A Study on Commodity Derivative Market of Selected Non-Agricultural Products (Gold, Crude Oil, Copper) in the Chennai Market- An Analysis

Mr. P.Periasamy, Dr. R. Satish
Management Studies -Research Scholar, Sathyabama University, Chennai.

Abstract: This is a new Endeavour to find out how selective non-agricultural commodities are selected by the players in the market for trading and speculative investment and analyzed the influencing factors with the tools like Simple Moving Average (SMA), Relativity Strength Index (RSI), Moving Average Convergence and Divergence (MACD), Exponential Moving Average (EMA), Rate of Change (ROC) that they could consider before investing their money into non agricultural commodities like gold, Crude Oil, Copper in India for the past Four years right from 2009 to 2012.

Key terms: Non-Agricultural commodities, Simple Moving Average (SMA), Relativity Strength Index (RSI), Moving Average Convergence and Divergence (MACD), Exponential Moving Average (EMA), Rate of change (ROC)

I. Introduction about the Study:

Commodity markets are markets where raw or primary products are exchanged. These raw commodities are traded on regulated commodities exchanges, in which they are bought and sold in standardized contracts. The commodities market consists of the trading of forward contracts or futures contracts; forward contracts are contractual agreements to buy/sell any commodity between two entities; futures contracts are market agreements to buy/sell very specific commodities between two entities over a recognized commodities exchange. A physical virtual market place for buying and selling of raw or primary products. For investors’ purposes there are currently about 50 major commodity markets worldwide that facilitate investment trade in nearly 100 primary commodities. Commodities are split into two types: hard and soft commodities. Hard commodities are typically natural resources that must be mined or extracted (gold, rubber, oil, etc.), whereas soft commodities are agricultural products or livestock (corn, wheat, coffee, sugar, soybeans, pork, etc.)

Objectives of the study:
Primary Objective:
To Study and analyze the commodity market of selected non-agricultural products (gold, crude oil, copper), Chennai.

Secondary Objectives:
➢ To study the price volatility among selective non agricultural commodities in Chennai commodity market..
➢ To study and analyze the future price movements of gold, Crude oil, Copper market trends using past data in Chennai commodity market.
➢ To find out the reasons for real price volatility among the selective non agricultural commodities in Chennai commodity market.

Research Design:
Period of the Study: 4 years
Data Utilized in the Study: Secondary data
Secondary data is collected through e-books, publications, e-journals, company reports, previous studies, magazines, websites etc.

Tools used for data Analysis in the study:
➢ Simple Moving Average (SMA)
➢ Relativity Strength Index (RSI)
➢ Moving Average Convergence and Divergence (MACD)
A Study On Commodity Derivative Market Of Selected Non-Agricultural Products (Gold, Crude Oil,)

- Exponential Moving Average (EMA)
- Rate Of Change (ROC)

Data Analysis And Interpretation

1. GOLD

1.1 SIMPLE MOVING AVERAGE : CHART 1.1

INFERENCE

The SMA is plotted using last 3 years data of gold. Here 5 months moving average has been taken to construct the SMA. The 3 years chart of SMA shows that on many occasions, the monthly moving average line cuts the 5 months SMA line from bottom to top which signals bullish and it is the right to invest and some time, the monthly moving average line cuts the 5 months SMA line from top to bottom which signals bearish and it is right time to go for fresh short. For instance, the average closing price of gold as on February 2012 is 28318 which are greater than 5 months SMA 27965. So, it shows BUY SIGNAL for the investor.

1.2 RELATIVE STRENGTH INDEX : CHART 1.2

INFERENCE

The RSI is plotted using last 3 years data of gold. Here the RSI chart shows the overbought and oversold period of gold. The investor should not buy the gold at the time of overbought period because after that may be a sudden falls in the prices. Similarly the investor should not afraid at the time of oversold period; it can act reversible and buy more at that time. Here the investor is signal to BUY the gold.

1.3 MOVING AVERAGE CONVERGENCE DIVERGENCE : CHART 1.3

INFERENCE

The MACD is plotted using last 3 years data of gold. Here, the MACD is calculated through EMA 12 versus EMA 26 period. If the EMA 12 line is above EMA 26 line it signals for bullish and vice versa the EMA 26 line is above EMA 12 line it signals for bearish. The average closing price of EMA 12 is 25345 which is greater than EMA 26 21739. So, it shows BUY SIGNAL for the investor.

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1.4 EXPONENTIAL MOVING AVERAGE: CHART 1.4

**INFERENCE**

The EMA is plotted using last 3 years data of gold. Here 5 months moving average has been taken to construct the EMA. The 3 years chart of EMA shows that on many occasions, the monthly moving average line cuts the 5 months EMA line from bottom to top which signals bullish and it is the right time to invest and some time, the monthly moving average line cuts the 5 months EMA line from top to bottom which signals bearish and it is right time to go for fresh short. For instance, the average closing price of gold as on February 2012 is 28318 which are greater than 5 months SMA 27381. So, it shows BUY SIGNAL for the investor.

1.5 RATE OF CHANGE: CHART 1.5

**INFERENCE**

The ROC is plotted using last 3 years data of gold. The ROC chart which is plotted above and below the line that determine the buy signal and sell signal of the gold. When the chart is marked above the zero line it signal positive attitude and that is marked below, it signal negative attitude for the investor. Here the ROC is in positive 5.645227, it gives BUY signal to the investor.

II. Crude-Oil

2.1 SIMPLE MOVING AVERAGE: CHART 2.1

**INFERENCE**

The SMA is plotted using last 3 years data of crude oil. Here 5 months moving average has been taken to construct the SMA. The 3 years chart of SMA shows that on many occasions, the monthly moving average line cuts the 5 months SMA line from bottom to top which signals bullish and it is the right to invest and some time, the monthly moving average line cuts the 5 months SMA line from top to bottom which signals bearish and it is right time to go for fresh short. For instance, the average closing price of crude oil as on February 2012 is 5075 which is greater than 5 months SMA 4950. So, it shows BUY SIGNAL for the investor.

2.2 RELATIVE STRENGTH INDEX: CHART 2.2

**INFERENCE**

The RSI is plotted using last 3 years data of crude oil. The RSI chart which is plotted above and below the line that determine the buy signal and sell signal of the crude oil. When the chart is marked above the zero line it signal positive attitude and that is marked below, it signal negative attitude for the investor. Here the RSI is in positive 75, it gives BUY signal to the investor.
A Study On Commodity Derivative Market Of Selected Non-Agricultural Products (Gold, Crude Oil)

INFERENSE

The RSI is plotted using last 3 years data of crude oil. Here the RSI chart shows the overbought and oversold period of crude oil. The investor should not buy the gold at the time of overbought period because after that may be a sudden falls in the prices. Similarly the investor should not afraid at the time of oversold period; it can act reversible and buy more at that time. Here the investor is signal to BUY the crude oil.

2.3 MOVING AVERAGE CONVERGENCE DIVERGENCE CHART 2.3

INFERENCE

The MACD is plotted using last 3 years data of crude oil. Here, the MACD is calculated through EMA 12 versus EMA 26 period. If the EMA 12 line is above EMA 26 line it signals for bullish and vice versa the EMA 26 line is above EMA 12 line it signals for bearish. The average closing price of EMA 12 is 4650 which is greater than EMA 26 4173. So, it shows BUY SIGNAL for the investor.

2.4 EXPONENTIAL MOVING AVERAGE CHART 2.4

INFERENCE

The EMA is plotted using last 3 years data of crude oil. Here 3 years chart of EMA shows that on many occasions, the monthly moving average line cuts the 5 months EMA line from bottom to top which signals bullish and it is the right to invest and some time, the monthly moving average line cuts the 5 months EMA line from top to bottom which signals bearish and it is right time to go for fresh short. For instance, the average closing price of crude oil as on February 2012 is 5075 which is greater than 5 months SMA 4528. So, it shows BUY SIGNAL for the investor.

2.5 RATE OF CHANGE CHART 2.5

INFERENCE

The ROC is plotted using last 3 years data of crude oil. The ROC chart which is plotted above and below the line that determine the buy signal and sell signal of the crude oil. When the chart is marked above the zero line it signal positive attitude and that is marked below, it signal negative attitude for the investor. Here the ROC chart is marked below the zero line; it gives SELL signal to the investor.
III. Copper

3.1 SIMPLE MOVING AVERAGE CHART

**INFERENCES**

The SMA is plotted using last 3 years data of copper. Here 5 months moving average has been taken to construct the SMA. The 3 years chart of SMA shows that on many occasions, the monthly moving average line cuts the 5 months SMA line from bottom to top which signals bullish and it is the right to invest and some time, the monthly moving average line cuts the 5 months SMA line from top to bottom which signals bearish and it is right time to go for fresh short. For instance, the average closing price of copper as on February 2012 is 418 which are greater than 5 months SMA 399. So, it shows BUY SIGNAL for the investor.

3.2 RELATIVE STRENGTH INDEX CHART

**INFERENCES**

The RSI is plotted using last 3 years data of copper. Here the RSI chart shows the overbought and oversold period of copper. The investor should not buy the gold at the time of overbought period because after that may be a sudden falls in the prices. Similarly the investor should not afraid at the time of oversold period; it can act reversible and buy more at that time. Here the investor is signal to BUY the copper.

3.3 MOVING AVERAGE CONVERGENCE DIVERGENCE

**INFERENCES**

The MACD is plotted using last 3 years data of copper. Here, the MACD is calculated through EMA 12 versus EMA 26 period. If the EMA 12 line is above EMA 26 line it signals for bullish and vice versa the EMA 26 line is above EMA 12 line it signals for bearish. The average closing price of EMA 12 is 411 which is greater than EMA 26 384. So, it shows BUY SIGNAL for the investor.

3.4 EXPONENTIAL MOVING AVERAGE

**INFERENCES**

The EMA is plotted using last 3 years data of copper. Here, the EMA is calculated through EMA 12 versus EMA 26 period. If the EMA 12 line is above EMA 26 line it signals for bullish and vice versa the EMA 26 line is above EMA 12 line it signals for bearish. The average closing price of EMA 12 is 411 which is greater than EMA 26 384. So, it shows BUY SIGNAL for the investor.
A Study On Commodity Derivative Market Of Selected Non-Agricultural Products (Gold, Crude Oil)

Inference

The EMA is plotted using last 3 years data of copper. Here 5 months moving average has been taken to construct the EMA. The 3 years chart of EMA shows that on many occasions, the monthly moving average line cuts the 5 months EMA line from bottom to top which signals bullish and it is the right to invest and some time, the monthly moving average line cuts the 5 months EMA line from top to bottom which signals bearish and it is right time to go for fresh short. For instance, the average closing price of copper as on February 2012 is 417 which are greater than 5 months SMA 378. So, it shows BUY SIGNAL for the investor.

3.5 Rate of Change Chart 3.5

The ROC is plotted using last 3 years data of copper. The ROC chart which is plotted above and below the line that determine the buy signal and sell signal of the copper. When the chart is marked above the zero line it signal positive attitude and that is marked below, it signal negative attitude for the investor. Here the ROC is in positive 12.34104, it gives BUY signal to the investor.

Limitations of the study.

- The commodity market is having seasonal trends; we cannot predict every price movement about the market.
- The commodity market is more volatile we can give assumption price movement about the market trend.
- We cannot provide the exact future price movement about the commodities.

Findings:

- In Gold, SMA chart shows many buy and sell signal over the selected period. SMA chart shows that there is a buy signal to the investor for February 2012.
- ROC chart shows many buy and sell signal over the selected period. In Crude Oil, ROC chart is marked below the zero line in the chart; hence it is the right time to sell the Crude Oil for February 2012.
- RSI chart shows many buy and sell signal over the selected period. In Copper, RSI chart shows that there is a further increase in price level. So the investors can buy the Copper commodity for February 2012.

Suggestions:

- SMA method applied in Gold commodity suggests that investors can buy the Gold commodity to earn good return. As on February 2012, investment in Gold will yield better return to the investors in short run. In Gold, RSI chart shows some positive movement to the investors as on February 2012. So the investors are advised to buy the Gold on a short term speculation to get good return.
- In Copper, RSI chart shows the positive signal for buying the Copper commodity as on February 2012. So the investors can buy the Copper commodity on a short term investment. EMA chart shows many occasions buy signal to the investors here the investor can buy the Copper on their own interest. As per the study investing in Copper, at this time will return less return to the investors.
- In Crude Oil, ROC chart shows negative signal (i.e., ROC is marked below the zero line) to the investors, it is the right time to go for fresh sell for the Crude Oil commodity by the investors as on February 2012.

The investor should wait till the end of the bear market to make their investment strategy. The buying decision should be made only when the product is showing positive sign for buying. Investors can predict the commodity market through price movement. As per the study investing in these commodities at the present condition will yield less profit. Do never hope that the market will move as per our wishes.

IV. Conclusion:

The last three years price movement of each commodity explains that investors are satisfied from the reasonable return from investment in commodities. Besides, the investors are motivated to buy or sell the commodities from the commodities market from their investments. An investor can succeed in his investment
only when he is able to select the right commodities at right time. The investors should keenly watch the situation like market price, economy, returns, and the risk involved in a commodities before taking decision on a particular commodity. This study made will help the investors know the commodity market and technical analysis thus can succeed in the market.

References:


A STUDY ON COMMODITY TRADING IN ASIA: A REVIEW

Mr. P. Periasamy, Research Scholar of Sathyabama University and Associate Professor of Department of Management Studies, Agni College of Technology, Chennai.

Dr. R. Satish, Research guide of Sathyabama University and Associate Professor of Department of Management Studies, SRR Engineering College, Chennai.

ABSTRACT

The paper is an attempt to find out commodity trading in Asia which is one of the great puzzles of the modern trading world. Asia, with 3 billion people, has become the world's engine of commodity demand. In spite of this, the region has failed to establish a strong commodity exchange. The lacuna has allowed London, New York and Chicago to thrive as commodity trading hubs. Consequently, today we have a scenario where Asian-based analysts look at macroeconomic trends in the region to forecast demand for commodities but have to turn to places like Chicago and London to check prices. What makes the whole situation even more ironic is the world's first commodity exchange — the Dojima Rice Exchange — was introduced by Japan way back in 1697.

Introduction:

While Asia in general and China in particular, may be the biggest force in commodity demand, it has not become a center for commodity trading. That may be changing.

Commodity trading in Asia, or rather the lack of it, has been one of the great puzzles of the modern trading world. Asia, with 3 billion people, has become the world's engine of commodity demand. In spite of this, the region has failed to establish a strong commodity exchange. The vacuum has allowed London, New York and Chicago to thrive as commodity trading hubs. Consequently, today we have a scenario where Asian based analysts look at macroeconomic trends in the region to forecast demand for commodities but have to turn to places like Chicago and London to check prices. What makes the whole situation even more ironic is the world's first commodity exchange - the Dojima Rice Exchange - was introduced by Japan back in 1697.
Reasons for this mismatch between the growth of commodity trading and commodity exchanges in Asia

1. Lack of liquidity because of regulatory barriers:

The commodity exchanges of the two tiger economies in Asia - India and China, which now lead the region's commodity derivatives trading by volume - are under stringent regulatory constraints. Consequently foreign market participants can't trade on them. This has the dual effect of cutting off liquidity on these exchanges and encouraging trading at rival bourses in Chicago, New York and London. The fact that domestic bourses have a monopoly in the country as domestic firms have a regulatory obligation to use them didn't make up for loss of liquidity for the better part of the last decade and stunted their growth.

2. Narrow view by regulators:

As bizarre as this may sound, the regulatory authorities in Asia (read India & China) take different views on stock exchanges and commodity exchange. The former are considered a barometer of the country's growth and can be opened to foreigners, mainly institutional investors. However, the sole purpose of the latter's existence in the policymakers' eyes is to hedge commodity exposure for domestic firms. Consequently the growth and development of commodity exchanges in Asia never has been a matter of concern for regulators as long as they were fulfilling "their role" of hedging.

But all of this is changing fast. There have been significant developments in commodity trading infrastructure (both physically and regulatory) in Asia over the last few years. It is apparent that the pace of growth would have been faster had the global financial crisis not hit us in 2008. Asian countries became weary of derivatives and began trading slowly. India in particular feared inflation in commodities and, like some politicians in the United States, blamed markets and speculators and successfully restricted them. The effect on the stock markets of foreign speculative inflows (known as "hot money") taking "flight to safety" made Asian regulators more jittery.

The key players in commodity trading in Asia over the next decade:

**China**

China has a relatively short history of commodity trading. However, the country has made giant strides in this field. In 2010, Shanghai Futures Exchange (SHFE) became the world's largest commodity exchange by number of contracts traded. "Building a sector" (right) shows the growth in trading volumes at the three major commodity exchanges in China: SHFE, Zhengzhou Commodity Exchange (ZCE) and Dalian Commodity Exchange (DCE).

As you can see, there has been steady growth over the last decade, though volume dipped in 2011. What is remarkable is that this growth is driven completely by domestic firms.

China plans to make the renminbi fully convertible by 2015. This is a major change in its currency policy and shall be accompanied by the opening up of its stock market, bond market and commodity trading. Already we are witnessing the exponential growth of the offshore renminbi-denominated bond market (known as the dimsum bonds market) over the last year since its inception. Liberalization of the country's
stock market and commodity trading shall be paramount if the country is to realize the ambitions for its currency. This shall be nothing but music to the ears of foreign participants who are desperate to enter this space.

Singapore & Hong Kong

Singapore is the largest OTC energy trading market in the world. The island nation opened a second commodity stock exchange a few months ago. The same is in collaboration with Indian exchange operator Financial Technologies. Hong Kong also launched Hong Kong Mercantile Exchange (HKMEx) recently.

BUILDING A SECTOR

The good news about both Singapore and Hong Kong is that the operators of these exchanges realize that being in Asia and in the Asian time zone doesn't guarantee trading volumes. They would have to differentiate themselves by offering niche products and intricate specifications that are not available on exchanges in the United States and Europe.

Similarly, providing unique services can be a great advantage. For example, HKMEx offers physical delivery of the underlying gold and silver at a purpose built Precious Metals Depository at Hong Kong airport. This is something commodity exchanges in Chicago or London can't match.

OPENING NEW MARKETS

India

Commodity trading in India commenced much before it started in many Asian countries. But years of colonial rule and lack of focus by the government caused it to diminish in the country. However, commodity trading was revived recently. Today, apart from numerous regional exchanges, India has four national commodity exchanges, namely, Multi Commodity Exchange (MCX), National Commodity and Derivatives Exchange (NCDEX), National Multi-Commodity Exchange (NMCE) and Indian Commodity Exchange (ICEX). MCX and NCDEX have seen strong year-over-year volume growth, but they still pale in comparison to financial exchanges MCX Stock Exchange and the National Stock Exchange of India (NSE), both of which continue to grow their currency markets (see "Arrow pointing up," page 57).

The regulatory body governing commodity trading in India is the Forward Markets Commission (FMC), which was set up in 1953. FMC announced its intention to develop the country's commodity exchanges a few months ago but has run into many roadblocks. The biggest challenge it currently faces is the lack of uniformity (in transaction charges, KYC norms, etc.) among the various exchanges. The fact that regional exchanges feel marginalized by national ones isn't making the regulators' job any easier. Another issue that requires immediate attention is monitoring trade uniformity because unlike SEBI (Securities Exchange Board of India - the stock market regulator in the country) that monitors the entire trade on a centralized server at the regulator's office, FMC lacks the technological infrastructure to do so.

All of these are significant issues that the regulators in India need to address to develop commodity trading in the country. However, just like China, trading volumes in India are soaring (turnover of 23 commodity...
exchanges, accounted together, saw a giant leap of 63.5% year-over-year in March 2014) and sweeping regulatory changes in the next two years or so would not be a surprise.

Japan

Home to the world’s first commodity exchange, two decades ago Japan accounted for nearly a fifth of global futures and options trading, with particular success in commodities. However, since then, it has been a downward slide for the country.

Like India, Japan was grappling with the trading split between the Tokyo Commodity Exchange, Tokyo Grain Exchange, Kansai Commodities Exchange and the Central Japan Commodity Exchange. An amendment to the Commodity Exchange Law in 2005 that made it much harder for Japanese commodity exchanges to market to retail investors was another blow to the gut of the industry and saw a colossal fall in trading volumes.

However, recently some solutions have begun to emerge. Most notable of these is the consolidation of the exchanges. Apart from talks of mergers, the government is believed to have drawn up a plan to unify, derivative markets. The main trigger for this sense of urgency by the regulators is the rise of competition from commodity exchanges in Singapore. Rapid consolidation and providing accessibility to foreign participants are seen as the only ways to make Japanese commodity exchanges competitive.

Another issue that the commodity trading fraternity in the country wants the government to address is its tax system. At present, firms that have any trading infrastructure in Japan are taxable at higher levels than in other countries. However, given the seriousness with which Japanese regulators have been trying to bring about the “renaissance” of commodity trading in the country, it is only a matter of time before these minor glitches are removed.

It is obvious to anyone who looks at commodity markets that with or without foreign involvement, Chinese exchanges are headed for the top in commodity trading. The regulators in India have been far less proactive but expect them to get their act together over the next 12 to 18 months. Both these nations are slowly but surely looking to deregulate commodity exchanges. Add to this the rapid strides being made by Singapore and Hong Kong (especially the former), and Asia is set to be the commodity trading mecca of the world (see "Opening new markets," above). It won’t happen overnight, but if somebody is asked to name the top two commodity trading hubs in 2020, there is a good chance the answer will be Singapore and Shanghai.

Conclusion:

It is obvious to anyone who looks at commodity markets that with or without foreign involvement, Chinese exchanges are headed for the top in commodity trading. The regulators in India have been far less proactive but expect them to get their act together over the next 12 to 18 months. Both these nations are slowly but surely looking to deregulate commodity exchanges. Add to this the rapid strides being made by Singapore and Hong Kong (especially the former), and Asia is set to be the commodity trading mecca of the world. It won’t happen overnight, but if somebody is asked to name the top two commodity trading hubs in 2020, there is a good chance the answer will be MCX, India and Shanghai Futures Exchange (SHFE), China but it is going to be true.
12. News.BBC.co.uk, "How Leeson broke the bank – BBC Economy"
17. "Thread: Options Week: According to figures published in F&O Week 10 October 2005. See also FOW Website.


Dear Mr. P. Periasamy & Dr. R. Satish,

Thank you very much for submitting your Article, entitled “A Study on Commodity trading in Asia: A Review,” to the “Primax International Journal of Commerce & Management Research”. Your paper has been assigned with an ID of 0173. Please refer to this ID whenever you communicate with our Editorial Office in the future. After a expert double-blind review, I am pleased to inform you that your reviewed manuscript entitled "A Study on Commodity trading in Asia: A Review" (PCMRA0173), has been accepted and this Article is scheduled for publication in a forthcoming issue of the Journal of PRIMAX IJCMR.

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Managing Editor,
1432, 11th Cross,
Kengeri Satellite town,
Bangalore- 60
Karnataka

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# Contents

## Articles

<table>
<thead>
<tr>
<th>Title</th>
<th>Authors</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working and Living Conditions of Workers in Brick Industry in Salem District</td>
<td>D. Janagam &amp; M. Jeyamani</td>
<td>1</td>
</tr>
<tr>
<td>Impact of Mahatma Gandhi National Rural Employment Guarantee Act on Female Labour</td>
<td>A. B. Angappapillai &amp; D. Nithiya</td>
<td>7</td>
</tr>
<tr>
<td>A Study on Satisfactory Level on Accessibility towards the Facilities by Persons with Locomotor Disabilities (PWDS) Living in Chennai Slum</td>
<td>Richard M. P</td>
<td>22</td>
</tr>
<tr>
<td>Analysis of Demat and Online Trading in India</td>
<td>P. Periasamy &amp; R. Satish</td>
<td>37</td>
</tr>
<tr>
<td>Impact of Quality Circle Intervention on Employee Performance</td>
<td>Kiran Kumar Yadav. N &amp; D. Uday Kumar</td>
<td>47</td>
</tr>
<tr>
<td>What Attributes Determine the Participation of Farmers in Training Centres for Agricultural development?</td>
<td>R. Dayanandan</td>
<td>55</td>
</tr>
<tr>
<td>Role of RBI towards E-Banking Products Preference and Customers Awareness</td>
<td>P. M. Jayabalan &amp; P Sivasakkaravarthi</td>
<td>70</td>
</tr>
<tr>
<td>Environmental Scanning &amp; Strategic Brand Creation: A Case Study of Nik Baker’s</td>
<td>Manoj K.Sharma &amp; Shefali Malhotra</td>
<td>74</td>
</tr>
<tr>
<td>Workers’ Satisfaction on Internal Migration</td>
<td>P. Mohanraj &amp; V.N. Shanthi &amp; K.Gunasekaran</td>
<td>83</td>
</tr>
<tr>
<td>Socio-Economic Conditions of Weavers in Silk Industry: A Case Study of Kanchipuram Town</td>
<td>E. Saravanan &amp; R. Geetha</td>
<td>91</td>
</tr>
<tr>
<td>Applicability of Fair Practice Code in Gold Loan Institutions</td>
<td>E. D. Anandakumar &amp; P. Sivasakkaravarthi</td>
<td>100</td>
</tr>
<tr>
<td>Analyzing the Facts of Consumer knowledge about Food safety in Coimbatore District</td>
<td>E. Muthukumar &amp; R. Bhuvaneswari</td>
<td>106</td>
</tr>
</tbody>
</table>
RESEARCH PAPER DETAILS

Theme : TRACK II

Title of the research Paper : “THE CIM MODEL” – REDUCING EMPLOYEE STRESS AND IMPROVING EMPLOYEE MORALE.

AUTHORS DETAIL

1. Mrs.S.Chitra MBA, M.Phil,(Ph.D)  
   (Research Scholar - Bharathiar University, Coimbatore)  
   Asst.Professor  
   Department of Management Studies  
   Agni College of Technology, Chennai  
   Anna University Affiliated College  
   Email: chitra.desire@gmail.com  
   Mob : 9941270873

2. Dr.R.Arasu, M.Com.,MBA.,M.Phil.,Ph.D.HDCM  
   Principal  
   University of Madras Arts and Science College  
   (University Constituent College)  
   Chennai – 603104  
   Email: profarasu@gmail.com  
   Mob no : 9710504610

COMMUNICATION ADDRESS :

Mrs.S.Chitra  
Dno: 22, K.V.Apartments,  
101/228, G.S.T Road,  
Chromepet, Chennai,  
Tamil Nadu.  
India.  
Pincode – 600044.  
Mob No : 9941270873, 9940159798.  
chitra.desire@gmail.com
THE CIM MODEL – REDUCING EMPLOYEE STRESS AND IMPROVING EMPLOYEE MORALE

MRS.S.CHITRA¹ (Research Scholar) AND DR.R.ARASU²
Research and Development Centre, Bharathiar University, Coimbatore
Asst.Professor, Department of Management Studies, Agni College of Technology, Chennai.
Principal, University of Madras Arts and Science College (University Constituted College), Chennai.

ABSTRACT

People working in the organization continuously run in today’s business race with their market competitors to make sure their survival and to reach their targets. Organization forces the employees to work all times with complete potential and commitment to yield profits. Carrying the effect of the employer, employee applies their fullest knowledge and plays a critical role in the work environment. In this business scenario, Stress is unavoidable on the part of the employees when they try to cope up with their internal and external challenges. Every employee finds difficult to obtain the match between their skills and abilities with the degree of dynamism in their work environment. This will basically lead to arising of stress among employees. In this era of competitive business - Creativity, Innovation and Motivation are considered to be key factors for survival, success and employee excellence. Thus considering this fact, the purpose of this paper is to develop a model linking creativity, innovation and motivation (CIM) to reduce stress and increase employee morale towards the organization.

KEYWORDS: Organization excellence, morale, employee stress, job satisfaction, commitment.

INTRODUCTION

Employee working in the organization continuously run in today’s business race with their market competitors to make sure their survival and to reach their targets. Organization forces the employees to work all times with complete potential and commitment to yield profits. Carrying the effect of the employer, employee applies their fullest knowledge and plays a critical role in the work environment. In this business scenario, Stress is unavoidable on the part of the employees when they try to cope up with their internal and external challenges to satisfy the organization expectations. Organization often practices optimum utilization theory on employees – the working community suffer and struggle physically, mentally and socially. As the outcome, employees are injected with stress and burnouts in the workplace.
The purpose of this research paper is to develop a model linking Creativity, Innovation and Motivation to supersede employee stress and to increase the employee morale. These three key factors have considerable impact on employee survival, success and excellence. The term creativity and innovation are often used interchangeably (Man, 2001), however there is a difference between the two, creativity being the generation of ideas and innovation is seems to be its implementation. Most employers today would like to have their employee’s motivated and ready to work, but do not understand what really motivates a person. Companies could be more efficient if the employees had an invested interest in the future of the company. So, the determinants inducing creativity, innovation and motivation are to be identified and examined in this paper and a linking model to be created with the objective of lessening the employee stress.

**LITERATURE SURVEY**

“All innovation begins with creative ideas…We define innovation as the successful implementation of creative ideas within an organization. In this view, creativity by individuals and teams is a starting point for innovation; the first is necessary but not sufficient condition for the second”. (p. 1154-1155 Amabile et al (1996). Employee’s performance at work is influenced by stress that can be either positive or negative. The employee’s perform better if they face low to moderate amount of stress. (Karthick R. 2013). Higher stress is directly proportional to quality of work life. He outlined few factors namely fair pay structure, role demands, freedom at work, supervisory support, congenial job environment, capability of the job, role autonomy and stress that directly affects the work life.(Charu M.2013)

**The CIM MODEL**

**Determinants of Creativity:** Five factors, namely organization climate, leadership style, organization culture, resource and skills and structure and systems of an organization affects organizational creativity (Andreopaulos, 2001). Organization must also boost up the participative decision making style, tendency to experiment and explore long term employment of employees, a flat structure, fair supportive evaluation of employees and rewarding of creative performance (Amabile, 1979, 1983, 1990) to ensure and enhance creativity in the companies.
Determinants of Innovation:- In order to survive and prosper in the immense pressure of globalization, organizations in the third world need to redesign themselves for corporate creativity, i.e. for high rate of sustained and successful innovation (Khandwalla and Mehta, 2004). For this, the organization needs innovation friendly business strategy, organizational structure, top management style, middle management practices, risk taking habits, technology and creative people.

Determinants of Motivation: Open communication, Support mechanisms like rewards recognition, availability of resources, Good organization structure comprising of flexibility, freedom, empowerment, decision making, cooperative team, group interaction, organization norms, values and beliefs and participative management style ensures and instigates employees to be motivated and helps organization to retain their creative talents.

Discussion: It is now time to execute the link between the CIM with Employee Stress and Employee morale. When the organization provides good structure, climate and culture – employees work in a very high healthy environment. Consistent rewards and recognition, giving employee a power of decision making, allowing the workers to experiment and explore new ideas gives employee freedom and flexibility in work environment. Top management approach and middle management support motivates employees to deliver high productivity and maintain good harmonious employer-employee relationships. Continuous learning, refreshment trainings, updated technologies induces employees to grab the available timely opportunities and climb the growth pattern. Open communication, competitive working style make employee feel accountable for the work being done.

Thus from the above discussion it is found out that the determinants inducing CIM also stir up healthy work environment, job satisfaction, high productivity, employee accountability, good employer employee relationship, job security, flexibility, timely opportunities and growth for the employee.

Findings - These resultant factors of integrative CIM model - acts as a catalyst or driving force to increase the employee morale and to reduce the employee stress. Healthy work environment with job satisfaction, flexibility and freedom, harmonious relationships and job security
mechanically diminish the physical mental and environmental wear and tear and also remove the vulnerability in the workplace. The outputs of CIM have significant impact on both individual and organization. The CIM concept evidently eliminates anxiety, anger, irritability, dependency and withdrawal of employees. Due to its positive impact on organization it also reduces the atmospheric problems, absenteeism and turnover. This in turn establishes a good work life balance among employees. Implementing CIM is vital for organizations and their managers to treat workplace stress like any other work related hazard by taking an active position to prevent and manage it. Employee when satisfied, recognized, flexible and committed without thinking they show work stability, good will and employee loyalty towards their organization. They get attracted and work with high morale

THE CIM MODEL

<table>
<thead>
<tr>
<th>Organization Structure</th>
<th>Climate</th>
<th>Culture</th>
<th>Leadership</th>
<th>Technology</th>
<th>Experimenting</th>
<th>Risk Taking</th>
<th>Exploring</th>
<th>Confronting</th>
<th>Values, Norms and believes</th>
<th>Availability of resources</th>
<th>Idea generation</th>
<th>Continuous learning</th>
<th>Training</th>
<th>Competitiveness</th>
<th>Open Communication</th>
<th>Rewards and recognition</th>
<th>Participative decision making</th>
<th>Top Management approach</th>
<th>Middle Management Support</th>
</tr>
</thead>
</table>

Creativity (C) → Innovation (I) → Motivation (M)

Healthy work environment
Job Satisfaction
High productivity
Employee-accountability
Good employee-employer relationship
Job security
Work freedom and flexibility
Timely-opportunities and growth

High Employee Morale
Low Employee Stress
CONCLUSION

With increasing complexity in the work style, the level of stress has been rising at the phenomenal rate. The various researchers found that stress management is a crucial factor for an employee. The employees should try to help themselves to keep themselves fit out of stress. From the study, is discussed that there is a significant correlation effect between creativity, innovation & motivation and Employee stress & employee Morale. Employees when induced with CIM determinants mechanically they are posed to less stress and improved employee morale. This helps the employee and the organization to survive and lead them to success and excellence. Thus, enhancing creativity, innovation and motivation among the employees ensures stress free workplace.

REFERENCE

RESEARCH PAPER DETAILS

Theme : HRM IN RETAILING

Title of the research Paper :

“A Study on the factors influencing stress among employees working In Retail Outlets, Chennai.”

AUTHORS DETAIL

1. **Ms.S.Chitra MBA, M.Phil,Ph.D**
   
   Research Scholar - Bharathiar University, Coimbatore
   
   (Asst.Professor
   
   Department of Management Studies
   
   Agni College of Technology, Chennai
   
   Anna University Affiliated College)
   
   Email: chitra.desire@gmail.com
   
   Mob : 9941270873, 9940159798

2. **Dr.R.Arasu, M.Com.,MBA.,M.Phil.,Ph.D.HDCM**
   
   Principal
   
   University of Madras Arts and Science College
   
   (University Constituent College)
   
   Chennai – 603104
   
   Email: profarasu@gmail.com
   
   Mob no : 9710504610

COMMUNICATION ADDRESS :

Ms.S.Chitra

Dno: 22, K.V.Apartments,

101/228, G.S.T Road,

Chromepet, Chennai,

Tamil Nadu.

India.

Pincode – 600044.

Mob No : 9941270873, 9940159798.

chitra.desire@gmail.com
A STUDY ON THE FACTORS INFLUENCING STRESS AMONG EMPLOYEES WORKING IN RETAIL OUTLETS, CHENNAI.

MS.S.CHITRA (Research Scholar) AND DR.R.ARASU

Research and Development Centre, Bharathiar University, Coimbatore

Asst.Professor, Department of Management Studies, Agni College of Technology, Chennai.
Principal, University of Madras Arts and Science College (University Constituent College), Chennai.

ABSTRACT

Retail Industry, like any other industry, has become one of the highly growing sectors in India. Retail outlets have been facing greater challenges in terms of growing population, technology revolution and product diversifications. The employee community working in retail industry is directly affected by the stress as the systems, sales procedures; customer handling system is getting complicated with the use of advanced technology and shortage of manpower. They suffer to match their job objectives with the fast changes taking place in the store atmosphere. An effort has been made through this research study to identify the factors influencing stress among employees working in retail outlets, Chennai. It is found that maximum number of employees remains in stress. Majority of the employee try to find solution to relieve them from stress. The measures are also suggested in the paper to overcome stress that affects their physical and mental health.

Key Words

Retail outlets, Employee Stress, Job Overload, Manpower shortage, Performance.

1. INTRODUCTION

Employee stress is a prevalent and costly problem in today fast paced world. It is unavoidable among the working community irrespective of their job and industry. Organization pushes and pulls employees’ to yield their commitment and services. There is both positive and negative stress, depending on individual’s unique perception of the tension between the two forces. Stress bears deliberating effects on both the employees and the employer. (Khanka, p.319). Symptoms and Causes of Stress - Absenteeism, neglecting work responsibilities, not being punctual, poor work performance, employee dullness, arguing, irritation, accidents and injuries, addiction to bad habits e.t.c may be considered as major symptoms of stress. Improper wages and salaries, lack of rewards and recognition, Sales target pressure, ineffective communication, Lack of employee participation, Monotonous nature of job, unhealthy working conditions, Heavy workload, biasing, family member’s expectation, job role, financial problems, career changes, social responsibilities, may also lead to stress.
2. OBJECTIVES AND IMPORTANCE OF THE STUDY

The objective of the study is to identify the factors influencing stress among employees working in retail outlets, Chennai.

Job satisfied and stress-less employees are more focused towards performance and commitment who might be the valuable assets for a retail outlet. By studying the status of stress, outlets may reduce absenteeism, employee turnover and dullness and it can also increase the store sales volume, employee performance, improved customer service, employee commitment and employee morale. The study helps the retail outlets to prepare their employees as best service providers for customers visiting the stores.

3. LITERATURE REVIEW

According to Douglas [1980], stress is defined as any action or situation that places special physical or psychological demand upon a person. Stress is a perceptional phenomenon resulting from a comparison between the demand on a person and his ability to cope. An imbalance in this mechanism, when coping is important, gives rise to the experience of stress, and to the stress response (Cox, 1978:25). DayoAkintayo(2012) found that working environment is significantly related to workers’ morale and also working environment is significantly correlated with perceived workers’ productivity. Dr. K. Chandrasekar (2011) found that environmental factors are conducive to work and he also found that factors that affect attitude of employees to work are interpersonal relationships control over environment, shift, emotional factors, job assignment, overtime duty, extended work.

4. RESEARCH DESIGN

Descriptive Research method is used in this study because it includes surveys, facts, and findings, enquire of different kind. The main purpose of the study is to find description of the state of affairs as it exists at present. The researchers can only report that has happened, and what is happening. Simple random sampling method is used to collect samples from the population. Structured Questionnaire Method is the research tool used to collect the primary data. A total of 143 questionnaires were distributed to the employees working in the retail outlets situated in Chennai. One twenty fully completed questionnaires were returned for response. The sample size is 120

5. DATA ANALYSIS

Demographic information of 120 employees who completely responded to the questionnaire in tabulated in Table 1
Table 1:
Frequency and Percentage distribution on the demographic Features of The samples
\((n=120)\)

<table>
<thead>
<tr>
<th>Variables</th>
<th>(f)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>68</td>
<td>57</td>
</tr>
<tr>
<td>Female</td>
<td>52</td>
<td>44</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19-24</td>
<td>68</td>
<td>57</td>
</tr>
<tr>
<td>25-30</td>
<td>34</td>
<td>28</td>
</tr>
<tr>
<td>31-35</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>36-40</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>More than 40</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Marital Status</td>
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<tr>
<td>Married</td>
<td>24</td>
<td>20</td>
</tr>
<tr>
<td>Single</td>
<td>96</td>
<td>80</td>
</tr>
<tr>
<td>Native Place</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>70</td>
<td>58</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>3</td>
<td>2.5</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>1</td>
<td>0.8</td>
</tr>
<tr>
<td>Manipur</td>
<td>1</td>
<td>0.8</td>
</tr>
<tr>
<td>Kerala</td>
<td>45</td>
<td>38</td>
</tr>
<tr>
<td>The length of time of employment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>29</td>
<td>24</td>
</tr>
<tr>
<td>1-2 Years</td>
<td>35</td>
<td>29</td>
</tr>
<tr>
<td>2-3 Years</td>
<td>21</td>
<td>18</td>
</tr>
<tr>
<td>Above 3 Years</td>
<td>35</td>
<td>29</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10,000 – 12,000</td>
<td>88</td>
<td>73</td>
</tr>
<tr>
<td>13,000 – 15,000</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>16,000 – 18,000</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Above 18,000</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Department</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Department</td>
<td>98</td>
<td>82</td>
</tr>
<tr>
<td>Stores Department</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td>Administration Only</td>
<td>06</td>
<td>5</td>
</tr>
<tr>
<td>Qualification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 8&lt;sup&gt;th&lt;/sup&gt; Std</td>
<td>19</td>
<td>16</td>
</tr>
<tr>
<td>10&lt;sup&gt;th&lt;/sup&gt; Std</td>
<td>36</td>
<td>30</td>
</tr>
<tr>
<td>12&lt;sup&gt;th&lt;/sup&gt; Std</td>
<td>32</td>
<td>27</td>
</tr>
<tr>
<td>Under Graduate</td>
<td>20</td>
<td>17</td>
</tr>
<tr>
<td>Post Graduate</td>
<td>13</td>
<td>11</td>
</tr>
</tbody>
</table>

Table 2

<table>
<thead>
<tr>
<th>Response</th>
<th>No of Respondents</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stressed</td>
<td>102</td>
<td>85</td>
</tr>
<tr>
<td>Not Stressed</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100</td>
</tr>
</tbody>
</table>
Factors inducing stress among employees working in retail outlets

<table>
<thead>
<tr>
<th>Factors</th>
<th>No of Respondents</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Close Supervision</td>
<td>80</td>
<td>67</td>
</tr>
<tr>
<td>Customer handling</td>
<td>69</td>
<td>58</td>
</tr>
<tr>
<td>Too much of manual work</td>
<td>65</td>
<td>54</td>
</tr>
<tr>
<td>Long Working Hours</td>
<td>75</td>
<td>63</td>
</tr>
<tr>
<td>Work Overload</td>
<td>91</td>
<td>76</td>
</tr>
<tr>
<td>Poor Working Environment</td>
<td>53</td>
<td>44</td>
</tr>
<tr>
<td>Lack Of Job Security</td>
<td>49</td>
<td>41</td>
</tr>
<tr>
<td>Interpersonal Relationship</td>
<td>66</td>
<td>56</td>
</tr>
</tbody>
</table>

Factors Inducing Stress

- Close Supervision: 67%
- Customer handling: 58%
- Too much of manual work: 54%
- Long Working Hours: 63%
- Work Overload: 76%
- Poor Working Environment: 44%
- Lack Of Job Security: 41%
- Interpersonal Relationship: 56%
Table 4
Factors inducing stress among employees working in retail outlets

<table>
<thead>
<tr>
<th>Response</th>
<th>No of Respondents</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Life Imbalance</td>
<td>43</td>
<td>36</td>
</tr>
<tr>
<td>Communication Gap</td>
<td>56</td>
<td>47</td>
</tr>
<tr>
<td>Shortage of Manpower</td>
<td>72</td>
<td>60</td>
</tr>
<tr>
<td>Target Based Working</td>
<td>62</td>
<td>52</td>
</tr>
<tr>
<td>Lack of Training and Skills</td>
<td>46</td>
<td>39</td>
</tr>
<tr>
<td>Job responsibility</td>
<td>63</td>
<td>53</td>
</tr>
</tbody>
</table>

6. DISCUSSION & SUGGESTIONS

From the analysis made it has been found out that majority of employees working in retail industry are stressed. Shortage of manpower, close supervision of immediate supervisors, job overload and the way handling customers are identified as key stressor contributors. Retail outlets must train their own employees psychologically to handle the grievance taking place in the workplace. Need based training must be provided. Proper delegation of job responsibility must be followed by the store managers. Incentives and perks can be awarded for the target achievers – this motivates other employees to see targets as investments. Recruitment must be done in an adequate manner to fill in up the day to day vacancies to reduce the work burden of the employees. Huddle meetings can be initiated in the morning session to boost them up for the day work. This in turn also reduces the communication among the levels of workers.

8. CONCLUSION

As most of the respondents feel that they feel stress at work, organization should take positive steps to make their employees feel free from stress so that they can work with optimum efficiency and effectiveness. Good working environment, management support, Job guidance and Counseling must be provided to the employees. Organization should introduce flexible work
schedule so that the employees can give more time to themselves and their family and discharge other social responsibilities. Stress may have an impact on service productivity and hence it must be managed and controlled by the organization which transforms employees as “A best customer service provider”.

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CAUSES AND EFFECTS OF WORK STRESS AMONG THE EMPLOYEES OF M.T.C- ADYAR DEPOT, CHENNAI.

MRS.S.CHITRA¹ (Research Scholar) AND DR.R.ARASU²

Research and Development Centre, Bharathiar University, Coimbatore

Asst.Professor, Department of Management Studies, Agni College of Technology, Chennai.
Principal, University of Madras Arts and Science College (University Constituted College), Chennai.

ABSTRACT

In recent years the rise in stress has been across all spheres of life, particularly in the work environment. Stress in working place is a wide spread occurrence with comprehensive practical and economic consequences. Employee stress is emerging as leading health menace of the 21st century and as a serious vulnerability in the workplace. Considering this fact, an attempt has been made through this research paper to know the causes and effects of work stress among the M.T.C Employees. The qualitative data is collected using depth interview method. From the qualitative research study undergone, it is found that maximum number of employees in depot remains in stress. Majority of the employees try to find solution to relieve them from stress.

KEYWORDS: Workplace stress, overload, external challenges, satisfaction, conflict

INTRODUCTION OF THE RESEARCH

Work Stress has been considered as a part of every human life and is there to stay from all times to come. Each employee is certainly exposed to various stressful situations. Stress is unavoidable on the part of the employees when they try to cope up with their internal and external challenges. Every employee cannot match his or her skills and abilities with rapid changes taking place in their jobs. This will basically lead to arising of work stress among employees. Employee stress can take different forms and have significantly impact on both individuals and organizations. Work stress may do considerable damage to a person internally; it can evident as anxiety, anger, irritability, dependency, withdrawal or depression. Regardless of the form it takes, work environment stress results in reduced productivity, high absenteeism, turnover, creation of increased atmospheric problems, severe illness, work-life imbalance and so on. It is vital for organizations and their managers to treat workplace stress like any other work related hazard by taking an active position to prevent and manage it.

Work place stress is the harmful physical and emotional response that occurs when there is a poor match between job demands and the capabilities, resources, or needs of the worker. These conditions may lead to poor work performance or even injury. These conditions may lead ultimately to compromised health. Stress is a prevalent and costly problem in today’s workplace. Most of the workers reports high levels of stress. They view their jobs as the number one stressor.
in their lives. Some symptoms of stress may be absenteeism, escaping from work responsibilities, arriving late, leaving early, deterioration in work performance, more of error prone work, memory loss etc. cribbing, over reacting, arguing, getting irritated, anxiety etc.. Deteriorating health, more of accidents, improper eating habits, over eating – under eating, excessive smoking and drinking, sleeplessness, etc..

LITERATURE REVIEW

Satiya S. & Khan W. (2013) Occupational Stress is as same as Job Stress that needs to be controlled at the workplace otherwise it will affect negatively employee’s work attitudes and behavior. He conducted a study to investigate the relationship between Emotional Intelligence and Occupational Stress. The findings of his study revealed that Emotional Intelligence as a significant predictor of Occupational Stress.¹

Bhatti N., Shar H. A., Shaikh F. M. & Nazar M. S.(2010) - He has classified stressors broadly into two main types-a) Extra-Organizational and b) Intra-Organizational Stressors. According to his study he predicted that the major causes of stress are firstly workload that causes 25% of stress, secondly timings that results 16% of stress, thirdly climate that causes 11% of stress.²

Sinha V. and Subramanian K.S. (2012) - The study highlights that various levels of organization experience different kind of organizational role stress. It also states that stress is influenced by various factors like shortage of resources, inadequacy within a person, overload with a role, stagnation of a role and isolation and expectation of a role.³

Karthik R. (2013) - Employee’s performance at work is influenced by stress that can be either positive or negative. The employee’s performs better if they face low to moderate amount of stress. Hence, it aims at reducing the level of stress rather than eliminating stress completely.⁴

OBJECTIVIES OF THE STUDY

1. To study the causes of stress among employees
2. To study the effects of work stress on employee and organization

SCOPE OF THE STUDY

Transport services, like other services have become one of the highly competitive sectors in India. This research study is conducted specifically in Metropolitan Transport Corporation (Chennai) Limited. This segment commenced in the year of 1972 with 1029 buses covering 176 routes by executing 892 services. The available number of employees was 12178. Twelve lakhs passengers travelled per day using MTC bus service. In the present year (2014), it has 27 bus depots with 3750 buses, covering 802 routes connecting various places in Chennai. The number of employees working in MTC presently is 24,123. Forty four lakhs passenger travels via MTC
bus services in per day basis currently. Huge growth has been accomplished without considerable increment in the number of employees. So, today employees of MTC are overloaded with work and they suffer with emotional disturbances which results automatically in stress among them. Recent studies revealed that MTC pays Rs 1.6 lakhs in fines for violation of traffic rules in a single year. MTC also informed as its buses were involved in more number of accidents. Besides technology and external elements, one of the factor which is highlighted as the cause of the above destructions is the manpower of MTC and the stress prevailing among them.

Considering this fact, an attempt has been made through this research paper to know the causes and effects of work stress among the M.T.C Employees. The qualitative data is collected using in-depth interview method. From the qualitative research study undergone, it is found that maximum number of employees in depot remains in stress. Majority of the employees try to find solution to relieve them from stress.

RESEARCH METHODOLOGY

The research study is conducted in Metropolitan Transport Corporation (Adyar depot, Chennai). The exploratory research study is conducted to gain familiarity and to acquire new insights related to the research objective. This type of research is more interactive in nature. Thirty employees are selected as respondents based on their availability between their shifts timings. Simple random sampling method is used to derive samples from the population.

In-depth interview technique is used as a research tool to collect primary data from the respondents. Unstructured informal interview is conducted by the researcher. These interviews were useful in obtaining a clear understanding and to identify the causes of work stress prevailing in the organization and its effect on employees and organization.

DISCUSSION & FINDINGS

Identifying the determinants and causes of stress as a motive several informal questions are probed to the respondents. The employees exposed many reasons and situations which are leading to emotional imbalance and work stress. Major causes revealed are Unrealistic workload, reducing the size of the workforce, extended routes, work shifts and overtime, No Gratuity and provident funds are provided after their retirement from the year of 2011, transfers, internal conflicts, lack of opportunity for advancement, working condition, road interiors, passenger behaviour, lack of motivation, employee treatment, internal conflicts and relationship with superiors, peers & subordinates. Work stress directly has significant impact on employees. They suffer from anger, irritability, work life imbalance, low job involvement, demotivation, physical illness, high absenteeism, turnover, employee dullness and job dissatisfaction. Due to work stress
organization also suffer from unhealthy employer employee relationship, remarked as a poor service provider, union problems, violence, group think and so on.

SUGGESTIONS

Employees must take a regular sleep, have plenty of water, have healthy eating habits. Organization may promote relaxation techniques such as Yoga, listening music, meditation and family get together. The employee themselves should have optimistic approach about their work. They should avoid networking with negative approach employees, they must also exhibit emotional intelligence at workplace. Employees should have self awareness, self confidence and self control at work place. Employee counseling is a very good strategy to overcome employee stress. Organization should organize counseling for employees. Through counseling, employees can become aware of their strengths and how to develop those strengths; their weakness and how to eliminate them; and they can develop strategies for changing their behaviour.

CONCLUSION

From the qualitative data collected it is evident that with increasing complexity in employee work style, the level of stress has been rising at a phenomenal rate. The employees should try to help themselves and keep themselves fit out of stress. It is primarily the responsibility of an individual to balance work and life and initiate steps to reduce stress and burnout. The organization can indeed facilitate the process by initiating cutting edge work life balance practices, stress management assistance programmes, flexible work arrangements when needed, providing them their benefits and perks without cuts, recruiting employees when necessary, maintain proper working conditions and by inducing industrial peace. This in turn reduces road accidents, violation of traffic rules, employee absenteeism and dullness and increases employee satisfaction, employee performance, employee morale and commitment towards organization. This transforms MTC employees as best service providers for the society.

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Brand Building with reference to retail sector

Bindu basini.S * and Dr.Shakila M.K **

*Research Scholar, Bharathiar University, bindubashini88@gmail.com

** Associate Professor, Agni College of Technology, shakilamk@gmail.com
ABSTRACT:

In the fast growing economy, many changes are happening in the purchasing behavior of the consumers, so the major objective of this paper is to discuss about how advertisements help the Marketers in brand building and how it helps and influences the consumers in brand preference. In order to have an elaborate discussion, different media advertisements have been chosen and an attempt is made to see how the companies are building and differentiating their brands.

In the competitive environment Branding becomes necessary to compete with the rivalry product which is available in the same market. Advertisements are used to present the product differentiation. Other than this usage, an advertisement has many other features also, mainly it educates the consumers on how to use the products, it creates awareness about the product & company and persuades the audience to purchase the product.

Retail sector being a lucrative one has been chosen for this study. We can witness that a lot of companies be it Indian or Foreign are showing more interest in the field of Retail. This sector has variety of customers. The tastes and preferences of customers keep changing and hence this industry or sector has to be dynamic responding to differences in tastes and preferences and also has to attempt to change the market. There are products like deodorants which were not been accepted by a sensitive market like India. Now we can see that the market is more receptive for personal care products. So is the case of frozen foods. Marketers are attempting to change the preferences of customers and advertisements are a tool to reach this goal. A few advertisements related to the field of Retail are being discussed in detail and conclusions are drawn accordingly.

**Key words: Brand, Advertisement, consumers, competitive environment, awareness.**
INTRODUCTION TO THE PRESENT RESEARCH STUDY:

The researcher has chosen to analyze the Brand Preferences in the Indian Retail Industries as her primary study. Brand building is the important footstep for every company. A company cannot build its brand in the minds of a consumer in a jiffy. Branding has different dimensions in the market, first marketers need to find a competitive factor which would help them to highlight and differentiate it from other brands offered in the market. In India for the past decade, retail sector is growing dramatically. Such being a case many new entrants all over the globe enters in to the Indian market and generates a tuff competition among them and to be successful in the market - brand building process become mandatory for all the company for its unique identification.

Point to be noted is many competitive brands are designed to satisfy the same need of the consumers. Such being the case, it becomes inevitable for a marketer to take help from Advertisements. The major component of marketing activity begins with advertisement; this mode drives the companies to reach their target customers & consumers.

REVIEW OF RELATED EARLIER LITERATURE:

Review of earlier studies in this area refers to American Marketing Association (AMA), which says a brand is a “name, term, sign, symbol or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition”. We have also dealt in this paper with more than two industries.

Harvard’s Ted Levitt has argued that “the new competition is not between what companies produce in their factories but between what they add to their factory output in the form of packaging, services, advertising, customer advice, financing, delivery arrangements, warehousing and other things that people value.”
“India’s new middle class is increasingly becoming brand conscious and willing to spend on quality goods, a trend which is creating numerous business opportunities for mid-range international brands. With political and economic sentiments already showing signs of improvement, we believe this is the right time for international retailers to look at India for expansion into the region,” as per Mr Anshuman Magazine, Chairman and Managing Director, CB Richard Ellis (CBRE), South Asia.

“The opportunities in food and grocery retail are immense, given that it constitutes about 69 per cent of the country’s total retail market, according to panel members at the seventh Food and Grocery Forum India 2014”.

OBJECTIVES OF THE STUDY:

A. To discuss how advertisements help the marketers in brand building.

B. To analyze how brand building helps and influences the consumers in Purchase decision (brand preference).

SCOPE OF THE STUDY:

A. This study helps in identifying the role of advertisement behind the purchasing behavior of the consumers.

RESEARCH METHODOLOGY USED:

Descriptive research method is used in this study, because it includes surveys, facts and findings, enquire of different kind. Convenient sampling method is used in order to collect samples. The study was conducted in Chennai in the period of August 2014. Questionnaire was used to collect samples for the study and on spot discussion with the customers in the retail shop (Big Bazaar).
This paper narrates and concludes with the feedback of the 80 consumers and their opinion behind their branding activities which are done by the retailers with the help of advertisement.

**ADVERTISEMENTS AS A TOOL AND PRODUCT DIFFERENTIATION (BRANDING) IN RETAIL INDUSTRY**

There are various modes of advertisements are there particularly media advertisement is chosen for the discussion. Through this mode, they are able to carry out their Brand Building process positively, such as representing their brand logo (Brand Identity), using jingles they can explain the usage of the product (brand Response), slogan helps them to explain what they are (Brand Meaning), and also to reach the target consumers (Brand Relationship). The common mantra for all the retailers is attracting consumers towards their brand, for the same the common tool used by them is advertisement, because through this mode they can reach more number of consumers at one time. Common advertising strategies used by the companies in brand building are as follows:

A. Brand Ambassadors’ – Hiring a popular personality for their brand to reach the consumers.

B. Show off competitive advantage in their product when compare with their rivals in the same market.

C. Creating a Brand Awareness – both new entrants and existing company have to create an awareness about the product entry or sustainability in the market,

D. Emotional reach – in an advertisement children or a child will play a major role.
### ANALYSIS IN DETAIL:

<table>
<thead>
<tr>
<th>1. Occupation</th>
<th>F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Self Employed</td>
<td>13</td>
<td>16.25</td>
</tr>
<tr>
<td>Government Employee</td>
<td>7</td>
<td>8.75</td>
</tr>
<tr>
<td>Working in MNC</td>
<td>40</td>
<td>50</td>
</tr>
<tr>
<td>Home Maker</td>
<td>12</td>
<td>15</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Gender</th>
<th>F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>40</td>
<td>50</td>
</tr>
<tr>
<td>Female</td>
<td>40</td>
<td>50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Brand Refers to</th>
<th>F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>40</td>
<td>42</td>
</tr>
<tr>
<td>Expensive</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Exist in the market for a long time</td>
<td>15</td>
<td>22</td>
</tr>
<tr>
<td>Accepted by many customers</td>
<td>17</td>
<td>32</td>
</tr>
<tr>
<td>Uniqueness</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. Reason to visit Big Bazaar</th>
<th>F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Many brands are available</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>Offers / Discounts</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Special day melas</td>
<td>3</td>
<td>3.75</td>
</tr>
<tr>
<td>All necessities are available in one roof</td>
<td>47</td>
<td>58.75</td>
</tr>
<tr>
<td>Location (Reach)</td>
<td>2</td>
<td>2.5</td>
</tr>
<tr>
<td>5</td>
<td><strong>Factors Influencing purchase behavior</strong></td>
<td>F</td>
</tr>
<tr>
<td>---</td>
<td>----------------------------------------</td>
<td>---</td>
</tr>
<tr>
<td>Brand</td>
<td>24</td>
<td>30</td>
</tr>
<tr>
<td>Price</td>
<td>5</td>
<td>6.25</td>
</tr>
<tr>
<td>Quality</td>
<td>44</td>
<td>55</td>
</tr>
<tr>
<td>Offer / Discount</td>
<td>5</td>
<td>6.25</td>
</tr>
<tr>
<td>Quantity</td>
<td>2</td>
<td>2.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6</th>
<th><strong>Are you Brand Conscious</strong></th>
<th>F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>51</td>
<td>63.75</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>29</td>
<td>36.25</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>7</th>
<th><strong>Advertisement is the only mode to educate a consumer about the product – do you agree?</strong></th>
<th>F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>26</td>
<td>32.5</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>38</td>
<td>47.5</td>
<td></td>
</tr>
<tr>
<td>Neutral</td>
<td>8</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>6</td>
<td>7.5</td>
<td></td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>2</td>
<td>2.5</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>8</th>
<th><strong>Did Advertisement induce your purchase behavior</strong></th>
<th>F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always</td>
<td>8</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Sometimes</td>
<td>21</td>
<td>26.25</td>
<td></td>
</tr>
<tr>
<td>Occasionally</td>
<td>33</td>
<td>41.25</td>
<td></td>
</tr>
<tr>
<td>Rarely</td>
<td>7</td>
<td>8.75</td>
<td></td>
</tr>
<tr>
<td>Not at all</td>
<td>11</td>
<td>13.75</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Questionnaire*
Chi Square Test:

Ho(Null Hypothesis) – There is no association between Brand conscious and Gender

H1(Alternate Hypothesis) – There is an association between Brand conscious and Gender

<table>
<thead>
<tr>
<th>Gender * Brand Conscious</th>
<th>Brand Conscious</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Male</td>
<td>24</td>
<td>16</td>
</tr>
<tr>
<td>%within Gender</td>
<td>60.0%</td>
<td>40.0%</td>
</tr>
<tr>
<td>%within Brand Conscious</td>
<td>47.1%</td>
<td>55.2%</td>
</tr>
<tr>
<td>% of Total</td>
<td>30.0%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Female</td>
<td>27</td>
<td>13</td>
</tr>
<tr>
<td>%within Gender</td>
<td>67.5%</td>
<td>32.5%</td>
</tr>
<tr>
<td>%within Brand Conscious</td>
<td>52.9%</td>
<td>44.8%</td>
</tr>
<tr>
<td>% of Total</td>
<td>33.8%</td>
<td>16.3%</td>
</tr>
<tr>
<td>Count</td>
<td>51</td>
<td>29</td>
</tr>
<tr>
<td>%within Gender</td>
<td>63.8%</td>
<td>36.3%</td>
</tr>
<tr>
<td>%within Brand Conscious</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>% of Total</td>
<td>63.8%</td>
<td>36.3%</td>
</tr>
</tbody>
</table>

Chi - Square Test

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig.(2-sided)</th>
<th>Exact Sig. (2-sided)</th>
<th>Exact Sig. (1-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>.987</td>
<td>1</td>
<td>.001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuity Correlation</td>
<td>.987</td>
<td>1</td>
<td>.001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>.987</td>
<td>1</td>
<td>.001</td>
<td>.001</td>
<td>.002</td>
</tr>
<tr>
<td>Fisher's Exact Test</td>
<td></td>
<td></td>
<td></td>
<td>.001</td>
<td>.002</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>.99</td>
<td>1</td>
<td>.001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>80</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Result:

Hence the calculated value is .002, it is less than 0.005 so accept H1 i.e., There is an association between brand consciousness and gender. Nearly more than 50% of the consumers are brand
conscious in their purchase and it also reveals that when compare to Male, now a day’s females are becoming more brand conscious. The analysis reveals the point that when consumers are becoming brand conscious then it is an inevitable process for a company to build its branding activities prominently. Therefore there is a chain reaction between advertisement, consumer brand preference or conscious and brand building activities by the retail companies.

FINDINGS:

A. Nearly 50% of the consumers believe that brand represents quality and 21.25% of the consumers believe that when the product is accepted by many consumers then it represents brand.

B. 58.75% of the consumer agrees that they are able to get all their necessities in one retail shop (Big bazaar) that may be one of the important reasons behind the success of retail sector in India.

C. 56.25% of the consumer accepted the fact that advertisements are the only mode through which they get aware about the offers and discounts offered in the market.

D. 55% of the consumer agrees that they give more importance to quality when they prefer to buy any product and 30% gives importance to brand.

E. 51% of the consumers are brand consciousness.

INTERPRETATION:

A. In order to get succeed among the rivals in the market, more concentration on the quality part is needed, so company may give more importance to Research and development activities.

B. Consumers are becoming more brand consciousness, promoting their brand and retaining their status in the minds of consumers helps the company to increase their profitability.
C. From the analysis it clearly shows that advertisements reach all the consumers, so showing some uniqueness and clarity in educating the consumers through advertisement may support the company to occupy more market share.

D. 70% of consumer assures that through television they are able to get more knowledge about the product availability and related offers which are available in the market so for brand building process an effective tool is advertise through television media.

COMMON BARRIERS IN BRAND BUILDING ACTIVITY:

A. Heavy competition – day by day many new entries are entering into the market.

B. Changes in Consumers tastes and preferences – consumers becomes more brand consciousness

C. Availability of variety of brands likes national brand, international brand, private brand in the market – this makes the consumers to get confused in their purchasing behavior.

D. High cost – company need to spend more expenditure for brand building activities like advertising, offers, discounts, other marketing activity.

E. Technological advancement

F. Brand shifting behavior of consumers – consumers intended to try new products rather than sticking in the same brand for a long time.

CONCLUSION:

Indian retail industry is the fifth largest industry in the world; it attracts more retailers so retail sector generates more competition, to sustain in the market each retailer needs to show their product differentiation through Branding. An advertisement is helping the retailers to build their brand successfully in the minds of the consumers. Purchasing behavior of the consumers have
come across many changes among them online shopping is highly an notable issue, because of that simultaneously Online retail industry is also booming. According to the dynamic purchasing behavior of the consumer retailers are also changing their branding activities in different areas. In all the situations advertisements is one of the important factors supporting the retail sector for successful brand building.

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