role in overall research process. The analysis is done on the collected data and then final conclusion is drawn. So it becomes imperative to collect right data from the right sources. When researcher collects data from the concerned people (original source) that are unstructured and unarranged, then such data is known as primary data. The research topic can be of any kind. In our case, the research topic is the subprime crisis and its impact on Northern Bank.

Observation is another way to view the situation that is related to the research. In this method the data is collected through observation of cause and impact. Here the communication between the interviewer and the interviewee are done through structured interview. Sometimes respondents reply to the questions through mails. There is one another method named simulation method for the research, here the artificial circumstances are created for the research. The environment is created in such a way that it looks real for the researcher as well as the participants. Each method of research has some benefits and some constraints so it is researcher who decides the appropriateness of a particular method for the research study.

OBSERVATION

Observation in general term can be defined as viewing something which is around us. View is done to opt/acquire something from the situation around. There may be particular reason for the observation. Observation can be start casually or informally. This observation is done with certain purpose. Observation method can be proved very useful if it is carried out in well structured and arranged manner.

In our case, observation method can be proved very effective as the complete research has been performed on the cause of subprime crisis and its impact on banking sector all across the world (Northern Bank in our case). The observation method can be used to analyze the situation in US at the time of financial crisis. Once the situation is viewed, the analysis of the situation can be done. The observation of the situation can be controlled or out of control depend upon the specific situation. The observation can be done directly or indirectly. (Dudley, William C, 2008)

EXPERIMENTATION

Experimental research method is a correlation between two unknown variables. It basically examines these two variables. Here one variable is independent and other variable is dependent variable. The depended variable gets changes according to the independent variable. In our case, the dependent variable is the Northern Bank which has been impacted by the financial crisis in the US. Experimental research requires special attention and hard work to get the appropriate conclusion. It requires lot of resources and consumes lot of time. So researcher has decided to opt easy and inexpensive method such as observation and survey method. But it is equally true that survey and observation method do not provide such results that reflect any relationship between cause and effect of any research topic.

Analysis & Interpretations

The analysis and interpretation chapter basically includes the analysis of data that is collected from various sources (primary or secondary). Here we have used both qualitative and quantitative research approach to analyze the gathered data. There are various methods and tools are used to analyze the data and other things are also considered for the research.

Each research consist certain research questions that need to be answer before we can conclude the research topic. The research questions are answered through defining the research objectives. The research is focusing on certain questions that are as follows:

- What was the impact of sub-prime crisis on general operations and functions of Northern Rock Bank?
- What were the main issues arise in front of management of Northern Rock during the sub-prime crisis?
- What main decisions management had taken to overcome on such crunch situations of sub-prime crisis?
- What suggestions can be given to the management to handle such type of crisis situations?

AIMS AND OBJECTIVES

The research objectives of the study are framed once the research question is prepared. The research objectives are required to carry out the complete research study. The main aim of this research objective is to analyze the sub-prime crisis and its direct impact on financial and banking institutions. The following objectives of this research study are:

- To evaluate and analyze the steps taken by the company during the sub-prime crisis.
- To analyze the decision of management about the nationalizing the bank.
- To suggest and recommend to management on various issues.
- To analyze the situations from different angles and draw the outcomes.

ANALYSIS OF NORTHERN ROCK BANK

The chosen research study is completely based on the financial turmoil happened in year 2007-08. The crisis had cascading effect from the US to rest of the world. In this section we will focus on negative points of UK based Northern Bank. There were many loopholes in the system but the most crucial problem with the Northern Bank was improper management of lending and holding the loans to the customers. Here researcher has pointed out the problem related to the Bank's management. Since Bank was highly involved

in lending higher amounts but a bank needs to have both small and big retail clients in their general operations. When crisis started, bank had to collect huge amount from small no. of clients that cause high risk on the bank in terms of collection. If bank had enough clients then the risk could have minimized. Many customers had taken over draft loan from the bank and they defaulted at time of bank asked them to get back their loan amount. All borrowers became insolvent during crisis time. (Carmichael et. al. 2004)

Some of the analyst had suggested the bank to shut the bank's door after the crisis. And it should file for the bankruptcy. Bank was completely out of liquidity. The management had then decided to sell the Northern Bank within a month to a private buyer. Northern Bank had low risk products in their financial product list and most of them were secured residential mortgages.

(Markus, 2008)

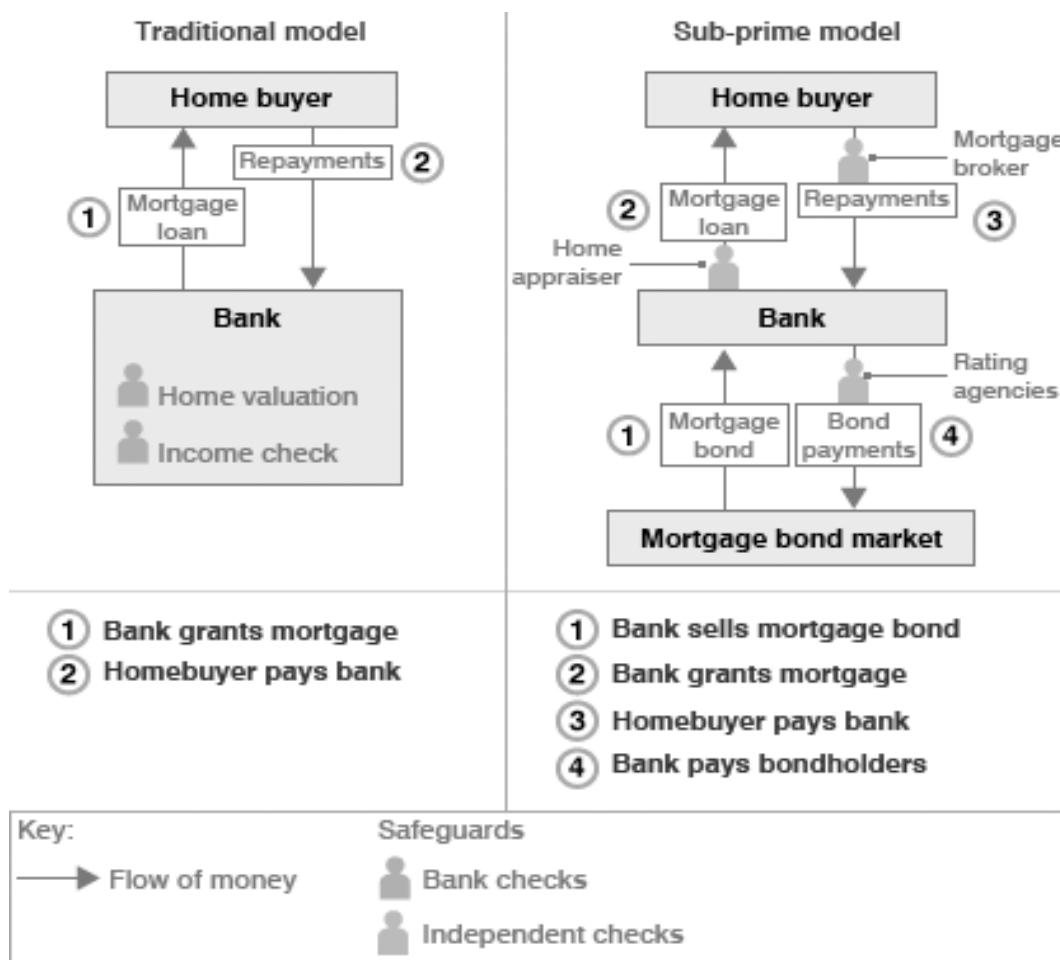
Northern Bank had low risk products in their financial product list and most of them were secured residential mortgages.

£m	Residential	Commercial	Unsecured	Total
2006				
Gross	28,972	423	3,594	32,989
Net	15,090	40	1,491	16,621
Closing balances	77,292	1,560	7,277	86,129
2005				
Gross	23,618	408	2,853	26,879
Net	13,350	5	1,200	14,555
Closing balances	62,257	1,523	5,789	69,569

BACKGROUND

Northern Bank was earlier known as the Building Society. This society was basically focused for savings and mortgage based banking. They had decided to make it a public company and issue its share in the stock market. Northern Bank was established after the merger of Northern Counties Permanent Building Society (established in 1850) and the Rock Building Society (established in 1865). Northern Rock was a regional based institution. The bank started its journey in year 1998 with keeping high success in their eyes. Northern Bank was among top 5 mortgage based lending Banks in UK and top FTSE 100 companies in UK before it was affected by financial turmoil. (Milne et al, 2008)

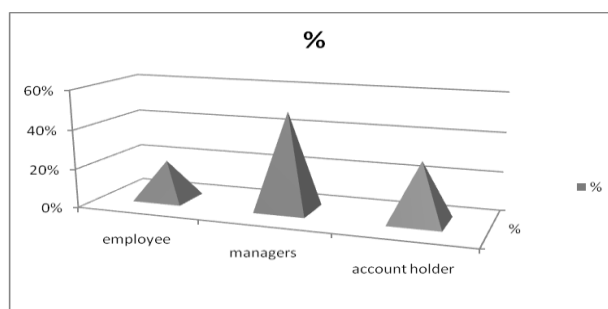
Northern Bank was one of the highly successful banks in the UK and it was a symbol for northeast region. They had successful operations in traditional banking sector. Northern Bank was known for offering high charity among to various charity institutes and also sponsored many sports and games. From the above it can be concluded that Northern Bank had good reputation among the people of UK and it cause high confidence of people on Bank. Northern Bank was more over connected with mortgage assets rather a traditional funding. The bank was mainly dealing in covered bond where loan holder has to put security against the loan.



In traditional loan approach, bank gives loan to the home buyer and gets the repayment of loan in terms of interest and principle directly from the borrower. In sub prime loan approach, bank raise the fund from the international market through mortgage bond instrument and then gives loan to the borrower. The buyer pays back the loan amounts in installment to the banks and bank pay the amount to the international market. (Maximilian J.B. Hall, 2008)

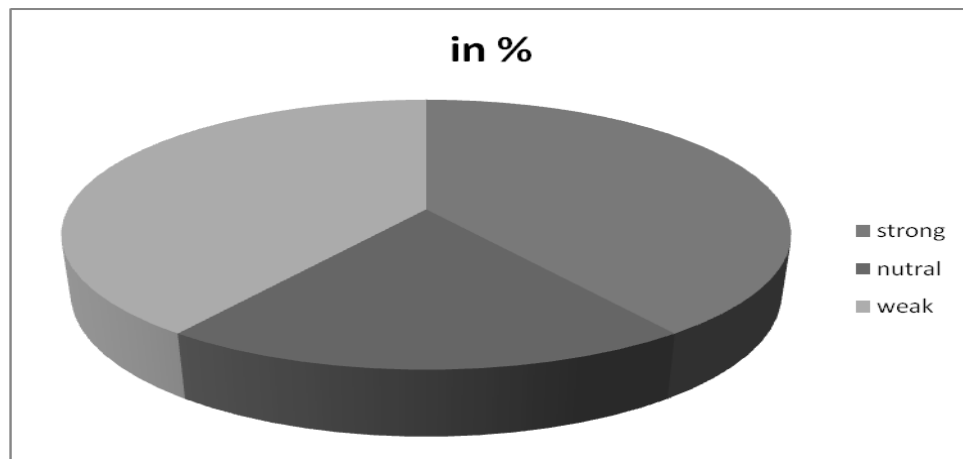
Primary Data Analysis

Question 1. What are the position/ designation of respondents?



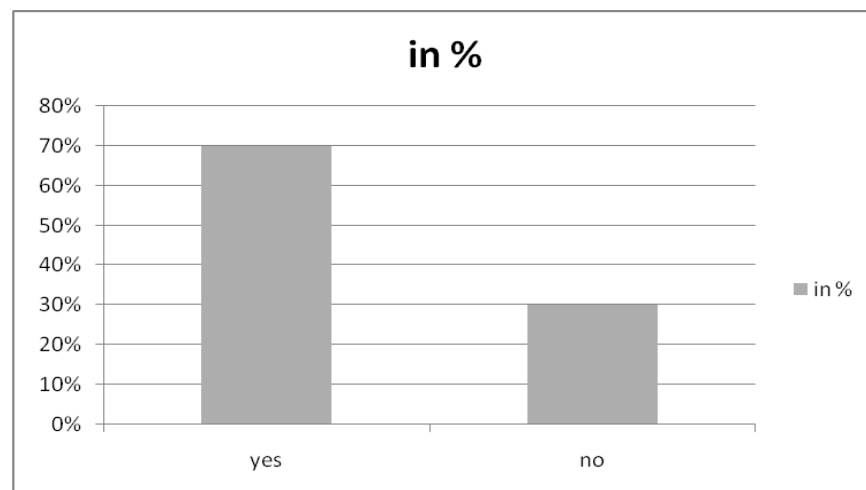
In our analysis, the respondents belong to Northern Bank at different rank and level in the organization. The respondents are managers, internal employees, account holders (both borrower and lenders). Out of total population, 50% respondents were managers, 20% were employee and rest 30% were account holders.

Question 2. Do you find the regulatory policies of bank are effective?



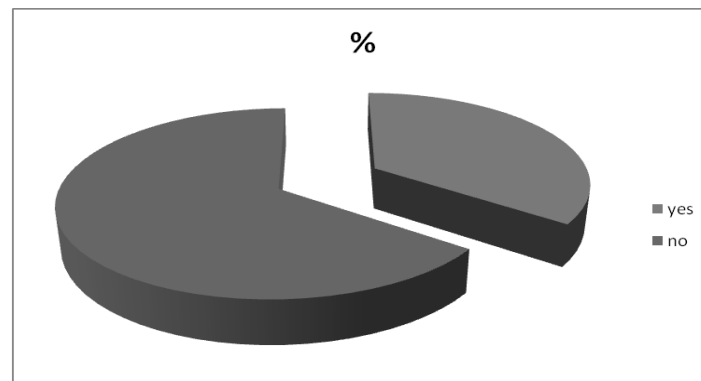
In our research, when respondents were asked about the regulatory policies of the Bank and the banking system then 40 of total respondents were believed that bank had strong regulatory policies and same 40% said bank had weak regulatory policies and rest 20% were neutral on that.

Question 3. Do you feel that nationalization of the Northern Rock Bank is correct?



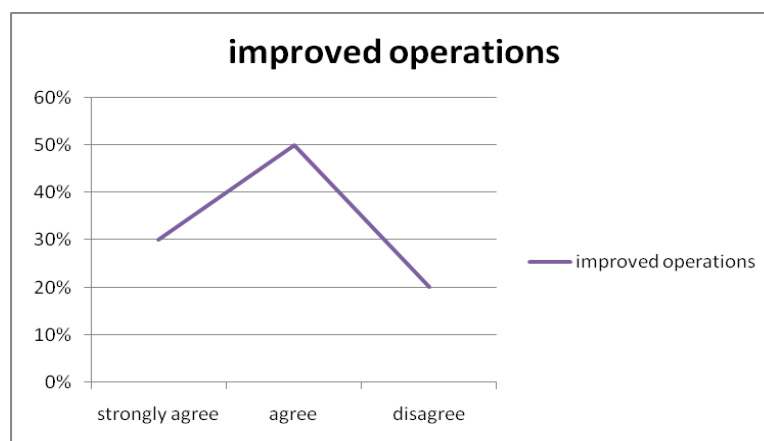
Out of total respondents, 70% people feels that the decision about nationalizing the bank was correct and rest 30% people believed that it was not a correct decision.

Question 4. Do you trust the managerial policies of the Northern Rock Bank?



Out of total respondents, 65% people believed that they had no trust on Northern Bank's management while rest 35% had trust on management.

Question 5. Do you agree with the operations of the operations of the northern rock bank?



Out of total respondent, 30% people strongly agreed that the work structure has changed the operation of bank while 50% were agree from above and rest 20% people were disagree with it.

Secondary Data Analysis

Financial crisis: Northern Rock's balance sheet

The Northern Rock Bank's balance sheet for the analysis of the crunch of Northern Rock Bank.

To analyze the financial crisis in the Northern Rock Bank we have 2007 reports. The figures are rounded off to billion pounds.

Consolidated Balance Sheet 2007

	Note		2007	2006
Assets		Loans and advances to banks	1	6
	(a)	Loans and advances to customers	99	87
		Investment securities	6	6
		Other assets	3	2
		Total	109	101
Liabilities		Bank of England loan	28	0
	(b)	Customer accounts	12	27
	(c)	Mortgage-backed securities	43	40
	(d)	Other securities	19	24
		Other liabilities	4	7
		Equity	3	3
		Total	109	101

In 2007 Northern Rock Bank marked the loans and advances as £12 billion. Also, Residential mortgage loan as 90% and 10% as buy-to-let. Also this could not make the source viable for the long source funding possible in time of credit crunch in Northern Rock Bank.

Northern Rock Bank increased money and monetary fund by the funds deposited by the customers and its clients. It also launched mortgage securities which were introduced by the Granite Finance Ltd. Bonds were the other sources which were the resources of the monetary fund like loans, pension's funds and other banking services. The arrangement was to make £12 billion by providing mortgage which was summing up to £15 billion. But the fact was the idea was not a feasible one. This plan eventually failed. The mortgage securities were not used and counted and not even sold. (Maximilian J.B. Hall, 2008)

It seems that Northern Rock Bank was unable to locate the resources for the securities and was also unable to increase the funds and money flow in market. Deregulations lead to the only available choice of choosing alternative bank or organization for emergency loans. The securities which were not sold were used as the security on which bank was running. Finally nationalization of bank was done in 2008. (Mayes et al, 2008)

£4.5 billion worth of mortgage loans

The failure of the 2007 was quite different and the main issue was the mortgaging securities available with the Northern Rock Bank. It also offered the advantage of retrospection and quite a few caution statements and signs

For example: Release of “Self-Certified Loans”:

Mortgages are formulated and segmented under various tabs such as loan to value ratios, balance, property, mortgage, rate of interest, plans of repay, status of employment. No segmentation is being done for the debt to income ratios. This is parameter which is crucial and must be considered but was left in the analysis. There was no evidence for the certification of the income which is also the main factor which is needed to be considered. (Milne et al,2008)

As a well known fact proof of income is required to be submitted by the borrower for the verification procedures. But in 2004 Northern Rock Bank adopted the set of the procedures which laid the fundamental as income proof not required for the verification before lending the money.

LTV Ratio < 85% for mortgaging loans

LTV Ratio < 80% for loans excess of £500,000

Lehman Brothers also stated the warnings and caution statements. Lehman Brothers filed in for the liquidation in 2008. September 2007 clearly stated the failure of the Northern Rock Bank to be reliable and dependable. By this time market reputation of Northern Rock Bank created the scene such that no one was willing to buy the securities of Northern Rock Bank. (Carmichael et. al. 2004)

Findings of the research:

- Since 1999, Northern Rock Bank started relying on the securities and funds of the mortgage.
- Northern Rock Bank has a share of 8% of the mortgage rate in the UK banking sector.
- Since 2004, Northern Rock Bank made lending easy and systems were designed in such a manner that complexities were reduced.
- As a result of the poor standards for the lending systems made the system fail instantly as a result reliability and credibility of Northern Rock Bank was lowered in the banking sector.
- Northern Rock Bank was short of cash in its treasury.
- Financial Crunch and subprime effects were observed in Northern Rock Bank by the time.

Short sightedness of the Northern Rock Bank management lead to the consequences, they should not have thought of the immediate profit making and increase in the customers and account holders in the bank. The main focus should be on the long term vision and the standards should not have been lowered. The high standards of the Northern Rock Bank if were followed by the bank would have maintained the credibility of the bank. (Milne et al, 2008)

➤ What was the impact of sub-prime crisis on general operations and functions of Northern Rock Bank?

The functions and operations of Northern Bank had become abnormal after bank suffered from subprime crisis. The sub prime crisis had caused huge loss to bank in terms of liquidity crunch and lack of fund for circulating it in the system for other purposes. The Northern Bank was highly reliable on high value depositors not on retail depositors which had created lot of problem for the bank as depositors had started to withdraw their savings and deposits from the bank which was high in value that cause sudden liquidity crunch in the system. Had it been small depositors then it would been possible for the bank they could have

maintained the liquidity even at the time of crisis but less depositors with high net worth deposits had ditched the bank at the crisis situation that led bank high in debt. (Morris et al, 2008),

Since bank was also giving easy loans to subprime borrower where there were easy policies for them to take loan and banks were just focusing on getting high interest and other related fee from the borrower but when crisis happened the value of recovered money comparing to borrowed loan amount was almost negligible that had increased the obligations on bank to payback the high amount to the international lenders from where they had raised their funds. This is how the banking operations were also affected badly. At last bank had to close off their many financial products services and became liable to pay back the money of lenders, depositors, shareholders etc. Bank also had lost its credibility and people's confidence that causes sudden drop of banks ranking from top FTSE100 companies to almost a bankrupt company. (Oosterloo, S, 2003)

➤ **What were the main issues arise in front of management of Northern Rock during the sub-prime crisis?**

The subprime crisis had caused huge liquidity crunch in Northern Bank because bank had most of the high value depositors rather retail depositors so when crisis arose then those high value depositor started to get back their savings and deposits from the Northern Bank and it was unable to pay back such a huge amount to the investors at the same time. And management was not in position to take loan from the international capital market as it was already bearing high debts and obligations from the market so this was the main concern in front of the management of the bank. Bank faced its first problem from the money market when it was not able to pay loans that bank had raised through the process of securitization. This time the crisis was visible to all the investors as they anticipated that financial market will crash down soon so they have started to withdraw their money and security from the banks that led the bank to reach insolvency problem.

Apart from the above issue, the credit rating of the Northern Bank had gone down to lowest position after the financial crisis happened. This had adverse effect on the mindset of the investors and the depositors as the credibility of the bank had gone down and this cause low confidence of the investors on the bank. So it was a serious problem for the management to regain the confidence of the investors and the depositors. (Morris et al, 2008),

➤ **What main decisions management had taken to overcome on such crunch situations of sub-prime crisis?**

The top management of Bank of England had decided to make proper pricing decisions about the Northern Bank and also decided to do valuation of share for the shareholders. It had caused lot of confusion and confliction between the board of directors and the bank on valuation of assets and also the payment of the invested money in the Northern bank will be paid back by the Bank of England so as to clear the picture of Northern Bank and to make it more approachable by the investors.

Northern Bank was not in position to pay back the deposit amount to investors so bank had first decided to sell the bank to a private firm but when management could not found a right private firm which can fulfill their conditions then the management of the bank and the government of UK had decided to make Northern Bank a "Nationalized Bank". (Oosterloo, S, 2003)

The decision to nationalize the Northern Bank by the treasury team in year 2008 was completely based on the in-depth assessment and evaluation of the all available options. In complete assessment, it was suggested that the best alternative is the public ownership where value for money is comparatively much high. (Shin, Hyun Song, 2009)

The decision to make the Northern Bank a nationalized bank was taken by the Bank of England in September, 2007. The government had appointed a panel to decide the fair share price of investors to compensate their investments. Government of UK had set new company UK financial investment ltd in year 2008 so as to manage the share holding of the investor in Northern Rock.

In order to stabilize the things overall, the Bank of England had proposed a debt reduction strategy. Northern Bank had announced to use various measures and steps to reduce the bank debts and obligations to investors within three to five year time. (Jan Kregel, 2008)

➤ **What suggestions can be given to the management to handle such type of crisis situations?**

To avoid such kind of financial crisis, the following suggestions can be given to the management of the bank:

- Focus more on retail investors rather high value investors because first the risk of financial solvency can be reduce and the profitability of the bank can be increased (there is huge difference in deposit rate between retail investors and the high value investors).
- Bank should create strong and effective flow of information system in the management and also bring effective policies for implementing it strategically and systematically.
- There should be proper policy and regulatory framework in the system so that the interest of depositors, shareholders, borrowers and the management of the company can be taken care properly. It is the responsibility of the regulators to ensure the implementation of the right policies in the bank. There should be periodic and regular audit of the system by the regulatory bodies so that problems can be solved at the grass root level only. (Shin, Hyun Song, 2009)
- Bank should form a department whose role will be to take care the global financial market and its position on time to time and also the liquidity position of the company.
- Bank should frame an effective business plan and conceptualize the effective framework for this kind of complex structure and ever changing global financial market especially the banking industry in the world. (Diamond Douglas,2001)

CONCLUSION

Northern Bank was suffering from low flow of communication problem and low operating system and it caused huge delay in tackling the problem effectively. Even the management was not aware with all these small problems which were prevailed in the system and it were increasing on daily basis in the system and it finally resulted to financial crisis in entire system. Since Bank had international presence so it was very much required to have strong information system in the bank so that day to day activities can be performed well. It was required to have strong system to keep monitor the daily operations and working at branch level. The lack of it, increased the risk level in the Northern Bank. (Dimsdale, Nicholas, 2008)

We have studied various chapters and analyzed the topic and finally we have come up with some recommendation that might be helpful for the management to come out from the existing problem and will help to mitigate the chances of financial crisis in the system:

- Bank should focus on increasing the retail savers and depositors as it brings profitability and stability in the system. It also reduces the risk of financial crunch. There is huge difference in cost of deposits between low deposits and high deposits; it directly improves the profitability of the bank. The retail depositors help to increase the customer base of the bank and at the same time bank will not have to over depend on large value depositors or to get fund from the securitization or from capital market. (Dymski, G. ,2007)
- Bank should create strong and effective flow of information system in the management and also bring effective policies for implementing it strategically and systematically. The bank has its international presence and it has many branches in other part of the world so it is required to solve the problem at its initial stage before it grows to serious level. Such system can be implemented by an effective business plan and creating a system where flow of information from top to bottom and same bottom to top is very smooth.
- One of the major reasons for the crisis is the lack of efficient and effective regulatory policies in the system. The interest of depositors, shareholders, borrowers and the management of the company should be protected by effective regulatory policies. It is the responsibility of the regulators to ensure the implementation of the right policies in the bank. There should be periodic and regular audit of the system by the regulatory bodies so that problems can be solved at the grass root level only.
- Bank should form a department whose role will be to take care the global financial market and its position on time to time and also the liquidity position of the company. This is how company can ensure the future profitability of the company. This department will also be responsible for better fund management and also to make sure the profitability of the company.

The best utilization of available resources is the key for success. Each employee should be given ample opportunity as per their skills and the potential. This is how the productivity and profitability of the company can be increased many folds. The proper utilization of resources also helps to reduce the overall cost of the company and also make the company more competitive. (Shiller, Robert. 2005)

The role of regulators in the banking and financial system is very important as it is one who takes care the interest of investors, borrowers, shareholders and management of the bank. In India, it is Reserve Bank of India which act as Central Bank for other nationalized and private banks in India and takes all necessary steps to control the operations of other banks. All formulation of policies and laws are done by RBI and banks have to follow all these. RBI also ensures that all banks in India follow standard procedure or not. RBI also conducts periodic audit to each of the banks to check whether banks are following the set policies or not and if they find any irregularities then immediate actions are taken on that bank. RBI also keeps track of international financial market and the Indian economy to make sure that Indian banks remain unaffected from all such crisis. Since RBI was proactive in terms of setting up right policies and regulations, which caused Indian Banking system was unaffected from the subprime crisis. Had UK regulation system kept such policies and regulations then UK banking system would not have crushed down in crisis situation. (L. Randall Wray, 2008) So finally it can be concluded from the above discussion that subprime crisis in year 2007 was happened at huge level and it had affected the entire banking system in the US and UK market. Northern Bank was just a small example of entire financial crisis happened in the UK. But it is important to understand that if proper actions and measures are taken in the financial system then the effect of subprime crisis can be mitigated easily. If it is not done on time then it will affect the entire banking and financial system. (Dudley, William C, 2008).

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TRADE UNIONS AND GLOBALIZATION: CHALLENGES FOR WORKERS AND THEIR DEVELOPMENT

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ABSTRACT

Change is the law of nature. There is no permanent in this globe and everyone has to accept change. Globalization has positive impact on Indian economy and improve economic growth rate. Globalization is the process of connected whole world to each other by interchange capital, goods and services. It is also called symbol of Integration. Trade unions represents behalf of member or group in union- management meeting against any problems arise by employer or others. After globalizations trade unions faced many problems and workers faced short term employment, wage disparity, mobilization etc. This paper aims to study globalization and trade unions and deal with the challenges given by globalized era. Trade unions adopted new policies and strategies for betterment of workers. The present study was done by taking responses from workers who are connected to trade unions regarding the role of globalization. The data was collected by self structured questionnaire and results were calculated and analyzed by SPSS Software version 20. Reliability test has been applied to know the reliability of the questionnaire. Factor analysis has been applied to know the factors which in help for challenges of trade unions in global era and we found seven factors from this research. Trade unions provide various aspect namely social, political, educational and technical environments in terms of awareness of right to workers. It also gives national, regional and global networks for betterment of workers.

Key words: Globalization, Trade unions, workers.

Introduction

Change is the law of nature. There is no permanent in this globe and everyone has to accept change. Year 1990 -1991 is golden era because prime minister of India P.V. Narsimha Rao took some bold decisions for healthy economy. Since 1991 the biggest change has come in the Indian Economy and made history of economy. This change called LPG (Liberalization, Privatization and Globalization) and initiated by Dr. Manmohan Singh who was finance Minister of India. Globalization and liberalization has positive impact on Indian economy and improve economic growth rate and economic reforms. Globalization has become the buzzwords in the current economic scenario and it is the worldwide movement. Globalization is the process of connected whole world to each other by interchange capital, goods and services. It is also called symbol of Integration.

Globalization has started healthy relationship between government and employer. It also provides support of government for healthy economy with the help of government –employer coalition. Trade unions are generally opposed these policies and impact of globalization would adversely affect the workers and unions (Mohammad Ali, 2005).

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By past studies mandate globalization has increased competitive approach and created global environment. After globalizations trade unions faced many problems and workers faced short term employment, wage disparity, mobilization etc. So Trade unions must be change according global era.

Trade union has developed responses to effect and challenges of these policies. Trade unions have increased their functions and connect to international organization. International labour standard is an important tool to achieve a fair globalization (**Schmidt**).

Trade unions represents behalf of member or group in union- management meeting against any problems arise by employer or others. Trade unions do many work for members namely provide information, advice, guidance about work related problems and provide many services including training, insurance, financial services and legal advice. Trade unions also do imperative functions including negotiation, ensuring satisfactory work conditions, work facilities etc. (**R. Balaji, 2014**)

Review of Literature

Balanesa M.C. (2013) observed multinational companies avoiding existence of trade unions. She found strongly evidence the after globalizations trade unions faced many problems and multinational companies exerting avoiding attitude towards trade unions.

Colling, T (2009) revealed legal mobilization by trade unions. This research based on case studies from National Association of Teachers in Further and Higher Education (NATFHE) and twelve interview of negotiating officers at regional and national level in the United Kingdom. He found legal mobilization provide inspirational effects and radiating effects and positive relationship between legal mobilization and trade unions.

Hensman, R found globalization made more competitive economy and strong resistance to strengthens of worker' rights. Trade unions protect workers in formal sector and faced pressure related to workers' standards. Leadership is the effective response for challenges given by globalization.

Macdonald, D analyzed organization changed their IR system and adapt to ensure requirement for globalization. He found IR improve employer employee relationship and provide global environment and changes legal policies, flexibility and overall efficiency to respond to changing international market circumstances.

Shyam Sundar K.R. (2006) suggested after LPG trade unions faced by many problems for their existence. If trade unions want to grow up then rethinking and reform must be essential for it.

Objectives of the Study

- To design, develop and standardize a measure to evaluate the role of trade unions in global era.
- To identify the factors which determine challenges of trade unions for workers' development in global era.

Research Methodology

The Study: The study is empirical in nature & is aimed to find out challenges of trade unions for workers' development in global era.

Population: The populations for the study are north central railway employees who are member of trade unions.

Sample Size: Railway employees of Gwalior region are taken as sample for the study. Sample size had been 100 railway employees of Gwalior region.

Sampling Technique: Non Probability, purposive and convenience sampling technique used to identify the respondents of the study.

Sampling Elements: Individual worker was the sampling element of the study..

Tools to be used for Data Collection

A Self design questionnaire was developed (after review of literature) to measures all the variables. The data collected on the scale of 1-5 Likert's scale.

Tools to Used for Data Analysis

- Reliability test has been applied to know the reliability of the questionnaire.
- Factor analysis has been applied to know the factors which in help for challenges of trade unions in global era.

RESULTS AND DISCUSSIONS

1. Reliability Test

Reliability test for the variables were carried out by using SPSS software and the reliability test measures are given below:

Table 1: Reliability Statistics

Variables	Cronbach's Alpha	No. of Items
All Variables	.792	20

The Cronbach's Alpha value is .792 this value is more than to standard value of Cronbach's Alpha value .7, it mean my questionnaire has been reliable and provide us exact information as we want from data.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.654
Bartlett's Test of Sphericity	Approx. Chi-Square	944.686
	Df	190
	Sig.	.000

The KMO and Bartlett test of Sphericity indicates that the data is suitable for factor analysis. The KMO measures the sampling adequacy should be greater than 0.5 for a satisfactory factor analysis to precede. Looking at the table above, the KMO measure is 0.654. From the same table, we can see that the Bartlett's test of sphericity is significant at 5% level of significance. That is, its associated probability is less than 0.05. In fact, it is actually .000. This means that the correlation matrix is not an identity matrix. The above facts indicate that the data collected on role of trade unions in global era is suitable for factor analysis.

Factor Analysis

Factor analysis was calculated by using SPSS software, in this firstly all the data of the items was loaded in the SPSS software .The factor analysis resulted is 7 factors. The detail about factors the factor name, variable number and convergence and their Eigen value is given in the table:

Table 3: Factor Analysis Statistics

Factor Name	Initial Eigen Value		Variables / Convergence	Loading
	Total	% of Variance		
Human Potential	5.32	26.63	(17) Increasing training (12) Motivation (14) Increasing skill development Programme (20) Women Empowerment (18) Provide Education Programme (15) Increasing Membership	.879 .868 .849 .738 .717 .557
Personnel Development	2.00	10.03	(9) Living standard (8) Knowledge (13) Learning	.828 .792 .606
Technical Development	1.81	9.05	(16) Increasing Technical training (19) Use of Computer (2) Awareness (10) Use of new technique	.801 .666 .519 .434
Welfare	1.68	8.43	(7) Beneficial for Nation (3) Beneficial for Workers (11) Beneficial for Industry	.804 .592 .508
Supportive	1.32	6.60	(6) Support of medical facility (5) Daily wages	.844 .676
Management	1.17	5.86	(4) HRM	.850
Security	1.03	5.187	(1) Job security.	.850

Description of factor

1. Human Potential - This factor has emerged as the most important determinant of research with a total variance of 26.637. Major elements of this factor include Increasing training (.879), Motivation (.868), Increasing skill development Programme (.849), Women Empowerment (.738), Provide Education Programme (.717) and Increasing Membership (.557).

Most of the workers believed that this is Human Potential move. It is helpful for dealing with increasing training, motivation, increasing skill development Programme ,women empowerment and etc.

Human Potential improves reducing negativity and prevent negative activities and also create healthy environment. It was deduced from the results that workers get these valuable positive feelings from Globalization.

2. Personnel Development - This factor has emerged as the second most important determinant of research with a total variance of 10.038. Major factor consisting this factor are Living standard (.828), Knowledge (.792), Learning (.606). It was found that Personnel Development was also one of the factors which determined the role of trade unions in present era. But only a few people agreed to it because of they are facing more problems related to living standard and learning. The workers are being faced many problems for adjustment in global era.

3. Technical Development - This factor has a total variance of 9.059 major element of this factor include Increasing Technical training (.801), Use of Computer (.666), Awareness (.519), Use of new technique (.434). Technical Development is another factor of this study. It explains that globalization also reflects the technical development of workers.

4. Welfare - This factor has a total variance 8.438 major element of this factor include Beneficial for Nation (.804), Beneficial for Workers (.592) and Industry (.508).

5. Supportive - This factor has a total variance 6.604 major element of this factor include Medical facility (.844) and Wages (.676). Supportive is the most important factor of this study. Most of workers have faith towards trade unions that trade unions will give support when they have problem.

6. Management - This factor has a total variance 5.865 major element of this factor include Human resource management (.850).

7. Security - This factor has a total variance 5.187 major element of this factor include job security. Most of the workers are facing problems related job security in their working place.

SUGGESTIONS FOR FURTHER STUDY

1. The research had included only 100 respondents as the sample size. Further the research can provide different result with increased number of respondents.
2. Further study can provide different results if different factors are considered.
3. The scope of the study is limited to Gwalior region. Other regions can also be included.

Conclusion:

This study is based on self structured questionnaire and filled by railway employees in Gwalior region. We found seven factors namely human potential, personnel development, technical development, welfare, supportive, management and security taken by this study. Most effective factor is human potential which highly contribute for workers' development in globalized era. Our Prime Minister Mr. Narendra Damodar Modi is encouraging skill development programme for increasing employability, so that demand of Indian skilled work force in foreign countries also increased. This is big opportunities for trade unions that they can reorganize themselves. We analyzed trade unions change their system and adapt to ensure requirement for globalization. Trade unions improve employer employee relationship and provide global environment and changes legal policies, flexibility and overall efficiency to respond to changing international market circumstances. Trade unions provide various aspect namely social, political, educational and technical environments in terms of awareness of right to workers. It also gives national, regional and global networks for betterment of workers.

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**“Train people well enough
so they can leave. Treat
them well enough so they
don’t want to.”**

Sir Richard Branson



THE EFFECT OF ORGANIZATIONAL JUSTICE AND ORGANIZATIONAL SUPPORT ON ORGANIZATIONAL CITIZENSHIP BEHAVIOR AMONG SERVICE SECTOR EMPLOYEES

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ABSTRACT

This study was an attempt to find out the effect of organizational justice and support on Organizational citizenship behavior. The research was done on 250 employees of various service sector companies of Gwalior and Standardized Questionnaires based on a likert scale were used for the study. In this study regression analysis was applied in order to measure the effect of organizational justice and support on Organizational citizenship behavior. Finally the study revealed that there is a significant and positive effect of organizational justice and support on Organizational citizenship behavior.

Keywords: Organizational justice, Organizational support, OCB, Regression.

Introduction

Organizational citizenship behavior is a voluntary behavior or an extra effort by an employee towards then success or productivity of organization. It has been seen that OCB is dependent on various factors whether it is recognition, rewards, perks and extra benefits. But they are just benefits but there are various intrinsic factors which influences the OCB perceptions of employees in the organization i.e. Perception of justice and perception of organizational support. Justice means the perception of fairness or an expectation of fairness by an employee in the organization. Generally if we analyze the situation then we can see that if the employee is treated unfairly then it lowers the morale, dedication, sincerity and commitment towards the organization. The other factor which influences the OCB perception of the employees is the support by the organization. If the supervisor as well as the employees is not supportive towards the employee then it creates the negative feeling in the employee that the organization is not considering him/her as the part of it. So, if the organization is not considering them as their part so they also starting de attaching them with the organization. Organizational justice as well as organizational support is the most important predictors of determining their organizational citizenship behavior towards the organization.

Organizational Justice

As per Greenberg (1990), Organizational justice describes the individuals' (or groups) perception of the fairness of treatment received from an organization and their behavioral reaction to such perception. In other words, the term organizational justice refers to the extent to which employees are treated fairly at their workplace. According to Foster (2010), organizational justice refers to individual perceptions of fairness within organizations.

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Organizational Support

According to Eisenberger, It is the degree to which employees believe that their organization values their contributions and cares about their well-being and fulfills social emotional needs. According to organizational support theory (Eisenberger et al., 1986; Eisenberger and Stinglhamber, 2011; Rhoades and Eisenberger, 2002; Shore and Shore, 1995), employees who receive valued resources (e.g. pay raises, developmental training opportunities) develop their POS and feel obligated, based on the reciprocity norm (Gouldner, 1960), to strive to repay the organization by helping it reach its objectives.

Organizational Citizenship behavior

Organizational Citizenship Behavior theory (called OCB for short) is proposed by Organ and others in the 80s in the 20th century. "Organizational citizenship behavior" is defined by Organ (1988) , it's the various behavior beneficial to the organization but it's made spontaneously by members and never been directly or explicitly instructed in the organization formal reward system. From the "free decision" behavior , OCB is not within the role or the range provided by job description, It is a clear employment contracts between individual and organizations, such behavior is more similar to personal choice.

Literature Review:

Organizational Justice

Moorman's (1991) results showed that interactional justice was distinct from procedural justice in a confirmatory factor analysis. It was also distinct from a measure of distributive justice taken from **Price and Mueller's (1986)** work.

Organ & Ryan, (1995) conducted a meta-analysis of 55 empirical field studies from 1983- 94 and found support for job attitudes as predictors of OCB. The authors hypothesized that contextual attitudes like job satisfaction, perceived fairness and commitment will correlate positively with OCB. Articles for the meta-analysis were collected by manually going through 4 journals (Journal of Applied Psychology, Academy of Management Journal, Personnel Psychology and Organizational Behaviour Human Decision Sciences). The search for articles was done using keywords "organizational citizenship behaviour", "pro social behaviour" and "extra-role behaviour". The year 1983 was used as the base year because the term OCB was defined for the first time (**Bateman & Organ, 1983**). Two independent raters were used to code information on the nature of OCB used and the variables to be treated as antecedents of OCB rather than consequences of OCB. The criteria for inclusion in the study were as follows: first only those findings that had to do with the general or aggregate measure of OCB were included. Secondly, the correlations of only those studies with more than four independent studies were included. This is because fewer studies would be insufficient for the findings. The procedure followed by the authors for meta-analysis was done by computing the sample sized weighted raw correlations for each bivariate correlations of interest. It was found that job satisfaction had a stronger relationship on OCB than on in-role performance. The authors explained that the impact of job satisfaction on OCB was dependent on if the employee held a non-managerial or a managerial position in the organization. The authors highlight that the impact of the above relationship would be more relevant in non-managerial employees because, the job description for higher level positions are more open ended hence leading to low difference between in-role performance and OCB. The study also concluded that, perceived fairness, organizational commitment and leader supportiveness have a positive relationship with OCB.

Masterson et al., (2000) investigated the impact of the types of justice on employee attitude (organizational commitment, intention to quit and job satisfaction) and behaviour (organization and supervisor directed citizenship behaviour and performance). The authors predicted that interactional justice will positively impact citizenship behaviour directed towards the supervisor and procedural justice will positively impact citizenship behaviour directed towards the organization.

Organizational Support

Satava (2003) conducted surveys of CPA firms in order to find out why people were leaving. He found that management style made a difference. The survey indicated that management's relationship with their employees had a significant influence on how long the employee stayed on the job. **Satava** found that the better management treated their people, the longer the employees would stay with the company. It was also suggested that the supervisor or manager should talk to each 38 employee at least twice a week. Some of the topics they chat about could be personal things like family or sports or anything apart from work.

Past research on perceived organizational support, indicates that supportive and caring treatment shown by the supervisor has a positive effect on employee commitment (**Eisenberger et al., 1986**). **Gerstner and Day (1997)** reported that high quality relationships between supervisors and their subordinates has a positive influence on work performance, work satisfaction, role clarity and organizational commitment. This reveals that care for employees can promote organizational commitment and build loyalty. Thus, helping subordinates to grow and succeed, has a positive influence on improving and nurturing employee loyalty (**Liden et al., 2008**).

Mulki et al., (2006) in their studies on sales staff revealed that employees tend to quit when they are dissatisfied with their leaders and sense that their leaders cannot be trusted. This supports that those leaders who established a harmonious relationship with their subordinates by involving and promoting in shaping their career development will result in improved organizational commitment and loyalty (**Brashear et al., 2006**).

Scott, et al., (1999) evaluated the quality of the peer relationship on employee turnover. They found that improved communications among the peers had a negative impact with employee turnover. In the presence of such close interactions and cooperations among the peers, they denied to leave their peers and chose to remain in the organization.

Organization Citizenship Behavior

Podsakoff et al (1993) studied the effects of OCB on the quantity and quality of the performance of 218 people working in 40 machine in a paper mill located in the Northeastern United States were examined. The results indicated that helping behaviour and sportsmanship had significant effects on performance quantity and that helping behaviour had a significant impact on performance quality. However, civic virtue had no effect on performance measure. **Hui et al (1994)** in their study examined the relationship between promotion, perceived instrumentality of OCB for promotion and employees OCB before and after promotion. Both supervisors and employees provided OCB ratings 3 months before and 3 months after the promotion decision was announced. The job of bank tellers involved contact with clients and limited contact with colleagues. The authors found that employees who perceived OCB as instrumental to their promotion and who were promoted were more likely to decline in their OCB after the promotion.

Ang et al.(1995) studied the personality-OCB relationship by exploring a new disposition factor i.e. an employee's motivational traits. They specifically examined the motivational traits such as competitive excellence and anxiety of employees in relation to their self-development. A critical form of OCB that involves the proactive enhancement of skills, knowledge and abilities. Under the configurational approach, the results support the tenability of the motivational typology and offer particular insights to the —kiasull (fear of losing) profile by its close match to the Singaporean psyche of —kiasu-ism. **Ang, Tan & Ng (1996)**. The results further demonstrate that employees with —positively challenged profile were most likely to display self-development OCB.

Objectives of the Study

1. To re-standardize measures for evaluating Organizational justice, Organizational support and organizational citizenship behavior
2. To measure the relationship among Organizational justice, Organizational support and organizational citizenship behavior

On the basis of above mentioned literature and objectives following hypothesis may be framed as:

H01 “There is no significant impact of Organizational justice and organizational support on OCB.”

Research Methodology

1.1.The Study: The study was Empirical in nature with survey method used to complete the study.

1.2.Sampling Design:

1.2.1. Population: Population included Employees working in Service sector companies of Gwalior.

1.2.2. Sampling Element: Individual respondent were the sampling element.

1.2.3. Sampling Technique: Non-Probability purposive sampling technique was used to select the sample.

1.2.4. Sample Size: Sample size was 250 Respondents.

Instruments:

Organizational justice was measured by using scale developed by Colquitt's (2001). While organizational support was measured by using perceived organizational support scale developed by Robert Eisenberg and Robin Huntington (1986) and Organizational citizenship behavior was measured by using the scale developed by Podsakoff et al. (1990).

Tools Used for Data Analysis:

1. Reliability test was applied to measure the reliability of questionnaires.
2. Regression analysis was applied to measure the effect of Organizational justice and support on OCB.

Table 1: Reliability Statistics of Organizational justice, Organizational Support and organizational citizenship behavior

S.No	Instrument	Cronbach's alpha
1	Organizational justice	0.710
2	Organizational support	0.738
3	Organizational citizenship behavior	0.832

It is considered that the reliability value more than 0.7 is good and it can be seen that reliability value of Organizational justice is 0.710 for Organizational support it is 0.738 and for Organizational citizenship behavior it is 0.832 which are quite higher than the standard value, so all the items in the questionnaire are highly reliable.

Regression Analysis

Model summary

Model	R	R square	Adjusted R square	Std. Error of the Estimate	Durbin Watson
1.	.758	.633	.620	3.66005	1.370

a. Predictors: (Constant): Organizational justice, Organizational support

b. Dependent Variable: Organizational citizenship behavior

This table displays R; R squared adjusted R square and Standard Error. R is the correlation between the observed and predicted values of the dependent variables. The value of R lying between the range -1 to 1. The sign of R indicates the direction of relationship (positive or negative). The absolute of R indicates the strength, with larger absolute values indicating stronger relationship. So here in the above table of model summary we have the R value .758 which lies between -1 to 1, showing a moderate relationship.

R squared is the proportion of variation in the dependent variable explained by the regression model the value of R squared ranged from 0 to 1. So here the value of R square which was found to be .633 indicating that Organizational justice and Organizational support as independent variable explained 63.3% variance on Organizational citizenship behavior as dependent variable.

ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	1269.49	1	1269.49	74.94	.000
Residual	2405.51	142	16.94		
Total	3675	143			

a. Predictors: (Constant): Organizational justice, Organizational support

b. Dependent Variable: Organizational citizenship behavior

The F statistics is the regression mean square divided by the residual mean square. Here F value is 74.94 which is significant at 0% level of significant. This means that final model significantly improves our ability to predict the dependent variables. Since the F value is coming out to be 74.94 which is significant at .000 level of significance. Therefore the model is showing the good fit.

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	8.217	1.433		6.265	.000		
	Organizational justice	.344	.052	.240	4.451	.001	.835	1.212
	Organizational support	.534	.044	.439	8.278	.000	.835	1.212

a. Dependent Variable: Organizational citizenship behavior

Regression equation shows the relationship between Organizational justice, Organizational support and Organizational citizenship behavior

$$Y = a + bX + cZ + E$$

$$Y = 8.217 + .344X + .534Z + E$$

Y = Organizational citizenship behavior (Dependent Variable)

X = Organizational justice (1st Independent Variable)

Z = Organizational support (2nd Independent Variable)

In the above table of coefficient, for Organizational justice and Organizational support as independent variables and Organizational citizenship behavior as dependent variable the T value is coming out to be 6.265, 4.451 and 8.278 respectively which are significant at .000, .001 and .000 level of significance. Hence it was stated in H01: There is no significant impact of Organizational justice and Organizational support on Organizational citizenship behavior, which is rejected. So we can conclude that there is significant and positive impact of Organizational justice and Organizational support on Organizational citizenship behavior.

Implications of the Study

1. Researchers can use the results of this study for supporting the results of their studies with similar variable and relationship.
2. This study is an useful for policymakers, managers, industrialists in order to understand the importance and consequences of these variables.

Conclusion

This main objective of this study was to measure the effect of organizational justice and support on organizational citizenship behavior. In order to find that, regression analysis was applied to measure the causal relationship among the variables and the results revealed that there exists a significant and positive relationship between organizational justice, organizational support and organizational citizenship behavior. It indicates that if the organization is fair towards their employees then it will create a feeling of satisfaction

among the employees which results in enhancing their citizenship behavior. Similarly, If the supervisors and coworkers are supportive then it creates a supportive environment in the whole organization and employees start belonging themselves with the organization that results in their citizenship behavior.

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ASSESSING THE EFFECTIVENESS OF MANAGEMENT DECISIONS OF LOCAL EXECUTIVE AUTHORITIES

Kholov Aktam Xatamovich¹

ABSTRACT

This article analyzes criteria to assess the effectiveness of management decisions of local executive authorities. There are also given suggestions and recommendations regarding to the assessment of quantitative and qualitative indicators of the effectiveness of managerial decisions in local executive bodies.

Keywords: *Local executive authorities, Management decisions, Performance indicators, Public administration, Law, Efficiency, System analysis, Criteria for assessing the effectiveness of management decisions*

Introduction.

It is well-known that the effectiveness of management decisions in all levels of government is one of the main factors of the country's development and development. The effectiveness and effectiveness of reforms in any country and society depends on the effective functioning of the executive. We can now explain the importance of improving the effectiveness of management decisions in local executive bodies by:

Firstly, the first priority direction of the Action Strategy for the five priority areas of development of the Republic of Uzbekistan in 2017-2021 is devoted to the "Improvement of the system of state and public construction", the further expansion of powers of the executive power over the parliamentary oversight, introduction of modern forms of openness of activity.

Secondly, the mechanisms for evaluating the performance of executive authorities are only the case reporting and the collection of statistical data, which in most cases does not reflect the realistic position of local affairs. Based on this, the Decree of the President of the Republic of Uzbekistan "On Approval of the Concept of Administrative Reforms in the Republic of Uzbekistan" sets forth a number of tasks to improve the mechanisms for evaluating the effectiveness of the executive authorities. In particular, the introduction of the principal new system of assessment by executive authorities and their executives at all levels, including through the submission of their reports by the authorities of the power, based on the efficiency of the implementation of strategic development programs and the implementation of the "smart regulation" introduction of the standardized technique of analysis of the regulatory impact of models and decisions taken[1].

The relationship between local representative and executive authorities is governed by the theory and practice of management, and one of the urgent tasks is to identify current trends. Local government authorities require, first of all, liberalizing their activities, expanding their powers, and improving the effectiveness of the management decisions effectiveness. At the same time, timely identification and eradication of systemic problems that prevent the implementation of the decisions taken is crucial.

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Research Methodology.

The methodological basis of the research is the fundamental laws of the management, the concepts, the principles and principles of evaluating the effectiveness of management decisions, foreign scholars conducting researches on management decisions, as well as the works of the President of the Republic of Uzbekistan. This research has been studied by research methods, such as a systematic and comprehensive approach, analysis and synthesis, content analysis, functional analysis, and comparative analysis of governance decision-making systems in local executive authorities in Uzbekistan.

Analysis of Subject Matters.

Interest in some countries of the world, as well as in Uzbekistan over the years of independence, has increased in the interest of scientific research on the effectiveness of the performance of local executive authorities. A series of research studies on the role of local authorities in the community in Uzbekistan. For example, in the works of Sh. Jalilov[2], the reform of the local authorities, the activities of local authorities in raising the legal culture of I. Juraev[3] in his PhD thesis, the issues of improving the status and functioning of state power in the Republic of Uzbekistan, including local authorities in G.Alimov's[4] research, Y.Ollamov's[5] PhD thesis examined the main functions of the local authorities. It should also be noted that in the scientific works of the lawyer, O. Khusanov[6], the relationship between the organizational and legal issues of activity of the local authorities and relations with other political institutions is emphasized.

In a number of scientific researches, we find that the activities of local authorities are closely aligned with the democratization processes in our society. For example, in his book, N.Kosimov's[7] paper, the fundamental reforms in our country have begun a new era of democracy, which has a positive impact on the political structure of our society, including the activities of local authorities. A. Fayzullaev's[8] scientific researches also focused on the conditions of democratization of the society and emphasized the need to further strengthen the status of local authorities.

Economist Scientists, M. Sharifhodzhaev, Y. Abdullaev [9] provide analytical information on their management efficiency, their methods of calculating the effectiveness of the management system. Sh.Tulyaganova[10] studied the requirements of management decisions, the implementation of decisions and the control.

G.M. Kasymov [11] has written his thoughts on the decision-making models and the way of forecasting. Prof. Sh.N. Zaynutdinov and N.R. Kadykhodzhaeva [12] also described the process of preparation and adoption of managerial decisions in the lecture texts on "Management", as well as methods of optimization of management decisions, organization of their implementation. The researcher provided analytical information on the process of decision-making, models and methods of decision making in the collection of problem lectures on the topic "Basics of Management and Management Decisions" by B. Omonov. At the same time, the importance of personal governance in improving the effectiveness of governance is described. M.Kuymuratova [13] studied the methods of management and implementation of social decisions in management, the stages of decision-making of social management and their psychological features, as well as the issues of strategic management decisions.

As a result of these studies, the question of effectiveness of management decisions in the local executive bodies has not been studied as a separate research object. In this context, it is important to carry out systematic research in this area and study foreign experience in this field.

In the developed countries, the effectiveness of municipalities is closely interrelated with the existence of the public, as well as the public-political activity of every person and public control. In recent years, a number of scientific studies have been carried out to improve the assessment of effectiveness of public administration decisions. Among the foreign scientists are V.Abchuk, G.V. Atamanchuk, O.L.Velskaya, V.Blumberg, V.M.Bruk, A.G.Vendelin, V.Vesnin, I.Yu.Vilkas, V.N.Volgin, V.Volkovich, M.Vudkoc, R. Ducson, V.Jukovin, G. Kunts, K. Chol, O.Lange, A.M.Levin, U.Morris, D. M.Francis, B.C.Usheavy's works include the formation of innovative mechanisms for evaluating the effectiveness of management decisions, analyzing the peculiarities of managerial decision-making, adopting effective management decisions based on specific principles, Approaches to the development of innovative strategies for the adoption of Ayan Paunoll[14] states in his book *Good Governance Decision* that several factors must be taken into account in order to make the decisions of the administration effective. He pointed out that the factors influencing the effectiveness of the decision include: 1) compliance with the hierarchy in decision-making; 2) Formation of target group; 3) Installing the right horizontal link; 4) Acceptance of a single-by-pass decision.

The economist, Yu.N. Nechitaylov in his work "Improving Innovative Mechanisms for Public Administration Decision-Making" states that there are certain factors in public service decision-making. These include: 1) Fund related compulsory circumstances; 2) that the purpose of the activity is not understood in all respects; 3) the importance of hierarchical relationships; 4) the presence of innovative management decisions taken by the organization's managers [15].

It is well known that the use of innovative approaches in assessing the effectiveness of decision-making in the activities of all Sectors in the public authorities in the local government, contributes to improving labor productivity. In a different way, the concept of "management innovation" plays an important role in managing public service. It is important to take into consideration two situations in management decisions in the local authorities: in the first case, the problem may be specific to the prior problems, but the circumstances may be different; In the latter case, the situation was premature, but the nature and specificity of the problem may be different.

Analysis and results.

The First President of the Republic of Uzbekistan, I.A. Karimov, said that "The graduates of secondary special and higher educational institutions, leaving young people who have been granted a living without the need for modern employment, are an insecure mistake of our younger generation. It is appropriate to emphasize once again that each governor's activities are assessed primarily in the direction in which he is working in the area he leads" [16].

The Decree of the President of the Republic of Uzbekistan on May 6, 2017 "On Measures to Increase the Personal Responsibility of Local Authorities and Territorial Bodies of Economic Complex in Increasing the Efficiency and Effectiveness of Works on Population Employment" [17] provides for creation of new workplaces, to conduct concrete and systematic work to provide them with practical assistance in the development and expansion of their activities as well as to increase the personal responsibility of the heads of executive power and economic territorial subdivisions. Based on these objectives, since July 1, 2017, the system of financial incentives and strengthening of personal responsibility for increasing the employment of the heads of local executive bodies and economic complexes has been introduced. This system will provide a systematic assessment of the effectiveness of the management decisions made by the local executive authorities.

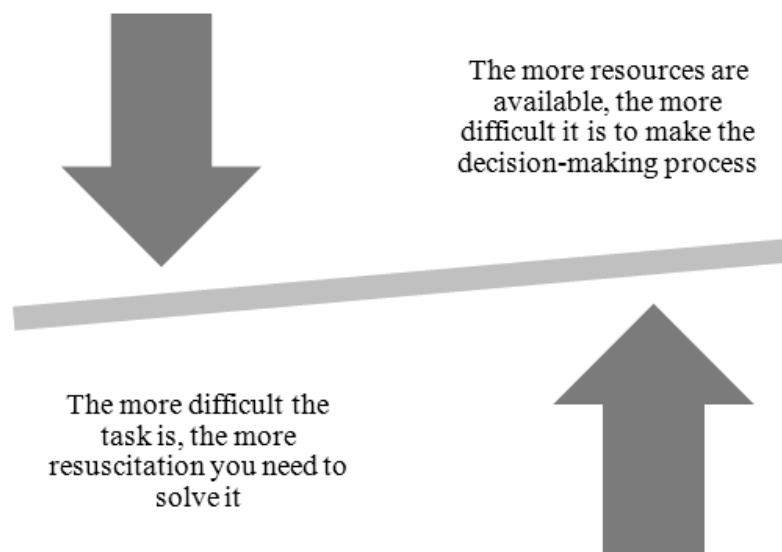
Globalization of socio-economic relations also promotes the flow of information in the executive system. This limits the ability to evaluate external and internal risks. Under these circumstances, it is desirable for the local executive authorities to take on the management decisions that affect the state and public life, and not the problem of statistical data and reporting, but to introduce a situation-based learning and decision-making system. As President of the Republic of Uzbekistan Sh.M.Mirziyoev noted, "Optimistic decision-making" is "the majority of managers are not used to study complex problems of the economy without any careful study of the state of affairs in sectors of economy, enterprises, cities and districts, especially in rural areas" [18] limiting the level of access to information needed. It also creates the market-oriented information asymmetry (the information is incomplete). As a result, it is difficult to achieve a mutually beneficial cooperation between the central authorities and the local authorities and the main subgroup.

Chris Truman, a business management expert, says: "The decision to sit in the cabinet often depends on the leader's internal intuition and experience, and the manager does not always have access to the primary information quickly. This, in turn, reduces the effectiveness of the decision" [19] Therefore, the local executive authorities should be provided with all the information needed to make management decisions.

At the same time, the effectiveness of government decisions in the local executive authorities impedes the acceleration of integration processes with civil society institutions. Economists have the following idea: "In a competitive environment, the pace of changes in organizations should not be lower than the average external environment" [20]. This is due to the strategic and tactical correctness of the management decisions adopted by the local executive authorities.

Effective use of human resources in modern organizations enhances the impact of the human factor on management decisions. This, in turn, means that human factor is important to make an effective decision. As you know, only the intuition and experience of the leader are enough to make effective decisions. It is important that management takes into account the variables and the impacts of the external environment in the decision-making process. Obviously, decision-making requires analysis and generalization of data to be the head of the local executive body, that is, the high intellectual potential and competence of the judge.

Based on international experience in this area, many decisions affecting the socio-economic development of the regions will be taken in the presence of experts and consultants in the municipalities. In the systematic solution of the problems in this area, it was not only the district, region, city mayors, but also the heads of district prosecutors, heads of district tax inspectorates and heads of District Internal Affairs Departments responsible for the socio-economic development of the regions, reduction of unemployment and elimination of existing conflicts. It was a wise approach to pay attention. However, involvement of many people in the decision-making process, in turn, creates a problem of coordinating work of decision makers. All of this calls for contradictions in making complex government decisions (Figure 1).



Picture 1. Conflicts in complex management decisions [21]

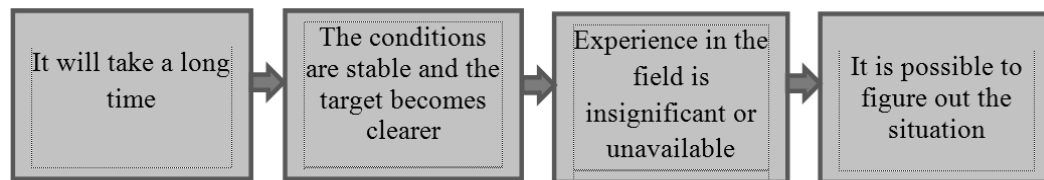
On the one hand, it is necessary to involve a large number of experts (experts) in making and developing complex decisions; and on the other hand, the decision-making process becomes complicated, as there is a new problem of coordinating the activities of those involved in the decision-making process.

As a result, the analysis of large-scale resources in the local executive authorities increases the cost of decision-making and their consequences. In such circumstances, it is necessary to create "mental centers" that coordinate information sharing at all levels of government. The existence of "mental centers" has become a global phenomenon. In developed countries, it is possible to track the activities of analytical agencies in all levels of government. In Uzbekistan, there are also "intellectual centers" such as the Institute for Strategic and Interregional Studies, the Independent Institute for Monitoring the Formation of Civil Society, the Institute for Forecasting and Macroeconomic Research (IFMR), and the Development Strategy Information and Analytical Center. Their activities cover almost all areas of government policy. However, there are no separate institutional structures ("mental centers") that evaluate effectiveness of management decisions at all levels of the local executive authorities. The problem is that "mental centers", which allow the problem not only to be centralized (central bodies), but also to study areas, to assess the situation objectively, to gain access to primary information, and to properly address problems (in-situ, district, city, is of great importance today.

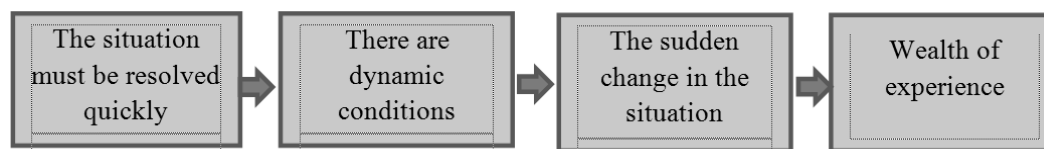
Management needs to distinguish between modern requirements and make the decision as "important", "moderate" and "not important", as well as analyze similar situations from previous experiments using "extrapolation method". After that, the decision is made, the results are checked and the closer you get to the planned outcome. "Decisions cannot always be based on intuition. Under such conditions, the situation must be clearly and clearly evaluated. The optimal decision that will bring you closer to the problem

is selected by comparing multiple options. Sometimes decision makers choose a short path. That is, the decision-making process, based on previous experience, accelerates the process. The manager's decision-making process consists of rational and intuitive activities. At first, he would intuitively make the decisions he chooses in terms of rationality" [22].

When a person makes an intuitive decision:



In the following cases, the person (leader) rationalizes:



Rational planning is insufficient to achieve a strategic decision. Even though the results of rational research are good, the administrator should compare the existing options and choose the most optimal solution, both economically and politically.

Evaluating the effectiveness of governance decisions in local executive power bodies is crucial in the entire management system. Unless the decision taken is ineffective, the effectiveness of all organization departments is also ineffective. Therefore, it is crucial to make a critical analysis to find the most appropriate, optimistic decision in the decision-making process, in the long run, to avoid the poor quality of the work in the future.

Decision-making estimates can be divided into two types: the first is theoretical (aprior), chosen for practice based on evidence-based alternatives; the second is the fact that the effectiveness of decision-making is a fact, that is, the actual assessment (apostille), which is determined on the basis of the results of the execution of the decision.

Experts also state that the effectiveness of decision-making is targeted and cost-effective. The goal is to exploit the scale of the organization's achievements, and the cost-effective approach involves the use of cost-effective resources in the production of various resources.

It is a strategic task to define the nature of activities in the implementation of the objectives of the local executive authorities, and the choice of the technologies used to direct the resources for these purposes is a tactical task. Taking this into account, we have the basics to name targeted productivity as strategic, costly, tactically.

Adoption of administrative decisions takes place in almost every part of the organization, so it is possible to speak of the following types of management judgments:

The organizational effectiveness of decision-making is less effort for organizational purposes, fewer workforce, and shorter results. The cost-effectiveness of managing decisions is the attitude to the cost of the additional product, which is measured by the decline in the cost of the product by making clear and accurate decisions.

The social effectiveness of managerial decision-making is seen as the result of social goals for most organizations and workers, and within a short period of time, the effectiveness of achieving or achieving a small number of workers is measured.

The technological effectiveness of managing decision-making appears to be the short-term or low cost of producing a technical or technological level in any industry, nationally or internationally.

The legal effectiveness of decision-making is assessed on the basis of the degree to which the organization's goals and objectives are met by its employees, with a limited number of employees and low cost.

Eco-efficiency of managerial decision-making - this is due to the organization's and personnel's achievement of environmental goals and results, shorter and shorter employees, and low production costs[23].

Conclusions and Suggestions.

Assessment of the effectiveness of management decisions in the local executive authorities should be based on quantitative and qualitative indicators and norms and standards.

It is important to draw attention to the following aspects when developing the quality management outcomes of management decisions in the local executive authorities: 1) Timely implementation of the decision; 2) The level of scientific justification and clear implementation of the decisions; 3) High potential for real-life use in the Decree; 4) The legitimacy of the decision.

The quantitative assessment of the effectiveness of management decisions is largely complex, with the following features: 1) low cost of development of the draft decision; 2) time-saving in decision-making; 3) optimal allocation of resources; 4) efficient use of human resources at the stage of development and adoption of management decisions.

Implementing it rather than making decisions is often a very complex process. In some cases, the less effective solution, in the final analysis, the greater the degree of implementation can be more effective. Therefore, it is crucial to determine the performance indicators that evaluate the effectiveness of the management decisions.

Ensuring effective implementation of management decisions in local executive authorities it is appropriate to adhere to the following principles: 1) Development of the draft decision should be carried out in accordance with the strategy of the organization; 2) Decision-making should be evolutionary; 3) accurate time allocation of decisions to ensure execution; 4) taking into account the existing values in the decision-making process; 5) removing administrative barriers to the implementation of the decision.

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STRENGTHENING RELATIONSHIPS WITH THE SUBJECTS OF SOCIAL FACILITIES IN THE CONTEXT OF THE PROVISION OF SERVICES

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ABSTRACT

This paper investigates major points of strengthening relationships with the subjects of social facilities in the context of the provision of services. On this way, conditions of social services have been analyzed both theoretically and practically. The conceptual way of development has been suggested to make better developments. Finally, subjects of social facilities in the context of the provision over social services were mentioned to implement in further researchers.

Keywords : Service, Social services, Economics, Uzbekistan, Finance, Policy of services

Introduction

Orientation to the constant growth of the quality of services in place of maintaining its relative stability, as well as to an increasingly differentiation, the individualization of services actualizes and at the same time complicates the control over the effectiveness of the use of financial resources, on the one hand, and on the other hand, the resource in the context of "free time". The fact is that the ratio of costs to the quantitative characteristics of the volume of services is becoming ever more volatile and diverse. The increased consumption of resources can be due, on the one hand, to the improvement of the quality of services, or the special conditions of its provision by specific requests of the population (that is, the consumer), and on the other hand, the insufficient use of working time or the irrational use by citizens of work-free time.

The determination of the population's need for resources on the basis of the prolongation of the previously formed trends is gradually losing its role in the use of free, non-standardized time. All this requires a systematic analysis of the effectiveness and flexible management of its level in all areas of services. Without discussing common problems of determining the cost effectiveness in the service sector as a whole, it should be noted that, at the level of specific actors, these problems are somewhat unique. Complex and extremely important, when the analysis is carried out comprehensively at the levels of a particular service sector, the issues of comparable evaluation of diverse paid and free services, as well as accounting for their impact not only on the activity of a particular subject, but also on the Social importance of service sectorstatus of the population, to some extent lose their significance, when it comes to the current management of the efficiency of resource use in the context of free time. After all, the range of services provided and the options for organizing activities in each period of the life of citizens are limited. But here the principle of comparison of actual expenses of time with normative ones should be implemented most regularly and consistently.

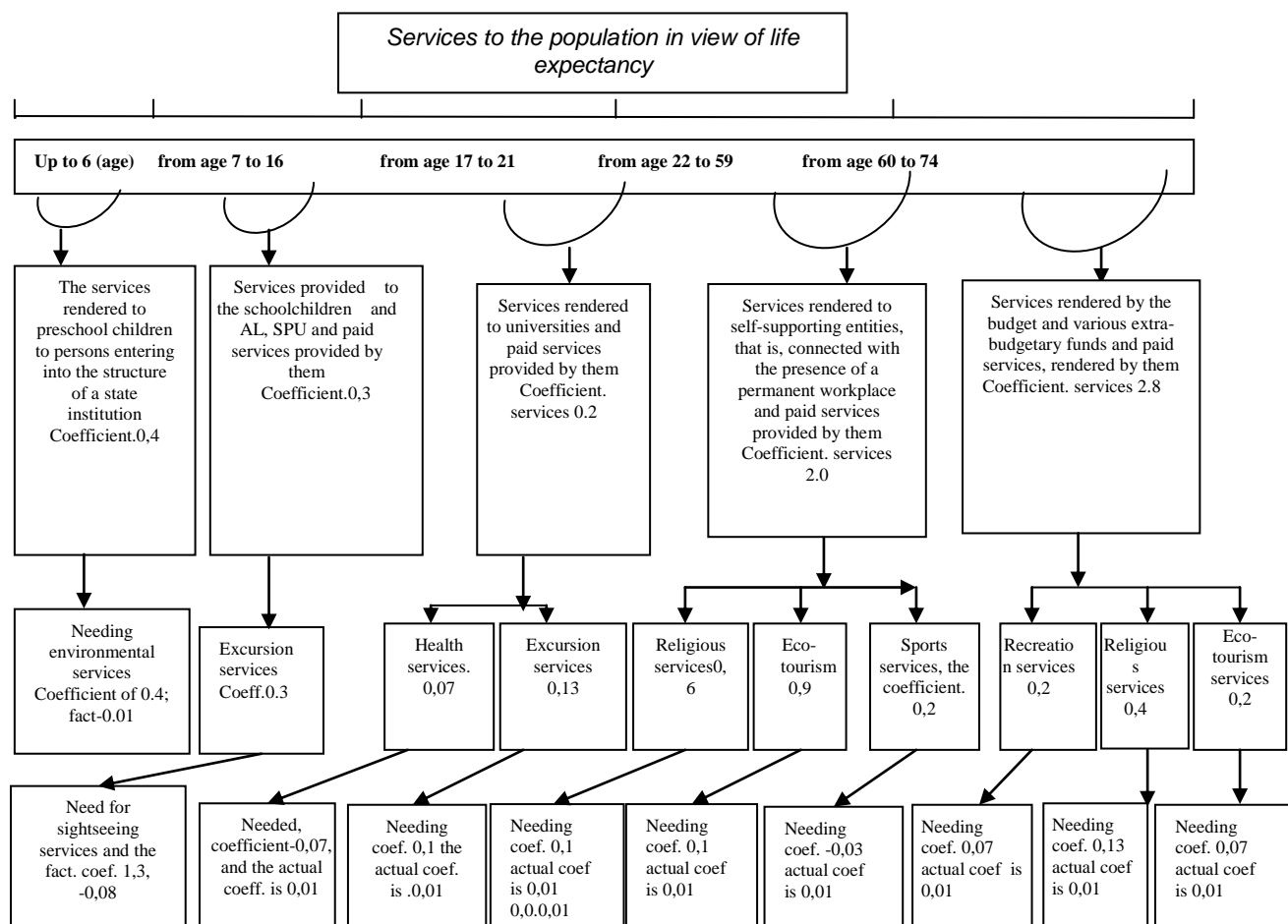
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Theoretical background

It is the standards that can serve as the most important tools for managing the efficiency of the distribution of both the working and non-working hours of the able-bodied population. Effective management of the quality of services implies not so much its exact change as the creation of organizational and social conditions that allow and are urging to constantly improve work and timely meet the growing demands of the population who have a lot of free time, whether they are workers who are not working, vulnerable groups of the population, pensioners or people with disabilities who have more free time, during which the product is not created and different types of individuals do not appear to separate groups of the population.

Equally, in the system of social services the effective construction of indicators, due to the average age of the population, is not an end in itself, although the role of measurements is undoubtedly essential. A reliable evaluation of efficiency, based, as a rule, on a justified norm of the distribution of useful labor in the system of the average age of the population, makes it possible to clearly rank the economic situations and find the best options for practical action. This determines the importance of developing and improving the use of useful time in the middle-aged period (see Fig. 1).

Table 1. Service of service and tourism



It follows from Fig. 1 that in the spheres of services, and especially the tourism sector, in the conditions of rapid changes and differentiation of quality, the possibility of clarifying formal changes is not unlimited. Accordingly, the management of the efficiency of the use of free time presupposes a flexible combination of the direct accounting of the quantitative characteristics of the return of costs to the formation of mechanisms aimed at all-round improvement in efficiency, even if its level remains not completely accessible for accurate measurement.

Features of service development

However, the apparent disproportional in the growth of tourism services and the weakness of mechanisms that ensure the coordination of work with the needs of vulnerable groups of population testifies to the inadequacy of their services. Effective management of the efficiency and quality of tourism services necessarily presupposes a high degree of independence and responsibility of heads of travel companies on the ground. It is pertinent to note that tourism is the core of the service sector in the Republic of Uzbekistan. In this area, the entrepreneur, monitoring the effectiveness of services to individuals, especially vulnerable groups of the population (disabled, poor, temporarily not working), should be prepared for more significant than in areas where paid services are dominated by them, deviations from established standards, both in formulating tasks, and in evaluating their service. In this sense, control over social security provided by tourist entities to vulnerable groups of the population requires a greater ability to interpret events and develop independent judgments than is necessary in areas where paid services predominate. Here there is no place for simple solutions like: accelerate the movement of free services to increase the quality of services, in the broad sense of the word.

The need to provide broad independence to travel agencies is greatly enhanced due to the specifics of the current stage of development of social security for vulnerable groups of the population. At the same time, the most important benchmark should be the expansion of the coverage of the population and enterprises of various economic sectors that can provide financial support especially to these groups of the population so that they can enjoy the benefits of free services that can be rendered by tourism firms. And the choice should be strictly limited, in particular, by the state of the resource base, which was also determined mainly from outside. When the main task is the comprehensive qualitative improvement of social services for the population and increase of its efficiency, the importance of enterprising enterprises in the sphere of production, as well as the establishment of rational interaction of the sphere of tourist services with concrete contingents of consumers of their services, will sharply increase. A critical study of the state of affairs in this important sphere of the economy in the context of social services can lead to a revision of the views on characteristic models of social support for vulnerable groups of the population. If earlier they saw a certain result of overcoming social security, now they have often been talked about as necessary support conditions. In both cases, it is assumed that by comparing the management mechanism in schools, academic libraries, colleges or hospitals, on the one hand, and on industrially-oriented enterprises, on the other, it is possible and necessary to obtain an answer to the question, which one is historically more progressive, ie . is able to serve as a model for another with some modifications.

Formation of service sector

Meanwhile, the formation of a modern self-regulating service sector, aimed at maximum satisfaction of diverse social demands and ensuring social development, implies the unification of social security mechanisms for certain population groups, which may have more unused time from work. This also applies to groups of the population of retirement age (with the exception of working pensioners), people with

disabilities, unemployed, seasonal workers, etc. However, traditions, the desire to solve dissimilar tasks connected with useful work or leisure in their free time on the basis of the same scheme (ie work, family cares, rest) are now often manifested in the absolutization of the role of service-oriented actors, the vital activity of the population of work-free time, the calls to widely introduce it into the sphere of education, health, culture, which ultimately can only serve the true direction of the services rendered to different spheres by both the population and the worker economic agents, etc. There is no doubt that in the sphere of services there are links (directions) that can follow this direction. Such, for example, are paid medical institutions, various paid courses, leisure centers, etc. They are quite capable of working effectively in the same socio-economic regime as is characteristic of service sector actors. Such a regime is also applicable in certain areas of the subjects of the sphere of free service.

In fact, the subjects of the service sector are characterized not only by their ability to function, but also by the conditions for providing free social services to their direct consumers. In principle, it is quite possible that a part of the population, i.e. having more free time for rest, will not use the services of the service sector. In this case, they act as an unused person, for example, people with disabilities, low-income segments of the population of retirement age. Therefore, the state's participation in the use or direction of budgetary funds for the social services of these population groups is of great importance.

Conceptual basis of services in Uzbekistan

The free time of these groups of the population should be directed at rendering them social services. In this regard, it seems appropriate to briefly first briefly address the role of service providers, in particular tourism, as a factor in providing them with social and cultural services and at the same time, focus on two main types of tourist services:

- tourist excursion;
- sanitary and resort.

These factors can significantly affect the content of services in the broad sense of the word, in many ways predetermining their quality. In turn, the activities of travel companies that meet recreational needs, in particular vulnerable groups, often change individual elements of their livelihoods.

Improving the distribution of labor and unearned time for persons of retirement age, disabled people, socially unprotected groups of the population, etc. In this case, it is recommended to highlight the problems of rational use of free time. These factors can only act as general conditions for human life. Therefore, it is usually advisable to raise an independent question about the role of social services rendered to persons who have sufficient free time.

The specific features of subjects of different spheres in the provision of social services should be primarily due to the impact on the undesirability of the person, so that free time would be useful for society, for the extension of their middle age. This, of course, can affect their financial potential. But taking this into account, it is necessary to create preferential and stimulating conditions for the development of financial potentials of subjects of various spheres of the economy, designed to provide free services to the above-mentioned individuals. All this would make it possible, if not solved, to understand much of the problems of the sphere in question in the development of the vital activity of the population, to discover the advantages and disadvantages of various approaches to the application of financial and economic methods of influence to it. The choice of the most acceptable approaches, in our opinion, should, of course, presuppose taking

into account not only new tasks, but also the resource potential of economic entities that can influence the social development of vulnerable groups of the population in a broad sense.

Given the inertia of social processes, it can be assumed that an increase in the proportion of people with large free time, etc. would improve the quality of their work. Shifts in this direction, which are actually possible in the short term for 2018-2022, will certainly turn out to be excessive.

In this regard, we can distinguish three main areas of development of economic entities and create conditions for the social development of people who have a lot of free time after work. The first of them is the expansion of the network of rendered services to business entities and provision of additional persons who need their services with the minimum necessary conditions, and additional contingents consumers of social services - a standard set of items of concomitant consumption of a social product of economic entities.

The second direction should be related to the creation of additional amenities for consumers of social services, which, as a rule, can ultimately positively affect the effectiveness of social services. Examples include the cost of expanding the area per student, one bed of the hotel designed to serve tourists from vulnerable groups, etc., as well as to improve the quality and equipment of buildings in which persons of retirement age, people with disabilities, improvement of their nutrition, etc. The third direction should consist in investing financial resources that allow improving the quality and range of services, up to the appearance of fundamentally innovative types. For example, modern medical and diagnostic equipment, dramatically expanding the ability to treat people in need of treatment, for example, from the number of tourists. This direction should also include those innovations that do not formally change the range of services provided, in fact, to a large extent, give them new content. So, the active use of technical means leading to a change in the nature of the travel trip, treatment, etc.

All this gives a clearly expressed time-saving effect, whereas all the above-mentioned directions imply an increase in the demand, on the one hand, of labor resources, and on the other hand, free social services for certain vulnerable groups of the population.

Policy of service sector

All these directions can in principle be combined in a certain way with one another or weighed from the point of view of their usefulness, for example, for strengthening the health of vulnerable groups of the population, while health itself is obviously something different for a person than a specific subject of consumption. The main thing, however, is not this. It is of fundamental importance that this process will ultimately contribute to reducing the costs of budgetary funds, but at the same time, the costs of commercial entities that can provide free material assistance to vulnerable groups of the population or increase in their costs embodied in a person in need of social assistance will be increased.

Unification of the mechanisms of social security of the population:

Human properties are formed and changed under the influence of the whole complex of conditions of his life activity. So, the frequency of getting into the tour is, of course, directly related to the socio-cultural level and correlates with its other characteristics, including those that reflect the behavior of a person in everyday life during free time from work, his labor activity, in the broad sense of the word, in particular, the activity of persons - pensioners or equivalent persons in their spare time. And the share of free time of these persons during the period of his life is up to 18%. But it would be a gross mistake to believe that by motivating or forcing people on a paid basis to be more often on tour trips, it will be possible to automatically ensure the

improvement of their attitude towards a useful business, i.e. the strengthening of public order or the upbringing of the younger generation.

Correlating the properties of persons of retirement age with the processes of labor in the sphere of education, health or culture, it is legitimate to consider the increment of their experience, i.e. knowledge or health, etc. as the final social results. However, this does not mean that they are created by someone (ie doctors, scientists), just as, say, a pensioner can closely deal with the upbringing of an employee, and people with disabilities can (taking into account their age) actively participate in sports, varieties on level, sufficient for them to choose according to the degree of disability or ability. The final social result is always the result of only the subjects of the tourism sphere, which are now ready to provide various services, but also consumption, more precisely, of selective and, as a rule, active assimilation of free material and non-material goods. Dependence of such results on the specific types of services provided, including those occurring in the sphere of tourism, certainly can not be single-valued. Accordingly, in principle, for example, it is impossible to determine, for example, the social norm of expenditures of disabled people or pensioners on the production of a "unit of health" (this does not preclude the possibility of fruitful analysis of the corresponding dependencies if their correlation character is realized). Thus, neither from the point of view of utility, nor from the position of estimating the share of their free time and the useful time, the final social results are not analogues of the products of other spheres of the economy than the spheres of tourism. This excludes the possibility of their direct measurement, summation, etc. At the same time, it is obvious that it is necessary to compare, for example, the contribution of the sphere of tourism to the social growth of the lives of people who have more free time and raise the standard of living of the population as a whole.

To one line with material goods, as a means of satisfying the needs of individuals directly created in this or that sphere of the economy, one can attribute their activities in the sphere of services as a model and not its end result embodied in a person, but the totality of the impact of this sphere on the personality of a particular consumer services. So, if we are talking about tourism, a kind of product is not the work of the guide itself (it is an economic process from the economic point of view), but also not the cultural level acquired by them during the tourist trip. The product in this case is an act of influence of tourism subjects on tourists, more precisely, the act of their interaction.

In practical terms, this means, in particular, that when determining the volume of services of a tourist entity, one should not start from the number of tourists visiting the theater or museum (if necessary), but from the number of visits. A travel company operating in a semi-empty area is difficult to recognize working as efficiently (at least in the economic sense) as a team that collects a full audience, although they can differ little from the side of activities (labor costs). AT

At the same time, if the service itself is considered a guide's work or its useful properties, we would have to admit that it affects even when preparing for a tour, or does not take into account the preparatory work (before the trip) in the composition of time.

In fact, a tourist, buying a ticket, acquires (albeit for free) not visiting anywhere (museum or historical place), but the work of guides, not to mention their own cultural level or guaranteed increment of this level by a certain amount. The tourist gets the right to interact with the environment. It presupposes the activity of persons who create this environment (both at the time of the inspection and in the process of preparing it for admirers, ie tourists) and a certain final social outcome, the object of economic relations is the act of communicating with the environment demonstrating a specific historical monument. This is claimed by the tourist - the consumer of the tourist product and this is guaranteed to him.

Social importance of service sector

The service of subjects of social sphere (non-material good) is a process in which both producer and consumer participation. These are typical systemic phenomena that disappear from the field of view when attention is fully focused on one of the interacting sides. If this side becomes a producer, the service is replaced by its prerequisites, labor costs, if the consumer is a substitution by indirect and, as a rule, rather remote results of consumption of services. Both do not allow to adequately analyze the effectiveness of the social sphere. On the contrary, if one focuses not on activities in the intangible production of the consumer's personality as such, but on acts of interaction, identification of social services, including for the needs of practice (ie, service), there is no particular difficulty.

Examples of natural measures of services can be the number of treatment courses conducted, the number of people who have completed short-term courses on this or that program, preliminary acquaintance with the round table of the object under examination (building, structure, stand, historical monument, etc.). In this case, the qualitative characteristics of social services are compiled, which will be discussed below, because, first of all, it is necessary to finance the "quotas" of services and their inherent dimension. This dimension always represents the product of a natural measurer, a certain process of useful influence on a person free from the main working day (time) and the number of consumers (visitors) from among the retirement age or who do not work, but who have considerable free time, actually benefiting from this impact.

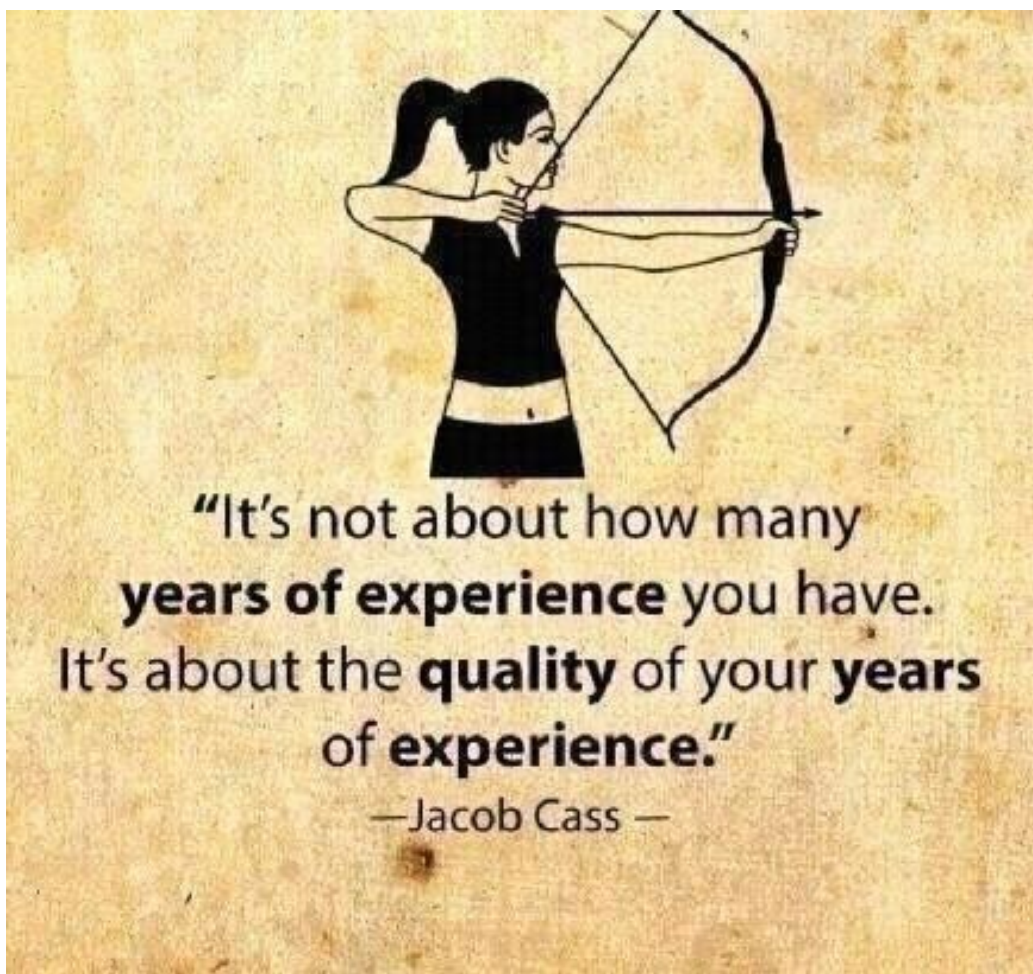
Conclusion

Having determined what a social sphere service is, you can confidently build natural performance indicators for various services of social actors. However, natural indicators are incompatible with each other, and, as a rule, do not reflect differences in the quality of homogeneous services. These shortcomings are free of cost indicators, without which it is difficult to do without, when it comes to economic analysis. Development of such indicators, of course, also involves fixing the properties of the service as an object of evaluation. However, in this case, attention is no longer required solely by the natural form of the product of intangible production, especially since the question of the monetary evaluation of its results, due to historical circumstances, has been substantially obscured. In the course of a lengthy discussion about the product of services, in the broadest sense of the word, the search for its rational solution is extremely difficult.

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ANTECEDENTS OF TEAM PERFORMANCE AMONG STUDENTS OF GWALIOR REGION

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ABSTRACT

This research paper was an attempt to assess the relationship between collective efficacy, Team cohesiveness, Trust and Team performance while Team cohesiveness and Trust were acting as mediators. The research was done on 175 Students of various institutes of Gwalior region. In this study Structural equation modeling was applied in order to measure the relationship between collective efficacy, Team cohesiveness, Trust and Team performance and also to find the mediating effects of Team cohesiveness and Trust. Finally, the study revealed that there is a significant mediation effect of Team cohesiveness and Trust on the relationship between Collective efficacy and Team performance.

Keywords: Collective Efficacy, Trust, Team Cohesiveness and Team performance

Introduction

Collective Efficacy

Bandura (1990, p. 128-163) explained that the concept of collective efficacy builds on the concept of self-efficacy; both concepts derived from social cognitive theory which focuses on the notion of human agency: a person's feeling of having the capacity to influence their situation. Collective efficacy means ability of the members of the community to control the behaviors of individuals and groups in community.

Team Cohesion

Rebecca Wickes, John R, Hipp, Elise Sargeant (2011) Team cohesion is the degree to which individual members want to contribute to the group's ability to continue as a functioning work unit.

Trust

Trust is a relationship created at the direction of an individual, in which one or more persons hold the individual's property subject to certain duties to use and protect it for the benefit of others.

Team Performance – A team consists of two or more people who have defined roles and depend on each other to accomplish a shared goal (Salas, Dickinson, Converse, & Tannenbaum, 1992).

Literature Review

Albert Bandura (1997) on personal efficacy among human agency in which the whole process has been made in understanding the nature, structure and function for perceive effective efficacy.

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Robin R. Cohen, Daniel J. Beal (2003) studied based on the variables like-cohesion in groups and performances which show several hypotheses in the cohesion–performance literature using meta-analytic techniques enhance understanding in group cohesion and performances.

Edson Soares Medeiros Filho (2012) conclude nomological network on team dynamics in sports consisting of a multi-framework, aim was to explore the interrelationship among cohesion team mental models (TMM), collective-efficacy (CE) and perceived performance potential (PPP).

Wen-Wei Chuang, Huey-Wen Chou (2013) in this study E-business becomes a hot topic but some issues arise from this kind of new form. Study serves as an initial step to understand trust's role in team context mainly based on the variables i.e. Trust, collective efficacy, team performance-business.

Han-Ping Fung (2015) studied what are the team outcome factors, developed a research model, Team Effectiveness, In other words, team cohesion indirectly predicting project team effectiveness via team satisfaction. Discussion, limitation and conclusion are also included in this article analyzed and measured with the following variables like: Project team effectiveness, Team trust, Team cohesion, Team satisfaction.

Jan Douglas (2003) studied the contextual variables i.e. collective efficacy Leadership, emotions and performance that influence the relationship between collective efficacy and performance, the roles that a leader can play to establish team members.

Lexander D. Stajkovic, Dongseop Lee, Anthony J. Nyberg (2005) study tested a structural model regarding the impact of socioeconomic status on people's perceived individual Research on the effects of perceived efficacy, understanding of the multifaceted structure of beliefs of personal and collective efficacy on group efficacy, the structure, socio demographic correlates.

Rocío Fernandez-Ballesteros, Juan Díez-Nicolás Gian Vittorio Caprara Claudio Barbaranelli, Albert Bandura (2005) study tested a structural model regarding the impact of socioeconomic status on people's perceived individual Research on the effects of perceived efficacy, understanding of the multifaceted structure of beliefs of personal and collective efficacy.

Walter S. Dekeseredy, Martin D Schwartz, Shahid Alvi and E. Andreas Tomaszewski (2003) (Sage publications) studied on variables like: community • housing • victimization • women in which the social disorganization/collective efficacy model described, Quality of Neighborhood Life Survey community concerns about street crimes and informal means of social control designed to prevent such harms are not effective forms of alleviating intimate partner violence in public housing.

Dong I Jung, John J. Sosik (2002) in such concept of transformational leadership was introduced, effect of transformational leadership has been linked to a transformational leader's ability to motivate followers to perform beyond standard expectations for performance.

Marcos Pascoal Pattussi, Wagner Marcenes, Aubrey Sheiham (2001) in their ecological study investigated the associations between social deprivation, income inequality and social cohesion and dental caries levels in school children of the Distrito Federal, Brazil.

Fred O. Walumbwa, Fred Luthans, James B. Avey and Adegoke Oke (2009) analysed group level collective psychological capital, trust and citizenship behavior analyses to examine the measurement properties of authentic leadership better understanding of the underlying mechanisms of authentic leadership.

Sean Varano, Marc L. Swatt, Craig D. Uchida (2013) in their research examined the linkage between neighborhood characteristics and crime rates in order to defining collective efficacy, trust and Social cohesion.

Jeffrey D. Morenoff, Robert J. Sampson, Stephen W. Raudenbush (2001) stated that social organizational processes are each important for understanding neighborhood-level, spatial proximity to violence, collective efficacy, and alternative measures of neighborhood inequality – indices of concentrated disadvantage etc.

Ellen Teig, Joy Amulya, Lisa Bardwell, Michael Buchenau, Julie A. Marshall, Jill S. Litt (2009) studied overall Gardens as a place in the neighborhood represent one aspect of “community esprit,” a social structure that arises from collective effort and shared goals, from trust and investment in a common space (Sviridoff, 1994) in which variables i.e. Community gardens, Collective efficacy, Health, Built environment and Social processes played vital roles for the research. Whole project of Michelle A. Nero Michelle A. Nero (2010) incorporates criminology and applied anthropology to assess collective efficacy in the Olinder neighborhood in San Jose, California. Collective efficacy is evaluated by measuring social cohesiveness.

Terry E. Duncan, Susan C. Duncan, Hayrettin Okut, Lisa A. Strycker and Hollie Hix-Small (2003) different data sources were used to examine the variables like- families; social context; neighborhoods; collective efficacy; hierarchical linear modeling.

Dr. Elaine Wedlock (2006) Cohesive communities have five key attributes: Sense of community, Similar life opportunities, Respect for diversity, Political trust; and Sense of belonging and they found that local areas with a high sense of community, political trust and sense of belonging show significantly lower levels of ‘all’ reported crime. Rates for different types of crime are predicted to reduce as sense of community goes up.

Jeanette ball (2010) an analysis of teacher self-efficacy, teacher trust, and collective efficacy investigate relationships among teacher self efficacy, trust, and collective efficacy.

Rahim Ramzaninezhad, Misagh Hoseini Keshtan, Minoo Dadban Shahamat & Shahram Shafiee Kordshooli (2009) examined the relationship between cohesion and collective efficacy these results support following items: (a) Positive relationship is between collective efficacy and group cohesion (b) Both collective efficacy and group cohesion influencing team performance.

Proposed Hypothesis

H01: “There is no significant impact of Collective Efficacy on Cohesion.”

H02: “There is no significant impact of Collective Efficacy on Trust.”

H03: “There is no significant impact of Cohesion on Team performance.”

H04: “There is no significant impact of Trust on Team performance.”

Methodology

1. **The Study:** The study was empirical in nature with survey method was used as a tool for data Collection.
2. **The Sampling Design:** The Population for the study included all the students in Gwalior region, both male and female respondents were included. Individual student was sampling element. Non

probability (judgmental) sampling technique was used to select sample. The total size was 175 respondents.

Instrumentation

Questionnaire were prepared on the basis of likert type scale from 1 to 7 where 1 indicates strongly disagree and 7 indicates strongly agree. The standardized questionnaires of Edson Soares Medeiros Filho (2012) for Collective Efficacy, Barry M. Staw (1975) for Cohesion, Pawiya (2014) for Trust, Heung-Gil Kim (2009) for Performance were used for collecting data.

Results and Discussion

Reliability Measure: The reliability of all measures student attitudes (collective efficacy, cohesion, trust, performance) was computed by using SPSS software. Cronbach's alpha reliability coefficient was computed to calculate reliability of all items in the questionnaire.

Measures	Cronbach's Alpha value
Collective Efficacy	.864
Cohesion	.901
Trust	.931
Performance	.870

It is visible that all reliability values are greater than the standard value that is **0.7**. It is considered that reliability of all measure is adequate. So that the statements in questionnaire were treated as reliable statements.

KMO and Bartlett's Test of Sphericity:

Variable	KMO Value	Bartlett's Test of Sphericity	
		Chi Square	Significance Value
Collective Efficacy	.849	415.582	.000
Team Cohesion	.903	698.201	.000
Trust	.934	1393.187	.000
Team Performance	.806	344.440	.000

The Kaiser-Meyer-Olkin Measure of sampling adequacy value for Collective efficacy, Team cohesion, Trust and Team performance was 0.849, 0.903, 0.934 and 0.806 respectively indicating that the sample size was adequate to consider the data as normally distributed. The Bartlett's Test of Sphericity was tested through Chi-Square Value 415.582, 698.201, 1393.187 and 344.440 significant at 0% level indicating that

the inter-item correlation matrix was not an identity matrix and therefore the data was suitable for factor analysis.

EFA – COLLECTIVE EFFICACY				
Factor Name	Eigen Values		Variable Convergence	Loading
	Total	% Variance		
Collective Efficacy	3.249	64.989	• I do not enjoy being part of the social activities of the team.	.887
			• I am not going to miss the members of this team when the session ends.	.847
			• Some of my best friends are on this team.	.834
			• I m unhappy with my team's levels of desire to win.	.826
			• I enjoy other parties more than team parties.	.605

In this factor analyze we found only one factor that was collective efficacy with total variance of 64.989%. It includes important social activities and performance, working conditions, level of work, and emotional attachment with the team members.

EFA - TEAM COHESION				
Factor Name	Eigen Values		Variable convergence	Loading
	Total	% Variance		
Cohesion	4.742	59.279	• To what extent did you enjoy working with your teammates.	.809
			• In working on the financial puzzle task, your working efficiency increases.	.788
			• How would you rate the cohesiveness and team spirit working together in a team.	.779
			• As a team you can cope with different components of the task competing for	.767

			its time.	
			<ul style="list-style-type: none"> • In a team the members really care about what happens to each-other. 	.760
			<ul style="list-style-type: none"> • Members of this team feel very close to each other. 	.760
			<ul style="list-style-type: none"> • Members of this team really respect one another. 	.753
			<ul style="list-style-type: none"> • Members of this team like one another. 	.741

In this factor analyze we found only one factor that was Cohesion with total variance of 59.279%. It includes important activities emotional, loyalty, teammate's enjoyment, team spirit, teamwork and respect.

EFA – TRUST				
Factor Name	Eigen Values		Variable convergence	Loading
	Total	% Variance		
Competence	4.398	29.317	<ul style="list-style-type: none"> • I am always willing to sacrifice my own self-interest for the good of the team. 	.746
			<ul style="list-style-type: none"> • My team members come to me when something bad happens in their lives. 	.730
			<ul style="list-style-type: none"> • I always help new member in the team. 	.724
			<ul style="list-style-type: none"> • I always help other team members who have heavy workload. 	.692
			<ul style="list-style-type: none"> • I always help absent team members in learning the assignments. 	.691
			<ul style="list-style-type: none"> • Team functioning doesn't interfere with getting my own job done. 	.679
			<ul style="list-style-type: none"> • 12 My team members trust each other. 	.672
			<ul style="list-style-type: none"> • 13 Morale of my team is high. 	.653
			<ul style="list-style-type: none"> • 14 Team members receive recognition for individual performance. 	.652

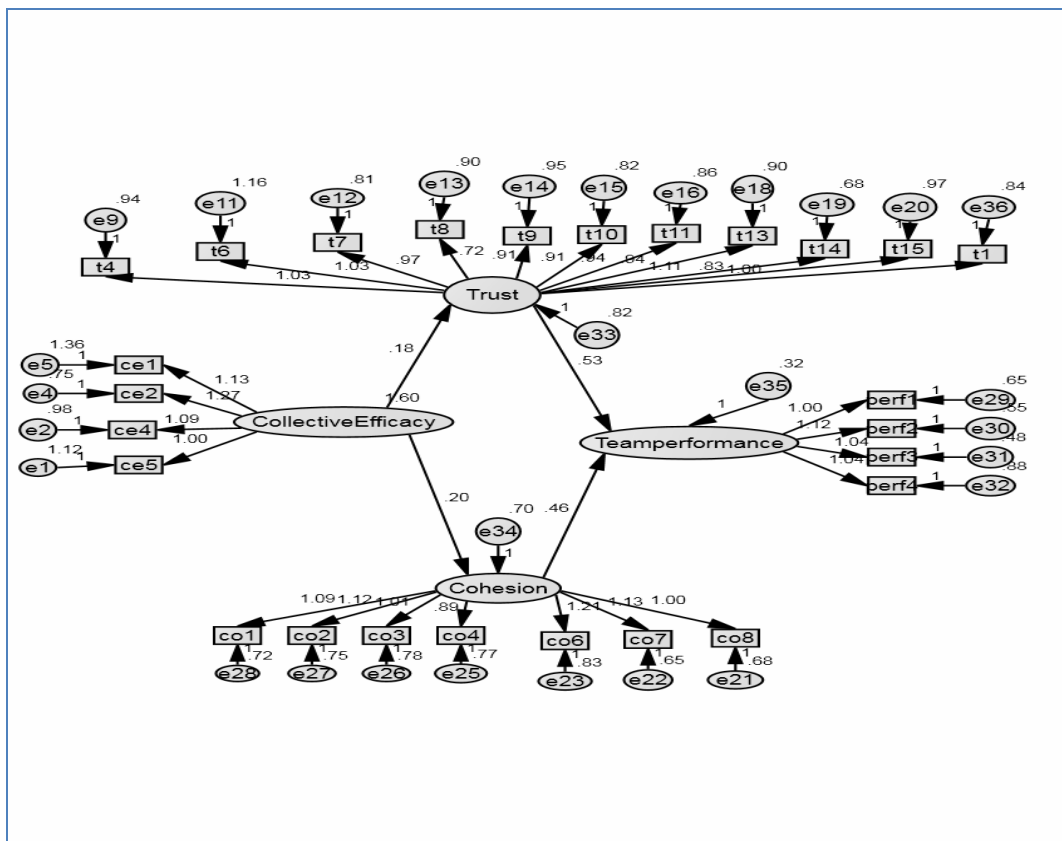
Integrity	4.312	28.748	• 1 I like to work in my team.	.796
			• 2 I feel loyal towards my team.	.777
			• 3 I feel loyal towards my teammates.	.773
			• 4 I am proud to tell people that I work for my team.	.752
			• 5 I am pleased to be in the team.	.752
			• 15 Team members show consideration for needs and feelings of other team members.	.609

In this factor analyze we found two factor that were Competence and Integrity. Competence with total variance of 29.317%. It includes important activities interest and loyalty, member, team functioning, feelings. Integrity with total variance of 28.748%. It includes important activities work, loyalty, proud.

EFA – TEAM PERFORMANCE				
Factor Name	Eigen Values		Variable convergence	Loading
	Total	% Variance		
Performance	2.890	72.249	• I can complete the assignment allotted to me successfully.	.888
			• Recently I got better evaluation at my workplace.	.865
			• Compare with other individuals I have performed higher.	.824
			• I am able to complete high quality task excellently.	.822

In this factor analyze we found only one factor that was Performance with total variance of 72.249%. It includes important activities, complete assignments, better evaluation, tasks and high performance.

Structural Equation Modeling



Structural equation modeling was applied to test the model having Collective efficacy, Trust and cohesion as independent variables and Team performance as dependent variable. To fulfill the objective first impact of Collective efficacy on team cohesion and trust was evaluated and then impact of Team cohesion and Trust on team performance was evaluated. In the above diagram Team cohesiveness and Trust are acting as a moderating variables.

Criteria	χ^2	P	Df			Absolute fit measures		Incremental fit measures			Parsimony fit measures	
				χ^2/df	GFI	AGFI	RMSEA	NFI	CFI	TLI	PNFI	PCFI
	535.495	.000	295	$1 < \chi^2/df < 3$	≥ 0.9	≥ 0.9	≤ 0.05	≥ 0.9	≥ 0.9	≥ 0.9	≥ 0.5	≥ 0.5
				1.815	.953	.907	.028	.906	.901	.891	.731	.818

Note: χ^2 =Chi square; df=degree of freedom; GFI = Goodness of fit index; RMSEA=Root mean square error of approximation; NFI = Normated fit index; AGFI = Adjusted Goodness of fit Index; CFI = Comparative fit index; TLI= Tucker – Lewis Index; PNFI=Parsimonious Normated fit Index; PCFI= Parsimonious Comparative fit Index

Initially model fit was evaluated based upon different criteria's such as: Chi Square was found to be 535.495 with a p-value of .000. The finding was also supported by value of CMIN/DF (1.815) which was less than 2. The other goodness of fit statistics also supports the overall goodness of fit, as the value of GFI was 0.953, NFI, CFI and TLI was 0.906, 0.901, 0.891 respectively all are approximately ≥ 0.9 . Parsimony values i.e. PNFI (.731) and PCFI (.818) higher than 0.5. The badness of fit index RMSEA value was also ≥ 0.05 i.e. 0.028 indicating a good model fit.

Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Results
Trust	<---	Collective efficacy	.182	.063	2.876	.004	Rejected
Cohesion	<---	Collective efficacy	.201	.060	3.359	***	Rejected
Team performance	<---	Trust	.532	.081	6.546	***	Rejected
Team performance	<---	Cohesion	.460	.080	5.772	***	Rejected

Hypothesis Testing

The regression value between Collective efficacy independent variable and Trust and Cohesion as dependent variable was .182 and .201 significant at p value of 0.004 and $0.000 \leq .005$. Thus there was a significant cause and effect relationship between Trust \leftarrow Collective efficacy and Cohesion \leftarrow Collective efficacy. So, our *H01: "There is no significant impact of Collective Efficacy on Cohesion."* and *H02: "There is no significant impact of Collective Efficacy on Trust."* were rejected, while the regression value between Team performance \leftarrow Trust and Team performance \leftarrow Cohesion was .532 and .460 with the significance value of $.000 \leq .005$. Thus there was a significant cause and effect relationship between Trust \leftarrow Collective efficacy and Cohesion \leftarrow Collective efficacy, so our *H03: "There is no significant impact of Cohesion on Team performance."* and *H04: "There is no significant impact of Trust on Team performance"* were also rejected. Overall results show that there are significant mediation effects of Trust and cohesion on the relationship between Collective efficacy and team performance. Previous studies of various authors including **Julie Gray (2016)** investigated her study among different schools of Alabama and concluded that Collective efficacy and trust are interrelated with each other as supported by our hypothetical assumptions. **Jean-Philippe Heuze, Nicolas Raimbault2, & Paul Fontayne (2004)** revealed that Collective efficacy and Cohesion are positively related with each other in American and European Professional basket ball players as supported by the current study.

Bart A. De Jong (2016) also supported our assumption and revealed a moderate, positive impact of trust on team performance, showing that intra-team trust has a unique predictive validity above and beyond alternative key predictors of team performance, and is robust across key dimensions of trust. While **Salah Kebaili (2015)** investigated how team cohesion will improve the team performance of Tunisian women soccer players and finally revealed significant impact of team cohesion on the football performance as supported by the current study.

Conclusion

This research paper discussed the relationship between Collective efficacy, Trust, Team cohesion and Team performance in Students, While Trust and Team cohesion were acting as Moderators. The results of the study show the significant mediating effects of Trust and cohesion on team performance of students, which means that the Team performance of the students is influenced by Collective efficacy but in the presence of trust and team cohesion so, there should be a feeling of trust and cohesiveness in the teams in order to enhance their group performance.

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