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Content

Evidence to Support Multifactor Asset Pricing Models: Case of Indian Stock Market

Supriya Maheshwari and Raj S. Dhankar

Abstract

Emerging stock market returns have been extensively studied by academic community over the past two decades. However, there is still no consensus among the researchers and practitioners as to which asset pricing models should be used to explain returns in these markets. The basic objective of the study is to evaluate the power and performance of multi-factor asset pricing models (three and four factor model) over the traditional one factor CAPM, using the data from one of the fastest growing emerging market: India. The study using a large sample data of 470 listed stocks over a period of 16 years stretching from January 1997 to March 2013, evaluate the relevance of Fama and French three factor model as well as liquidity augmented four factor model in explaining the stock return variations in the Indian stock market. The study employs time series regression approach to examine the impact of market risk, size risk, value risk and liquidity risk on stock returns. The overall results of the study provide support to the multi-dimensional nature of risk and suggest the use of multi-factor asset pricing models for consideration in investment decisions. Both Fama and French three factor model and liquidity augmented four factor model were found to be superior than traditional one factor CAPM. Though, liquidity augmented four factor model was found to be slightly better in explaining Indian stock returns as compared to Fama and French three factor model.

Keywords: Multi-factor model, CAPM, three factor model, four factor model

JEL Classification Codes: G11, G12

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Changing Scenario of Indian Online Companies-Deciphering Customers

Shivani Arora and Daniel Okunbor

Abstract

The internet has strengthened the position of the customers. There are millions of websites with thousands of products/services queuing up to grasp the attention of the customers. In this paper, an effort is made to study how it is perceived by users in a developing nation like India. India is a developing and a growing economy, and though the internet usage is on the rise but due to high population, the penetration rate of internet usage is still low. Hence, a potential market to be tapped by the e-commerce fraternity. In this paper, the focus is to understand the Indian customer by factoring the perceptions of the customers towards e-commerce to provide insight to the marketers to get hold of the psyche of the customers and hence entice them. For deriving the key factors influencing the perceptions of the customers, factor analysis is applied to the set of statements in the paper. The factor analysis yielded four factors stressing the evolution of active and demanding customers, problems related to e-commerce, Search engine optimization and understanding the need for interactivity and customization.

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Examining the Empirical Evidence for Environmental Kuznets Curve in Jammu and Kashmir

Nufazil Altaf   and Farooq Ahmad Shah

Abstract

The present examines the existence of Environmental Kuznets Curve between Ambient air quality and economic performance of Jammu and Kashmir. The study has taken time series macro-economic annual data spread over a period of 10 years from 2005 to 2014. The study uses unit root tests, Granger causality test and fully modified ordinary least squares (OLS) regression to arrive at the results. Results of the study confirm a bidirectional short-run relationship between Ambient Air Quality (AQL) and GSDP. Further, the results of Quadratic Fully modified ordinary least squares (OLS) regression shows the existence of an inverted U-curve relationship between AQL and GSDP.

Keywords: Ambient air quality, GSDP, environmental Kuznets curve

JEL Classification Codes: *C32, Q20*

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Study on the Effectiveness of Employee-Engagement Activities Carried Out by a Leading Oil Company of India

Jessy John and Aditi Saxena

Abstract

Employee engagement is a workplace tactic thought-out by the companies to make definite that employees are committed to their organisation's goals and principles, motivated to pay out for organisational success by enriching their perceptiveness of happiness. It highlights the extent to which employee's emotional and intellectual commitment exists concurrently for achieving the work, mission and vision of the organisation. In short, it is an optimistic outlook and a strong emotional tie held by the employees towards the organisation and its values which progress into organisation-citizenship behaviour. It is due to this that gauging the engagement levels of the employees has become necessary for the organisations. In the above framework, the paper focuses on understanding the effectiveness of employee-engagement activities of the one of the India's leading oil companies. The main focus of the study was to find out the effectiveness of current employee-engagement activities carried out by the company for its employees in order to gauge the areas in which the company needs to focus in the future to improve the citizenship behaviour of the employees hence ensuring efficiency and innovativeness from the employees.

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Study of Human Resource System, Competitive Advantage Status and Their Relation in Indian Public Sector Banks

Saloni Pahuja and Ramesh Chander Dalal

Abstract

Managing people is one of the key challenges faced by the banks. There is a need to pay attention to the human resource (HR) management function, which is mandatory for the banks that want to survive in this changing economy where there is so much competitive pressure. Banks mainly focus on the quarter to quarter and annual financial results. Even now also, banks are still using conventional HR practices. They have to realise that trends have changed and to sustain in this complex world; they have to re-energise their HRs and modify their HR function to change the environment to meet the needs of customers. This paper tries to examine the current level of HR system and competitive advantage status in public sector banks. Further, it analyses the relationship between the two variables and the impact of HR system on the competitive advantage status with the help of mean, correlation and regression analysis techniques.

Keywords: Human resource management function, Human resource practices, Financial results, Human resource system and competitive advantage status.

JEL Classification Codes: *M12*

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Locus of Control, Work Motivation and Self-Esteem in Corporate and Call Centre Employees

 Nilesh Thakre and Choden Roche

Abstract

The pattern of Indian employment has seen a tremendous change regarding a shift from the government job towards a more competitive and opportunity-based corporate work, and now, this trend is also changed due to the advent of call centre. The present study investigates the influence of nature of employment on the locus of control, work motivation and self-esteem. The participants of the study constitute 120 employees working in corporate organisation and call centre. They were assessed by using Rotter's LOC Scale, Work Extrinsic Intrinsic Motivation Scale by Tremblay *et al.* and Rosenberg's Self-Esteem Scale. An independent-sample *t*-test was conducted to compare differences among corporate and call centre employees. There was a significant difference in the scores for corporate and call centre employees on locus of control, t (118) = 6.67, $p<.00$, work motivation, t (118) = 6.68, $p<.00$ and self-esteem, t (118) = 10.19, $p<.00$. These results suggest that call centre employees have lower work motivation, self-esteem and external locus of control than corporate employees. Thus, it can be observed that employees are having an internal locus of control, and greater work motivation seems to have high self-esteem.

Keywords: Call centre, corporate sector, work motivation, self-esteem, locus of control.

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Measuring Efficiency of B-School Using Data Envelopment Analysis

Raj Kishor Pradhan

Abstract

The present study investigates the ranking of Indian B-schools by using integrated approach data envelopment analysis and neural network model. These tools are used to find the efficiency of b-schools based on input and output components. The results of the study find that data envelopment analysis gives relatively better efficiency scores than any other techniques.

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Coincidental Indicators of Indian Business Cycles: A Time-Series Analysis

Geetika and A.M. Sherry

Abstract

In India, the level of economic activity cannot be truly represented by few selected macroeconomic variables as most of the indicators are published to lags and are frequently revised. Therefore, to fill in this research gap of true and timely monthly representation of the level of economic activity in India, the primary **objective** of this study is to identify the coincidental business cycle indicators with the help of advanced econometric tools for a period ranging between the years 1994 to 2014. The **results** of the study based on the robust methodological framework suggest that non-oil exports and oil imports represent the state and level of the Indian economy.

Keywords: Business cycles, Coincidental, Time-series.

JEL Classification Codes: *E32, C58*

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Payments Banks: A New Dimension to Boost Financial Inclusion

Kratika Shrivastava

Abstract

The unbanked segment of India is exposed to the risk of unsecured payment and remittances. The irony of this situation is that this segment is not even capable of bearing the risk. People from small villages and remote areas are moving towards towns for better employment opportunities and striving hard to sustain their livelihoods. Most of the individuals in this segment are depending upon informal channels to transferring their money to their families located in remote areas. Therefore, a need was identified to cater to the banking requirements of this segment such as small businesses, low-income households, and other unorganized sector entities. The Reserve Bank of India (RBI) has taken various steps for achieving the objective of financial inclusion and introduced Payment Banks recently to reach out to the unbanked areas. This paper tries to educating the central bank's regulations/framework of payment banks as a new dimension to boost the financial inclusion in India.

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