

Impact of Increase in Dividend Distribution Tax on Dividend Payout Ratio: Empirical Evidence from India

According to the “Dividends are bad” school of thought dividends create a tax disadvantage for the investors who receive them because they are taxed much heavily than capital gain. According to this view, dividend payments should reduce the returns to stockholders after personal taxes. However, according to tax preference or trade-off theory, favorable dividend tax should lead to higher payouts. The Union Budget of 1997 made dividends taxable in the hands of the company paying them and not in the hands of the investors receiving them. As compared to the earlier tax regime where the recipient shareholder paid the tax on the dividend received primarily on the basis of marginal tax slab rate applicable to him/ her (varying between 0 percent to 30 percent), in the current structure of corporate dividend tax, the dividend paying companies pay dividend tax at a flat rate of 12.5 per cent as of financial year 2005- 06. More recently, in 2007 the government has increased dividend distribution tax from 12.5 percent to 15 percent (16.609 percent including surcharge and education cess) making it much higher than to short term capital gain tax rate of 10 percent. This increase in dividend distribution tax is likely to affect dividend payout ratios of the Indian firms adversely. The present study examines the impact of Dividend Distribution Tax (DDT) on dividend policy, specifically on Dividend Payout Ratio (DPR) of 215 Indian companies listed on Bombay Stock Exchange covering all the major sectors like Metal and Mining, Auto, Capital goods, Consumer durables, Finance, FMCG, IT, Oil & Gas, Power, and Healthcare. While various studies have already been conducted regarding tax regime change in 1997, no study is available on the impact of increase in Dividend Distribution Tax in 2007 from 12.5 percent to 15 percent. The present paper provides empirical evidence on the impact of increase in DDT from 12.5 percent to 15 percent in 2007 on dividend payout ratios of Indian firms.

Key Words: Dividend Distribution Tax, Payout Policy, Favorable Tax Policy. Short Term Capital Gain Tax.

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Consumers Attitude about Blog and Community Marketing Across India and Australia

Increase in the popularity of social networking and blogging sites has attracted the interest of the marketers and communication strategists, who forever are searching for new means of advertising. Advertising on these sites in the developed economies has been very successful and has led to increased positive recall and word of mouth advertising. Companies motivated by their success are duplicating the same models across social networking sites targeting different cultures and countries. It is in this backdrop that the current study was undertaken, with the objective to examine, if marketing on sites such as social communities and blogs, is perceived similarly and positively by the consumers across cultures. Furthermore, was it advisable for

companies to blindly duplicate the communication model across communities and networking sites or was adaptability suggested. To answer these question data was collected from 80 respondents in India and 90 in Australia, by hosting the questionnaire link on popular blogging sites and communities on networking sites. To test the hypothesis chi square and Mann whitney tests were used. The results of the study highlight that consumers perceive customized marketing advertisements positively on blogs/ communities. This perception was influenced by cultural and demographic variables. Results highlighted that traditional advertisements needed to more sensitive to all demographic variables across cultures but online advertisements could be standardized to some extent. Results indicated that Indian online advertisements needed to be more sensitive to age and gender while Australian advertisements needed to be more sensitive to Age and education. According to the study, the best way to advertise online and to get noticed is to place the advertisement on a blog or community directed towards the target groups' interests, and to tailor the advertisement itself to the blog or community. This research paper highlights the role of Cross Cultural issues on Blog and community marketing and adds to growing base of marketing literature concerning Blogs and communities as alternate means of marketing communication.

Keywords: Online Marketing Communication, Customer Perception, Cross Cultural Marketing, Chi Square, Mann Whitney.

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WORK GROUP DIVERSITY AND THEIR RELATIONSHIP WITH INDIVIDUAL WELL BEING: AN EMPIRICAL STUDY

The state of well being of an individual working in a group is affected by group related factors. One of such group related factor is the diversity of the group. This diversity includes income, membership tenure, work group size and gender composition. Since the group effectiveness much depends upon the individual group member's well being, this study aims at analyzing the relationship of work related diversity of work groups with individual well being such as job satisfaction, commitment, burnout and life satisfaction. Sample consists of employees from four group based organizations. The test results indicate the attributes of work related diversity i.e. income categories and work group sizes show significant differences on individual well being, the group membership tenure show significant difference on job satisfaction and burn out and there is a significant difference between gender composition of groups with respect to burnout.

Keywords: Work related diversity, Job satisfaction, Commitment, Burnout, Life satisfaction

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FINANCIAL BEHAVIOUR OF INDIVIDUAL INVESTORS: A SEGMENTATION APPROACH

The objective of the study is to identify the investor segments based on their attitudes and behavior in day to day financial matters and also to identify their socio-demographic characteristics. The study examines the individual's financial competence and their consequential product needs. The survey is conducted in three districts of Punjab. Out of 120 questionnaires distributed, 100 were retained for final analysis. Cluster analysis identified three segments of investor's i.e. rational, intuitive and conservative investors. Significant differences were found among the three segments in terms of their socio-demographic characteristics. The study provides implications for financial advisors who can offer more effective advice to the individual investors as per their needs and take into account the differences among different segments in order to help such segments improve their financial decisions.

Keywords: Individual Investors, Attitudes and Behaviour, Cluster Analysis, Investor Segmentation.

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Educator Characteristics for Sustainable Student Development

Higher education sector is significantly responsible for sustainability, by virtue of its influence on society and autonomy in imparting knowledge. The sector faces numerous challenges to actualize its potential for contributing to sustainability, of which the major one involves sustainable human development for a sustainable future. This paper identifies teacher efficacy as a significant quality of an educator that leads to positive, desired and sustainable student development. It also identifies few professional

characteristics of educators that have a significant influence on teacher efficacy. Methodology involves a wide literature review, instrument validation and empirical analysis of the variables involved through path modelling. The findings emphasize that focusing and enhancing the sense of efficacy and professional characteristics of educators will play a vital role in transforming management education for sustainable and enduring student development.

Key words: Higher education sector, Sustainable future, Teacher efficacy, Professional characteristics.

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Measuring Entrepreneurial Orientation in SMEs

This paper focuses on the skills, characteristics and personality traits of owner managers. The paper discusses the entrepreneurship as subject of research and its evolution in general. The research specifically centres on the development and application of the Entrepreneurial Orientation (EO) scale in various national contexts. The research tests the EO scale among the entrepreneurs of the state of Rajasthan. The results suggest that the owner-managers of this region show innovativeness as a dominant personality trait. The study also finds evidence that the entrepreneurs are to some extent proactive and aggressive in their approach and are calculated risk takers.

Keywords: Entrepreneurial Orientation, Competitive Aggressiveness, Market Proactiveness, Firm Innovativeness, Risk Taking.

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